

**January 30, 2017**

**VFSPL/MB/SCTL/BB/003**

To,  
**BSE Limited**  
Pheeroze Jeejeebhoy Towers,  
Dalal Street,  
Fort  
Mumbai – 400 001  
BSE Code – 532663

**Kind Attn: Ms. Amrin Memon/ Mr. Sahil Chopra**

**Sub: Buy-back offer of Sasken Communication Technologies Limited (the “Company”)**

**Offer to Buy-back up to 28,69,098 (Twenty Eight Lakhs Sixty Nine Thousand and Ninety Eight) fully paid up Equity Shares of the Company of face value of Rs. 10/- (Rupee Ten only) each at a price of Rs. 410/- (Rupees Four Hundred and Ten Only) per equity share on a proportionate basis through the Tender Offer process using Stock Exchange Mechanism (“Buy-back”).**

Dear Madam/Sir,

With reference to the captioned matter, please find enclosed requisite documents required for using BSE bidding software for Buy-back of Equity shares of Sasken Communication Technologies Limited:

Sr. No	Documents	Annexure
1.	OTB Software usage undertaking by Promoter(s)/ Acquirers/PACs and Undertaking by Promoter(s)/ Acquirers/PACs	Annexure 1
2.	Public Announcement	Annexure 2
3.	Corrigendum to Public Announcement	Annexure 3
4.	Draft Letter Of Offer	Annexure 4
5.	SEBI Observation letter on Draft Letter of Offer	Annexure 5
6.	Letter of offer	Annexure 6
7.	Payment details of Software usage fees	Annexure 7

Kindly take the same on record and oblige.

Thanking you,

Yours faithfully,

For Vivro Financial Services Private Limited

  
Harish Patel

AVP- Capital Market

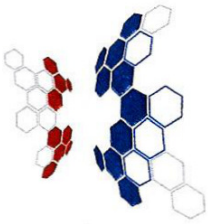
Encl- As above

**Regd. Office :**

Vivro House, 11 Shashi Colony, Opp. Suvidha Shopping Centre, Paldi, Ahmedabad, Gujarat, India - 380 007

**Tel.:** +91 (79) 40404242, 26650669

CIN - U67120GJ1996PTC029182, Merchant Banker Sebi. Reg. No. INM000010122, AMBI Reg. No. AMBI/086



The CEO & Managing Director  
BSE Limited  
PJ Towers,  
Mumbai - 400 001

January 27, 2017

Dear Sir,

**Sub:** Usage of the electronic facilities and software of the Exchange for Offer To Buy (OTB) Acquisition Window  
**Ref:** Scrip Code 532663

We are intending to make an Offer for buyback of upto 28,69,098 equity shares ("Shares") of the face value of Rs.10 (Rupees Ten only) each at a price of Rs.410 (Rupees Four hundred ten only) per fully paid up equity share on proportionate basis through the tender offer process carried out as per the Stock Exchange mechanism in accordance with SEBI circular no. CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015.

We request the Exchange to allow all the Trading Members of the Exchange to participate in the Offer To Buy (OTB) Acquisition Window process through the online ACQ platform of the Exchange, subject to such terms and conditions as may be set by the Exchange in this regard including signing of undertakings etc.

1. Provisions of facilities and Infrastructure.

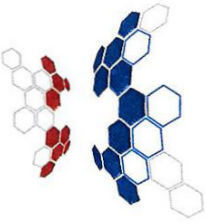
BSE will make available the software for Offer To Buy (OTB) Acquisition Window.

It is to be distinctly understood that the permission given by BSE to use their network and software of the Online OTB platform should not in any way be deemed or construed that the compliance with various statutory approved by BSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of the offerer.

It is also to be distinctly understood that the approval given by BSE is only to use the software for participating in OTB process.

2. Terms of Operations for the electronic facilities and software for OTB will cover the following:

- a. A complete and continuous back up maintained by BSE, of the data being entered into the OTB system by Trading Members.
  - b. BSE to keep open on-line OTB facilities during those hours and dates as are mentioned in the Letter of Offer and documents submitted to BSE and allowed as per the aforesaid SEBI circular.
3. The Exchange shall provide its services on a best effort basis. However, the Exchange shall not be liable for failure of the system or for any loss, damage, or other costs arising in any way out of:
- a. Telecom network or system failures including failure of ancillary or associated systems or fluctuation or power or other environmental conditions, or
  - b. Accident, transportation, neglect, misuse, errors, frauds of the trading members or its authorized persons or the agents or any third party including other stock exchange
  - c. Any fault in any attachments or associated equipment (either supplied by the Exchange or approved by the Exchange) which forms or does not form part of the trading workstation installation or OTB system including any system issue or fault at other stock exchange
  - d. Act of God, fire, flood, war act of violence, or any other similar occurrence, or
  - e. Any accidental special or consequential damages including without limitation of loss of profit.


4. Charges of BSE

For availing the abovementioned services, Company shall pay the fees as per the schedule of BSE.

We request you to kindly sign and return the duplicate copy of this letter.

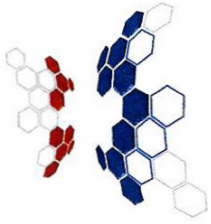
Thanking you,

Yours faithfully,  
For Sasken Communication Technologies Limited

  
S. Prasad



Associate Vice President & Company Secretary



Sr. General Manager – Listing  
BSE Limited  
PJ Towers  
Mumbai - 400 001

January 27, 2017

Dear Sir,

**Sub:** Offer for Buy-back of equity shares of Sasken Communication Technologies Limited

**Ref:** Scrip Code 532663

We are intending to make an Offer for buy-back of upto 28,69,098 equity shares ("Shares") of the face value of Rs.10 (Rupees Ten only) each at a price of Rs.410 (Rupees Four hundred ten only) per fully paid up equity share on proportionate basis through the tender offer process carried out as per the Stock Exchange mechanism in accordance with SEBI circular no. CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015.

In this regard, we confirm the following:

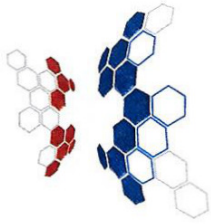
- a) The company has not been barred by SEBI or any other regulatory authority to carry out buy-back of its equity shares.
- b) Any order / directive from SEBI / any other regulatory authority relating to the buy-back offer of the company will be filed with the BSE immediately.
- c) The company has complied with the provisions of Regulation 38 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, before proceeding with the buy-back and shall maintain compliance with the said provisions at all times during the continuance of buy-back.
- d) Accept all the shares bought in Physical Mode in the Buyback process irrespective of their denomination (lot size if any) subject to fulfilling other conditions as specified under Regulation 15A.
- e) Company shall furnish the particulars of the security certificates extinguished and destroyed, to BSE as per Regulation 12 of the Buy-back Regulations. Company is aware that BSE can change and amend requirements, guidelines and give further instructions to us and we shall be bound by such regulatory requirements as intimated by BSE / SEBI.
- f) Company shall provide all information as required for Buy-back as specified by BSE from time to time.



Sasken Communication Technologies Ltd.

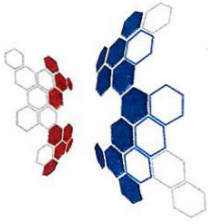
139/25, Domlur Ring Road, Bengaluru - 560 071, India.  
CIN - L72100KA1989PLC014226, E-mail - info@sasken.com  
T - 91 80 6694 3000, F - 91 80 2535 1133  
www.sasken.com

1 | Page



Further, Company undertakes that:

- i. The Company shall ensure that the public announcement of the offer or any other advertisement, circular, brochure, publicity material shall contain true, factual and material information and shall not contain any misleading information and state that the directors of the company accepts the responsibility for the information contained in such documents.
- ii. The company shall not issue any shares or other specified securities including by way of bonus till the date of closure of the offer made under SEBI (Buy-back of Securities) Regulations, 1998 ("Buy-back Regulations").
- iii. The company shall complete the pay-in as per scheduled / prescribed timings.
- iv. The company shall not withdraw the offer of buy-back after the draft letter of offer is filled with SEBI or public announcement of the offer to buy-back is made.
- v. The promoter or the person shall not deal in the shares or other specified securities of the company in the stock exchange or off-market, including inter-se transfer of shares among the promoters during the period from the date of passing the resolution under Regulation 5 of Buy-back Regulations till the closing of the offer
- vi. The company shall not raise further capital for a period of one year from the closure of buy-back offer, except in discharge of its subsisting obligations
- vii. Company has not made public announcement for buy-back during the pendency of any schemes of amalgamation or compromise or arrangement pursuant to the provisions of the Companies Act.
- viii. The company has nominated a compliance officer at its Board Meeting held on October 27, 2016 and investors service center for compliance with the Buy-back Regulations and to redress the grievances of the investors.
- ix. The particulars of the security certificates extinguished and destroyed shall be furnished by the company to BSE as per Regulation 12 of the Buy-back Regulations.
- x. The company shall not buy-back the locked-in shares or other specified securities and non-transferable shares or other specified securities till the pendency of the lock-in period or till the shares or other specified securities become transferable
- xi. The company shall within two days of the completion of buy-back issue a public advertisement in a national daily, inter alia, disclosing:
  - a. number of shares or other specified securities bought;
  - b. price at which the shares or other specified securities bought;
  - c. total amount invested in the buy-back;



- d. details of the security-holders from whom shares or other specified securities exceeding one per cent of total shares or other specified securities were bought back; and
  - e. the consequent changes in the capital structure and the shareholding pattern after and before the buy-back.
- xii. The company shall comply with the provisions of buy-back as contained in the Companies Act and other applicable laws.
- xiii. Company shall bear the expenses relating to Buy-back including fees as prescribed by BSE.

Thanking you,

Yours faithfully,

For Sasken Communication Technologies Limited

S. Prasad



Associate Vice President & Company Secretary



# Sasken Communication Technologies Limited

Registered Office: 139/25, Ring Road, Domlur, Bengaluru - 560 071, Karnataka, India.  
Tel: + 91-80-6694 3000; Fax: + 91-80-2535 1309; E-mail: investor@sasken.com; Website: www.sasken.com  
Corporate Identity Number: L72100KA1989PLC014226  
Contact Person: Mr. S. Prasad, Associate Vice President & Company Secretary

## PUBLIC ANNOUNCEMENT FOR THE ATTENTION OF EQUITY SHAREHOLDERS / BENEFICIAL OWNERS OF EQUITY SHARES OF SASKEN COMMUNICATION TECHNOLOGIES LIMITED FOR BUY-BACK OF EQUITY SHARES THROUGH TENDER OFFER UNDER THE SECURITIES AND EXCHANGE BOARD OF INDIA (BUY-BACK OF SECURITIES) REGULATIONS, 1998, AS AMENDED (THE "BUY-BACK REGULATIONS").

This public announcement (the "Public Announcement") is being made in accordance with the provisions of Regulation 8(1) of the Buy-back Regulations and contains disclosures as specified in Part A of Schedule II to the Buy-back Regulations.

**OFFER FOR BUY-BACK OF UP TO 29,27,879 (TWENTY NINE LAKHS TWENTY SEVEN THOUSAND EIGHT HUNDRED AND SEVENTY NINE) FULLY PAID UP EQUITY SHARES OF THE COMPANY OF FACE VALUE OF ₹10/- (RUPEES TEN ONLY) EACH AT A PRICE OF ₹410/- (RUPEES FOUR HUNDRED AND TEN) PER EQUITY SHARE ON A PROPORTIONATE BASIS THROUGH TENDER OFFER PROCESS USING STOCK EXCHANGE MECHANISM.**

- 1. DETAILS OF THE BUY-BACK OFFER AND OFFER PRICE**
- 1.1 In accordance with Article 172 of the Articles of Association of the Company and provisions of section 68, 69, 70 and other applicable provisions of the Companies Act, 2013 (the "Act"), rules made thereunder and in compliance with the Buy-back Regulations and subject to such other approvals, permissions and sanctions as may be necessary, the Board of Directors (the "Board") of Sasken Communication Technologies Limited (the "Company") at its meeting held on October 27, 2016 have approved the Buy-back of up to 29,27,879 fully paid up Equity Shares of the Company having face value of ₹10 each ("Equity Shares") representing 15.94% of the total paid-up equity share capital of the Company at a price not exceeding ₹425/- (Rupees Four hundred and twenty five) per Equity Share (the "Maximum Buy-back Price") payable in cash for a total consideration not exceeding ₹12,004.31 lakhs (Rupees Twelve thousand and four lakhs and thirty one thousand only) excluding transaction costs viz. fees, brokerage, applicable taxes such as securities transaction tax, service tax, stamp duty, etc. ("Transaction Costs") (hereinafter referred to as "Maximum Buy-back Size"), which is within 25% of the total paid-up equity capital and free reserves (including securities premium account) as per the standalone audited Financial Statements of the Company for the financial year ended March 31, 2016 through the "Tender Offer" route as prescribed under the Buy-back Regulations (the process being referred hereinafter as "Buy-back"), on a proportionate basis, from the equity shareholders / beneficial owners of the Equity Shares of the Company as on the record date (the "Eligible Shareholders"). The shareholders approved the Buy-back, by way of special resolution, through postal ballot / e-voting by way of a postal ballot notice dated November 18, 2016 (the "Notice"), the results of which were announced on December 23, 2016. The shareholders have authorized the Board (which term shall, unless repugnant to the context or meaning thereof, be deemed to include a duly authorised "Committee" or persons nominated by the Board to exercise its powers in relation to the Buy-back thereof) to determine the total amount to be deployed in the Buy-back, final Buy-back price, number of equity shares to be bought back within the aforesaid limits and such other terms of Buy-back. The Buy-back is subject to receipt of any approvals, permissions and sanctions of statutory, regulatory or governmental authorities as may be required under applicable laws, including the Securities and Exchange Board of India ("SEBI"), and the stock exchanges on which the Equity Shares of the Company are currently listed, namely, the BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE") (hereinafter BSE and NSE are referred to as the "Stock Exchanges").
- 1.2 Pursuant to the shareholders' approval, the Share Buy-back Committee at its meeting held on December 23, 2016 have determined the final Buy-back Price of ₹ 410 (Rupees Four hundred and ten) per Equity Share (the "Buy-back Price") and the total amount for Buy-back is ₹12,004.31 lakhs (Rupees Twelve thousand and four lakhs and thirty one thousand only) (the "Buy-back Size"), excluding the Transaction Costs which is 25% of the total paid-up equity capital and free reserves (including securities premium account) as per the standalone audited Financial Statements of the Company for the financial year ended March 31, 2016. With the Buy-back price of ₹410/- and Buy-back Size of ₹12,004.31 lakhs, the total number of shares to be bought back in the Buy-back shall be 29,27,879 Equity Shares (the "Maximum Buy-back Shares"), representing 16.52% of the total issued and paid-up equity capital of the Company.
- 1.3 The Buy-back shall be undertaken on a proportionate basis from the Eligible Shareholders as on January 6, 2017 (the "Record Date") through the tender offer route prescribed under Regulation 41(a) of the Buy-back Regulations. Additionally, the Buy-back shall be, subject to applicable laws, facilitated by tendering of Equity Shares by such Eligible Shareholders and settlement of the same, through the Stock Exchange Mechanism as specified by SEBI in Circular Number CIR/CFD/POLICY/CELL/1/2015 dated April 13, 2015 (the "SEBI Circular").
- 1.4 In terms of Buy-back Regulations, under the Tender Offer route, promoters and promoter group of the Company (the "Promoters") have option to participate in the Buy-back. However, none of the Promoters and Persons Acting in Concert will participate in the Buy-back.
- 1.5 The Buy-back Price of ₹ 410/- per Equity Share represents (i) premium of 12.29% on BSE and 12.13% on NSE over the volume weighted average price of the Equity Shares on BSE and NSE respectively for 3 months preceding the date of intimation of the Board Meeting to consider the proposal of the Buy-back to the Stock Exchanges; (ii) premium of 6.12% on BSE and 6.12% on NSE over the volume weighted average price of the Equity Shares on BSE and NSE respectively for 2 weeks preceding the date of intimation of the Board Meeting to consider the proposal of the Buy-back to the Stock Exchanges; (iii) premium of 1.22% on BSE and 1.17% on NSE over the closing market price of the Equity Shares on Stock Exchanges as on the date of the intimation of the Board Meeting to consider the proposal of the Buy-back to the Stock Exchanges.
- 1.6 The aggregate paid-up equity share capital and free reserves (including securities premium account) as at March 31, 2016 is ₹ 48,017.24 lakhs. In accordance with section 68(2)(c) of the Act, the funds deployed for the Buy-back shall not exceed 25% of the total paid-up equity share capital and free reserves (including securities premium account) of the Company under shareholder approval route. Accordingly, the maximum amount that can be utilized in the present Buy-back is ₹12,004.31 lakhs. The Company has proposed to utilise an aggregate amount not exceeding ₹12,004.31 lakhs excluding the Transaction Costs for the Buy-back which is within the maximum amount as aforesaid and which represents 25% of the paid-up equity capital and free reserves (including securities premium account) of the Company as per standalone audited Financial Statements of the Company for the financial year ended March 31, 2016.
- 1.7 Further, under the Act, the number of Equity Shares that can be bought back during the financial year shall not exceed 25% of the paid-up Equity Shares of the Company. Accordingly, the number of Equity Shares that can be bought back during the financial year cannot exceed 44,29,953 Equity Shares being 25% of the paid up equity capital of the Company, viz. 1,77,19,813 Equity Shares as per the standalone audited balance sheet as on March 31, 2016. Since the Company proposes to Buy-back up to 29,27,879 Equity Shares, the same is within the aforesaid limit.
- 1.8 Pursuant to the proposed Buy-back and depending on the response to the Buy-back, the voting rights of the Promoters in the Company may increase from the existing Shareholding of the total equity capital and voting rights of the Company. The Promoters of the Company are already in control over the Company and therefore such further increase in voting rights of the Promoters will not result in any change in control over the Company. Assuming the Buy-back of Maximum Buy-back Shares pursuant to the Buy-back Offer, the percentage holding of the Promoters may increase from the existing level of 43.69% to 52.33%. The shareholding percentage of the Promoters as a result of the Buy-back shall increase. Such an increase in shareholding percentage may attract Regulation 3(2) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 ("Takeover Regulations"). However, the same is exempt in terms of the clause (ii) to the proviso to Regulation 10(4)(c) of the Takeover Regulations, subject to compliance with the proviso of the aforesaid clause of the Takeover Regulations. The Promoter Directors of the Company being interested in the resolution approving the Buy-back in their capacity as Directors of the Company, have abstained themselves from voting in resolution approving the Buy-back passed by the Board at its meeting held on October 27, 2016 and the Resolution passed by the equity shareholders of the Company pursuant to the Postal Ballot Notice dated November 18, 2016.
- 1.9 The Buy-back of Equity Shares may be subject to taxation in India and in the country of residence of the Eligible Shareholders. In due course, Eligible Shareholders will receive a Letter of Offer, which will contain a note on taxation. However, in view of the particularized nature of tax consequences, Eligible Shareholders are required to consult their tax advisors for the applicable tax provisions including the treatment that may be given by their respective tax officers in their case, and the appropriate course of action that they should take.
- 1.10 A copy of this Public Announcement will be available on SEBI's website (www.sebi.gov.in) as well as on Company's website.
- 2. NECESSITY FOR THE BUY-BACK**
- 2.1 The Buy-back is being undertaken by the Company to enhance overall shareholders' value and to return surplus funds to the equity shareholders of the Company. The Buy-back would lead to reduction in outstanding number of Equity Shares and may consequently increase earnings per Equity Share over a period of time. This would in turn lead to improvement in return on net worth and other financial ratios and contribute to maximization of overall shareholders' value. Additionally, the Buy-back is being undertaken for the following reasons:
- The Buy-back gives an option to the equity shareholders to either participate in the Buy-back and receive cash in lieu of Equity Shares accepted under the Buy-back or not participate in the Buy-back and enjoy a resultant increase in their percentage shareholding in the Company post the Buy-back;
  - The Buy-back would help in improving certain key financial ratios of the Company;
  - The Buy-back, which is being implemented through the Tender Offer route as prescribed under the Buy-back Regulations, would involve a reservation for small shareholders. As defined in the Buy-back Regulations, a "small shareholder" is a shareholder who holds Equity Shares having market value, on the basis of closing price on the recognized stock exchange in which highest trading volume in respect of such Equity Shares, as on the Record Date, of not more than ₹ 2,00,000 (Rupees two lakhs).
- 3. MAXIMUM AMOUNT REQUIRED UNDER THE BUY-BACK AND ITS PERCENTAGE OF THE TOTAL PAID UP CAPITAL AND FREE RESERVES**
- The aggregate paid-up equity share capital and free reserves (including securities premium account) as at March 31, 2016 is ₹ 48,017.24 lakhs. Under section 68 (2) (c) of the Act, the funds deployed for the Buy-back shall not exceed 25% of the total paid-up equity share capital and free reserves (including securities premium account) of the Company under shareholder approval route. Accordingly, the Company has proposed to utilise the maximum amount not exceeding ₹ 12,004.31 lakhs (Rupees Twelve thousand and four lakhs and thirty one thousand only) excluding the Transaction Costs for the Buy-back which is within the maximum amount as aforesaid and which represents 25% of the total paid-up equity capital and free reserves (including securities premium account) of the Company as per audited standalone financial statements of the Company for the financial year ended March 31, 2016.
- The Buy-back would be financed out of current surplus and / or cash and cash equivalents and / or internal accruals of the Company. The Company shall transfer from its free reserves a sum equal to the nominal value of the Equity Shares proposed to be bought back to the Capital Redemption Reserve Account and the details of such transfer shall be disclosed in its subsequent audited Balance Sheet.
- 4. PRICE AT WHICH SHARES ARE PROPOSED TO BE BOUGHT BACK AND THE BASIS OF ARRIVING AT THE BUY-BACK PRICE**
- The Equity Shares are proposed to be bought back at a price of ₹410/- per Equity Share. The Buy-back Price has been arrived at after considering various factors including, but not limited to, the volume weighted average market price of the Equity Shares on BSE and NSE respectively for 3 (three) months and 2 (two) weeks preceding the date of intimation of the Board Meeting to consider the proposal of the Buy-back to the Stock Exchanges, closing market price on the date of Board Meeting, price earnings ratio and the impact on the Net worth of the Company.
- 5. MAXIMUM NUMBER OF EQUITY SHARES THAT THE COMPANY PROPOSES TO BUY-BACK**
- The Company proposes to Buy-back up to 29,27,879 Equity Shares, representing 16.52 % of the total issued and paid-up Equity Share capital of the Company.
- 6. METHOD TO BE ADOPTED FOR THE BUY-BACK**
- 6.1 As required under the Buy-back Regulations, Equity Shares to be bought back under Tender Offer are divided into two categories: (i) Reserved category for Small Shareholders; and (ii) general category for all other shareholders. Please refer Clause 11 of this Public Announcement for further details.
- 6.2 The Buy-back will be undertaken on a proportionate basis from the Equity shareholders of the Company as on the Record Date through the tender offer process prescribed under Regulation 41(a) of the Buy-back Regulations. Additionally, the Buy-back shall be, subject to applicable laws, implemented by tendering of Equity Shares by Eligible Shareholders and settlement of the same through the stock exchange mechanism as specified in SEBI Circular in terms of Regulation 9(3A) of the Buy-back Regulations.
- 7. DETAILS OF SHAREHOLDING OF PROMOTERS AND PERSONS IN CONTROL**
- 7.1 The aggregate shareholding of the Promoters, the directors of the Promoter companies holding shares in the Company and of Persons who are in control of the Company ("Promoters and Persons in Control") as on the date of the Postal Ballot Notice i.e. November 18, 2016 is given below:
- | Category of Member   | No. of Equity Shares Held | % of Existing Equity Share Capital |
|--|---------------------------|------------------------------------|
| Promoters & Promoters Group                                      | 72,05,416                 | 40.66                              |
| Persons Acting in Concert*                                       | 5,35,257                  | 3.03                               |
| Total of Promoters, Promoter Group and Persons Acting in Concert | 77,40,673                 | 43.69                              |
- \* Includes shareholding of Whole-time Director of the Company who is not a promoter. The same is included as a matter of abundant caution.
- 7.2 The aggregate number of Equity Shares purchased or sold by persons mentioned in Clause 7.1 above from a period of six months preceding the date of the Board Meeting till the date of the Postal Ballot Notice i.e. November 18, 2016 is given below:

Name	Date of Transaction	Mode	No. of Equity Shares	Minimum Price/Date of Minimum Price	Maximum Price/Date of Maximum Price
Ms. Nilima Doshi	May 19, 2016	Market Purchase	₹12,500	₹ 330.00 May 19, 2016	₹ 339.50 May 19, 2016

Except as disclosed above, the Promoter and Persons in Control have not purchased or sold any Equity Shares of the Company and there has been no change in their shareholdings for last six months prior to the date of the Board Meeting and up to the date of Postal Ballot Notice.

### 7.3 Intention of the Promoters and Persons in Control of the Company to tender Equity Shares for Buy-back

- In terms of the Buy-back Regulations under Tender Offer route, the Promoters and Persons in Control of the Company have the option to participate in the Buy-back. However, none of the Promoters and Persons in Control have expressed their intention to participate in the Buy-back.
8. The Company confirms that there are no defaults subsisting in the repayment of deposits or interest thereon, redemption of debentures or preference shares or payment of dividend to any shareholder, or repayment of any term loan or interest payable thereon to any financial institution or banks.
9. The Board of Directors have made full enquiry into the affairs and prospects of the Company and formed the opinion that:
- Immediately following the date of convening of the Board Meeting at which the Buy-back of the Company's Equity Shares is approved and the date on which the results of the Postal Ballot will be declared, there shall be no grounds on which the Company can be found unable to pay its debts.
  - As regards the Company's prospects for the year immediately following the date of the Board Meeting as well as the year immediately following the date on which the results of the Postal Ballot will be declared approving the Buy-back, and having regard to the Board's intentions with respect to the management of the Company's business during that year and to the amount and character of the financial resources, which will, in the Board's view, be available to the Company during that year, the Company shall be able to meet its liabilities as and when they fall due and shall not be rendered insolvent within a period of one year from the date of the Board Meeting approving the Buy-back or within a period of one year from the date on which the results of the Postal Ballot will be declared, as the case may be.
  - In forming its opinion aforesaid, the Board has taken into account the liabilities (including prospective and contingent liabilities) as if the Company were being wound up under the provisions of the Act.
10. The text of the report dated October 27, 2016 received from S. R. Batliboi & Associates LLP, the Statutory Auditors of the Company on permissible capital payment addressed to the Board of Directors of the Company and the Statement of determination of permissible capital payment towards Buy-back of Equity Shares is reproduced below:

### Quote

**"Independent Auditor's Report on Buy-back of Equity Shares pursuant to the requirement of Schedule II to the Securities and Exchange Board of India (Buy-back of Securities) Regulations, 1998, as amended:**

To: The Board of Directors, Sasken Communication Technologies Limited, No. 139/25, Domlur Layout, Ring Road, Domlur P.O., Bengaluru 560 071.

- This Report is issued in accordance with the terms of our service scope letter dated October 26, 2016 and master engagement agreement dated October 24, 2016 with Sasken Communication Technologies Limited.
- In connection with the proposal of Sasken Communication Technologies Limited ("the Company") to buy back its Equity Shares in pursuance of the provisions of Section 68 and 70 of the Companies Act, 2013 ("the Act") and Securities and Exchange Board of India (Buy-back of Securities) Regulations, 1998, as amended ("the Buy-back Regulations"), and in terms of the resolution passed by the Board of Directors of the Company in their meeting held on October 27, 2016, which is subject to the approval of the shareholders of the Company, we have been engaged by the Company to perform a reasonable assurance engagement on the reporting criteria, specified in paragraph 5 of this report.

### Board of Directors Responsibility

- The preparation of the Statement of determination of the permissible capital payment towards Buy-back of Equity Shares ("the Statement"), as set out in Annexure A hereto, initiated by us for identification purpose only, is the responsibility of the Board of Directors of the Company, including the preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Statement and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.
  - The Board of Directors are responsible to make a full enquiry into the affairs and prospects of the Company and to form an opinion that the Company will not be rendered insolvent within a period of one year from the date on which the results of the postal ballot for Buy-back of its Equity Shares will be declared.
- Auditor's Responsibility**
- Pursuant to the requirements of the Buy-back Regulations, it is our responsibility to provide reasonable assurance on the following ("the Reporting Criteria")
    - Whether the amount of capital payment for the Buy-back is within the permissible limit computed in accordance with the provisions of Section 68 of the Act;
    - Whether the Board of Directors has formed the opinion, as specified in Clause (x) of Part A of Schedule II to the Buy-back Regulations, on a reasonable grounds that the Company having regard to its state of affairs will not be rendered insolvent within a period of one year from the date on which the results of postal ballot for Buy-back of its Equity Shares will be declared;
    - Whether we are aware of any information to indicate that the opinion expressed by the Directors in the declaration as to any of the matters mentioned in the declaration is unreasonable in circumstances as at the date of declaration.
  - The financial statements for the year ended March 31, 2016 had been audited by us, on which we had issued an unmodified audit opinion, vide our audit report dated April 22, 2016. Our audits of these financial statements were conducted in accordance with the Standards on Auditing, as specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.
  - We conducted our examination of the Statement in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.
  - We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.
  - A reasonable assurance engagement involves performing procedures to obtain sufficient appropriate evidence on the Reporting Criteria mentioned in paragraph 5 above. The procedures selected depend on the auditor's judgement, including the assessment of the risks associated with the Reporting Criteria. We have performed the following procedures in relation to the Statement:
    - We have inquired into the state of affairs of the Company in relation to its audited financial statements for year ended March 31, 2016;
    - Examined authorization for Buy-back from the Articles of Association of the Company;
    - Examined that the amount of capital payment for the Buy-back as detailed in Annexure A is within permissible limit computed in accordance with section 68 of the Act;
    - Examined that the ratio of debt owned by the Company, if any, is not more than twice the capital and its free reserve after such Buy-back;
    - Examined that all Equity Shares for Buy-back are fully paid-up;
    - Examined resolutions passed in the meetings of the Board of Directors;
    - Examined Directors' declarations for the purpose of Buy-back and solvency of the Company;
    - Obtained necessary representations from the management of the Company.

### Opinion

Based on our examination and procedures performed by us as mentioned above and the information and explanations given to us, in our opinion, the permissible capital payment towards Buy-back of Equity Shares, as stated in Annexure A, is properly determined in accordance with Section 68 of the Act; and the Board of Directors, in their meeting held on October 27, 2016, have formed the opinion, as specified in clause (x) of Part A of Schedule II of the Buy-back Regulations, on reasonable grounds, that the Company will not, having regard to its state of affairs, be rendered insolvent within a period of one year from the date on which the results of postal ballot for Buy-back of its Equity Shares will be declared; and we are not aware of anything to indicate that the opinion expressed by the Directors in the declaration as to any of the matters mentioned in the declaration is unreasonable in circumstances as at the date of declaration.

### Restriction on Use

This report is addressed to and provided to the Board of Directors of the Company pursuant to the requirements of the Regulations solely to enable them to include it (a) in the explanatory statement to be included in the postal ballot notice to be circulated to the Shareholders, (b) in the Public Announcement to be made to the Shareholders of the Company, (c) in the Draft Letter of Offer and Letter of Offer to be filed with the Securities and Exchange Board of India, the Stock Exchanges, the Registrar of Companies as required by the Buy-back Regulations, the National Securities Depository Limited and the Central Depository Securities (India) Limited, and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

For S.R. Batliboi & Associates LLP, Chartered Accountants  
ICAI Firm Registration Number: 101049WE300004

per Chandra Kumar Rampuria, Partner  
Membership Number: 055729

Place of Signature: Chennai  
Date: October 27, 2016

### Annexure A

Statement of determination of the permissible capital payment towards Buy-back of Equity Shares ("the Statement") in accordance with Section 68 (2) (b) and (c) of the Companies Act, 2013

Particulars	March 31, 2016 (₹ in lakhs)
Paid-up Equity Share Capital as at March 31, 2016*	
[17,719,813 equity shares of ₹ 10 each fully paid-up]	1,771.98
Free Reserves as at March 31, 2016*	
Securities premium account	29.18
General reserve	3,438.66
Surplus in the statement of profit & loss	42,777.44
<b>Total</b>	<b>48,017.24</b>
Permissible capital payment towards Buy-back of Equity Shares in accordance with Section 68 (2) (b) and (c) of the Companies Act, 2013 (25% of paid up equity capital and free reserves)	12,004.31

\* Calculation in respect to the Buy-back is done on basis of audited financial statements of the Company as of, and for the year ended March 31, 2016.

For Sasken Communication Technologies Limited  
Authorised Signatory

Place: Chennai Date: October 27, 2016

### Unquote

#### 11. RECORD DATE AND SHAREHOLDERS' ENTITLEMENT

- 11.1 As required under the Buy-back Regulations, the Board has fixed January 6, 2017 as the Record Date for the purpose of determining the entitlement and the names of the equity shareholders who are eligible to participate in the Buy-back.
- 11.2 In due course, Eligible Shareholders will receive a Letter of Offer along with a Tender/Offer Form indicating the entitlement of the equity shareholder for participating in the Buy-back.
- 11.3 The Equity Shares to be bought back as part of the Buy-back are divided in two categories:
- Reserved category for Small Shareholders and
  - General category for all other shareholders.
- 11.4 In accordance with Regulation 6 of the Buy-back Regulations, 15% of the number of Equity Shares which the Company proposes to Buy-back or number of Equity Shares entitled as per the shareholding of Small Shareholders, whichever is higher, shall be reserved for the Small Shareholders as part of this Buy-back.

11.5 On the basis of the shareholding on the Record Date, the Company will determine the entitlement of each shareholder, including Small Shareholders, to tender their Equity Shares in the Buy-back. This entitlement for each shareholder will be calculated based on the number of Equity Shares held by the respective shareholders on the Record Date and the ratio of the Buy-back applicable in the category to which such shareholder belongs. The final number of Equity Shares that the Company will purchase from each Eligible Shareholder will be based on the total number of Equity Shares tendered. Accordingly, the Company may not purchase all of the Equity Shares tendered by Eligible Shareholders.

11.6 After accepting the Equity Shares tendered on the basis of entitlement, the Equity Shares left to be bought back if any in any one category shall first be accepted, in proportion to the Equity Shares tendered over and above their entitlement in the Buy-back by shareholders in that category, and thereafter from shareholders who have tendered over and above their entitlement in other category.

11.7 The participation of the Eligible Shareholders in the Buy-back is voluntary. Eligible Shareholders may also tender a part of their entitlement. Eligible Shareholders also have the option of tendering additional shares (over and above their entitlement) and participate in the shortfall created due to non-participation of some other Eligible Shareholders, if any. If the Buy-back entitlement for any shareholder is not a round number, then the fractional entitlement shall be ignored for computation of Buy-back entitlement to tender Equity Shares in the Buy-back.

11.8 The maximum number of Equity Shares that can be tendered under the Buy-back by any Eligible Shareholder cannot exceed the number of Equity Shares held by the Equity Shareholders as on the Record Date.

11.9 The Equity Shares tendered as per the entitlement by Eligible Shareholders as well as additional Equity Shares tendered, if any, will be accepted as per the procedure laid down in Buy-back Regulations.

11.10 Detailed instructions for participation in the Buy-back as well as the relevant time table will be included in the Letter of Offer which will be sent in due course to the Eligible Shareholders.

#### 12. PROCESS AND METHODOLOGY FOR THE BUY-BACK

12.1 The Buy-back is open to all Eligible Shareholders / beneficial owners of the Company, holding Equity Shares either in physical and / or demat form as on the Record Date.

12.2 The Buy-back will be implemented using the "Mechanism for acquisition of shares through Stock Exchange" notified in SEBI Circular and following the procedure prescribed in the Act and the Buy-back Regulations, and as may be determined by the Board (including any person authorized by the Board to complete the formalities of the Buy-back) and on such terms and conditions as may be permitted by law from time to time. BSE will be the Designated Stock Exchange for this purpose.

12.3 For implementation of the Buy-back, the Company has appointed Kisan Ratilal Choksey Shares and Securities Private Limited as the registered broker to the Company (the "Company's Broker") who will facilitate the process of tendering Equity Shares through Stock Exchange Mechanism as described in para 12.6 in tendering process. The contact details of the Company's Broker are as follows:

**Name:** Kisan Ratilal Choksey Shares and Securities Private Limited  
**Address:** 5<sup>th</sup> Floor, Abhishek Building, Near Monginis Cake Factory, Dahal Industrial Estate, New Anchor Link Road, Mumbai - 400 053. **Contact Person:** Mr. Shailesh Joshi; **Tel:** +91-22-6696 5555  
**E-mail:** shailesh.joshi@kchoksey.com; **Website:** www.kchoksey.com  
**SEBI Registration Number:** BSE-IN010375634  
**Corporate Identity Number:** U67120MH11997PTC108958

12.4 The Buy-back offer will be implemented by a separate Acquisition Window provided by BSE to facilitate placing of sell orders by Eligible Shareholders who wish to tender Equity Shares in the Buy-back. The details of the platform will be as specified by the BSE from time to time.

12.5 During the tendering period, the order for selling the Equity Shares will be placed in the Acquisition Window by Eligible Shareholders through their respective stock brokers ("Shareholder Broker") during normal trading hours of the secondary market. The Company's Broker may also process the orders received from the Eligible Shareholders. The Shareholder Broker can enter orders for demat as well as physical shares.

#### 12.6 Procedure to be followed by Eligible Shareholders holding Equity Shares in dematerialised form:

12.6.1 Eligible Shareholders who desire to tender their Equity Shares in the dematerialised form under Buy-back would have to do so through their respective Shareholder Broker by giving details of Equity Shares they intend to tender under the Buy-back offer.

12.6.2 The Shareholder Broker would be required to transfer the tendered Equity Shares to a special account of the Clearing Corporation of India Limited ("Clearing Corporation") specifically created for the purpose of Buy-back ("Special Account") before placing the bids / orders and the same shall be validated at the time of order entry. The details of the Special Account shall be informed in the issue opening circular that will be issued by BSE or Clearing Corporation.

12.6.3 For Custodian Participant, orders for demat Equity Shares early pay-in is mandatory prior to confirmation of order by the Custodian. The Custodian shall either confirm or reject the orders not later than the close of trading hours on the last day of the tendering period. Thereafter, all unconfirmed orders shall be deemed to be rejected. For all confirmed Custodian Participant orders, order modification shall revoke the Custodian confirmation and the revised order shall be sent to the Custodian again for confirmation.

12.6.4 Upon placing the order, the Shareholder Broker shall provide Transaction Registration Slip ("TRS") generated by the Exchange Bidding System to the Eligible Shareholders. TRS will contain the details of order submitted like Bid ID No., DP ID, Client ID, no. of Equity Shares tendered, etc.

#### 12.7 Procedure to be followed by Eligible Shareholders holding Equity Shares in physical form:

12.7.1 Eligible Shareholders who are holding Equity Shares in physical form and intend to participate in the Buy-back will be required to approach the Shareholder Broker along with the complete set of documents for verification procedures to be carried out including the (i) original share certificate(s), (ii) valid Form D4 (share transfer form) duly filled and signed by the Eligible Shareholders (in same place and as per the specimen signatures registered with the Company) and duly witnessed at the appropriate place authorizing the transfer in favour of the Company, (iii) self-attested copy of the Eligible Shareholders' PAN Card, (iv) tender / offer form duly signed (by all the Eligible Shareholders in case shares are in joint names) in the same order in which they hold the shares; and (v) any other relevant documents such as power of attorney, corporate authorization (including board resolution / specimen signature), notarized copy of death certificate and succession certificate or probated will, if the original shareholder has deceased, etc., as applicable. In addition, if the address of the Eligible Shareholders has undergone a change from the address registered in the Register of Members of the Company, the Eligible Shareholders would be required to submit a self-attested copy of address proof consisting of any one of the following documents, viz. valid Aadhar Card, Voter Identity Card or Passport.

12.7.2 The Shareholder Broker / Eligible Shareholders has to deliver the original share certificate(s) and documents (as mentioned in Clause 12.7.1 above) along with TRS generated by exchange bidding system upon placing of bid, either by registered post or courier or hand delivery to the Registrar to the Buy-back i.e. Kavya Computershare Private Limited ("Registrar") (at the address mentioned at Clause 15 below) on the collection date of the registrar details of which will be included in the Letter of Offer within 2 (two) days of bidding by Shareholder Broker. The envelope should be super scribed as "Sasken Buy-back Offer 2016-17". One copy of the TRS will be retained by Registrar and they will provide an acknowledgement of the same to the Shareholder Broker / Eligible Shareholders.

12.7.3 Eligible Shareholders holding physical Equity Shares should note that physical Equity Shares will not be accepted unless the complete set of documents are submitted. Acceptance of the physical Equity Shares for the Buy-back shall be subject to verification as per the Buy-back Regulations and any further directions issued in this regard. The Registrar will verify such bids based on the documents submitted on a daily basis and till such time BSE shall display such bids as "unconfirmed physical bids". Once the Registrar confirms the bids, it will be treated as "Confirmed Bids".

12.8 Modification / cancellation of orders will be allowed during the tendering period of the Buy-back.

12.9 The cumulative quantity tendered shall be made available on BSE's website (www.bseindia.com) throughout the trading sessions and will be updated at specific intervals during the tendering period.

#### 13. METHOD OF SETTLEMENT

13.1 Upon finalization of the basis of acceptance as per Buy-back Regulations:

13.1.1 The settlement of trades shall be carried out in the manner similar to settlement of trades in the secondary market.

13.1.2 The Company will pay the consideration to the Company's Broker on or before the pay-in date for settlement. For Equity Shares accepted under the Buy-back, the Shareholder Broker will receive funds payout in their settlement bank account.

13.1.3 The Equity Shares bought back in demat form would be transferred directly to the demat account of the Company opened for Buy-back (the "Special Demat Account") provided it is indicated by the Company's Broker or it will be transferred by the Company's Broker to the Special Demat Account on receipt of the Equity Shares from the clearing and settlement mechanism of BSE.

13.1.4 The Eligible Shareholders will have to ensure that they keep the depository participant ("DP") account active and unblocked to receive credit in case of return of Equity Shares, due to rejection or due to non-acceptance.

13.1.5 Excess demat Equity Shares or unaccepted demat Equity Shares, if any, tendered by the Eligible Shareholders would be returned to the Selling Member by Clearing Corporation in payout. Any excess physical Equity Shares pursuant to proportionate acceptance / rejection will be returned back to the shareholders directly by the Registrar. The Company is authorized to split the share certificate and issue new consolidated share certificate for unaccepted Equity Shares, in case the Equity Shares accepted by the Company are less than the Equity Shares accepted under the Buy-back.

13.1.6 The Shareholder Broker would issue contract note and pay the consideration for the Equity Shares accepted under the Buy-back and return the balance unaccepted Equity Shares to their respective clients. Company's Broker would also issue a contract note to the Company for the Equity Shares accepted under the Buy-back.

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

13.1.8 The Equity Shares lying to the credit of the Special Demat Account and the Equity Shares bought back and accepted in physical form will be extinguished in the manner and following the procedure prescribed in the Buy-back Regulations.

#### 14. COMPLIANCE OFFICER

Investors may contact the Compliance Officer of the Company for any clarifications or to address their grievances, if any, during office hours i.e. 1



# Sasken Communication Technologies Limited

Registered Office: 139/25, Ring Road, Domlur, Bengaluru - 560 071, Karnataka, India.

Tel: + 91-80-6694 3000; Fax: + 91-80-2535 1309; E-mail: investor@sasken.com; Website: www.sasken.com

Corporate Identity Number: L72100KA1989PLC014226

Contact Person: Mr. S. Prasad, Associate Vice President & Company Secretary

## PUBLIC ANNOUNCEMENT FOR THE ATTENTION OF EQUITY SHAREHOLDERS / BENEFICIAL OWNERS OF EQUITY SHARES OF SASKEN COMMUNICATION TECHNOLOGIES LIMITED FOR BUY-BACK OF EQUITY SHARES THROUGH TENDER OFFER UNDER THE SECURITIES AND EXCHANGE BOARD OF INDIA (BUY BACK OF SECURITIES) REGULATIONS, 1998, AS AMENDED (THE "BUY-BACK REGULATIONS").

This public announcement (the "Public Announcement") is being made in accordance with the provisions of Regulation 8(1) of the Buy-back Regulations and contains disclosures as specified in Part A of Schedule II to the Buy-back Regulations.

**BUY-BACK OFFER OF UP TO 29,27,879 (TWENTY NINE LAKHS TWENTY SEVEN THOUSAND EIGHT HUNDRED AND SEVENTY NINE) FULLY PAID UP EQUITY SHARES OF THE COMPANY OF FACE VALUE OF ₹10/- (RUPEES TEN ONLY) EACH AT A PRICE OF ₹410/- (RUPEES FOUR HUNDRED AND TEN) PER EQUITY SHARE ON A PROPORTIONATE BASIS THROUGH TENDER OFFER PROCESS USING STOCK EXCHANGE MECHANISM.**

### 1. DETAILS OF THE BUY-BACK OFFER AND OFFER PRICE

1.1 In accordance with Article 172 of the Articles of Association of the Company and provisions of section 68, 69, 70 and other applicable provisions of the Companies Act, 2013 (the "Act"), rules made thereunder and in compliance with the Buy-back Regulations and subject to such other approvals, permissions and sanctions as may be necessary, the Board of Directors (the "Board") of Sasken Communication Technologies Limited (the "Company") at its meeting held on October 27, 2016 have approved the Buy-back of up to 29,27,879 fully paid up Equity Shares of the Company having face value of ₹10 each ("Equity Share(s)"), representing 15.94% of the total paid-up equity share capital of the Company at a price not exceeding ₹425/- (Rupees Four hundred and twenty five) per Equity Share (the "Maximum Buy-back Price") payable in cash for a total consideration not exceeding ₹12,004.31 lakhs (Rupees Twelve thousand and four lakhs and thirty one thousand only) excluding transaction costs viz. fees, brokerage, applicable taxes such as securities transaction tax, service tax, stamp duty, etc. ("Transaction Costs") (hereinafter referred to as "Maximum Buy-back Size"), which is within 25% of the total paid-up equity capital and free reserves (including securities premium account) as per the standalone audited Financial Statements of the Company for the financial year ended March 31, 2016 through the "Tender Offer" route as prescribed under the Buy-back Regulations (the process being referred hereinafter as a "Buy-back"), on a proportionate basis, from the equity shareholders / beneficial owners of the Equity Shares of the Company as on the record date (the "Eligible Shareholders"). The shareholders approved the Buy-back by way of special resolution, through postal ballot / e-voting by way of a postal ballot notice dated November 18, 2016 (the "Notice"), the results of which were announced on December 23, 2016. The shareholders have authorized the Board (which term shall, unless repugnant to the context or meaning thereof, be deemed to include a duly authorised "Committee" or persons nominated by the Board to exercise its powers in relation to the Buy-back thereof) to determine the total amount to be deployed in the Buy-back, final Buy-back price, number of equity shares to be bought back within the aforesaid limits and such other terms of Buy-back. The Buy-back is subject to receipt of any approvals, permissions and sanctions of statutory, regulatory or governmental authorities as may be required under applicable laws, including the Securities and Exchange Board of India ("SEBI"), and the stock exchanges on which the Equity Shares of the Company are currently listed, namely, the BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE") (hereinafter BSE and NSE are referred to as the "Stock Exchanges").

1.2 Pursuant to the aforesaid approval, the Share Buy-back Committee at its meeting held on December 23, 2016 have determined the final Buy-back Price of ₹ 410 (Rupees Four hundred and ten) per Equity Share (the "Buy-back Price") and the total amount for Buy-back is ₹12,004.31 lakhs (Rupees Twelve thousand and four lakhs and thirty one thousand only) (the "Buy-back Size") excluding the Transaction Costs which is 25% of the total paid-up equity capital and free reserves (including securities premium account) as per the standalone audited Financial Statements of the Company for the financial year ended March 31, 2016. With the Buy-back price of ₹410/- and Buy-back size of ₹12,004.31 lakhs, the total number of shares to be bought back in the Buy-back shall be 29,27,879 Equity Shares (the "Maximum Buy-back Shares"), representing 16.52% of the total issued and paid-up equity capital of the Company.

1.3 The Buy-back shall be undertaken on a proportionate basis from the Eligible Shareholders as on January 6, 2017 (the "Record Date") through the tender offer route prescribed under Regulation 4(1)(a) of the Buy-back Regulations. Additionally, the Buy-back shall be, subject to applicable laws, facilitated by tendering of Equity Shares by such Eligible Shareholders and settlement of the same, through the Stock Exchange Mechanism as specified by SEBI in Circular Number CIR/CFD/POLICY CELL/1/2015 dated April 13, 2015 (the "SEBI Circular").

1.4 In terms of Buy-back Regulations, under the Tender Offer route, promoters and promoter group of the Company (the "Promoters") have option to participate in the Buy-back. However, none of the Promoters and Persons Acting in Concert will participate in the Buy-back.

1.5 The Buy-back Price of ₹ 410/- per Equity Share represents (i) premium of 12.29% on BSE and 12.13% on NSE over the volume weighted average price of the Equity Shares on BSE and NSE respectively for 3 months preceding the date of intimation of the Board Meeting to consider the proposal of the Buy-back to the Stock Exchanges; (ii) premium of 6.12% on BSE and 6.12% on NSE over the volume weighted average price of the Equity Shares on BSE and NSE respectively for 2 weeks preceding the date of intimation of the Board Meeting to consider the proposal of the Buy-back to the Stock Exchanges; (iii) premium of 1.22% on BSE and 1.17% on NSE over the closing market price of the Equity Shares on Stock Exchanges as on the date of the intimation of the Board Meeting to consider the proposal of the Buy-back to the Stock Exchanges.

1.6 The aggregate paid-up equity share capital and free reserves (including securities premium account) as at March 31, 2016 is ₹ 48,017.24 lakhs. In accordance with section 68(2)(c) of the Act, the funds deployed for the Buy-back shall not exceed 25% of the total paid-up equity share capital and free reserves (including securities premium account) of the Company under shareholder approval route. Accordingly, the maximum amount that can be utilized in the present Buy-back is ₹12,004.31 lakhs. The Company has proposed to utilise an aggregate amount not exceeding ₹12,004.31 lakhs including the Transaction Costs for the Buy-back which is within the maximum amount as aforesaid and which represents 25% of the paid-up equity capital and free reserves (including securities premium account) of the Company as per standalone audited Financial Statements of the Company for the financial year ended March 31, 2016.

1.7 Further, under the Act, the number of Equity Shares that can be bought back during the financial year shall not exceed 25% of the paid-up Equity Shares of the Company. Accordingly, the number of Equity Shares that can be bought back during the financial year cannot exceed 44,29,953 Equity Shares being 25% of the paid up equity capital of the Company, viz. 1,77,19,813 Equity Shares as per the standalone audited balance sheet as on March 31, 2016. Since the Company proposes to Buy-back up to 29,27,879 Equity Shares, the same is within the aforesaid limit.

1.8 Pursuant to the proposed Buy-back and depending on the response to the Buy-back, the voting rights of the Promoters in the Company may increase from the existing Shareholding of the total equity capital and voting rights of the Company. The Promoters of the Company are already in control over the Company and therefore such further increase in voting rights of the Promoters will not result in any change in control over the Company. Assuming the Buy-back of Maximum Buy-back Shares pursuant to the Buy-back Offer, the percentage holding of the Promoters may increase from the existing level of 43.69% to 52.33%.

The shareholding percentage of the Promoters as a result of the Buy-back shall increase. Such an increase in shareholding percentage may attract Regulation 3(2) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 ("Takeover Regulations"). However, the same is exempt in terms of clause (iii) to the proviso to Regulation 10(4)(c) of the Takeover Regulations, subject to compliance with the proviso of the aforesaid clause of the Takeover Regulations. The Promoter Directors of the Company being interested in the resolution approving the Buy-back in their capacity as Directors of the Company, have abstained themselves from voting in resolution approving the Buy-back passed by the Board at its meeting held on October 27, 2016 and the Resolution passed by the equity shareholders of the Company pursuant to the Postal Ballot Notice dated November 18, 2016.

1.9 The Buy-back of Equity Shares may be subject to taxation in India and in the country of residence of the Eligible Shareholders. In due course, Eligible Shareholders will receive a Letter of Offer, which will contain a note on taxation. However, in view of the particularized nature of tax consequences, Eligible Shareholders are required to consult their tax advisors for the applicable tax provisions including the treatment that may be given by their respective tax officers in their case, and the appropriate course of action that they should take.

1.10 A copy of this Public Announcement will be available on SEBI's website ([www.sebi.gov.in](http://www.sebi.gov.in)) as well as on Company's website.

### 2. NECESSITY FOR THE BUY-BACK

2.1 The Buy-back is being undertaken by the Company to enhance overall shareholders' value and to return surplus funds to the equity shareholders of the Company. The Buy-back would lead to reduction in outstanding number of Equity Shares and may consequently increase earnings per Equity Share over a period of time. This would in turn lead to improvement in return on net worth and other financial ratios and contribute to maximization of overall shareholders' value. Additionally, the Buy-back is being undertaken for the following reasons:

- The Buy-back gives an option to the equity shareholders to either participate in the Buy-back and receive cash in lieu of Equity Shares accepted under the Buy-back or not participate in the Buy-back and enjoy a resultant increase in their percentage shareholding in the Company post the Buy-back;
- The Buy-back would help in improving certain key financial ratios of the Company;
- The Buy-back, which is being implemented through the Tender Offer route as prescribed under the Buy-back Regulations, would involve a reservation for small shareholders. As defined in the Buy-back Regulations, a "small shareholder" is a shareholder who holds Equity Shares having market value, on the basis of closing price on the recognized stock exchange in which highest trading volume in respect of such Equity Shares, as on the Record Date, of not more than ₹ 2,00,000 (Rupees two lakhs).

### 3. MAXIMUM AMOUNT REQUIRED UNDER THE BUY-BACK AND ITS PERCENTAGE OF THE TOTAL PAID UP CAPITAL AND FREE RESERVES

The aggregate paid-up equity share capital and free reserves (including securities premium account) as at March 31, 2016 is ₹ 48,017.24 lakhs. Under section 68(2)(c) of the Act, the funds deployed for the Buy-back shall not exceed 25% of the total paid-up equity share capital and free reserves (including securities premium account) of the Company under shareholder approval route. Accordingly, the Company has proposed to utilise the maximum amount not exceeding ₹ 12,004.31 lakhs (Rupees Twelve thousand and four lakhs and thirty one thousand only) excluding the Transaction Costs for the Buy-back which is within the maximum amount as aforesaid and which represents 25% of the total paid-up equity capital and free reserves (including securities premium account) of the Company as per audited standalone financial statements of the Company for the financial year ended March 31, 2016.

The Buy-back would be financed out of current surplus and / or cash and cash equivalents and / or internal accruals of the Company. The Company shall transfer from its free reserves a sum equal to the nominal value of the Equity Shares proposed to be bought back to the Capital Redemption Reserve Account and the details of such transfer shall be disclosed in its subsequent audited Balance Sheet.

### 4. PRICE AT WHICH SHARES ARE PROPOSED TO BE BOUGHT BACK AND THE BASIS OF ARRIVING AT THE BUY-BACK PRICE

The Equity Shares are proposed to be bought back at a price of ₹410/- per Equity Share. The Buy-back Price has been arrived at after considering various factors including, but not limited to, the volume weighted average market price of the Equity Shares on BSE and NSE respectively for 3 (three) months and 2 (two) weeks preceding the date of intimation of the Board Meeting to consider the proposal of the Buy-back to the Stock Exchanges, closing market price on the date of Board Meeting, price earnings ratio and the impact on the Net worth of the Company.

### 5. MAXIMUM NUMBER OF EQUITY SHARES THAT THE COMPANY PROPOSES TO BUY-BACK

The Company proposes to Buy-back up to 29,27,879 Equity Shares, representing 16.52% of the total issued and paid-up Equity Share capital of the Company.

### 6. METHOD TO BE ADOPTED FOR THE BUY-BACK

6.1 As required under the Buy-back Regulations, Equity Shares to be bought back under Tender Offer are divided into two categories: (i) Reserved category for Small Shareholders; and (ii) general category for all other shareholders. Please refer Clause 11 of this Public Announcement for further details.

6.2 The Buy-back will be undertaken on a proportionate basis from the Equity shareholders of the Company as on the Record Date through the tender offer process prescribed under Regulation 4(1)(a) of the Buy-back Regulations. Additionally, the Buy-back shall be, subject to applicable laws, implemented by tendering of Equity Shares by Eligible Shareholders and settlement of the same through the stock exchange mechanism as specified in SEBI Circular in terms of Regulation 9(3A) of the Buy-back Regulations.

### 7. DETAILS OF SHAREHOLDING OF PROMOTERS AND PERSONS IN CONTROL

7.1 The aggregate shareholding of the Promoters, the directors of the Promoter companies holding shares in the Company and of Persons who are in control of the Company ("Promoters and Persons in Control") as on the date of the Postal Ballot Notice i.e. November 18, 2016 is given below:

Category of Member	No. of Equity Shares Held	% of Existing Equity Share Capital
Promoters & Promoters Group	72,05,416	40.66
Persons Acting in Concert*	5,35,257	3.03
Total of Promoters, Promoter Group and Persons Acting in Concert	77,40,673	43.69

\* Includes shareholding of Whole-time Director of the Company who is not a promoter. The same is included as a matter of abundant caution.

7.2 The aggregate number of Equity Shares purchased or sold by persons mentioned in Clause 7.1 above from a period of six months preceding the date of the Board Meeting till the date of the Postal Ballot Notice i.e. November 18, 2016 is given below:

Name	Date of Transaction	Mode	No. of Equity Shares	Minimum Price/Date of Minimum Price	Maximum Price/Date of Maximum Price
Ms. Nilma Doshi	May 19, 2016	Market Purchase	₹12,500	₹ 330.00 May 19, 2016	₹ 339.50 May 19, 2016

Except as disclosed above, the Promoter and Persons in Control have not purchased or sold any Equity Shares of the Company and there has been no change in their shareholdings for last six months prior to the date of the Board Meeting and up to the date of Postal Ballot Notice.

### 7.3 Intention of the Promoters and Persons in Control of the Company to tender Equity Shares for Buy-back

In terms of the Buy-back Regulations under Tender Offer route, the Promoters and Persons in Control of the Company have the option to participate in the Buy-back. However, none of the Promoters and Persons in Control have expressed their intention to participate in the Buy-back.

8. The Company confirms that there are no defaults subsisting in the repayment of deposits or interest thereon, redemption of debentures or preference shares or payment of dividend to any shareholder, or repayment of any term loan or interest payable thereon to any financial institution or banks.

9. The Board of Directors have made full enquiry into the affairs and prospects of the Company and formed the opinion that:

a) Immediately following the date of convening of the Board Meeting at which the Buy-back of the Company's Equity Shares is approved and the date on which the results of the Postal Ballot will be declared, there shall be no grounds on which the Company can be found unable to pay its debts.

b) As regards the Company's prospects for the year immediately following the date of the Board Meeting as well as the year immediately following the date on which the results of the Postal Ballot will be declared approving the Buy-back, and having regard to the Board's intentions with respect to the management of the Company's business during that year and to the amount and character of the financial resources, which will, in the Board's view, be available to the Company during that year, the Company shall be able to meet its liabilities as and when they fall due and shall not be rendered insolvent within a period of one year from the date of the Board Meeting approving the Buy-back or within a period of one year from the date on which the results of the Postal Ballot will be declared, as the case may be.

c) In forming its opinion aforesaid, the Board has taken into account the liabilities (including prospective and contingent liabilities) as if the Company were being wound up under the provisions of the Act.

10. The text of the report dated October 27, 2016 received from S. R. Batliboi & Associates LLP, the Statutory Auditors of the Company on permissible capital payment addressed to the Board of Directors of the Company and the Statement of determination of permissible capital payment towards Buy-back of Equity Shares is reproduced below:

### Quote

**"Independent Auditor's Report on Buy-back of Equity Shares pursuant to the requirement of Schedule II to the Securities and Exchange Board of India (Buy-back of Securities) Regulations, 1998, as amended:**

**To, The Board of Directors, Sasken Communication Technologies Limited, No. 139/25, Domlur Layout, Ring Road, Domlur P.O., Bangalore 560 071.**

- This Report is issued in accordance with the terms of our service scope letter dated October 26, 2016 and master engagement agreement dated October 24, 2016 with Sasken Communication Technologies Limited.
- In connection with the proposal of Sasken Communication Technologies Limited ("the Company") to buy back its Equity Shares in pursuance of the provisions of Section 68 and 70 of the Companies Act, 2013 ("the Act") and Securities and Exchange Board of India (Buy-back of Securities) Regulations, 1998, as amended ("the Buy-back Regulations"), and in terms of the resolution passed by the Board of Directors of the Company in their meeting held on October 27, 2016, which is subject to the approval of the shareholders of the Company, we have been engaged by the Company to perform a reasonable assurance engagement on the reporting criteria, specified in paragraph 5 of this report.

### Board of Directors Responsibility

- The preparation of the Statement of determination of the permissible capital payment towards Buy-back of Equity Shares ("the Statement"), as set out in Annexure A hereto, initiated by us for identification purpose only, is the responsibility of the Board of Directors of the Company, including the preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Statement and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.
- The Board of Directors are responsible to make a full inquiry into the affairs and prospects of the Company and to form an opinion that the Company will not be rendered insolvent within a period of one year from the date on which the results of the postal ballot for Buy-back of its Equity Shares will be declared.

### Auditor's Responsibility

- Pursuant to the requirements of the Buy-back Regulations, it is our responsibility to provide reasonable assurance on the following ("the Reporting Criteria")
  - Whether the amount of capital payment for the Buy-back is within the permissible limit computed in accordance with the provisions of Section 68 of the Act;
  - Whether the Board of Directors has formed the opinion, as specified in Clause (x) of Part A of Schedule II to the Buy-back Regulations, on a reasonable grounds that the Company having regard to its state of affairs will not be rendered insolvent within a period of one year from the date on which the results of postal ballot for Buy-back of its Equity Shares will be declared.
  - Whether we are aware of anything to indicate that the opinion expressed by the Directors in the declaration as to any of the matters mentioned in the declaration is unreasonable in circumstances as at the date of declaration.
- The financial statements for the year ended March 31, 2016 had been audited by us, on which we had issued an unmodified audit opinion, vide our audit report dated April 22, 2016. Our audits of these financial statements were conducted in accordance with the Standards on Auditing, as specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.
- We conducted our examination of the Statement in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.
- We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.
- A reasonable assurance engagement involves performing procedures to obtain sufficient appropriate evidence on the Reporting Criteria mentioned in paragraph 5 above. The procedures selected depend on the auditor's judgment, including the assessment of the risks associated with the Reporting Criteria. We have performed the following procedures in relation to the Statement:
  - We have inquired into the state of affairs of the Company in relation to its audited financial statements for year ended March 31, 2016;
  - Examined authorization for Buy-back from the Articles of Association of the Company;
  - Examined that the amount of capital payment for the Buy-back as detailed in Annexure A is within permissible limit computed in accordance with section 68 of the Act;
  - Examined that the ratio of debt obtained by the Company, if any, is not more than twice the capital and its free reserve after such Buy-back;
  - Examined that all Equity Shares for Buy-back are fully paid-up;
  - Examined resolutions passed in the meetings of the Board of Directors;
  - Examined Directors' declarations for the purpose of Buy-back and solvency of the Company;
  - Obtained necessary representations from the management of the Company.

### Opinion

- Based on our examination and procedures performed by us as mentioned above and the information and explanations given to us, in our opinion, the permissible capital payment towards Buy-back of Equity Shares, as stated in Annexure A, is properly determined in accordance with Section 68 of the Act, and the Board of Directors, in their meeting held on October 27, 2016, have formed the opinion, as specified in clause (x) of Part A of Schedule II of the Buy-back Regulations, on reasonable grounds, that the Company will not, having regard to its state of affairs, be rendered insolvent within a period of one year from the date on which the results of postal ballot for Buy-back of its Equity Shares will be declared; and we are not aware of anything to indicate that the opinion expressed by the Directors in the declaration as to any of the matters mentioned in the declaration is unreasonable in circumstances as at the date of declaration.

### Restriction on Use

- This report is addressed to and provided to the Board of Directors of the Company pursuant to the requirements of the Regulations solely to enable them to include it (a) in the explanatory statement to be included in the postal ballot notice to be circulated to the Shareholders, (b) in the Public Announcement to be made to the Shareholders of the Company, (c) in the Draft Letter of Offer and Letter of Offer to be filed with the Securities and Exchange Board of India, the Stock Exchanges, the Registrar of Companies as required by the Buy-back Regulations, the National Securities Depository Limited and the Central Depository Securities (India) Limited, and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or to whose hands it may come without our prior consent in writing.

For S.R. Batliboi & Associates LLP, Chartered Accountants  
ICAI Firm Registration Number: 101049W/E300004

per Chandra Kumar Rampuria, Partner  
Membership Number: 055729

Place of Signature: Chennai  
Date: October 27, 2016

### Annexure A

**Statement of determination of the permissible capital payment towards Buy-back of Equity Shares ("the Statement") in accordance with Section 68 (2) (b) and (c) of the Companies Act, 2013**

Particulars	March 31, 2016 (₹ in lakhs)
Paid-up Equity Share Capital as at March 31, 2016*	
[17,719,813 equity shares of ₹ 10 each fully paid-up]	1,771.98
Free Reserves as at March 31, 2016*	
Securities premium account	29.16
General reserve	3,438.66
Surplus in the statement of profit & loss	42,777.44
<b>Total</b>	<b>48,017.24</b>
Permissible capital payment towards Buy-back of Equity Shares in accordance with Section 68 (2) (b) and (c) of the Companies Act, 2013 (25% of paid up equity capital and free reserves)	12,004.31

\*Calculation in respect to the Buy-back is done on basis of audited financial statements of the Company as of, and for the year ended March 31, 2016.

For Sasken Communication Technologies Limited  
Authorised Signatory

Place: Chennai Date: October 27, 2016

### Unquote

### 11. RECORD DATE AND SHAREHOLDERS' ENTITLEMENT

11.1 As required under the Buy-back Regulations, the Board has fixed January 6, 2017 as the Record Date for the purpose of determining the entitlement and the names of the equity shareholders who are eligible to participate in the Buy-back.

11.2 In due course, Eligible Shareholders will receive a Letter of Offer along with a Tender/Offer Form indicating the entitlement of the shareholder for participating in the Buy-back.

11.3 The Equity Shares to be bought back as part of the Buy-back are divided in two categories:
 

- Reserved category for Small Shareholders and
- General category for all other shareholders.

11.4 In accordance with Regulation 6 of the Buy-back Regulations, 15% of the number of Equity Shares which the Company proposes to Buy-back or number of Equity Shares entitled as per the shareholding of Small Shareholders, whichever is higher, shall be reserved for the Small Shareholders as part of this Buy-back.

11.5 On the basis of the shareholding on the Record Date, the Company will determine the entitlement of each shareholder, including Small Shareholders, to tender their Equity Shares in the Buy-back. This entitlement for each shareholder will be calculated based on the number of Equity Shares held by the respective shareholder on the Record Date and the ratio of the Buy-back applicable in the category to which such shareholder belongs. The final number of Equity Shares that the Company will purchase from each Eligible Shareholder will be based on the total number of Equity Shares tendered. Accordingly, the Company may not purchase all of the Equity Shares tendered by Eligible Shareholders.

11.6 After accepting the Equity Shares tendered on the basis of entitlement, the Equity Shares left to be bought back if any in any category shall first be accepted, in proportion to the Equity Shares tendered over and above their entitlement in the Buy-back by shareholders in that category, and thereafter from shareholders who have tendered over and above their entitlement in other category.

11.7 The participation of the Eligible Shareholders in the Buy-back is voluntary. Eligible Shareholders may also tender a part of their entitlement. Eligible Shareholders also have the option of tendering additional shares (over and above their entitlement) and participate in the shortfall created due to non-participation of some other Eligible Shareholders, if any. If the Buy-back entitlement for any shareholder is not a round number, then the fractional entitlement shall be ignored for computation of Buy-back entitlement to tender Equity Shares in the Buy-back.

11.8 The maximum number of Equity Shares that can be tendered under the Buy-back by any Eligible Shareholder cannot exceed the number of Equity Shares held by the Equity Shareholders as on the Record Date.

11.9 The Equity Shares tendered as per the entitlement by Eligible Shareholders as well as additional Equity Shares tendered, if any, will be accepted as per the procedure laid down in Buy-back Regulations.

11.10 Detailed instructions for participation in the Buy-back as well as the relevant time table will be included in the Letter of Offer which will be sent in due course to the Eligible Shareholders.

### 12. PROCESS AND METHODOLOGY FOR THE BUY-BACK

12.1 The Buy-back is open to all Eligible Shareholders / beneficial owners of the Company, holding Equity Shares either in physical and / or demat form as on the Record Date.

12.2 The Buy-back will be implemented using the "Mechanism for acquisition of shares through Stock Exchange" notified in SEBI Circular and following the procedure prescribed in the Act and the Buy-back Regulations, and as may be determined by the Board (including any person authorized by the Board to complete the formalities of the Buy-back) and on such terms and conditions as may be permitted by law from time to time. BSE will be the Designated Stock Exchange for this purpose.

12.3 For implementation of the Buy-back, the Company has appointed Kisan Ratilal Choksey Shares and Securities Private Limited as the registered broker to the Company (the "Company Broker") who will facilitate the process of tendering Equity Shares through Stock Exchange Mechanism as described in para 12.6 in tendering process. The contact details of the Company's Broker are as follows:

**Name:** Kisan Ratilal Choksey Shares and Securities Private Limited  
**Address:** 5<sup>th</sup> Floor, Abhishek Building, Near Mogninis Cake Factory, Dalia Industrial Estate, New Andheri Link Road, Mumbai - 400 053. **Contact Person:** Mr. Shailesh Joshi; **Tel.:** +91-22-6696 5555  
**E-mail:** shailesh.joshi@krchocksey.com; **Website:** www.krchocksey.com  
**SEBI Registration Number:** BSE-INB010975834  
**Corporate Identity Number:** U67120MH1997PTC108958

12.4 The Buy-back will be implemented by a separate Acquisition Window provided by BSE to facilitate placing of sell orders by Eligible Shareholders who wish to tender Equity Shares in the Buy-back. The details of the platform will be as specified by the BSE from time to time.

12.5 During the tendering period, the order for selling the Equity Shares will be placed in the Acquisition Window by Eligible Shareholders through their respective stock brokers ("Shareholder Broker") during normal trading hours of the secondary market. The Company's Broker may also process the orders received from the Eligible Shareholders. The Shareholder Broker can enter orders for demat as well as physical shares.

### 12.6 Procedure to be followed by Eligible Shareholders holding Equity Shares in dematerialised form:

12.6.1 Eligible Shareholders who desire to tender their Equity Shares in the dematerialised form under Buy-back would have to do so through their respective Shareholder Broker by giving details of Equity Shares they intend to tender under the Buy-back offer.

12.6.2 The Shareholder Broker would be required to transfer the tendered Equity Shares to a special account of the Clearing Corporation of India Limited ("Clearing Corporation") specifically created for the purpose of Buy-back ("Special Account") before placing the bids / orders and the same shall be validated at the time of order entry. The details of the Special Account shall be informed in the issue opening circular that will be issued by BSE or Clearing Corporation.

12.6.3 For Custodian Participant, orders for demat Equity Shares early pay-in is mandatory prior to confirmation of order by the Custodian. The Custodian shall either confirm or reject the orders not later than the close of trading hours on the last day of the tendering period. Thereafter, all unconfirmed orders shall be deemed to be rejected. For all confirmed Custodian Participant orders, order modification shall revoke the Custodian confirmation and the revised order shall be sent to the Custodian again for confirmation.

12.6.4 Upon placing the order, the Shareholder Broker shall provide Transaction Registration Slip ("TRS") generated by the Exchange Bidding System to the Eligible Shareholders. TRS will contain the details of order submitted like Bid ID No., DP ID, Client ID, no. of Equity Shares tendered, etc.

### 12.7 Procedure to be followed by Eligible Shareholders holding Equity Shares in physical form:

12.7.1 Eligible Shareholders who are holding Equity Shares in physical form and intend to participate in the Buy-back will be required to approach the Shareholder Broker along with the complete set of documents for verification purposes to be carried out including the (i) original share certificate(s), (ii) valid Form SH-4 (share transfer form) duly filled and signed by the Eligible Shareholders (in same order and as per the specimen signatures registered with the Company) and duly witnessed at the appropriate place authorizing the transfer in favour of the Company, (iii) self-attested copy of the Eligible Shareholders' PAN Card, (iv) tender / offer form duly signed (by all the Equity Shareholders in case shares are in joint names) in the same order in which they hold the shares; and (v) any other relevant documents such as power of attorney, corporate authorization (including board resolution / specimen signature), notarized copy of death certificate and succession certificate or probated will, if the original shareholder has deceased, etc., as applicable. In addition, if the address of the Eligible Shareholders has undergone a change from the address registered in the Register of Members of the Company, the Eligible Shareholders would be required to submit a self-attested copy of address proof consisting of any one of the following documents, viz. valid Aad









## Sasken Communication Technologies Limited

Registered Office: 139/25, Ring Road, Domlur,  
Bengaluru - 560 071, Karnataka, India.

Tel: + 91-80-6694 3000; Fax: + 91-80-2535 1309;

E-mail: investor@sasken.com; Website: www.sasken.com

Corporate Identity Number: L72100KA1989PLC014226

Contact Person: Mr. S. Prasad,

Associate Vice President & Company Secretary

### **CORRIGENDUM TO THE PUBLIC ANNOUNCEMENT DATED DECEMBER 23, 2016 FOR THE ATTENTION OF EQUITY SHAREHOLDERS / BENEFICIAL OWNERS OF EQUITY SHARES OF SASKEN COMMUNICATION TECHNOLOGIES LIMITED FOR THE BUY-BACK OF EQUITY SHARES THROUGH TENDER OFFER UNDER THE SECURITIES AND EXCHANGE BOARD OF INDIA (BUY BACK OF SECURITIES) REGULATIONS, 1998, AS AMENDED (THE "BUY-BACK REGULATIONS")**

This Corrigendum to the Public Announcement ("**Corrigendum**") is in continuation of and should be read in conjunction with the Public Announcement dated December 23, 2016 ("**PA**") issued in connection with the Buy-back. Capitalised terms used in this Corrigendum and not defined herein shall have the same meaning as ascribed in the PA.

The Equity Shareholders of the Company are requested to note the following changes / amendments to the PA:

1. Third paragraph as set out in the PA, stands substituted and should be read as follows:

OFFER FOR BUY-BACK OF UP TO 28,69,098 (TWENTY EIGHT LAKHS SIXTY NINE THOUSAND AND NINETY EIGHT) FULLY PAID UP EQUITY SHARES OF THE COMPANY OF FACE VALUE OF ₹ 10 (RUPEES TEN ONLY) EACH AT A PRICE OF ₹ 410 (RUPEES FOUR HUNDRED AND TEN) PER EQUITY SHARE ON A PROPORTIONATE BASIS THROUGH TENDER OFFER PROCESS USING STOCK EXCHANGE MECHANISM.

2. Maximum Buy-back Shares in clause 1.2, 1.7 and 5 of PA and Buy-back Size in clause 1.2, 1.6 and 3 of PA stands revised and should be read as follows:

The total amount for Buy-back is ₹ 11,763.30 lakhs (Rupees Eleven Thousand Seven Hundred and Sixty Three Lakhs and Thirty Thousand only) (the "**Buy-back Size**") excluding the Transaction Costs which is 24.49% and 25% of the total paid-up equity capital and free reserves (including securities premium account) as per the standalone and consolidated audited Financial Statements of the Company for the financial year ended March 31, 2016 respectively. With the Buy-back price of ₹ 410 and Buy-back Size of ₹ 11,763.30 lakhs, the total number of Equity Shares to be bought back in the Buy-back shall be 28,69,098 (Twenty Eight Lakhs Sixty Nine Thousand and Ninety Eight) Equity Shares (the "**Maximum Buy-back Shares**"), representing 16.19% of the total issued and paid-up equity capital of the Company.

Except as detailed in this Corrigendum, the contents and other terms of the PA remain unchanged. A copy of this Corrigendum will be available on the SEBI's website, [www.sebi.gov.in](http://www.sebi.gov.in), during the period of the Buy-back.

#### **DIRECTORS' RESPONSIBILITY**

As per Regulation 19(1)(a) of the Buy-back Regulations, the Board of Directors of the Company accepts responsibility for the information contained in this Corrigendum and confirms that such document contains true, factual and material information and does not contain any misleading information.

For and on behalf of the Board of Directors of Sasken Communication Technologies Limited

Sd/-	Sd/-	Sd/-
Rajiv C. Mody	Neeta S. Revankar	S. Prasad
Chairman & Managing	Whole time Director & CFO	Associate Vice President &
Director	(DIN: 00145580)	Company Secretary
(DIN: 00092037)		

**Date:** January 25, 2017

**Place:** Bengaluru

## DRAFT LETTER OF OFFER

### THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

This Letter of Offer is being sent to you as a registered Equity Shareholder of Sasken Communication Technologies Limited (the "Company") as on the Record Date in accordance with Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998, as amended (the "Buy-back Regulations"). If you require any clarification about the action to be taken, you should consult your stock broker or your investment consultant or the Manager to the Buy-back i.e. Vivro Financial Services Private Limited or the Registrar to the Buy-back i.e. Karvy Computershare Private Limited. Please refer to the section on "Definitions of Key Terms" for the definition of the capitalized terms used herein.



#### SASKEN COMMUNICATION TECHNOLOGIES LIMITED

**Registered Office:** 139/25, Ring Road, Domlur, Bengaluru - 560 071.

**Tel:** + 91 80 6694 3000; **Fax:** + 91 80 2535 1309

**Email:** investor@sasken.com; **Website:** www.sasken.com; **Corporate Identity Number (CIN):** L72100KA1989PLC014226

**Contact Person:** Mr. S. Prasad, Associate Vice President & Company Secretary

Cash offer to buy-back of up to 29,27,879 (Twenty nine lakhs twenty seven thousand eight hundred and seventy nine) fully paid-up equity shares of the Company of face value of ₹ 10/- (Rupee Ten only) each ("Equity Share(s)"), representing up to about 16.52% of the total paid-up equity share capital of the Company as on March 31, 2016, from all the fully paid-up Equity Shareholders / beneficial owners of the Equity Shares of the Company as on the Record Date i.e. January 6, 2017, Friday ("Record Date"), on a proportionate basis, through the tender offer route using stock exchange mechanism ("Tender Offer"), at a price of ₹ 410/- (Rupees Four hundred and ten) per Equity Share ("Buy-back Price") for an aggregate maximum amount of upto ₹ 12,004.31 lakhs (Rupees Twelve thousand and four lakhs and thirty one thousand only) ("Buy-back Size") excluding the Transaction Cost ("Buy-back"). As required under the Buy-back Regulations, Equity Shares to be bought back are divided into two categories: (i) reserved category for Small Shareholders (as defined hereinafter); and (ii) general category for all other shareholders.

1. The Buy-back is in accordance with provisions of Section 68, 69, 70 and other applicable provisions of the Companies Act, 2013 (the "Act") as amended and the Companies (Share Capital and Debentures) Rules, 2014 to the extent applicable and in compliance with the Buy-back Regulations, Article 172 of the Articles of Association of the Company and is subject to other approvals, permissions and exemptions as may be required from time to time from any statutory and/or regulatory authority and which may be agreed to by the Board of Directors/or any Committee thereof. The Buy-back Size of ₹ 12,004.31 lakhs (Rupees Twelve thousand and four lakhs and thirty one thousand only), which represents 25% of the paid-up equity share capital and free reserves (including securities premium account) as on March 31, 2016 and is within the statutory limits of 25% (twenty five percent) of the total paid-up share capital and free reserves (including securities premium account) as per the audited standalone financial statements of the Company. The Equity Shares proposed to be bought back represent 16.52% of the total number of paid-up equity share capital of the Company as on March 31, 2016.
3. The Letter of Offer shall be sent to the Equity Shareholder(s)/ beneficial owner(s) of Equity Shares as on the Record Date i.e. Friday, January 6, 2017
4. The procedure for tendering Equity Shares and settlement is set out in paragraph 20 on page 35 of this Draft Letter of Offer. The Form of Acceptance-cum-Acknowledgement (the "Tender Form") will be enclosed together with the Letter of Offer.
5. For mode of payment of consideration to the Eligible Sellers, please refer to paragraph 20.25 on page 42 of the Draft Letter of Offer.
6. A copy of the Public Announcement, Draft Letter of Offer and the Letter of Offer (including the Tender Form) shall also be available on the website of Securities and Exchange Board of India - [www.sebi.gov.in](http://www.sebi.gov.in) and in Company's website [www.sasken.com/investors](http://www.sasken.com/investors).
7. Eligible Sellers are advised to refer to details of the Statutory Approvals and Note on Taxation in paragraph 17 on page 30 and paragraph 21 on page 43 respectively, of this Draft Letter of Offer, before tendering their Equity Shares in the Buy-back.

**BUY-BACK OPENS ON: [●]**

**BUY-BACK CLOSES ON: [●]**

**LAST DATE/ TIME OF RECEIPT OF COMPLETED APPLICATION FORMS AND OTHER SPECIFIED DOCUMENTS INCLUDING PHYSICAL SHARE CERTIFICATES BY THE REGISTRAR TO BUY-BACK: [●], [●]**

#### MANAGER TO THE BUY-BACK



#### Vivro Financial Services Private Limited

607, 608 Marathon Icon, Opp. Peninsula Corporate Park,  
Off Ganpatrao Kadam Marg, Veer Santaji Lane, Lower Parel,  
Mumbai - 400 013.

**Contact Person(s):** Mr. Harish Patel / Ms Shashi Singhvi

**Email:** investors@vivro.net, **Website:** www.vivro.net

**Tel:** +91 22 6666 8040/42, **Fax:** +91 22 6666 8047

**SEBI Registration Number:** INM000010122

**Validity:** Permanent

**CIN:** U67120GJ1996PTC029182

#### REGISTRAR TO THE BUY-BACK



#### Karvy Computershare Private Limited

Karvy Selenium Tower B, Plot No.31-32,  
Gachibowli, Financial District, Nanakramguda,  
Hyderabad - 500 032

**Contact person:** Mr. M. Muralikrishna

**E-mail:** einward.ris@karvy.com; **Website:** www.karisma.karvy.com

**Tel:** +91 40 6716 2222; **Fax:** +91 40 2343 1551

**SEBI Registration Number:** INR000000221;

**Validity:** Permanent

**CIN:** U72400TG2003PTC041636

## **TABLE OF CONTENTS**

1. SCHEDULE OF ACTIVITIES.....	3
2. DEFINITION OF KEY TERMS.....	3
3. DISCLAIMER CLAUSE.....	6
4. TEXT OF THE RESOLUTION PASSED AT THE BOARD MEETING .....	8
5. DETAILS OF THE PUBLIC ANNOUNCEMENT .....	12
6. DETAILS OF THE BUY-BACK.....	13
7. AUTHORITY FOR THE BUY-BACK.....	15
8. NECESSITY OF THE BUY-BACK .....	15
9. MANAGEMENT DISCUSSION AND ANALYSIS AND THE LIKELY IMPACT OF BUY-BACK ON THE COMPANY.....	15
10. BASIS OF CALCULATING THE BUY-BACK PRICE .....	17
11. SOURCES OF FUNDS FOR THE BUY-BACK .....	18
12. DETAILS OF THE ESCROW ACCOUNT AND THE AMOUNT DEPOSITED THEREIN.....	18
13. CAPITAL STRUCTURE AND SHAREHOLDING PATTERN.....	19
14. BRIEF INFORMATION ABOUT THE COMPANY .....	20
15. FINANCIAL INFORMATION ABOUT THE COMPANY.....	28
16. STOCK MARKET DATA.....	29
17. DETAILS OF THE STATUTORY APPROVALS .....	30
18. DETAILS OF THE REGISTRAR TO THE BUY-BACK AND COLLECTION CENTRE .....	31
19. PROCESS AND METHODOLOGY FOR THE BUY-BACK.....	31
20. PROCEDURE FOR TENDERING EQUITY SHARES AND SETTLEMENT .....	35
21. NOTE ON TAXATION.....	43
22. DECLARATION BY THE BOARD OF DIRECTORS.....	47
23. AUDITORS CERTIFICATE.....	48
24. MATERIAL DOCUMENTS FOR INSPECTION .....	51
25. DETAILS OF THE COMPLIANCE OFFICER.....	51
26. DETAILS OF THE REMEDIES AVAILABLE TO THE ELIGIBLE SHAREHOLDERS .....	52
27. DETAILS OF INVESTOR SERVICE CENTRE .....	52
28. MANAGER TO THE BUY-BACK .....	52
29. DECLARATION BY THE DIRECTORS REGARDING AUTHENTICITY OF THE INFORMATION IN THE DRAFT LETTER OF OFFER.....	53

## 1. SCHEDULE OF ACTIVITIES

Activity	Date	Day
Date of the Board meeting to approve the proposal for Buy-back of Equity Shares	October 27, 2016	Thursday
Date on which the result of the postal ballot through which the Shareholders approval for the Buy-back was sought	December 23, 2016	Friday
Date of publication of Public Announcement for the Buy-back	December 26, 2016	Monday
Record Date for determining the Buy-back Entitlement and the Eligible Sellers	January 6, 2017	Friday
Buy-back opens on / Buy-back Opening Date	[●]	[●]
Buy-back closes on / Buy-back Closing Date	[●]	[●]
Last date of receipt of completed Tender Forms and other specified documents including physical share certificates by the Registrar to Buy-back	[●]	[●]
Last date of verification by Registrar to Buy-back	[●]	[●]
Last date of intimation to the Stock Exchange regarding acceptance or non-acceptance of tendered Equity Shares by the Registrar and Manager to the Buy-back	[●]	[●]
Last date of settlement of bids on the Stock Exchange	[●]	[●]
Last date of dispatch of share certificate(s) by Registrar to Buy-back / return of unaccepted demat shares by Stock Exchange to Seller Member / Broker	[●]	[●]
Last date of extinguishment of Equity Shares bought back	[●]	[●]

*Note: Where last dates are mentioned for certain activities, such activities may happen on or before the respective last dates.*

## 2. DEFINITION OF KEY TERMS

*This Draft Letter of Offer uses certain definitions and abbreviations which, unless the context otherwise indicates or implies or specified otherwise, shall have the meaning as provided below. References to any legislation, act, regulation, rules, guidelines or policies shall be to such legislation, act, regulation, rules, guidelines or policies as amended, supplemented, or re-enacted from time to time and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision.*

*The words and expressions used in this Draft Letter of Offer, but not defined herein shall have the meaning ascribed to such terms under the Buy-back Regulations, the Companies Act, 2013 and Companies Act, 1956, to the extent applicable, as amended and the rules and regulations made thereunder.*

Term	Description
<b>Acceptance</b>	Acceptance of fully paid-up Equity Shares tendered by Eligible Sellers in the Buy-back Offer.
<b>Act / Companies Act</b>	The Companies Act, 2013 and the Companies Act, 1956, to the extent applicable.
<b>Acquisition</b>	The facility for acquisition of Equity Shares through mechanism provided by the

<b>Term</b>	<b>Description</b>
<b>Window</b>	BSE in the form of a separate window in accordance with SEBI circular no. CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015
<b>Additional Equity Shares</b>	Equity Shares tendered by an Eligible Seller over and above the Buy-back Entitlement of such Eligible Seller such that total number of Equity Shares tendered do not exceed the Equity Shares held on the Record Date by such Eligible Seller
<b>Articles</b>	Articles of Association of the Company, as amended from time to time
<b>AOP</b>	Association of Persons
<b>Board / Board of Directors</b>	Board of Directors of the Company (which term shall, unless repugnant to the context or meaning thereof, be deemed to include a duly authorized 'Committee' thereof)
<b>BSE</b>	BSE Limited
<b>Buy-back or Buy-back Offer or Offer</b>	Buy-back of up to 29,27,879 (Twenty nine lakhs twenty seven thousand eight hundred and seventy nine) fully paid-up Equity Shares at a price of ₹410/- (Rupees Four hundred and ten) per Equity Share for an aggregate amount up to ₹ 12,004.31 lakhs (Rupees Twelve thousand and four lakhs and thirty one thousand only ) through Tender Offer.
<b>Buy-back Entitlement or Entitlement</b>	The number of Equity Shares that an Eligible Seller is entitled to tender in the Buy-back, based on the number of Equity Shares held by that Eligible Seller on the Record Date in the Ratio of Buy-back as applicable in the category, to which such Eligible Shareholder belongs.
<b>Buy-back Price</b>	Price at which Equity Shares will be bought back from the Eligible Shareholders i.e. ₹ 410/- (Rupees Four hundred and ten) per fully paid-up Equity Share, payable in cash
<b>Buy-back Regulations</b>	Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998, as amended from time to time
<b>Buy-back Size</b>	Maximum number of Equity Shares proposed to be bought back (i.e. not exceeding 29,27,879 Equity Shares) multiplied by the Buy-back Price (i.e. ₹ 410/-per Equity Share) aggregating to maximum amount of upto ₹ 12,004.31 lakhs
<b>BOI</b>	Body of Individuals
<b>Company</b>	Sasken Communication Technologies Limited
<b>Company's Broker</b>	Kisan Ratilal Choksey Shares and Securities Private Limited
<b>Compliance Officer(s)</b>	Mr. S. Prasad, Associate Vice-President and Company Secretary
<b>Company's Demat Account</b>	The depository account opened by the Company in relation to the Buy-back.
<b>Depositories</b>	Collectively, National Securities Depository Limited and Central Depository Services (India) Limited
<b>DP</b>	Depository Participant
<b>Draft Letter of Offer / DLoF</b>	This Draft Letter of Offer dated December 28, 2016 filed with SEBI
<b>Designated Stock Exchange</b>	The designated stock exchange for the Buy-back is BSE.
<b>Director</b>	Director(s) of the Company
<b>Eligible Shareholder(s) or Eligible Seller(s) or</b>	All persons holding Equity Shares as on the Record Date being January 6, 2017 and who are eligible to participate in the Buy-back in terms of this DLoF

<b>Term</b>	<b>Description</b>
<b>Equity Shareholder(s)</b>	
<b>Equity Shares</b>	Fully paid-up equity shares of face value of ₹10/- (Rupee Ten only) each of the Company
<b>Escrow Account</b>	The Escrow Account titled "Sasken-Buy-back of Equity Shares - Escrow A/c" to be opened with Escrow Agent
<b>Escrow Agent</b>	Union Bank of India having its branch located at #23, 1st Floor, Archana Complex, J.C. Road, Bengaluru - 560 002
<b>Escrow Agreement</b>	The escrow agreement dated [●] entered into between the Company, Escrow Agent and Manager to the Buy-back
<b>FEMA</b>	Foreign Exchange Management Act, 1999, as amended from time to time
<b>FII(s)</b>	Foreign Institutional Investor(s)
<b>General Category</b>	Category of Eligible Seller(s) other than the Small Shareholders
<b>HUF</b>	Hindu Undivided Family
<b>IT Act / Income Tax Act</b>	Income Tax Act, 1961, as amended from time to time
<b>Letter of Offer / LoF</b>	The Letter of Offer dated [●] to be filed with SEBI containing disclosures in relation to the Buy-back as specified in the Buy-back Regulations, including comments received from SEBI on the DLoF
<b>LODR Regulations</b>	SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015
<b>Manager to the Buy-back / Manager</b>	Vivro Financial Services Private Limited
<b>Non-Resident Shareholders</b>	Equity Shareholders other than resident Equity Shareholders including Non-Resident Indians (NRI), Foreign Institutional Investors (FII), Foreign Portfolio Investors (FPI), erstwhile Overseas Corporate Bodies (OCB) and Foreign Nationals
<b>NSE</b>	National Stock Exchange of India Limited
<b>NRE Account</b>	Non-resident external account
<b>Offer Period / Tendering Period / Buy-back Offer Period</b>	Period of ten Working Days from the Buy-back Opening Date i.e. [●] till Buy-back Closing Date i.e. [●] (both days inclusive)
<b>Promoters and Persons in Control</b>	Promoters, Promoter Group and Person Acting in Concert including such persons as have been disclosed under the filings made by the Company from time to time under the extant SEBI (SAST) Regulations.
<b>Public Announcement / PA</b>	Public announcement dated December 23, 2016 (Friday) in relation to the Buy-back made by the Company which was published on December 26, 2016 (Monday) in Financial Express (English national daily), Jansatta (Hindi national daily) and Kannada Prabha (Regional language daily - Kannada)
<b>PAN</b>	Permanent Account Number
<b>Ratio of Buy-back or Entitlement Ratio</b>	The ratio of the buy-back for the Equity Shares held by Eligible Shareholders as on Record Date: (i) in case of Small Shareholders ("Reserved Category"), [●] Equity Shares for every [●] Equity Shares; and (ii) in case of Eligible Shareholders other than Small Shareholders, [●] Equity Shares for every [●] Equity Shares
<b>RBI</b>	Reserve Bank of India



<b>Term</b>	<b>Description</b>
<b>Record Date</b>	The date for the purpose of determining the Buy-back Entitlement and the names of the Eligible Sellers to whom the Letter of Offer and Tender Form will be sent, and who are eligible to participate in the Buy-back in accordance with the Buy-back Regulations and in terms of this Draft Letter of Offer. The Record Date for the Buy-back is January 6, 2017.
<b>Registrar to the Buy-back / Registrar</b>	Karvy Computershare Private Limited
<b>Reserved Category</b>	Category of the Small Shareholders eligible to tender Equity Shares in the Buy-back
<b>SEBI</b>	The Securities and Exchange Board of India
<b>Shareholder Member / Seller Member / Shareholder Broker</b>	A stock broker (who is a member of the BSE) of an Eligible Shareholder, through whom the Eligible Shareholder may participate in the Buy-back
<b>Share Buy-back Committee / Committee / Committee of Directors</b>	The committee of the Board constituted and authorized for the purposes of the Buy-back by way of a resolution of the Board dated October 27, 2016.
<b>Small Shareholder</b>	An Eligible Shareholder who holds Equity Shares of market value not more than ₹ 2,00,000/- (Rupees Two lakhs only) on the basis of closing price on the Recognised Stock Exchange registering the highest trading volume on the Record Date.
<b>Stock Exchanges / Recognised Stock Exchanges</b>	BSE and NSE, being the stock exchanges where the Equity Shares of the Company are listed
<b>Takeover Regulations</b>	The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended.
<b>Tender Form</b>	Form of Acceptance-cum-Acknowledgement to be filled in and sent to the Registrar by the Eligible Shareholders to participate in the Buy-back
<b>Tender Offer</b>	Method of Buy-back as defined in regulation 2(1)(o) read with regulation 9(3A) of the Buy-back Regulations using stock exchange mechanism
<b>TRS</b>	Transaction Registration Slip
<b>U.S.</b>	United States / United States of America
<b>Working Day(s)</b>	Any working day of SEBI

### 3. DISCLAIMER CLAUSE

- 3.1. As required, a copy of this Draft Letter of Offer has been submitted to SEBI. It is to be distinctly understood that submission of this Draft Letter of Offer to SEBI should not in any way be deemed or construed that the same has been cleared or approved by SEBI. SEBI does not take any responsibility either for the financial soundness of the Company to meet the Buy-back commitments or for the correctness of the statements made or opinions expressed in this Draft Letter of Offer. The Manager to the Buy-back, i.e. Vivro Financial Services Private Limited, has certified that the disclosures made in this Draft Letter of Offer are generally adequate and are in conformity with the provisions of the Act and Buy-back Regulations. This requirement is to facilitate Eligible Shareholders to take an informed decision for tendering their Equity Shares in the Buy-back.

3.2. It should also be clearly understood that while the Company is primarily responsible for the correctness, adequacy and disclosure of all relevant information in this Draft Letter of Offer, the Manager to the Buy-back is expected to exercise due diligence to ensure that the Company discharges its duty adequately in this behalf and towards this purpose, the Manager to the Buy-back, has furnished to SEBI a Due Diligence Certificate dated December 28, 2016 in accordance with Buy-back Regulations, which reads as follows:

"We have examined various documents and materials relevant to the Buy-back as part of the due diligence carried out by us in connection with the finalization of the Public Announcement dated December 23, 2016 and the draft Letter of Offer dated December 28, 2016. On the basis of such examination and the discussions with the Company, we hereby state that:

- The Public Announcement and the DLoF are in conformity with the documents, materials and papers relevant to the Buy-back;
- All the legal requirements connected with the said Buy-back including the SEBI (Buy Back of Securities) Regulations, 1998, as amended, have been duly complied with;
- The disclosures in the Public Announcement and the DLoF are, to the best of our knowledge, true, fair and adequate in all material respects for the shareholders of the Company to make a well informed decision in respect of the captioned Buy-back;
- Funds used for Buy-back shall be as per the provisions of the Companies Act."

3.3. The filing of Draft Letter of Offer with SEBI does not, however, absolve the Company from any liabilities under the provisions of the Act, or from the requirement of obtaining such statutory or other clearances as may be required for the purpose of the Buy-back.

3.4. The Promoters and Directors declare and confirm that no information or material likely to have a bearing on the decision of Eligible Shareholders has been suppressed, withheld and/ or incorporated in the manner that would amount to mis-statement or misrepresentation and in the event of it transpiring at any point of time that any information or material has been suppressed, withheld and / or amounts to a mis-statement or misrepresentation, the Promoters and Directors and the Company shall be liable for penalty in terms of the provisions of the Act and the Buy-back Regulations.

3.5. The Promoters and Directors also declare and confirm that funds if borrowed from banks and financial institutions will not be used for the Buy-back.

3.6. **NO OFFER TO SUBSCRIBE / PURCHASE / SELL, OR AN INVITATION TO SUBSCRIBE / PURCHASE / SELL, ANY SECURITIES OF THE COMPANY OR AS A SOLICITATION OR AN INVITATION TO SUBSCRIBE / PURCHASE / SELL ANY SECURITIES OF THE COMPANY INCLUDING THE EQUITY SHARES IS MADE IN A JURISDICTION, OTHER THAN INDIA, WHERE IT IS ILLEGAL, OR ANY ACTION OR APPROVAL IS REQUIRED, TO MAKE THIS BUY-BACK**

- a) The Public Announcement that was published on December 26, 2016 (Monday) and this Draft Letter of Offer in connection with this Buy-back, has been prepared for the purposes of compliance with the regulations of the Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998, as amended from time to time. 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 Company and the Manager to the Buy-back are under no obligation to update the information contained herein at any time after the date of the Letter of Offer. This Draft Letter of Offer does not in any way constitute an offer in any form, or an invitation in any form to subscribe / purchase / sell, any

securities of the Company in any jurisdiction or as a solicitation or an invitation in any form to subscribe / purchase / sell any securities including the Equity Shares of the Company.

- b) Disclaimer for US Persons: The information contained in this draft Letter of Offer is exclusively intended for persons who are not U.S. Persons, as such term is defined in Regulation S of the U.S. Securities Act of 1933, as amended, and who are not physically present in the United States of America. This draft Letter of Offer does not in any way constitute an offer to sell, or an invitation to sell, any securities in the United States of America or in any other jurisdiction in which such offer or invitation is not authorized or to any person to whom it is unlawful to make such offer or solicitation. Potential users of the information contained in this draft Letter of Offer are requested to inform themselves about and to observe any such restrictions.
- c) Disclaimer for Persons in other foreign countries: This draft Letter of Offer does not in any way constitute an offer to sell, or an invitation to sell, any securities in any jurisdiction in which such offer or invitation is not authorized or to any person to whom it is unlawful to make such offer or solicitation. Potential users of the information contained in this draft Letter of Offer are requested to inform themselves about and to observe any such restrictions
- d) No action has been or will be taken by the Company or Manager to the Buy-back to permit the Buy-back in any jurisdiction where action would be required for that purpose. This Draft Letter of Offer shall be dispatched to all Equity Shareholders whose names appear in the register of members of the Company, on the Record Date. However, receipt of this Draft Letter of Offer by any Eligible Shareholder in a jurisdiction in which it would be illegal to make this Buy-back, or where making this Buy-back would require any action to be taken (including, but not restricted to, registration of this Draft Letter of Offer under any local securities laws of any jurisdiction outside of India), shall not be treated by such Eligible Shareholder as an offer or invitation to offer being made to them and shall be construed by them as being sent for information purposes only.
- e) Persons in possession of this Draft Letter of Offer are required to inform themselves of any relevant restrictions in their respective jurisdictions. Any Eligible Seller who tenders his, her or its Equity Shares in the Buy-back shall be deemed to have declared, represented, warranted and agreed that he, she or it is authorized under the provisions of any applicable local laws, rules, regulations and statutes to participate in the Buy-back.

#### 4. TEXT OF THE RESOLUTION PASSED AT THE BOARD MEETING

- 4.1. The Buy-back through Tender Offer was considered and approved by the Board of Directors of the Company at their meeting held on October 27, 2016. The extract of the resolution of the Board is as follows:

RESOLVED THAT in accordance with Article 172 of the Articles of Association of the Company and the provisions of sections 68, 69, 70 and other applicable provisions of the Companies Act, 2013 ("**the Act**") and applicable rules made thereunder and in compliance with the Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 1998, as amended from time to time ("**Buy-back Regulations**") and subject to such other approvals, permissions and sanctions as may be necessary and further subject to approval of the members of the Company by way of special resolution through Postal Ballot (including e-voting), the consent of the Board of Directors (herein referred to as the "**Board**" which term shall be deemed to include any committee which the Board may constitute to exercise its powers, including the powers conferred by this resolution) be and is hereby accorded for the Buy-back of fully paid up Equity Shares by the Company having face value of Rs.10 each ("**Equity Share(s)**") up to 28,24,544 Equity Shares (representing 15.94% of the total paid-up equity share capital of the

Company) at a price not exceeding Rs.425/- (Rupees Four Hundred and Twenty Five only) ("**Maximum Buy-back Price**") per Equity Share payable in cash for a total consideration not exceeding Rs.12,004.31 lakhs (Rupees twelve thousand and four Lakhs and thirty one thousand), excluding transaction costs viz. fees, brokerage, applicable taxes such as securities transaction tax, service tax, stamp duty, etc., ("**Transaction Costs**") (hereinafter referred to as "**Maximum Buy-back Size**"), which is within 25% of the total paid-up equity capital and free reserves (including securities premium account) as per the audited accounts of the Company for the financial year ended March 31, 2016, on standalone basis through the "**Tender Offer**" route as prescribed under the Buy-back Regulations (the process being referred hereinafter as Buy-back), on a proportionate basis, from the equity shareholders / beneficial owners of the Equity Shares of the Company as on the record date to be decided at a later stage including those who are promoters, members of promoter group and persons acting in concert (it being understood that the "promoter", "promoter group" and "persons acting in concert" will be such persons as have been disclosed under the shareholding pattern filed by the Company from time to time under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended).

FURTHER RESOLVED THAT at the Maximum Buy-back Price of Rs.425/- per Equity Share and for the Maximum Buy-back Size up to Rs.12,004.31 lakhs, the indicative number of Equity Shares that can be bought back would be 28,24,544 fully paid-up Equity Shares, representing 15.94% of the total issued and paid up equity capital of the Company; and in the event the final Buy-back price is lower than Rs.425/- per Equity Share (Maximum Buy-back Price), the indicative number of shares and percentage thereof shall go up accordingly.

FURTHER RESOLVED THAT 15% (fifteen percent) of the number of Equity Shares which the Company proposes to Buy-back or number of Equity Shares entitled as per the shareholding of small shareholders, whichever is higher, shall be reserved for the small shareholders, as prescribed under Regulation 6 of the Buy-back Regulations.

FURTHER RESOLVED THAT Buy-back will be made out of the Company's free reserves, current surplus and / or cash and cash equivalents and / or internal accruals and / or liquid resources of the Company as the Board or a duly constituted committee thereof may decide from time to time.

FURTHER RESOLVED THAT the Company shall implement the Buy-back using the "Mechanism for acquisition of shares through Stock Exchange" as notified by SEBI vide circular No. CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015 and the Company shall approach the BSE Limited for facilitating the same.

FURTHER RESOLVED THAT the Buy-back would be subject to the condition of maintaining minimum public shareholding requirements as specified in Regulation 38 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations 2015, as amended ("**Listing Regulations**").

FURTHER RESOLVED THAT in terms of Regulation 19(3) of the Buy-back Regulations, Mr. S. Prasad, Associate Vice President & Company Secretary be and is hereby appointed as the Compliance Officer for the proposed Buy-back and M/s. Karvy Computershare Pvt. Ltd., Registrar and Transfer Agent as the Investor Service Centre.

FURTHER RESOLVED THAT the Board of Directors confirm the following with reference to the Buy-back process:

- i. That the Equity Shares of the Company are fully paid up;
- ii. That the Company shall not issue or allot any Equity Shares including by way of bonus till the date of closure of this Buy-back except in discharge of subsisting obligations such as stock option schemes, sweat equity as may be permitted under the relevant regulations and applicable law;
- iii. The Company shall not raise further capital for a period of one year from the closure of the Buy-back, except in discharge of subsisting obligations such as conversion of warrants, stock option schemes, sweat equity or conversion of preference shares or debentures into Equity Shares;
- iv. That the Company shall not Buy-back any locked-in Equity Shares and non-transferable Equity Shares till the pendency of the lock-in or till the Equity Shares become transferable;
- v. That the Company shall not Buy-back its Equity Shares from any person through negotiated deal whether on or off the Stock Exchanges or through spot transactions or through any private arrangement;
- vi. That the Company shall not directly or indirectly purchase its own Equity Shares through any subsidiary company including its own subsidiary companies or through any investment company or group of investment companies;
- vii. That the Company shall not make any offer of Buy-back within a period of one year reckoned from the date of closure of the Buy-back;
- viii. That there are no defaults subsisting in the repayment of deposits, redemption of debentures or preference shares or repayment of term loans to any financial institutions or banks;
- ix. That the ratio of the aggregate of secured and unsecured debts owned by the Company immediately after the Buy-back is not more than twice the paid up capital and free reserves of the Company;
- x. That there shall not be pendency of any scheme of amalgamation or compromise or arrangement pursuant to the provisions of the Act outstanding as on the date of Public Announcement;
- xi. The Company will not withdraw the Buy-back after the Draft Letter of Offer is filed with the SEBI;
- xii. That the Company has been in compliance with Sections 92, 123, 127 and 129 of the Act.

FURTHER RESOLVED THAT any two of the following Directors viz., Mr. Rajiv C. Mody, Chairman & Managing Director, Ms. Neeta S. Revankar, Whole-time Director & CFO, Dr. G. Venkatesh, Director be and are hereby jointly and / or severally authorized to sign the Public Announcement and Letter of Offer along with Mr. S. Prasad, Associate Vice President & Company Secretary.

FURTHER RESOLVED THAT nothing contained herein above shall confer any right on the part of any shareholder to offer, or any obligation on the part of the Company or the Board to Buy-back any Equity Shares, and / or impair any power of the Company or the Board to terminate any process in relation to such Buy-back as permissible by law.

FURTHER RESOLVED THAT the Buy-back of Equity Shares from Non-Resident Shareholders, Overseas Corporate Bodies, Shareholders of foreign nationality, etc. shall be subject to such approval of the

Reserve Bank of India, if any, as may be required under the Foreign Exchange Management Act, 1999 and relevant rules and regulations.

FURTHER RESOLVED THAT the approval of the Board be and is hereby accorded to the appointment of Vivro Financial Services Private Limited as Manager to the Buy-back Offer.

FURTHER RESOLVED THAT a committee consisting of Mr. Rajiv C. Mody, Chairman & Managing Director, Mr. G. Venkatesh, Director and Ms. Neeta S. Revankar, Whole-time Director & CFO, be and is hereby constituted to do all such acts, deeds, matters and things as they may in their absolute discretion deem necessary, expedient or proper with regard to the implementation of the Buy-back, including fixing the Buy-back price before making the Public Announcement.

FURTHER RESOLVED THAT at any meeting of the Committee any two members of the Committee shall constitute the quorum and that resolutions by circulation shall require approval by majority of the members of the Committee.

FURTHER RESOLVED THAT the Committee shall from time to time report to the Board of Directors at its meeting the status / progress of actions taken by the Committee concerning Buy-back.

FURTHER RESOLVED THAT Mr. Rajiv C. Mody, Chairman & Managing Director, Ms. Neeta S. Revankar, Whole-time Director & CFO, Dr. G. Venkatesh, Director and Mr. S. Prasad, Associate Vice President & Company Secretary be and are hereby jointly and / or severally authorized to sign all the forms, documents, applications, undertakings and such other documents and to do all such acts, deeds and things as may be necessary, expedient or proper with regard to the implementation of the Buy-back, including:

1. The appointment of Broker, Lawyers, Registrar, Advertising Agency and other Advisors, Consultants or Representatives;
2. Fix Record Date in accordance with the Buy-back Regulations for determining the eligible shareholders from whom the Buy-back shall be made;
3. To prepare, modify, make alterations, additions, deletions, variations, amendments or correction to and approve / file the final Public Announcement, draft Letter of Offer and final Letter of Offer, filing of Declaration of Solvency, certificate of extinguishment of Equity Shares and physical destruction of share certificates and all other documents / acts required to be filed / done in connection with the Buy-back with Securities and Exchange Board of India / Stock Exchanges / Registrar of Companies, National Securities Depository Limited, Central Depository Services (India) Limited and other appropriate authorities;
4. The making of all applications to the appropriate authorities for their requisite approvals;
5. The opening, operation and closure of all necessary accounts such as Broking Account, Escrow Account, Special account(s) and any other bank account(s) and Depository Account for the purpose of the Buy-back and authorize persons to operate the said accounts;
6. To arrange for bank guarantees as may be necessary for the Buy-back in accordance with applicable laws;
7. To settle all such questions, difficulties or doubts that may arise in relation to the implementation of the Buy-back;

8. To delegate all or any of the authorities conferred as above to any Officer(s) / Authorized Representative(s) of the Company to give effect to the aforesaid resolution or to accept any change(s) or modification(s) as may be felt necessary or as may be suggested by the appropriate authorities or advisors.

FURTHER RESOLVED THAT the Common seal of the Company if required be affixed on such documents in the presence of any one of the Directors and duly countersigned by the Company Secretary.

FURTHER RESOLVED THAT the Board hereby confirms that it has made a full enquiry into the affairs and prospects of the Company and has formed the following opinion:

- a. That immediately following the date of this Board Meeting and the date on which the results of the Postal Ballot will be declared, there will be no grounds on which the Company can be found unable to pay its debts.
- b. That as regards the Company's prospects for the year immediately following the date of this Board Meeting as well as the year immediately following the date on which the results of the Postal Ballot will be declared approving the Buy-back, and having regard to the Board's intentions with respect to the management of the Company's business during that year and to the amount and character of the financial resources, which will, in the Board's view, be available to the Company during that year, the Company will be able to meet its liabilities as and when they fall due and will not be rendered insolvent within a period of one year from the date of this Board Meeting or as the case may be, within a period of one year from the date on which the results of the Postal Ballot will be declared.
- c. In forming its opinion aforesaid, the Board has taken into account the liabilities as if the Company were being wound up under the provisions of the Act (including prospective and contingent liabilities).
- d. That the debt equity ratio of the Company after the Buy-back will be within the limit of 2:1 as prescribed under the Act.

FURTHER RESOLVED THAT Company shall not use borrowed funds, directly or indirectly, whether secured or unsecured, of any form and nature, from Banks and Financial Institutions for paying the consideration to the equity shareholders who have tendered their Equity Shares in the Buy-back;

FURTHER RESOLVED THAT in terms of Section 68(6) of the Act read with Regulation 8(7) of the Buy-back Regulations the draft of the Declaration of Solvency prepared in the prescribed form and supporting affidavit, the Statement of Assets and Liabilities in the prescribed Form SH 9 as at March 31, 2016 as per Draft placed before the Board be and is hereby approved and authorises Mr. Rajiv C. Mody, Chairman & Managing Director together with anyone of the following Directors viz. Dr. G. Venkatesh or Ms. Neeta S. Revankar to sign the same for and on behalf of the Board, and Mr. S. Prasad, Associate Vice President & Company Secretary be and is hereby authorised to file the same with the ROC and the SEBI.

## **5. DETAILS OF THE PUBLIC ANNOUNCEMENT**

In accordance with the provisions of regulation 8(1) of the Buy-back Regulations, the Company has made a Public Announcement dated December 23, 2016 (Friday) in relation to the Buy-back which was published in the following newspapers, within two Working Days i.e. on December 26, 2016 (Monday)

from the date of Shareholders' approving the Buy-back, by Special Resolution through postal ballot, the result of which were declared on December 23, 2016 (Friday):

Name of the Newspaper	Language	Editions
Financial Express	English	All Editions
Jansatta	Hindi	All Editions
Kannada Prabha	Kannada	Regional Edition

(A copy of the Public Announcement is available on the SEBI website at [www.sebi.gov.in](http://www.sebi.gov.in))

## 6. DETAILS OF THE BUY-BACK

- 6.1 In accordance with Article 172 of the Articles of Association of the Company and provisions of section 68, 69, 70 and other applicable provisions of the Act, rules made thereunder and in compliance with the Buy-back Regulations and subject to such other approvals, permissions and sanctions as may be necessary, the Board of the Company at its meeting held on October 27, 2016 have approved the Buy-back of up to 28,24,544 Equity Shares fully paid up Equity Shares of the Company having face value of ₹ 10 each (representing 15.94% of the total paid-up equity share capital of the Company) at a price not exceeding ₹ 425 (Rupees Four hundred and twenty five) per Equity Share payable in cash for a total consideration not exceeding ₹ 12,004.31 lakhs (Rupees Twelve thousand four lakhs and thirty one thousand only) excluding transaction costs, which is within 25% of the total paid-up equity capital and free reserves (including securities premium account) as per the standalone audited Financial Statements of the Company for the financial year ended March 31, 2016, through the "Tender Offer" route as prescribed under the Buy-back Regulations, on a proportionate basis, from the Eligible Shareholders of the Equity Shares of the Company as on the record date. The shareholders approved the Buy-back, by way of special resolution, through postal ballot / e-voting by way of a postal ballot notice dated November 18, 2016 (the "**Notice**"), the results of which were announced on December 23, 2016. The shareholders have authorized the Board (which term shall, unless repugnant to the context or meaning thereof, be deemed to include a duly authorised "**Committee**" or persons nominated by the Board to exercise its powers in relation to the Buy-back thereof) to determine the total amount to be deployed in the Buy-back, final Buy-back price, number of Equity Shares to be bought back within the aforesaid limits and such other terms of Buy-back. The Buy-back is subject to receipt of any approvals, permissions and sanctions of statutory, regulatory or governmental authorities as may be required under applicable laws, including the SEBI, and the Stock Exchanges on which the Equity Shares of the Company are currently listed.
- 6.2 Pursuant to the shareholders' approval, the Share Buy-back Committee at its meeting held on December 23, 2016 have determined the final Buy-back Price of ₹ 410 (Rupees Four hundred and ten) per Equity Share (the "**Buy-back Price**") and the total amount for Buy-back is ₹ 12,004.31 lakhs (Rupees Twelve thousand and four lakhs and thirty one thousand only) (the "**Buy-back Size**") excluding the Transaction Costs which is 25% of the total paid-up equity capital and free reserves (including securities premium account) as per the standalone audited Financial Statements of the Company for the financial year ended March 31, 2016. With the Buy-back price of ₹ 410 and Buy-back Size of ₹ 12,004.31 lakhs, the total number of shares to be bought back in the Buy-back shall be 29,27,879 Equity Shares (the "**Maximum Buy-back Shares**"), representing 16.52% of the total issued and paid-up equity capital of the Company.
- 6.3 The Buy-back shall be undertaken on a proportionate basis from the Eligible Shareholders as on the **Record Date** through the Tender Offer route prescribed under Regulation 4(1)(a) of the Buy-back Regulations. Additionally, the Buy-back shall be, subject to applicable laws, facilitated by tendering of



Equity Shares by such Eligible Shareholders and settlement of the same, through the Stock Exchange Mechanism as specified by SEBI in Circular Number CIR/CFD/POLICY CELL/1/2015 dated April 13, 2015 (the "**SEBI Circular**").

- 6.4 In terms of Buy-back Regulations, under the Tender Offer route, promoters and promoter group ("**Promoters**") of the Company have option to participate in the Buy-back. However, none of the Promoters and Persons in Control will participate in the Buy-back.
- 6.5 The Buy-back Price of ₹ 410/- per Equity Share represents (i) premium of 12.29% on BSE and 12.13% on NSE over the volume weighted average price of the Equity Shares on BSE and NSE respectively for 3 months preceding the date of intimation of the Board Meeting to consider the proposal of the Buy-back to the Stock Exchanges; (ii) premium of 6.12% on BSE and 6.12% on NSE over the volume weighted average price of the Equity Shares on BSE and NSE respectively for 2 weeks preceding the date of intimation of the Board Meeting to consider the proposal of the Buy-back to the Stock Exchanges; (iii) premium of 1.22% on BSE and 1.17% on NSE over the closing market price of the Equity Shares on Stock Exchanges as on the date of the intimation of the Board Meeting to consider the proposal of the Buy-back to the Stock Exchanges.
- 6.6 The aggregate paid-up equity share capital and free reserves (including securities premium account) as at March 31, 2016 is ₹ 48,017.24 lakhs. In accordance with section 68(2)(c) of the Act, the funds deployed for the Buy-back shall not exceed 25% of the total paid-up equity share capital and free reserves (including securities premium account) of the Company under shareholder approval route. Accordingly, the maximum amount that can be utilized in the present Buy-back is ₹ 12,004.31 lakhs. The Company has proposed to utilise an aggregate amount not exceeding ₹ 12004.31 lakhs excluding the Transaction Costs for the Buy-back which is within the maximum amount as aforesaid and which represents 25% of the total paid-up share capital and free reserves (including securities premium account) of the Company as per standalone audited Financial Statements of the Company for the financial year ended March 31, 2016.
- 6.7 Further, under the Act, the number of Equity Shares that can be bought back during the financial year shall not exceed 25% of the paid-up Equity Shares of the Company. Accordingly, the number of Equity Shares that can be bought back during the financial year cannot exceed 44,29,953 Equity Shares being 25% of 1,77,19,813 Equity Shares as per the standalone audited balance sheet as on March 31, 2016. Since the Company proposes to Buy-back up to 29,27,879 Equity Shares, the same is within the aforesaid limit.
- 6.8 Pursuant to the proposed Buy-back and depending on the response to the Buy-back, the voting rights of the Promoters and Persons in Control in the Company may increase from the existing shareholding of the total equity capital and voting rights of the Company. The Promoters and Persons in Control of the Company are already in control over the Company and therefore such further increase in voting rights of the Promoters and Persons in Control will not result in any change in control over the Company.
- Assuming the Buy-back of Maximum Buy-back Shares pursuant to the Buy-back Offer, the percentage holding of the Promoters and Persons in Control may increase from the existing level of 43.69 % to 52.33%.

The shareholding percentage of the Promoters and Persons in Control as a result of the Buy-back shall increase. Such an increase in shareholding percentage may attract Regulation 3(2) of the Takeover Regulations. However, the same is exempt in terms of the clause (iii) to the proviso to Regulation 10(4)(c) of the Takeover Regulations, subject to compliance with the proviso of the aforesaid clause of the Takeover Regulations. The Promoter Directors of the Company being interested in the resolution

approving the Buy-back in their capacity as Directors of the Company, have abstained themselves from voting in resolution approving the Buy-back passed by the Board at its meeting held on October 27, 2016 and the Resolution passed by the equity shareholders of the Company pursuant to the Postal Ballot Notice dated November 18, 2016.

- 6.9 The Buy-back of Equity Shares may be subject to taxation in India and in the country of residence of the Eligible Shareholder(s). In due course, Eligible Shareholder(s) will receive a Letter of Offer, which will contain a note on taxation. However, in view of the particularized nature of tax consequences, Eligible Shareholders are required to consult their tax advisors for the applicable tax provisions including the treatment that may be given by their respective tax officers in their case, and the appropriate course of action that they should take.

## **7. AUTHORITY FOR THE BUY-BACK**

- 7.1. The Buy-back is being undertaken by the Company in accordance with the provisions of Article 172 of the Articles of Association of the Company, the provisions of Section 68, 69 and 70 of the Act and all other applicable provisions, if any, of the Act, the Companies (Share Capital and Debentures) Rules, 2014, to the extent applicable, and in compliance with the Buy-back Regulations.
- 7.2. The Board at its meeting dated October 27, 2016, passed resolution(s) approving the Buy-back of Equity Shares of the Company and sought approval of its Shareholders, by a special resolution, through postal ballot notice dated November 18, 2016. The result of the postal ballot / e-voting was announced on December 23, 2016. The shareholders of the Company have approved the Buy-back by way of a special resolution, through the postal ballot / e-voting as aforesaid.

## **8. NECESSITY OF THE BUY-BACK**

- 8.1 The Buy-back is being undertaken by the Company to enhance overall shareholders' value and to return surplus funds to the equity shareholders of the Company. The Buy-back would lead to reduction in outstanding number of Equity Shares and may consequently increase earnings per Equity Share over a period of time. This would in turn lead to improvement in return on net worth and other financial ratios and contribute to maximization of overall shareholders' value. Additionally, the Buy-back is being undertaken for the following reasons:
- i. The Buy-back gives an option to the equity shareholders to either participate in the Buy-back and receive cash in lieu of Equity Shares accepted under the Buy-back or not participate in the Buy-back and enjoy a resultant increase in their percentage shareholding in the Company post the Buy-back;
  - ii. The Buy-back would help in improving certain key financial ratios of the Company;
  - iii. The Buy-back, which is being implemented through the Tender Offer route as prescribed under the Buy-back Regulations, would involve a reservation for small shareholders.

## **9. MANAGEMENT DISCUSSION AND ANALYSIS AND THE LIKELY IMPACT OF BUY-BACK ON THE COMPANY**

- 9.1. We believe that the Buy-back is not likely to cause any material impact on the profitability / earnings of the Company except to the extent of reduction in the amount available for investment, which the Company could have otherwise deployed towards generating investment income. Assuming that the response to the Buy-back is 100% (full acceptance) from all the Eligible Shareholders in proportion of their respective Buy-back Entitlement, the funds deployed by the Company towards the Buy-back would be ₹ 12,004.31 lakhs ) excluding Transaction Costs.

- 9.2. In terms of the Buy-back Regulations, under the Tender Offer, the Promoter and Persons in Control have an option to participate in the Buy-back. However, none of them will participate in the Buy-back.
- 9.3. Assuming the response to the Buy-back is 100% (full acceptance) from all the Eligible Shareholders except the Promoters and Persons in Control, in proportion to their respective Buy-back Entitlement, the aggregate shareholding of the Promoter and Persons in Control post the Buy-back may increase to 52.33% from 43.69% prior to Buy-back, and the aggregate shareholding of the public in the Company post Buy-back may decrease to 47.67% from 56.31% prior to Buy-back. The actual percentage ownership could vary depending on overall percentage responses / Acceptance.
- 9.4. The Promoters and Person in Control are already in control over the Company and therefore such further increase in voting rights of the Promoters and Person in Control will not result in any change in control over the Company. Further, Promoters Director did not participate in the discussion nor vote thereon at the Board Meeting held on October 27, 2016, while authorizing the Buy-back and the Promoters and Persons in Control did not participate in the shareholders resolution by way of postal ballot / e-voting authorizing the Buy-back under section 68 of the Act. Therefore, in terms of Regulation 10(4)(c) of the Takeover Regulation despite the possible increase in voting rights of the Promoters and Persons in Control from 43.69% to 52.33%, the Promoters and Persons in Control are exempted from an obligation to make an open offer under the Takeover Regulations. Further, such increase in voting rights of the Promoters and Persons in Control after the Buy-back shall be within the limit of permissible maximum non-public shareholding in the Company as prescribed under Regulation 38 of LODR Regulations read with Securities Contracts (Regulations) Rules, 1957. The Promoters and Persons in Control undertake and confirm that they shall also comply with Regulation 10(6) and 10(7) of the Takeover Regulation as per the timelines stipulated therein.
- 9.5. The Buy-back of Equity Shares shall not result in a change in control or otherwise affect the existing management structure of the Company.
- 9.6. Consequent to the Buy-back and depending on the number of Equity Shares bought back from the Non-Resident Shareholders, financial institutions, banks, mutual funds and other public shareholders, the shareholding of each such person shall undergo a change.
- 9.7. The debt-equity ratio immediately on completion of Buy-back shall be in compliant with the permissible limit of 2:1 prescribed under the Act even if the response to the Buy-back is 100% (full acceptance) from all the Eligible Shareholders in proportion to their respective Buy-back Entitlement.
- 9.8. We believe that the Buy-back is not expected to impact growth opportunities for the Company.
- 9.9. The Promoters and Persons in Control of the Company shall not deal in the Equity Shares of the Company on Stock Exchanges or off market, including by way of inter-se transfer(s) of Equity Shares among the Promoters and Persons in Control, except for creation of pledge or revocation of pledge for bonafide purposes, during the period from the date of passing the special resolution till the closing of the Buy-back.
- 9.10. The Company shall not issue any new Equity Shares or other specified securities including by way of bonus till the date of closure of the Buy-back.
- 9.11. The Company shall not raise further capital for a period of one year from the closure of the Buy-back except in discharge of its subsisting obligations such as conversion of warrants, stock option schemes, sweat equity or conversion of preference shares or debentures into Equity Shares.

9.12. Salient financial parameters consequent to the Buy-back based on the audited standalone financial statements for the financial year ended on March 31, 2016 are as under:

Parameters	Based on Standalone Financial Statements	
	Pre Buy-back	Post Buy-back <sup>^</sup>
Net Worth (₹ in lakhs)*	48,017.24	36,012.93
Return on Net Worth (%) (including exceptional items)	45.79	52.73
Return on Net Worth (%) (excluding exceptional items)	8.29	9.54
Earnings Per Share (EPS) (Basic) (in ₹) (including exceptional items)	108.51	127.97
Earnings Per Share (EPS) (Basic) (in ₹) (excluding exceptional items)	19.64	23.16
Book Value per share (in ₹)	281.47	256.02
Price / Earnings (before exceptional items) as per financial statements for financial year ended March 31, 2016	17.35	14.72
Total Debt / Equity Ratio (Total Debt / Net Worth)	0.00	0.00

<sup>^</sup> The Net worth, Earnings per share and Book value per Equity Share has been calculated using the Net worth and Profit after Tax as on March 31, 2016 and the number of Equity Shares has been taken as on the date of the Public Announcement adjusted for the Maximum Buyback Shares.

Note:

- (1) For the above purpose, "Net Worth" means total of shareholders' funds reduced by revaluation reserves, miscellaneous expenditure, to the extent not written off, Capital Reserve, Capital Redemption Reserve, ESOP Outstanding, Hedging Reserve and the money received against share warrants. The post Buy-back number are calculated by reducing the net worth by the proposed Buy-back Amount (assuming full acceptance) without factoring in any impact of Profit & Loss account.
- (2) Return on Net Worth = Profit After Tax / Average Net Worth for the period (computed as average of opening and closing Net Worth).
- (3) Earnings per Share = Profit After Tax / weighted average number of Equity Shares outstanding for the year.
- (4) EPS post Buy-back is computed after reducing 29,27,879 Equity Shares to be bought back under the Buy-back from weighted average number of Equity Shares outstanding for the year.
- (5) Book value per Equity Share = Net Worth / Number of Equity Shares outstanding at the end of the year.
- (6) PE Multiple = Closing Market price as on March 31, 2016 / EPS excluding exceptional items as per latest audited financial statements.
- (7) Total debt / equity Ratio = Total Debt / Net Worth.

## 10. BASIS OF CALCULATING THE BUY-BACK PRICE

10.1. The Equity Shares are proposed to be bought back at a price of ₹ 410/- per Equity Share. The Buy-back Price has been arrived at after considering various factors including, but not limited to, the volume weighted average market price of the Equity Shares on BSE and NSE respectively for 3 (three) months and 2 (two) weeks preceding the date of intimation of the Board Meeting to consider the proposal of the Buy-back to the Stock Exchanges, closing market price on the date of Board Meeting, price earnings ratio and the impact on the Net worth of the Company.

10.2. The Buy-back Price of ₹ 410/- per Equity Share represents (i) premium of 12.29% on BSE and 12.13% on NSE over the volume weighted average price of the Equity Shares on BSE and NSE respectively for 3 months preceding the date of intimation of the Board Meeting to consider the proposal of the Buy-back to the Stock Exchanges; (ii) premium of 6.12% on BSE and 6.12% on NSE over the volume weighted average price of the Equity Shares on BSE and NSE respectively for 2 weeks preceding the date of intimation of the Board Meeting to consider the proposal of the Buy-back to the Stock Exchanges; (iii) premium of 1.22% on BSE and 1.17% on NSE over the closing market price of the Equity

Shares on Stock Exchanges as on the date of the intimation of the Board Meeting to consider the proposal of the Buy-back to the Stock Exchanges.

10.3. The closing market price of the Equity Shares as on the date of intimation of the date of the Board Meeting for considering the Buy-back to the Stock Exchanges, i.e. October 24, 2016 was ₹ 405.25 and ₹ 405.05 on NSE and BSE respectively. The Buy-back Price of ₹ 410/- amounts to a premium of 1.17% and 1.22% to the closing market price of the Equity Shares as on the date of intimation of the date of the Board Meeting respectively.

10.4. The Buy-back Price is about 145.66% of the book value per Equity Share of the Company, which is ₹ 281.47 as at March 31, 2016.

10.5. The EPS of the Company pre-Buy-back as on March 31, 2016 is ₹ 108.51 which will increase to ₹ 127.97 post Buy-back assuming full acceptance of the Buy-back.

10.6. The Return of Net worth (including exceptional items) of the Company pre-Buy-back as on March 31, 2016 is 45.79% which will increase to 52.73% post Buy-back assuming full acceptance of the Buy-back.

## **11. SOURCES OF FUNDS FOR THE BUY-BACK**

11.1. Assuming full acceptance, the funds that would be utilized by the Company for the purpose of the Buy-back would be ₹ 12,004.31 lakhs excluding Transaction Costs.

11.2. The Buy-back will be financed out of current surplus and / or internal accruals of the Company and / or other permissible sources of funds but not from any borrowed funds.

11.3. This Buy-back is not likely to cause any material impact on the earnings of the Company, except for the cost of financing the Buy-back, being reduction in the treasury income that the Company could have otherwise earned on the funds.

## **12. DETAILS OF THE ESCROW ACCOUNT AND THE AMOUNT DEPOSITED THEREIN**

12.1. In accordance with regulation 10 of the Buy-back Regulations, the Company has appointed Union Bank of India, Industrial Finance Branch, No.23, First Floor, Archana Complex, J.C. Road, Bengaluru 560 002 , as the Escrow Agent for the Buy-back. The Company, the Manager to the Buy-back and the Escrow Agent have entered into an Escrow Agreement dated [●], pursuant to which the Escrow Account in the name and style "Sasken-Buy-back of Equity Shares - Escrow A/c" bearing account number [●] has been opened with the Escrow Agent. The Manager has been empowered to operate the Escrow Account in accordance with the Buy-back Regulations. In accordance with Regulation 10 of the Buy-back Regulations, the Company proposes to deposit the applicable amount in the Escrow Account and issue a bank guarantee in favor of the Manager to the Offer on or before the opening the Buy-back Offer.

12.2. The Company has adequate and firm financial resources to fulfill its obligations under the Buy-back and the same has been certified vide a certificate dated December 23, 2016 by Mr. Narayana V. (Membership No.: 018977, Chartered Accountant having his office at Second Floor East, Grace Villa, No.21, Church Road, Basavanagudi, Bengaluru 560 004.

12.3. Based on the aforementioned certificate, the Manager to the Buy-back confirms that it is satisfied that the firm arrangements for fulfilling the obligations under the Buy-back are in place and that the Company has the ability to implement the Buy-back in accordance with the Buy-back Regulations.

### 13. CAPITAL STRUCTURE AND SHAREHOLDING PATTERN

13.1. The capital structure of the Company as on the date of the Public Announcement i.e. December 23, 2016, is as follows:

Sr. No.	Particulars	(in ₹)
<b>A</b>	<b>AUTHORISED SHARE CAPITAL</b>	
	5,00,00,000 Equity Shares of ₹ 10 each	50,00,00,000
<b>B</b>	<b>ISSUED, SUBSCRIBED AND PAID-UP CAPITAL PRE BUY-BACK</b>	
	1,77,19,813 Equity Shares of ₹ 10 each	17,71,98,130
<b>C</b>	<b>ISSUED, SUBSCRIBED AND PAID-UP CAPITAL POST BUY-BACK*</b>	
	1,47,91,934 Equity Shares of ₹10 each	14,79,19,340

\* Assuming full acceptance of Equity Shares in the Buy-back Offer.

13.2. Details of buy-back done by the Company in the past three financial years

Sr. No.	Opening Date	Closing Date	Method of Buy-back	Equity Shares Bought Back
1	August 10, 2015	August 24, 2015	Tender Offer	36,56,560
2	May 21, 2012	April 22, 2013	Open Market	52,77,878

13.3. As on date of this Draft Letter of Offer, there are no partly paid-up Equity Shares outstanding.

13.4. As on date of this Draft Letter of Offer, there are no outstanding securities convertible into Equity Shares. The shareholders have approved creation of Sasken Employees' Share Based Incentive Plan 2016 vide special resolution dated December 23, 2016 for granting up to a maximum of 8,85,900 Employees Stock Options.

13.5. As on date of this Draft Letter of Offer, there is no amount under calls in arrears.

13.6. There is no pending scheme of amalgamation or compromise or arrangement pursuant to any provisions of the Act.

13.7. The Company shall not issue any Equity Shares including by way of bonus, from the date of public announcement till the date of closure of this Buy-back.

13.8. The shareholding pattern of the Company (a) pre Buy-back i.e. as on date of the Public Announcement i.e. December 23, 2016; and (b) the post Buy-back is as follows:

Category of Shareholder	Pre Buy-back		Post Buy-back*	
	Number of Shares	% to pre Buy-back Equity Share capital	Number of Shares	% to post Buy-back Equity Share capital
Promoters and Persons in Control	77,40,673	43.69	77,40,673	52.33

Foreign Investors (including Non-Resident Indians FIs and Foreign Mutual Funds)	32,42,800	18.30	[•]	[•]
Financial Institutions / Banks & Mutual Funds promoted by Banks / Institutions	32,838	0.19	[•]	[•]
Others (Public, Public Bodies Corporate, etc.)	67,03,502	37.82	[•]	[•]
<b>Total</b>	<b>1,77,19,813</b>	<b>100.00</b>	1,47,91,934	100.00

\* Assuming response to the Buy-back is 100% (full acceptance) from all the Eligible Shareholders in proportion to their respective Buy-back Entitlement.

13.9. Assuming response to the Buy-back is 100% (full acceptance) from all the Eligible Shareholders in proportion to their respective Buy-back Entitlement, the aggregate shareholding of the Promoters and Persons in Control post the Buy-back may increase to 52.33% from 43.69% prior to the Buy-back.

13.10. No Equity Shares were either purchased or sold by the Promoters and Persons in Control from a period of six months preceding the date of the Board Meeting at which the Buy-back was approved till the date of the this Draft Letter of Offer except the following:

Name	Date of Transaction	Mode	No. of Equity Shares	Minimum Price / Date of Minimum Price	Maximum Price / Date of Maximum Price
Ms. Nilima Doshi	May 19, 2016	Market Purchase	12,500	₹ 330.00 May 19, 2016	₹ 339.50 May 19, 2016
Mr. Rajiv C. Mody (Representing in the capacity as Trustee of the Estate of Late C. J. Mody)	December 16, 2016	Transmission of Shares	(15,45,560)	Not Applicable	Not Applicable
Mr. Rajiv C. Mody	December 16, 2016	Received by way of transmission of shares	15,45,560	Not Applicable	Not Applicable

#### 14. BRIEF INFORMATION ABOUT THE COMPANY

##### 14.1. History of the Company

The Company was incorporated on February 13, 1989 as ASIC Technologies Private Limited under the Companies Act, 1956. The name of Company was changed to Silicon Automation Systems (India) Private Limited and a fresh certificate of incorporation consequent to the change of name was issued by the Registrar of Companies, Gujarat, Dadra & Nagar Haveli on October 13, 1992. On April 20, 1993 the Company changed its registered office from the State of Gujarat to the State of Karnataka. The name of Company was changed to Silicon Automation Systems Limited and a fresh certificate of incorporation consequent to the change of name was issued by the Registrar of Companies, Karnataka on December 30, 1998. Further, the Company name was changed to Sasken Communication Technologies Limited

and a fresh certificate of incorporation consequent on change of name was issued by the Registrar of Companies, Karnataka on October 17, 2000. The shareholders of the Company have approved change of name of the Company from "Sasken Communication Technologies Limited" to "Sasken Technologies Limited" vide special resolution dated December 23, 2016 and the Company is in process of complying other formalities with ROC and Stock Exchanges to give effect to the name change of the Company.

#### 14.2. Business Overview

Our Company is one of the leading players in providing Product Engineering and Digital Transformation services to global tier-1 customers. Sasken's domain knowledge and comprehensive suite of services have helped global leaders maintain market leadership in industries such as Semiconductors, Automotive, Enterprise grade Devices, Smart Devices and Wearables, Industrials, Retail, Public Safety, Satcom, and Telecom. Global Fortune 500 and Tier 1 companies in these segments are part of Sasken's customer profile.

The Company has five wholly owned subsidiaries which have been set-up primarily to cater to key customers worldwide, in areas such as hardware and software design; development and testing of wireless devices; product and solution design, etc.

In addition to being directly involved in the development of a variety of technologies, the Company has been a member of premier technology bodies including ITU, 3GPP, GCF, MPEG-ISO, WiMAX, NFC, Open Handset Alliance, DLNA and ATM and other forums.

The Company's solutions are backed by CMMI-DEV-V1.3-ML3, ISO 9001:2008, ISO 27001:2005 and TL 9000 certifications. The Company commitment to environment is highlighted by its ISO 14001:2004 certification.

#### 14.3. Financial Performance

As per standalone financial statements for the financial years ended March 31, 2016, 2015 and 2014, the Company recorded total income of ₹ 43,325.39 lakhs, ₹ 37,119.70 lakhs and ₹ 41,460.54 lakhs respectively, and Profit / (Loss) after Tax of ₹ 20,894.39 lakhs, ₹ 15,879.04 lakhs and ₹ 5,793.13 lakhs respectively.

#### 14.4. The details of changes in the equity share capital of the Company since its incorporation are as follows:

Date of Allotment	Number of Equity Shares	Face Value per Equity Share (₹)	Issue Price per Equity Share (₹)	Reasons for Allotment	Consideration	Cumulative Capital (No. of Shares)
13-Feb-89	20	10.00	10.00	Subscriber to the Memorandum and Articles of Association	Cash	20
12-Aug-91	200,000	10.00	10.00	Preferential Allotment	Cash	200,020
8-Jan-92	30,000	10.00	10.00	Preferential	Cash	



Date of Allotment	Number of Equity Shares	Face Value per Equity Share (₹)	Issue Price per Equity Share (₹)	Reasons for Allotment	Consideration	Cumulative Capital (No. of Shares)
				Allotment		230,020
6-Jan-93	20,000	10.00	10.00	Preferential Allotment	Cash	250,020
31-Dec-93	50,000	10.00	10.00	Preferential Allotment	Cash	300,020
25-Aug-95	44,440	10.00	10.00	Preferential Allotment	Cash	344,460
16-Jan-96	905,540	10.00	10.00	Preferential Allotment	Cash	1,250,000
26-Mar-96	1,250,000	10.00	10.00	Bonus Issue (1:1)	-	2,500,000
20-Feb-97	1,250,000	10.00	10.00	Bonus Issue (1:2)	-	3,750,000
30-Sep-97	3,125,000	10.00	10.00	Bonus Issue (5:6)	-	6,875,000
9-Feb-98	3,125,000	10.00	10.00	Preferential Allotment	Cash	10,000,000
1-Apr-98	667,100	10.00	10.00	FCD 'A' Series Conversion	Cash	10,667,100
18-Aug-98	50,000	10.00	10.00	Bonus Issue (1:200)		10,717,100
1-Oct-98	76,800	10.00	10.00	FCD 'B' Series Conversion	Cash	10,793,900
2-Aug-99	400	10.00	40.00	FCD 'F', 'G' & 'H' series Conversion	Cash	10,794,300
1-Oct-99	68,400	10.00	10.00	FCD 'C' series Conversion	Cash	10,862,700
8-Oct-99	454,000	10.00	300.00	Preferential Issue	Cash	11,316,700
8-Oct-99	454,000	10.00	210.00	Preferential Allotment	Cash	11,770,700
8-Oct-99	150,000	10.00	300.00	Rights Issue (1.389:100)	Cash	11,920,700
12-Oct-99	454,000	10.00	300.00	Preferential Allotment	Cash	12,374,700
1-Jan-00	100,000	10.00	40.00	FCD 'J' Series conversion	Cash	12,474,700
14-Oct-00	61,000	10.00	10.00	FCD 'D' Series conversion	Cash	12,535,700
14-Oct-00	29,600	10.00	40.00	FCD 'F' Series conversion	Cash	12,565,300
1-Dec-01	60,400	10.00	10.00	FCD 'E' Series conversion	Cash	12,625,700

Date of Allotment	Number of Equity Shares	Face Value per Equity Share (₹)	Issue Price per Equity Share (₹)	Reasons for Allotment	Consideration	Cumulative Capital (No. of Shares)
1-Dec-01	42,700	10.00	40.00	FCD 'G' Series conversion	Cash	12,668,400
2001-02	1,017.00	10.00	-	ESOP	Cash	12,669,417
2002-03	601.50	10.00	-	ESOP	Cash	12,670,019
18-Oct-02	40,000	10.00	40.00	FCD 'H' Series Conversion	Cash	12,710,019
11-Apr-03	816,666.50	10.00	60.00	Preferential Allotment	Cash	13,526,685
11-Apr-03	1,633,333.50	10.00	60.00	Rights Issue (1:7.78)	Cash	15,160,019
22-Oct-03	800	10.00	40.00	FCD 'I' Series conversion	Cash	15,160,819
16-Jul-04	1,633,333.50	10.00	60.00	Preferential Allotment	Cash	16,794,152
16-Jul-04	60	10.00	60.00	Issued for consolidation	Cash	16,794,212
2004-05	53,010	10.00	-	ESOP	Cash	16,847,222
2005-06	35,940	10.00	-	ESOP	Cash	16,883,162
14-Apr-05	3,228,334	10.00	141.63	Preferential Allotment	Cash	20,111,496
14-Apr-05	600,000	10.00	223.00	Preferential Allotment	Cash	20,711,496
27-Apr-05	1,800,000	10.00	223.00	Preferential Allotment	Cash	22,511,496
31-Aug-05	5,000,000	10.00	260.00	IPO	Cash	27,511,496
2005-06	424,885	10.00	-	ESOP(*)	Cash	27,936,381
2006-07	563,755	10.00	-	ESOP(*)	Cash	28,500,136
2007-08	60,657	10.00	-	ESOP(*)	Cash	28,560,793
2008-09	(1,449,742)	10.00	-	Buyback of Equity Shares(#)	Cash	27,111,051
2009-10	507,375	10.00	-	ESOP(*)	Cash	27,618,426
2010-11	(1,432,633)	10.00	-	Buyback of Equity Shares(#)	Cash	26,185,793
2011-12	(729,367)	10.00	-	Buyback of Equity Shares(#)	Cash	25,456,426
2011-12	554,925	10.00	-	ESOP(*)	Cash	26,011,351
2012-13	90,500	10.00	-	ESOP(*)	Cash	26,101,851
2012-13	(5,052,325)	10.00	-	Buyback of Equity Shares(#)	Cash	21,049,526
2013-14	(225,553)	10.00	-	Buyback of	Cash	20,823,973

Date of Allotment	Number of Equity Shares	Face Value per Equity Share (₹)	Issue Price per Equity Share (₹)	Reasons for Allotment	Consideration	Cumulative Capital (No. of Shares)
				Equity Shares(#)		
2013-14	453,600	10.00	-	ESOP(*)	Cash	21,277,573
2014-15	67,300	10.00	-	ESOP(*)	Cash	21,344,873
2015-16	13,500	10.00	-	ESOP(*)	Cash	21,358,373
2015-16	(3,656,560)	10.00	-	Buyback of Equity Shares(#)	Cash	17,701,813
2015-16	18,000	10.00	-	ESOP(*)	Cash	17,719,813

(\*) Equity shares allotted pursuant to exercise of stock options under Employee Stock Option Schemes of the Company in the respective financial years.

(#) during the financial years disclosed the Company has bought back Equity shares.

(Source: Company)

14.5. The Details of the Board of Directors of the Company as on date of Public Announcement i.e. December 23, 2016 are as follows:

Name, Age and DIN of the Director	Designation	Qualifications And Occupation	Date of Appointment / Reappointment	Other Directorships in Indian Companies on the date of Public Announcement
Mr. Rajiv C. Mody Age: 58 years DIN: 00092037	Chairman & Managing Director	Bachelor's Degree in Electrical Engineering and Master's Degree in Computer Science.  <i>Occupation: Service</i>	September 29, 1989  Re-appointed as Managing Director w.e.f. September 14, 2015.	1. Centum Electronics Limited 2. J B Chemicals & Pharmaceuticals Limited 3. Sasken Network Engineering Limited 4. Taco Sasken Automotive Electronics Limited (Under Liquidation)
Dr. Ashok Jhunjhunwala Age: 63 years DIN: 00417944	Independent Director	B.Tech, MS & Ph.D.  <i>Occupation: Professor</i>	November 22, 2000  Re-appointed on September 22, 2014	1. Exicom Tele-Systems Ltd. 2. Intellect Design Arena Limited 3. Mahindra Reva Electrical Vehicles Private Limited. 4. Tata Communications Limited. 5. Tata Teleservices (Maharashtra) Limited. 6. Tejas Networks Limited 7. Biotechnology Industry Research Assistance Council (Section 8 Company under the Act). 8. IITM Incubation Cell (Section 8 Company under the Act).

Name, Age and DIN of the Director	Designation	Qualifications And Occupation	Date of Appointment / Reappointment	Other Directorships in Indian Companies on the date of Public Announcement
				9. IIT Madras Research Park (Section 8 Company under the Act).
Mr. Bansi S. Mehta Age: 81 years DIN: 00035019	Independent Director	FCA,  <i>Occupation: Practicing Chartered Accountant</i>	February 01, 2001  Re-appointed on September 22, 2014	1. Atul Limited 2. Century Enka Limited 3. Gillette India Limited 4. Housing Development Finance Corporation Limited 5. IL&FS Investment Managers Limited (Formerly known as IL&FS Venture Corporation Limited). 6. NSDL e-Governance Infrastructure Limited (Formerly known as National Securities Depositories Limited) 7. Pidilite Industries Limited. 8. Proctor and Gamble Hygiene and Health Care Limited 9. Thyssenkrupp Industrial Solutions (India) Private Limited
Mr. Bharat V. Patel Age: 72 years DIN: 00060998	Independent Director	MA in Economics and MBA in Marketing.  <i>Occupation: Consultant</i>	July 16, 2009  Re-appointed on September 22, 2014	1. Birla Sun Life Asset Management Company Limited 2. Broadcast Audience Research Council 3. Aditya Birla Fashion and Retail Limited (Formerly known as Pantaloons Fashion & Retail Limited) 4. Sistema Shyam Teleservices Limited 5. The Indian Society of Advertisers
Prof. J. Ramachandran Age: 59 years DIN: 00004593	Independent Director	Chartered Accountant, Cost Accountant and a Fellow of the Indian Institute of Management  <i>Occupation: Professor</i>	June 15, 2000  Re-appointed on September 22, 2014	1. Aditya Auto Products & Engineering (I) Private Limited 2. Allcargo Logistics Limited 3. Aquarius Investment Advisors India Private Limited 4. Redington India Limited 5. Reliance Communications Limited 6. Reliance Infratel Limited 7. Polaris Consulting & Services Limited

<b>Name, Age and DIN of the Director</b>	<b>Designation</b>	<b>Qualifications And Occupation</b>	<b>Date of Appointment / Reappointment</b>	<b>Other Directorships in Indian Companies on the date of Public Announcement</b>
Mr. Sunirmal Talukdar Age: 65 years DIN: 00920608	Independent Director	Chartered Accountant  <i>Occupation: Service</i>	February 16, 2016	1. India Carbon Limited 2. Titagarh Capital Private Limited 3. Clariant Chemicals (India) Limited 4. Innvol Medical India Limited 5. Aris Capital Private Limited 6. Titagarh Wagons Limited 7. Titagarh Agrico Private Limited
Mr. Sanjay M. Shah Age: 53 years DIN: 00375679	Independent Director	Bachelor of Technology in Aerospace Engineering, Masters in Computer Science.  <i>Occupation: Service</i>	June 10, 2005  Re-appointed on September 22, 2014	1. Instavans Logistics Private Limited 2. Shoptree Online Retail Private Limited 3. Zpty Software Private Limited 4. Skelta Professional Services Private Limited
Mr. Jyotindra B. Mody Age: 87 years DIN: 00034851	Non-Executive Director	Inter-Science  <i>Occupation: Service</i>	October 12, 1999  Re-appointed on July 23, 2012	1. Ansuya Mody Securities Private Limited 2. Ifiunik Pharmaceuticals Limited 3. J B Chemicals & Pharmaceuticals Limited 4. Jyotindra Mody Holdings Private Limited 5. Unique Pharmaceutical Labs. Limited 6. J B Life Science Overseas Limited 7. Lekar Healthcare Limited 8. Ansuya Mody Enterprises Private Limited 9. J. B. Mody Enterprises Private Limited
Mr. Pranabh D. Mody Age : 53 years DIN: 00035505	Non-Executive Director	Bachelor's Degree in Pharmacy and Masters in Business Administration.  <i>Occupation: Service</i>	July 29, 1991  Re-appointed on September 22, 2014	1. Dinesh Mody Securities Private Limited 2. Ifiunik Pharmaceuticals Limited 3. J B Chemicals & Pharmaceuticals Limited 4. Kumud Mody Securities Private Limited 5. Unique Pharmaceutical Laboratories Limited 6. Dinesh Mody Ventures Private Limited 7. Kumud Mody Ventures Private Limited

<b>Name, Age and DIN of the Director</b>	<b>Designation</b>	<b>Qualifications And Occupation</b>	<b>Date of Appointment / Reappointment</b>	<b>Other Directorships in Indian Companies on the date of Public Announcement</b>
Dr. G. Venkatesh Age: 55 years DIN: 00092085	Non-Executive Director	Graduate in Electronics, Ph.D in Computer Science.  <i>Occupation: Professor</i>	January 25, 2005  Change is designation from Whole-time Director to Non-Executive Director w.e.f. January 19, 2015.	1. MyLSpot Education Services Private Limited 2. Sasken Network Engineering Limited 3. Uniphore Software Systems Private Limited 4. Taco Sasken Automotive Electronics Limited (Under Liquidation) 5. Fulcrum Education Private Limited
Mr. Krishna J. Jhaveri Age: 61 years DIN: 00102729	Whole-time Director	Bachelor's degree in Mechanical Engineering and Master's in Operations Research and Industrial Engineering.  <i>Occupation: Service</i>	April 01, 2000  Re-appointed on September 14, 2015	Nil
Ms. Neeta S. Revankar Age : 50 years DIN: 00145580	Whole-time Director & CFO	Chartered Accountant and Company Secretary  <i>Occupation: Service</i>	April 22, 2010  Re-appointed on September 14, 2015	1. Sasken Network Engineering Limited 2. Taco Sasken Automotive Electronics Limited (Under Liquidation)

(Source: Ministry of Corporate Affairs (MCA) website and Company)

14.6. The details of changes in the Board of Directors during the last 3 years preceding the date of Public Announcement are as under:

<b>Name of the Director</b>	<b>Appointment / Resignation / Cessation</b>	<b>Effective Date</b>	<b>Reasons</b>
Mr. Bharat P. Mehta	Cessation	April 25, 2014	Ceased to be an Alternate Director consequent to notification of Section 161(2) of the Act
Mr. Deepak V. Harlalka	Appointment	July 17, 2014	Appointed as an Independent Director
Mr. Anjan Lahiri	Resignation	September 23, 2014	Resigned as a Whole-time Director
Mr. Deepak V. Harlalka	Resignation	January 12, 2015	Resigned as an Independent Director
Mr. Kiran S. Karnik	Resignation	August 24, 2015	Resigned as an Independent Director

Name of the Director	Appointment / Resignation / Cessation	Effective Date	Reasons
Mr. Sunirmal Talukdar	Appointment	February 16, 2016	Appointed as an Independent Director

14.7. The Buy-back will not result in any benefit to any Directors of the Company except to the extent of the change in their shareholding as per the response received in the Buy-back, as a result of the extinguishment of Equity Shares which will lead to a reduction in the Equity Share Capital of the Company, post Buy-back.

## 15. FINANCIAL INFORMATION ABOUT THE COMPANY

15.1. The salient financial information of the Company as extracted from the audited standalone financial statements for the preceding three financial years being March 31, 2016, March 31, 2015 and March 31, 2014 and audited financial results for six months period ended September 30, 2016, are as under:

(₹ in lakhs)

Particulars	6 Months ended	Year ended		
	September 30, 2016 (audited)	March 31, 2016 (audited)	March 31, 2015 (audited)	March 31, 2014 (audited)
Total Income	21,760.19	43,325.39	37,119.70	41,460.54
Total Expenses (Excluding Finance Costs and Depreciation)	17,822.10	37,123.01	32,413.83	31,876.87
Finance Cost	0.00	0.00	0.00	0.00
Depreciation	312.09	586.04	1,039.23	953.32
Exceptional Items	0.00	23,333.27	21,716.10	(1,197.39)
Profit / (Loss) before tax	3,626.00	28,949.61	25,382.74	7,432.96
Provision for tax / (Deferred Tax Credit)	928.59	8,055.22	9,503.70	1,639.83
Profit / (Loss) after tax	2,697.41	20,894.39	15,879.04	5,793.13
Equity Share Capital	1,771.98	1,771.98	2,134.49	2,127.76
Reserves & Surplus*	48,942.67	46,245.26	41,103.01	31,668.19
Net worth	50,714.65	48,017.24	43,237.50	33,795.95
Total debt (excluding working capital loans)	0.00	0.00	0.00	0.00

\* Excluding revaluation reserves, miscellaneous expenditure, to the extent not written off, Capital Reserve, Capital Redemption Reserve, ESOP Outstanding, Hedging Reserve.

The Reserves and Surplus as on March 31, 2014 does not include revaluation reserves, miscellaneous expenditure, to the extent not written off, Capital Reserve, Capital Redemption Reserve, ESOP Outstanding, Hedging Reserve and the money received against share warrants.

## 15.2. Key Financial Ratios

Based on audited standalone financial statements

(₹ In in lakhs)

Particulars	6 Months ended	Year ended		
	September 30, 2016 <sup>^</sup> (audited)	March 31, 2016 (audited)	March 31, 2015 (audited)	March 31, 2014 (audited)
Earnings per Share - Basic (₹) <sup>(1)</sup>	15.22	108.51	74.52	27.42
Earnings per Share – Diluted (₹) <sup>(1)</sup>	15.22	108.51	74.44	27.24
Book Value Per Share (₹) <sup>(2)</sup>	298.45	281.47	209.32	167.44
Return on Net worth (%) <sup>(3)</sup>	5.46	45.79	41.23	16.79
Debt-Equity Ratio <sup>(4)</sup>	0.00	0.00	0.00	0.00
Total Debt / Net worth	0.00	0.00	0.00	0.00

**Note: The formulae used for computation of the above ratios are as follows:**

(1) Earnings per Share = Profit After Tax / weightage average number of Equity Shares outstanding during the year

(2) Book value per Share = Shareholders' Funds / Number of Equity Shares outstanding at the end of the year

(3) Return on Net Worth = Profit After Tax / Average Net Worth for the period (computed as average of opening and closing Net worth)

(4) Debt-Equity Ratio = Total Debt excluding Working Capital / (Paid up Equity Share Capital + Reserves & Surplus)

(5) ^ Not Annualized

(6) For the above purpose, "Net worth" means total of shareholders' funds reduced by revaluation reserves, miscellaneous expenditure, to the extent not written off, Capital Reserve, Capital Redemption Reserve, ESOP Outstanding, Hedging Reserve and the money received against share warrants.

15.3. The Company shall comply with the Takeovers Regulations, wherever and if applicable. The Company hereby declares that it has complied with sections 68, 69 and 70 of the Act and the Companies (Share Capital and Debentures) Rules, 2014, to the extent applicable.

## 16. STOCK MARKET DATA

16.1. The Equity Shares are currently listed and traded on BSE and NSE.

16.2. The high, low, average market prices and total volume of Equity Shares traded in the last three Financial years (April to March) and the monthly high, low, average market prices and total volume of Equity Shares traded for the six completed calendar months preceding the date of publication of Public Announcement and the corresponding volumes on NSE (the Stock Exchange where the maximum volume of trading in the Equity Shares is recorded) are as follows:

**NSE (Scrip Code: SASKEN)**

Period	HIGH			LOW			Average Price (₹)	Total Volume Traded in the period (No. of shares)
	High Price (₹)	Date of High Price	No. of shares traded on that date	Low Price (₹)	Date of Low Price	No. of shares traded on that date		
<b>PRECEDING 3 YEARS</b>								
FY 2016	430.90	March 15, 2016	29,75,403	205.60	April 07, 2015	95,916	280.53	2,76,97,382
FY 2015	353.00	September 10, 2016	5,75,420	176.10	March 25, 2015	67,713	244.39	3,61,43,938



FY 2014	216.80	January 21, 2014	13,32,698	99.25	September 10, 2013	26,997	143.01	1,43,06,418
<b>PRECEDING 6 MONTHS</b>								
November 2016	413.00	November 10, 2016	18,928	365.45	November 22, 2016	22,708	398.59	5,18,340
October 2016	440.00	October 25, 2016	4,43,907	340.55	October 04, 2016	5,228	384.00	15,33,341
September 2016	370.90	September 01, 2016	46,944	324.00	September 30, 2016	19,575	352.91	5,80,971
August 2016	379.50	August 25, 2016	1,90,858	340.00	August 16, 2016	8,752	352.91	6,83,524
July 2016	390.00	July 21, 2016	2,89,348	322.00	July 01, 2016	18,953	352.43	17,49,878
June 2016	341.90	June 01, 2016	1,19,833	301.00	June 24, 2016	25,053	322.39	6,23,607

**Source:** [www.nseindia.com](http://www.nseindia.com)

**Note:** High and Low price for the period are based on intraday prices and Average Price is based on average of closing price.

16.3. The closing market price of the Equity Shares on NSE and BSE on October 26, 2016, being the Working Day previous to the day on which the Board approved the proposal for Buy-back, was ₹ 431.00 and ₹ 430.80 respectively.

16.4. The closing market price of the Equity Shares as on the date of the Board Meeting, October 27, 2016, was ₹ 414.40 on the NSE and ₹ 416.10 on the BSE. The closing market price of the Equity Shares as on the date of intimation of the Board Meeting for considering the Buy-back, being October 24, 2016, was ₹ 405.25 on the NSE and ₹ 405.05 on the BSE.

## 17. DETAILS OF THE STATUTORY APPROVALS

17.1. The Buy-back is subject to approvals, if any, required under the provisions of the Act, the Buy-back Regulations, SEBI and applicable rules and regulations as specified by RBI under FEMA and / or such other applicable rules and regulations for the time being in force.

17.2. The Buy-back of Equity Shares from Non-Resident Shareholders will be subject to approvals, if any, of the appropriate authorities as applicable. Non-Resident Shareholders including Non-Resident Indians ("NRI") and erstwhile Overseas Corporate Bodies ("OCB") must obtain all approvals required to tender the Equity Shares held by them in this Buy-back (including without limitation the approval from the RBI). It is the obligation of such Non-Resident Shareholders including NRI and OCB shareholders, to obtain such approvals and submit such approvals along with the tender form, so as to enable them to validly tender Equity Shares in the Buy-back and for the Company to purchase such Equity Shares tendered. The Company will have the right to make payment to the Eligible Shareholders in respect of whom no prior RBI approval is required and will have the right to reject the Equity Shares tendered by the Eligible Sellers who are Non-Resident Shareholders in respect of whom prior RBI approval is required in the event copies of such approvals are not submitted.

17.3. As on date, there are no other statutory or regulatory approvals required to implement the Buy-back, other than that indicated above. If any statutory or regulatory approvals become applicable subsequently, the Buy-back will be subject to such statutory or regulatory approvals. In the event that the receipt of any statutory / regulatory approvals are delayed, changes to the proposed timetable of the Buy-back, if any, shall be intimated to Stock Exchanges.

## 18. DETAILS OF THE REGISTRAR TO THE BUY-BACK AND COLLECTION CENTRE

### 18.1. REGISTRAR TO THE BUY-BACK



**Karvy Computershare Private Limited**

Karvy Selenium Tower B, Plot No.31-32,  
Gachibowli, Financial District, Nanakramguda,  
Hyderabad - 500 032

**Contact person:** Mr. M. Muralikrishna

**E-mail:** einward.ris@karvy.com; **Website:** www.karisma.karvy.com

**Tel:** +91 40 6716 2222; **Fax:** +91 40 2343 1551

**SEBI Registration Number:** INR000000221; **CIN:** U72400TG2003PTC041636

### 18.2. COLLECTION CENTRE

Eligible Shareholders are requested to submit their Tender Form(s) and requisite documents either by registered post / courier to the Registrar to the Buy-back, super scribing the envelope as "**Sasken Communication Technologies Limited Buy-back Offer 2016**", or hand deliver the same to the Registrar to the Buy-back at the address abovementioned.

**THE TENDER FORM AND OTHER RELEVANT DOCUMENTS SHOULD NOT BE SENT TO THE COMPANY OR TO THE MANAGER TO THE BUY-BACK.**

## 19. PROCESS AND METHODOLOGY FOR THE BUY-BACK

19.1. The Company proposes to buy-back not exceeding 29,27,879 fully paid-up Equity Shares (representing up to about 16.52% of the total paid-up Equity Share capital of the Company) from the Equity Shareholders as on the Record Date, on a proportionate basis, through the Tender Offer route at a price of ₹ 410/-per Equity Share, payable in cash for an aggregate maximum amount of up to ₹ 12,004.31 lakhs . The Buy-back is in accordance with the provisions of Section 68, 69, 70 and other applicable provisions, if any, of the Act and in accordance with Article 172 of the Articles of Association of the Company and subject to regulation 4(1)(a) and other applicable provisions contained in the Buy-back Regulations and such other approvals, permissions and exemptions as may be required, from time to time from statutory authorities and / or regulatory authorities, including but not limited to approvals from SEBI, Stock Exchanges and the RBI, if any. The Buy-back Size represents less than 25% of the paid-up Equity Share Capital and free reserves of the Company as on March 31, 2016. The maximum number of Equity Shares proposed to be bought back is up to 29,27,879 Equity Shares of face value Rs.10 each, being 16.52% of the total paid up Equity Shares of the Company.

19.2. The aggregate shareholding of the Promoters and Persons in Control as on the date of the Draft Letter of Offer is 77,40,673 Equity Shares which represents 43.69% of the existing Equity Share capital of the Company. In terms of the Buy-back Regulations, under the Tender Offer route, the Promoters and Persons in Control of the Company have an option to participate in the Buy-back. However, none of them will participate in the Buy-back.

19.3. Assuming response to the Buy-back is 100% (full acceptance) from all the Eligible Shareholders in proportion to their respective Buy-back Entitlement, the aggregate shareholding of the Promoters and Persons in Control post the Buy-back may increase to 52.33% from 43.69%.

**19.4. Record Date and Ratio of Buy-back as per the Buy-back Entitlement in each Category:**

- (i) The Company had fixed Friday, January 6, 2017 as the Record Date for the purpose of determining the Buy-back Entitlement and the names of the Equity Shareholders who are eligible to participate in the Buy-back.
- (ii) The Equity Shares to be bought back as a part of this Buy-back are divided into two categories:
- (a) Reserved category for Small Shareholders ("**Reserved Category**"); and  
 (b) General category for other Eligible Sellers ("**General Category**").
- (iii) As defined in the Buy-back Regulations, Small Shareholder includes a shareholder, who holds Equity Shares of the Company, as on the Record Date, whose market value, on the basis of closing price on the Recognized Stock Exchange registering the highest trading volume, as on Record Date, is not more than ₹ 2,00,000/- (Rupees Two Lakh Only). As on the Record Date, the closing price on [●], having the highest trading volume, was ₹ [●]/-. Accordingly all Equity Shareholders holding not more than [●] Equity Shares as on the Record Date are classified as "Small Shareholders" for the purpose of the Buy-back.
- (iv) Based on the above definition, there are [●] Small Shareholders in the Company with aggregate shareholding of [●] Equity Shares as on the Record Date, which constitutes [●]% of the outstanding number of Equity Shares of the Company and [●]% of the maximum number of Equity Shares which the Company proposes to buy-back as a part of this Buy-back.
- (v) In compliance with regulation 6 of the Buy-back Regulations, the reservation for the Small Shareholders, will be higher of:
- (a) 15% (fifteen percent) of the number of Equity Shares which the Company proposes to Buy-back i.e. 15% of 29,27,879 Equity Shares which works out to 4,39,181 Equity Shares; or  
 (b) The number of Equity Shares entitled as per their shareholding as on Record Date i.e.  $([●]/[●]) \times [●]$ , which works out to be [●] Equity Shares.
- (1) All the outstanding fully paid-up Equity Shares have been used for computing the Buy-back Entitlement of Small Shareholders.
- (2) Based on the above and in accordance with regulation 6 of the Buy-back Regulations, [●] [(Rounded off)] fully paid-up Equity Shares have been reserved for Small Shareholders. Accordingly, General Category for all other Eligible Sellers shall consist of [●] Equity Shares.
- (vi) Based on the above Buy-back Entitlement, the Ratio of Buy-back for both categories is decided as below:

<b>Category of Shareholders</b>	<b>Ratio of Buy-back</b>
Reserved category for Small Shareholders	[●] Equity Shares out of every [●] fully paid-up Equity Shares held on the Record Date.
General category for all other Eligible Sellers	[●] Equity Shares out of every [●] fully paid-up Equity Shares held on the Record Date.

#### 19.5. **Fractional Entitlements:**

If the Buy-back Entitlement under the Buy-back, after applying the above mentioned ratios to the Equity Shares held on Record Date, is not a round number (i.e. not in the multiple of 1 Equity Share), then the fractional entitlement shall be ignored for computation of Buy-back Entitlement to tender Equity Shares in the Buy-back for both categories of Eligible Shareholders.

On account of ignoring the fractional entitlement, those Small Shareholders who hold [●] or less Equity Shares as on Record Date will be dispatched a Tender Form with zero entitlement. Such Small Shareholders are entitled to tender Additional Equity Shares as part of the Buy-back and will be given preference in the acceptance of one Equity Share, if such Small Shareholders have tendered for Additional Equity Shares.

#### 19.6. **Basis of Acceptance of Equity Shares validly tendered in the Reserved Category for Small Shareholders:**

Subject to the provisions contained in this Draft Letter of Offer, the Company will accept the Equity Shares tendered in the Buy-back by the Small Shareholders in the Reserved Category in the following order of priority:

- (i) Acceptance of 100% Equity Shares from Small Shareholders in the Reserved Category, who have validly tendered their Equity Shares to the extent of their Buy-back Entitlement or the number of Equity Shares tendered by them, whichever is less.
- (ii) Post the acceptance as described in paragraph 19.6 (i) above, in case there are any Equity Shares left to be bought back from Small Shareholders in the Reserved Category, the Small Shareholders who were entitled to tender zero Equity Shares (on account of ignoring the fractional entitlement), and have tendered Additional Equity Shares as part of the Buy-back, shall be given preference and 1 (one) Equity Share each from the Additional Equity Shares applied by these Small Shareholders shall be bought back in the Reserved Category.
- (iii) Post the acceptance as described in paragraph 19.6 (i) and 19.6 (ii) above, in case there are any Equity Shares left to be bought back in the Reserved Category, the Additional Equity Shares tendered by the Small Shareholders over and above their Buy-back Entitlement, shall be accepted in proportion of the Additional Equity Shares tendered by them and the Acceptances per Small Shareholders shall be made in accordance with the Buy-back Regulations, i.e. valid acceptances per Small Shareholder shall be equal to the Additional Equity Shares validly tendered by the Small Shareholder divided by the total Additional Equity Shares validly tendered and multiplied by the total pending number of Equity Shares to be accepted in Reserved Category. For the purpose of this calculation, the Additional Equity Shares taken into account for such Small Shareholders, from whom 1 (one) Equity Share has been accepted in accordance with paragraph 19.6 (ii) above, shall be reduced by 1 (one).
- (iv) Adjustment for fractional results in case of proportionate Acceptance, as described in paragraph 19.6 (iii) above:
  - (a) For any Small Shareholder, if the number of Additional Equity Shares to be accepted, calculated on a proportionate basis is not in the multiple of 1 (one) and the fractional Acceptance is greater than or equal to 0.50, then the fraction would be rounded off to the next higher integer.

- (b) For any Small Shareholder, if the number of Additional Equity Shares to be accepted, calculated on a proportionate basis is not in the multiple of 1 (one) and the fractional Acceptance is less than 0.50, then the fraction shall be ignored.

#### 19.7. **Basis of Acceptance of Shares validly tendered in the General Category:**

Subject to the provisions contained in the Draft Letter of Offer, the Company will accept the Equity Shares tendered in the Buy-back by all other Eligible Sellers in the General Category in the following order of priority:

- (i) Acceptance of 100% Equity Shares from other Eligible Shareholders in the General Category who have validly tendered their Equity Shares, to the extent of their Buy-back Entitlement, or the number of Equity Shares tendered by them, whichever is less.
- (ii) Post the Acceptance as described in paragraph 19.7 (i) above, in case there are any Equity Shares left to be bought back in the General Category, the Additional Equity Shares tendered by the other Eligible Shareholders over and above their Buy-back Entitlement shall be accepted in proportion of the Additional Equity Shares tendered by them and the acceptances per Shareholder shall be made in accordance with the Buy-back Regulations, i.e. valid acceptances per Shareholder shall be equal to the Additional Equity Shares validly tendered by the Eligible Shareholders divided by the total Additional Equity Shares validly tendered in the General Category and multiplied by the total pending number of Equity Shares to be accepted in General Category.
- (iii) Adjustment for fractional results in case of proportionate acceptance as described in paragraph 19.7 (i) and (ii) above:
  - (a) For any Eligible Seller, if the number of Additional Equity Shares to be accepted, calculated on a proportionate basis is not in the multiple of 1 (one) and the fractional Acceptance is greater than or equal to 0.50, then the fraction would be rounded off to the next higher integer.
  - (b) For any Eligible Seller if the number of Additional Equity Shares to be accepted, calculated on a proportionate basis is not in the multiple of 1 (one) and the fractional Acceptance is less than 0.50, then the fraction shall be ignored.

#### 19.8. **Basis of Acceptance of Equity Shares between Categories**

- (i) In case there are any Equity Shares left to be bought back in one category ("**Partially filled Category**") after acceptance in accordance with the above described methodology for both the categories, and there are additional unaccepted validly tendered Equity Shares in the second category, then the Additional Equity Shares in the second category shall be accepted proportionately, i.e. valid acceptances per Eligible Seller shall be equal to the Additional outstanding Equity Shares validly tendered by an Eligible Seller in the second category divided by the total additional outstanding Equity Shares validly tendered in the second category and multiplied by the total pending number of Equity Shares to be bought back in the Partially filled Category.
- (ii) If the Partially filled Category is the General Category, and the second category is the Reserved Category for Small Shareholders, then for the purpose of this calculation, the Additional Equity Shares tendered by such Small Shareholders, from whom 1 (one) Equity Share has been accepted in accordance with paragraph 19.6 (ii) shall be reduced by 1 (one).

(iii) Adjustment for fraction results in case of proportionate Acceptance, as defined in paragraph 19.8 (i) and (ii) above:

(a) For any Shareholder, if the number of Additional Equity Shares to be accepted, calculated on a proportionate basis is not in the multiple of 1 and the fractional acceptance is greater than or equal to 0.50, then the fraction would be rounded off to the next higher integer.

(b) For any Shareholder, if the number of Additional Equity Shares to be accepted, calculated on a proportionate basis is not in the multiple of 1 and the fractional acceptance is less than 0.50, then the fraction shall be ignored.

**19.9. For avoidance of doubt, it is clarified that:**

(i) The Equity Shares accepted under the Buy-back from each Eligible Shareholder, in accordance with paragraphs above, shall not exceed the number of Equity Shares tendered by the respective Eligible Shareholder;

(ii) The Equity Shares accepted under the Buy-back from each Eligible Shareholder, in accordance with paragraphs above, shall not exceed the number of Equity Shares held by respective Eligible Shareholder as on the Record Date; and

(iii) The Equity Shares tendered by any Eligible Shareholder over and above the number of Equity Shares held by such Eligible Seller as on the Record Date shall not be considered for the purpose of Acceptance in accordance with the paragraphs above.

**20. PROCEDURE FOR TENDERING EQUITY SHARES AND SETTLEMENT**

20.1. The Buy-back is open to all Eligible Shareholders.

20.2. The Company proposes to effect the Buy-back through a Tender Offer method, on a proportionate basis. The Letter of Offer and Tender Form, outlining the terms of the Buy-back as well as the detailed disclosures as specified in the Buy-back Regulations, will be mailed / dispatched to the Eligible Shareholders.

20.3. The Company will not accept any Equity Shares offered for Buy-back which are under any restraint order of a court for transfer / sale of such Equity Shares.

20.4. The Company shall comply with regulation 19(5) of the Buy-back Regulations which states that the Company shall not buy-back the locked-in Equity Shares and non-transferable Equity Shares till the pendency of the lock-in or till the Equity Shares become transferable.

20.5. Eligible Shareholders will have to transfer the Equity Shares from the same demat account in which they were holding the Equity Shares as on the Record Date and in case of multiple demat accounts, Eligible Shareholders are required to tender the applications separately from each demat account.

20.6. The Company shall accept all the Equity Shares validly tendered for the Buy-back by Eligible Sellers, on the basis of their Buy-back Entitlement as on the Record Date and also Additional Equity Shares if any tendered by Eligible Shareholders will be accepted as per paragraph 19.6, 19.7, 19.8 and 20.8.

20.7. As elaborated under paragraph 19.4 above, the Equity Shares proposed to be bought as a part of the Buy-back are divided into two categories; (a) Reserved category for Small Shareholders and (b) the

General category for other Eligible Sellers, and the Buy-back Entitlement of an Eligible Seller in each category shall be calculated accordingly.

- 20.8. After accepting the Equity Shares tendered on the basis of Buy-back Entitlement, Equity Shares left to be bought as a part of the Buy-back, if any, in one category shall first be accepted, in proportion to the Equity Shares tendered, over and above their Buy-back Entitlement, by Eligible Shareholders in that category, and thereafter, from Eligible Shareholders who have tendered over and above their Buy-back Entitlement, in other category.
- 20.9. The Buy-back shall be implemented using the "Mechanism for acquisition of shares through Stock Exchange" notified by SEBI vide circular CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015 and following the procedure prescribed in the Act and the Buy-back Regulations and as may be determined by the Board and on such terms and conditions as may be permitted by law from time to time.
- 20.10. For implementation of the Buy-back, the Company has appointed Kisan Ratilal Choksey Shares and Securities Private Limited as the registered broker to the Company (the "**Company's Broker**") through whom the purchases and settlements on account of the Buy-back would be made by the Company. The contact details of the Company's Broker are as follows:

**Kisan Ratilal Choksey Shares and Securities Private Limited**

5th Floor, Abhishek Building, Near Monginis Cake Factory, Dalia Industrial Estate,  
New Andheri Link Road, Mumbai:400 053

**Contact Person:** Mr. Shailesh Joshi; **Tel.:** +91- 22-66965555

**E-mail:** shailesh.joshi@krchoksey.com; **Website:** www.krchoksey.com

**SEBI Registration Number:** BSE-INB010975834

**Corporate Identity Number:** U67120MH1997PTC108958

- 20.11. The Acquisition Window will be provided by the BSE to facilitate placing of sell orders by Eligible Shareholders who wish to tender Equity Shares in the Buy-back. The details of the platform will be specified by BSE from time to time.
- 20.12. In the event Seller Member(s) of Eligible Seller are not registered with BSE, then that Eligible Seller can approach any BSE registered stock broker and can make a bid by using quick unique client code (UCC) facility through that BSE registered stock broker after submitting the details as may be required by the stock broker to be in compliance with the applicable SEBI regulations. In case Eligible Seller is not able to bid using quick UCC facility through any other BSE registered stock broker, then the Eligible Seller may approach Company's Broker viz. Kisan Ratilal Choksey Shares and Securities Private Limited, to bid by using quick UCC facility. The Eligible Seller approaching BSE registered stock broker (with whom Eligible Seller does not have an account) may have to submit following details:

**1. In case of Eligible Seller being an individual or HUF:**

A. If Eligible Seller is registered with KYC Registration Agency ("KRA"):

a) Forms required:

- 1) Central Know Your Client (CKYC) form
- 2) Know Your Client (KYC) form

- b) Documents required (all documents self-attested):
  - 1) Bank details (cancelled cheque)
  - 2) Demat details only if Equity Shares are in demat mode (Demat Master /Latest Demat statement)

B. If Eligible Seller is not registered with KRA:

- a) Forms required:
  - 1) CKYC form
  - 2) KRA form
  - 3) KYC form
  
- b) Documents required (all documents self-attested):
  - 1) PAN card copy
  - 2) Address proof
  - 3) Bank details (cancelled cheque)
  - 4) Demat details only if Equity Shares are in demat mode (Demat master /Latest Demat statement)

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

**2. In case of Eligible Seller other than Individual and HUF:**

A. If Eligible Seller is KRA registered:

- a) Form required
  - 1) KYC Form
  
- b) Documents required (all documents self-attested)
  - 1) Bank details (cancelled cheque)
  - 2) Demat details only if Equity Shares are in demat mode (Demat master /Latest Demat statement)
  - 3) Latest list of directors/authorised signatories
  - 4) Latest shareholding pattern
  - 5) Board resolution
  - 6) Details of ultimate beneficial owner along with PAN card and address proof
  - 7) Last 2 years financial statements

B. If Eligible Seller is not KRA registered:

- a) Forms required:
  - 1) KRA form
  - 2) KYC form
  
- b) Documents required (all documents self-attested):
  - 1) PAN card copy
  - 2) Address proof
  - 3) Bank details (cancelled cheque)
  - 4) Demat details only if Equity Shares are in demat mode (Demat Master /Latest Demat statement)



- 5) Latest list of directors/authorised signatories /partners
- 6) PAN card copies & address proof of directors/authorised signatories/partners
- 7) Latest shareholding pattern
- 8) Board resolution/partnership declaration
- 9) Details of ultimate beneficial owner along with PAN card and address proof
- 10) Last 2 years financial statements
- 11) MOA/Partnership deed

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

- 20.13. All Eligible Shareholders may place orders in the Acquisition Window, through their respective stock brokers.
- 20.14. During the Tendering Period, the order for selling the Equity Shares will be placed in the Acquisition Window by Eligible Sellers through their respective Seller Members during normal trading hours of the secondary market.
- 20.15. Seller Members can enter orders for Equity Shares in demat form as well as Equity Shares in physical form.
- 20.16. Modification / cancellation of orders and multiple bids from a single Eligible Seller will be allowed during the Tendering Period of the Buy-back. Multiple bids made by single Eligible Seller for selling the Equity Shares shall be clubbed and considered as "one" bid for the purposes of Acceptance.
- 20.17. The cumulative quantity tendered shall be made available on BSE's website, [www.bseindia.com](http://www.bseindia.com), throughout the trading session and will be updated at specific intervals during the Tendering Period.
- 20.18. All documents sent by the Eligible Sellers will be at their own risk. Eligible Shareholders are advised to safeguard adequately their interests in this regard.
- 20.19. **Procedure to be followed by Eligible Sellers holding Equity Shares in the dematerialised form**
  - (i) Eligible Shareholders who desire to tender their Equity Shares in the electronic form under the Buy-back would have to do so through their respective Seller Member by indicating to their Seller Member the details of Equity Shares they intend to tender under the Buy-back.
  - (ii) The Eligible Shareholders / Seller Member would be required to transfer the number of Equity Shares by using the settlement number and the procedure prescribed by the Clearing Corporation for the transfer of the Equity Shares to the special account of Clearing Corporation before placing the bids / orders and the same shall be validated at the time of order entry.
  - (iii) The details of the special account of Clearing Corporation shall be informed in issue opening circular that will be issued by BSE / Clearing Corporation.
  - (iv) For Custodian Participant orders for Equity Shares in demat form, early pay-in is mandatory prior to confirmation of order by custodian. The custodian shall either confirm or reject the orders not later than closing of trading hours on the last day of the Tendering Period. Thereafter, all unconfirmed orders shall be deemed to be rejected. For all confirmed Custodian Participant orders, order modification shall revoke the custodian confirmation and the revised order shall be sent to custodian again for confirmation.

- (v) Upon placing the bid, the Seller Member shall provide a Transaction Registration Slip ("**TRS**") generated by the exchange bidding system to the Eligible Seller. TRS will contain the details of order submitted like Bid ID No., Application No., DP ID, Client ID, No. of Equity Shares tendered, etc.
- (vi) Eligible Shareholders who have tendered their Equity Shares in the Buy-back can 'hand deliver' Tender Form duly signed (by all Eligible Sellers in case Equity Shares are in joint names) in same order in which they hold the Equity Shares, along with the TRS generated by the exchange bidding system at the head-office (mentioned in paragraph 18 of the Letter of Offer) of Registrar to the Buy-back. TRS will be generated by the respective Seller Members. Eligible Shareholders who cannot hand deliver the Tender Form and other documents at the head-office of Registrar to the Buy-back, may send the same by registered post / speed post, at their own risk, super scribing the envelope as "**Sasken Communication Technologies Limited Buy-back Offer 2016-17**", to the Registrar to the Buy-back at their office mentioned on the cover page of this DLoF, so that the same are received not later than 2 (two) days from the Buy-back Closing Date i.e. [●], 2017 (by 5 PM).
- (vii) All Eligible Shareholders shall also provide all relevant documents, which are necessary to ensure transferability of the Equity Shares in respect of the Tender Form to be sent. Such documents may include (but not be limited to):
  - (a) Duly attested power of attorney, if any person other than the Eligible Shareholders has signed the Tender Form;
  - (b) Duly attested death certificate and succession certificate / legal heirship certificate, in case any Eligible Shareholders has expired; and
  - (c) In case of companies, the necessary certified corporate authorizations (including board and / or general meeting resolutions).
- (viii) In case of non-receipt of the completed Tender Form and other documents, but receipt of Equity Shares in the special account of the Clearing Corporation and a valid bid in the exchange bidding system, the Buy-back shall be deemed to have been accepted, for demat Equity Shareholders.
- (ix) The Eligible Shareholders will have to ensure that they keep the DP Account active and unblocked to receive credit in case of return of Equity Shares due to rejection or due to prorated buy-back decided by the Company.

#### 20.20. **Procedure to be followed by Registered Eligible Sellers holding Equity Shares in physical form**

- (i) Eligible Shareholders who are holding physical Equity Shares and intend to participate in the Buy-back are required to approach their respective Seller Member along with the complete set of documents for verification procedures to be carried out including the following:
  - (a) The Tender Form duly signed (by all Eligible Shareholders in case Equity Shares are in joint names) in the same order in which they hold the Equity Shares;
  - (b) Original share certificates;
  - (c) Valid share transfer form(s) duly filled and signed by the transferors (i.e. by all registered Eligible Shareholders in same order and as per the specimen signatures registered with the Company) and duly witnessed at the appropriate place authorizing the transfer in favor of the Company;
  - (d) Self-attested copy of the Eligible Shareholder's PAN Card;
  - (e) Any other relevant documents such as (but not limited to):

- Duly attested Power of Attorney, if any person other than the Eligible Shareholder has signed the relevant Tender Form;
  - Notarized copy of death certificate / succession certificate or probated will, if the original Eligible Shareholder has deceased; and
  - Necessary corporate authorisations, such as Board Resolutions etc., in case of companies.
- (f) In addition to the above, if the address of the Eligible Shareholder has undergone a change from the address registered in the Register of Members of the Company, the Eligible Shareholders would be required to submit a self-attested copy of address proof consisting of any one of the following documents: valid Aadhar Card, Voter Identity Card or Passport.
- (ii) Seller Member should place bids on the Acquisition Window with relevant details as mentioned on the physical share certificate(s). Upon placing the bid, the Seller Member shall provide a TRS generated by the exchange bidding system to the Eligible Shareholder. TRS will contain the details of the order submitted like Folio No., Certificate No., Distinctive No., No. of Equity Shares tendered, etc.
- (iii) After placement of bid, as mentioned in paragraph 20.19 (ii) above, the Seller Member must ensure delivery of Tender Form, TRS, original share certificate(s), valid share transfer form(s) and other documents (as mentioned in paragraph 20.19 (i) above) either by registered post or courier or hand delivery to the Registrar to the Buy-back (at the address mentioned on the cover page and mentioned in paragraph 18 above) not later than 2 (two) days from the Buy-back Closing Date i.e. [●], 2017 (by 5 PM). The envelope should be superscribed as "**Sasken Communication Technologies Limited Buy-back Offer 2016-17**". One copy of the TRS will be retained by the Registrar and it will provide acknowledgement of the same to the Seller Member.
- (iv) Eligible 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 Equity Shares for Buy-back by the Company shall be subject to verification as per the Buy-back Regulations and any further directions issued in this regard. Registrar will verify such bids based on the documents submitted on a daily basis and till such time the BSE shall display such bids as "unconfirmed physical bids". Once, Registrar confirms the bids it will be treated as "Confirmed Bids".
- (v) All documents as mentioned above, shall be enclosed with the valid Tender Form, otherwise the Company and Registrar shall have the right to reject such Equity Shares tendered. The Equity Shares shall be liable for rejection on the following grounds amongst others: (a) If there is any other company's equity share certificate enclosed with the Tender Form instead of the Equity Share certificate of the Company; (b) If the transmission of Equity Shares is not completed, and the Equity Shares are not in the name of the Eligible Shareholders; (c) If the Eligible Shareholders tender Equity Shares but the Registrar does not receive the Equity Share certificate; (d) In case the signature on the Tender Form and Form No. SH-4 doesn't match as per the specimen signature recorded with Company / Registrar.
- (vi) In case any Eligible Shareholder has submitted Equity Shares in physical form for dematerialization, such Eligible Seller should ensure that the process of getting the Equity Shares dematerialized is completed well in time so that they can participate in the Buy-back before Buy-back Closing Date.

20.21. **For Equity Shares held by Eligible Shareholders, being Non-Resident Shareholders of Equity Shares:**

- (i) Eligible Shareholders, being Non-Resident Shareholders of Equity Shares (excluding FIIs) shall also enclose a copy of the permission received by them from RBI, if applicable, to acquire the Equity Shares held by them.
- (ii) In case the Equity Shares are held on repatriation basis, the Eligible Shareholders who are Non-Resident Shareholders shall obtain and enclose a letter from its authorized dealer / bank confirming that at the time of acquiring the Equity Shares, payment for the same was made by such non-resident Eligible Shareholder from the appropriate account (e.g. NRE a/c.) as specified by RBI in its approval. In case the Eligible Shareholders who are Non-Resident Shareholders is not in a position to produce the said certificate, the Equity Shares would be deemed to have been acquired on non-repatriation basis and in that case the Non-Resident Eligible Shareholder shall submit a consent letter addressed to the Company allowing the Company to make the payment on a non-repatriation basis in respect of the valid Equity Shares accepted under the Buy-back. In the event, such consent letter is not submitted by such non-resident Eligible Shareholder, the Company shall have the right to reject the Equity Shares tendered in the Buy-back and acceptance of such Equity Shares shall be at the sole discretion of the Company subject to such conditions as the Company may deem fit including making payment for the same on a non-repatriation basis.

20.22. **In case of non-receipt of the Letter of Offer:**

- (i) **In case the Equity Shares are in dematerialised form:** An Eligible Seller may participate in the Buy-back by downloading the Tender Form from the website of the Company i.e. [www.sasken.com/investors](http://www.sasken.com/investors) or by providing their application in writing on plain paper, signed by Eligible Shareholder or all Eligible Shareholders (in case Equity Shares are in joint name), stating name and address of Eligible Shareholders, number of Equity Shares held as on the Record Date, Client ID number, DP Name / ID, beneficiary account number and number of Equity Shares tendered for the Buy-back.
- (ii) **In case the Equity Shares are in physical form:** An Eligible Shareholder may participate in the Buy-back by providing their application in writing on plain paper signed by Eligible Shareholder or all Eligible Shareholders (in case Equity Shares are in joint name) stating name, address, folio number, number of Equity Shares held, share certificate number, number of Equity Shares tendered for the Buy-back and the distinctive numbers thereof, enclosing the original share certificate(s), copy of Eligible Shareholders PAN card(s) and executed share transfer form in favour of the Company. The transfer form no. SH-4 can be downloaded from the Company's website [www.sasken.com/investors](http://www.sasken.com/investors). Eligible Shareholders must ensure that the Tender Form, along with the TRS and requisite documents (as mentioned in paragraph 20.20 (i) above), reach the collection centre not later than 2 (two) days from the Buy-back Closing Date i.e. [●], 2017 (by 5 PM). If the signature(s) of the Eligible Shareholders provided in the plain paper application differs from the specimen signature(s) recorded with the Registrar / Company or are not in the same order (although attested), the Company / Registrar shall have a right to reject such applications.

Please note that Eligible Shareholder(s) who intend to participate in the Buy-back will be required to approach their respective Seller Member / broker (along with the complete set of documents for verification procedures) and have to ensure that their bid is entered by their respective Seller Member or Seller Broker in the electronic platform to be made available by BSE before the Buy-back Closing Date.

The Company shall accept Equity Shares validly tendered by the Equity Shareholder(s) in the Buy-back on the basis of their shareholding as on the Record Date and the Buy-back Entitlement. Eligible Shareholder(s) who intend to participate in the Buy-back using the "plain paper" option as mentioned in this paragraph is advised to confirm their Buy-back Entitlement from the Registrar to the Buy-back, before participating in the Buy-back.

20.23. Non-receipt of the Letter of Offer by, or accidental omission to dispatch the Letter of Offer to, any Eligible Shareholder, shall not invalidate the Buy-back in any way.

20.24. The acceptance of the Buy-back made by the Company is entirely at the discretion of the Eligible Shareholders of the Company. The Company does not accept any responsibility for the decision of any Eligible Shareholder to either participate or not to participate in the Buy-back. The Company will not be responsible in any manner for any loss of share certificate(s) and other documents during transit and the Eligible Sellers are advised to adequately safeguard their interest in this regard.

20.25. **Method of Settlement**

Upon finalization of the basis of acceptance as per Buy-back Regulations and in terms of this DLoF:

- (i) The settlement of trades shall be carried out in the manner similar to settlement of trades in the secondary market.
- (ii) The Company will pay the consideration to the Company's Broker on or before the pay-in date for settlement. For Equity Shares accepted under the Buy-back, the Seller Member / Custodian Participant will receive funds payout in their settlement bank account. The Seller Members / Custodian Participants would pay the consideration to their respective clients. The payment of consideration to all Eligible Shareholders validly participating in the Buy-back will be made in Indian National Rupees.
- (iii) The Equity Shares bought back in the demat form would be transferred directly to the demat account of the Company (the "**Special Demat Account**") provided it is indicated by the Company's Broker or it will be transferred by the Company's Broker to the Special Demat Account on receipt of the Equity Shares from the clearing and settlement mechanism of the Stock Exchange.
- (iv) Excess demat Equity Shares or unaccepted demat Equity Shares, if any, tendered by the Eligible Sellers would be returned to the respective Seller Members by Clearing Corporation as part of the exchange payout process, not later than [●], 2017. In case of Custodian Participant orders, excess demat Equity Shares or unaccepted demat Equity Shares, if any, will be returned to the respective Custodian Participant. The Seller Members / Custodian Participants would return these unaccepted Equity Shares to their respective clients on whose behalf the bids have been placed.
- (v) Equity Shares in physical form, to the extent tendered but not accepted, will be returned back to the Equity Shareholders directly by Registrar. The Company will issue a new single share certificate for all the unaccepted physical Equity Shares and return the same to the sole / first Equity Shareholder (in case of joint Equity Shareholders). Share certificates in respect of unaccepted / rejected Equity Shares and other documents, if any, will be sent by registered post / speed post at the Eligible Shareholder sole risk to the sole / first Equity Shareholder (in case of joint Eligible Shareholders), at the address recorded with the Registrar / Company, not later than [●], 2017.
- (vi) Every Seller Member, who puts in a valid bid on behalf of an Eligible Shareholder, would issue a contract note and pay the consideration for the Equity Shares accepted under the Buy-back and

return the balance unaccepted demat Equity Shares to their respective clients. Company's Broker would also issue a contract note to the Company for the Equity Shares accepted under the Buy-back.

- 20.26. Eligible Shareholders who intend to participate in the Buy-back should consult their respective Seller Members for payment to them of any cost, applicable taxes, charges and expenses (including brokerage) that may be levied by the Seller Member upon the Eligible Sellers for tendering Equity Shares in the Buy-back (secondary market transaction). The Buy-back consideration received by the Eligible Shareholders from their respective Seller Members, in respect of accepted Equity Shares, could be net of such costs, applicable taxes, charges and expenses (including brokerage) and the Company accepts no responsibility to bear or pay such additional cost, applicable taxes, charges and expenses (including brokerage) incurred solely by the Eligible Sellers.
- 20.27. The Equity Shares lying to the credit of the Special Demat Account and the Equity Shares bought back and accepted in physical form will be extinguished in the manner and following the procedure prescribed in the Buy-back Regulations.

## **21. NOTE ON TAXATION**

**THE SUMMARY OF THE TAX CONSIDERATIONS IN THIS SECTION ARE BASED ON THE CURRENT PROVISIONS OF THE TAX LAWS OF INDIA AND THE REGULATIONS THEREUNDER, THE JUDICIAL AND THE ADMINISTRATIVE INTERPRETATIONS THEREOF, WHICH ARE SUBJECT TO CHANGE OR MODIFICATION BY SUBSEQUENT LEGISLATIVE, REGULATORY, ADMINISTRATIVE OR JUDICIAL DECISIONS. ANY SUCH CHANGES COULD HAVE DIFFERENT TAX IMPLICATIONS.**

**IN VIEW OF THE PARTICULARISED NATURE OF TAX CONSEQUENCES, SHAREHOLDERS ARE REQUIRED TO CONSULT THEIR TAX ADVISORS FOR THE APPLICABLE TAX PROVISIONS INCLUDING THE TREATMENT THAT MAY BE GIVEN BY THEIR RESPECTIVE TAX OFFICERS IN THEIR CASE, AND THE APPROPRIATE COURSE OF ACTION THAT THEY SHOULD TAKE.**

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

Given below is a broad summarization of the applicable sections of the Income-tax Act, 1961 ("IT Act") relating to treatment of income-tax in case of buy back of listed equity shares, which is provided only as a guidance.

### **I. CLASSIFICATION OF SHAREHOLDERS**

Shareholders can be classified under the following categories:

#### **A) Resident Shareholders being:**

- Individuals, Hindu Undivided Family (HUF), Association of Persons (AOP) and Body of Individuals (BOI)
- Others

#### **B) Non Resident Shareholders being:**

- Non Resident Indians (NRIs)

- Foreign Institutional Investors (FIIs)
- Others:
  - Company
  - Other than Company

## II. CLASSIFICATION OF INCOME

Shares can be classified under the following two categories:

- A) Shares held as investment (Income from transfer taxable under the head "Capital Gains")
- B) Shares held as stock-in-trade (Income from transfer taxable under the head "Profits and Gains of Business or Profession", hereinafter referred to as "business income")

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

Further, investments by FII in any securities in accordance with the regulations made under the Securities Exchange Board of India Act, 1992 would be treated as capital asset and the transfer of such shares would be treated as "capital gains" under the provisions of the Income Tax Act.

### A) SHARES HELD AS INVESTMENT

- i. As per the provisions of the Income Tax Act, where the shares are held as investments, income arising from the transfer of such shares is taxable under the head "Capital Gains". Capital gains on buy-back of shares are governed by the provisions of section 46A of the Income Tax Act and would attract capital gains in the hands of shareholders as per computation provisions contained in section 48 of the Income Tax Act. The provisions of buy-back tax on the Company under section 115QA in Chapter XII-DA of the Income Tax Act do not apply for shares listed on the stock exchange.

#### ii. Period of holding

Depending on the period for which the shares are held, the gains would be taxable as 'short term capital gain' or 'long term capital gain' as stated below:

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

#### iii. Buy-back of shares through a recognized stock exchange

Where transaction for transfer of such equity shares (i.e. buy-back) is transacted through a recognized stock exchange then the taxability will be as under (for all categories of shareholders):

- LTCG arising from such transaction would be exempt under section 10(38) of the Income Tax Act; and

- STCG arising from such transaction would be subject to tax @ 15% under section 111A of the Income Tax Act.
- iv. Further, in case of resident Individual or HUF, the benefit of maximum amount which is not chargeable to income-tax is considered while computing the tax on such STCG taxable under section 111A of the Income Tax Act. In such cases, where the total income as reduced by such STCG is below the maximum amount not chargeable to tax, then such STCG shall be reduced by the amount by which the total income as so reduced falls short of the maximum amount which is not chargeable to income tax and on the balance of STCG, if any, income tax @ 15% is charged. In addition to the above STCG tax, Surcharge, Education Cess and Secondary and Higher Education Cess are leviable (Please refer to paragraph 21. V. below for rate of surcharge and cess).
  - v. Further in case of Eligible Shareholders being companies as defined under the Income Tax Act, the tax provisions of minimum alternate tax on book profits as provided u/s. 115JB of the Income Tax Act need to be considered depending on their income and losses, etc. for the year.
  - vi. Non-resident shareholders can avail beneficial provisions of the applicable double taxation avoidance agreement ("DTAA"), if any, entered into by India with relevant country in which the shareholder is resident but subject to fulfilling relevant conditions and submitting / maintaining necessary documents prescribed under the Income Tax Act.
  - vii. As an overall point, since the buy-back is undertaken on the stock exchange, such transaction is chargeable to Securities Transaction Tax ("STT"). STT is a tax payable in India on the value of securities on every purchase or sale of securities that are listed on the Indian Stock Exchange. Currently, the STT rate applicable on the purchase or sale of shares on the stock exchange is 0.1% of the value of security transacted.

## **B) SHARES HELD AS STOCK-IN-TRADE**

If the shares are held as stock-in-trade by any of the shareholders of the Company, then the gains would be characterized as business income and taxable under the head "Profits and Gains of Business or Profession". In such a case, the provisions of section 46A and section 48 of the Income Tax Act will not apply.

### **i. Resident Shareholders**

- a) For individuals, HUF, AOP, BOI, profits would be taxable at slab rates.
- b) For persons other than stated in a) above, profits would be taxable @ 30% or other applicable tax rate.

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

### **ii. Non Resident Shareholders**

- a) Non-resident shareholders can avail beneficial provisions of the applicable double taxation avoidance agreement ('DTAA'), if any, entered into by India with relevant shareholder country but subject to fulfilling relevant conditions and submitting / maintaining necessary documents prescribed under the Income Tax Act.



b) Where DTAA provisions are not applicable:

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

In addition to the above, Surcharge, Education Cess and Secondary and Higher Education Cess are leviable (Please refer to paragraph 21(IV) below for rate of surcharge and cess).

### III. TAX DEDUCTION AT SOURCE

#### A) In case of Resident Shareholders

In absence of any specific provision under the Income Tax Act, the Company is not required to deduct tax at source on the consideration payable to resident shareholders pursuant to the said Buy-back.

#### B) In case of Non-resident Shareholders

Since the Buy-back is through the Stock Exchange, the responsibility of discharge of the tax due on the gains (if any) is primarily on the Non-Resident Shareholder. It is therefore important for the Non-Resident Shareholders to appropriately compute such gains (if any) on this transaction and immediately pay taxes in India (either through deduction at source or otherwise) in consultation with their custodians / authorized dealers / tax advisors appropriately.

### IV. RATE OF SURCHARGE AND CESS

In addition to the basic tax rate, Surcharge, Education Cess and Secondary and Higher Education Cess are leviable as under:

#### A) Surcharge

- In case of domestic companies: Surcharge @ 12% is leviable where the total income exceeds ₹ 10 crores and @ 7% where the total income exceeds ₹ 1 crore but does not exceed ₹ 10 crores.
- In case of companies other than domestic companies: Surcharge @ 5% is leviable where the total income exceeds ₹ 10 crores and @ 2% where the total income exceeds ₹ 1 crore but does not exceed ₹10 crores.
- In case of other assessee (i.e. other than companies): Surcharge @15% (increased to 15% by Finance Act, 2016 applicable from Financial year 2016-17) is leviable where the total income exceeds ₹ 1 crore.

#### B) Cess

Education Cess @ 2% and Secondary and Higher Education Cess @ 1% is leviable in all cases

**The above note on taxation sets out the provisions of law in a summary manner only and is not a complete / exhaustive analysis or listing of all potential tax consequences on the disposal of equity shares under the Buy-back. This note is neither binding on any regulators nor can there be any assurance that they will not take a position contrary to the comments mentioned herein. Hence, you should consult with your own tax advisors for the tax provisions applicable to your particular circumstances.**

## **22. DECLARATION BY THE BOARD OF DIRECTORS**

Declaration as required under clause (ix) and clause (x) of Part A of Schedule II to the Buy-back Regulation:

The Board of Directors made declaration as on the date of passing the board resolution approving the Buy-back i.e. October 27, 2016. Subsequently, pursuant to the authority granted to the Share Buy-back Committee by the Board of Directors, in terms of the resolution dated October 27, 2016, the Share Buy-back Committee on December 23, 2016 has confirmed on behalf of Board of Directors that:

1. There are no defaults subsisting in repayment of deposits, redemption of debentures or preference shares or repayment of term loans to any financial institutions or banks.
2. It has, based on a full enquiry conducted into the affairs and prospects of the Company and taking into account all the liabilities including prospective and contingent liabilities payable as if the Company were being wound up under the Act formed an opinion that:
  - (a) immediately following the date of the Draft Letter of Offer, there will be no grounds on which the Company could be found unable to pay its debts;
  - (b) as regards the Company's prospects for the year immediately following the date of Draft Letter of Offer, that, having regard to their intention with respect to the management of Company's business during the said year and to the amount and character of the financial resources, which will be available to the Company during the said year, the Company will be able to meet its liabilities as and when they fall due and will not be rendered insolvent within a period of one year from that date.

**For and on behalf of the Board of Directors of Sasken Communication Technologies Limited**

Sd/-  
Rajiv C. Mody  
Chairman & Managing Director  
(DIN: 00092037)

Sd/-  
Neeta S. Revankar  
Whole time Director & CFO  
(DIN: 00145580)

## 23. AUDITORS CERTIFICATE

The text of the report dated October 27, 2016 received from S. R. Batliboi & Associates LLP, the Statutory Auditors of the Company on permissible capital payment addressed to the Board of Directors of the Company and the Statement of determination of permissible capital payment towards Buy-back of Equity Shares is reproduced below:

### Quote

**“Independent Auditor’s Report on Buy-back of Equity Shares pursuant to the requirement of Schedule II to the Securities and Exchange Board of India (Buy-back of Securities) Regulations, 1998, as amended:**

To,  
The Board of Directors  
Sasken Communication Technologies Limited  
No. 139/25, Domlur Layout  
Ring Road, Domlur P.O.  
Bangalore 560 071

1. This Report is issued in accordance with the terms of our service scope letter dated October 26, 2016 and master engagement agreement dated October 24, 2016 with Sasken Communication Technologies Limited.
2. In connection with the proposal of Sasken Communication Technologies Limited (“the Company”) to buy back its Equity Shares in pursuance of the provisions of Section 68 and 70 of the Companies Act, 2013 (‘the Act’) and Securities and Exchange Board of India (Buy-back of Securities) Regulations, 1998, as amended (‘the Buy-back Regulations’), and in terms of the resolution passed by the Board of Directors of the Company in their meeting held on October 27, 2016, which is subject to the approval of the shareholders of the Company, we have been engaged by the Company to perform a reasonable assurance engagement on the reporting criteria, specified in paragraph 5 of this report.

### Board of Directors Responsibility

3. The preparation of the Statement of determination of the permissible capital payment towards Buy-back of Equity Shares (“the Statement”), as set out in Annexure A hereto, initialed by us for identification purpose only, is the responsibility of the Board of Directors of the Company, including the preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Statement and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.
4. The Board of Directors are responsible to make a full inquiry into the affairs and prospects of the Company and to form an opinion that the Company will not be rendered insolvent within a period of one year from the date on which the results of the postal ballot for Buy-back of its Equity Shares will be declared.

### Auditor’s Responsibility

5. Pursuant to the requirements of the Buy-back Regulations, it is our responsibility to provide reasonable assurance on the following (“the Reporting Criteria”)

- (i) Whether the amount of capital payment for the Buy-back is within the permissible limit computed in accordance with the provisions of Section 68 of the Act;
  - (ii) Whether the Board of Directors has formed the opinion, as specified in Clause (x) of Part A of Schedule II to the Buy-back Regulations, on a reasonable grounds that the Company having regard to its state of affairs will not be rendered insolvent within a period of one year from the date on which the results of postal ballot for Buy-back of its Equity Shares will be declared.
  - (iii) Whether we are aware of anything to indicate that the opinion expressed by the Directors in the declaration as to any of the matters mentioned in the declaration is unreasonable in circumstances as at the date of declaration.
6. The financial statements for the year ended March 31, 2016 had been audited by us, on which we had issued an unmodified audit opinion, vide our audit report dated April 22, 2016. Our audits of these financial statements were conducted in accordance with the Standards on Auditing, as specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.
7. We conducted our examination of the Statement in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.
8. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.
9. A reasonable assurance engagement involves performing procedures to obtain sufficient appropriate evidence on the Reporting Criteria mentioned in paragraph 5 above. The procedures selected depend on the auditor's judgement, including the assessment of the risks associated with the Reporting Criteria. We have performed the following procedures in relation to the Statement:
- i) We have inquired into the state of affairs of the Company in relation to its audited financial statements for year ended March 31, 2016;
  - ii) Examined authorization for Buy-back from the Articles of Association of the Company;
  - iii) Examined that the amount of capital payment for the Buy-back as detailed in Annexure A is within permissible limit computed in accordance with section 68 of the Act;
  - iv) Examined that the ratio of debt owned by the Company, if any, is not more than twice the capital and its free reserve after such Buy-back;
  - v) Examined that all Equity Shares for Buy-back are fully paid-up;
  - vi) Examined resolutions passed in the meetings of the Board of Directors;
  - vii) Examined Directors' declarations for the purpose of Buy-back and solvency of the Company;
  - viii) Obtained necessary representations from the management of the Company.

### Opinion

10. Based on our examination and procedures performed by us as mentioned above and the information and explanations given to us, in our opinion, the permissible capital payment towards Buy-back of Equity Shares, as stated in Annexure A, is properly determined in accordance with Section 68 of the Act; and the Board of Directors, in their meeting held on October 27, 2016, have

formed the opinion, as specified in clause (x) of Part A of Schedule II of the Buy-back Regulations, on reasonable grounds, that the Company will not, having regard to its state of affairs, be rendered insolvent within a period of one year from the date on which the results of postal ballot for Buy-back of its Equity Shares will be declared; and we are not aware of anything to indicate that the opinion expressed by the Directors in the declaration as to any of the matters mentioned in the declaration is unreasonable in circumstances as at the date of declaration.

#### Restriction on Use

11. This report is addressed to and provided to the Board of Directors of the Company pursuant to the requirements of the Regulations solely to enable them to include it (a) in the explanatory statement to be included in the postal ballot notice to be circulated to the Shareholders, (b) in the Public Announcement to be made to the Shareholders of the Company, (c) in the Draft Letter of Offer and Letter of Offer to be filed with the Securities and Exchange Board of India, the Stock Exchanges, the Registrar of Companies as required by the Buy-back Regulations, the National Securities Depository Limited and the Central Depository Securities (India) Limited, and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

For **S.R. Batliboi & Associates LLP**

Chartered Accountants

**ICAI Firm Registration Number:** 101049W/E300004

per **Chandra Kumar Rampuria**

Partner

Membership Number: 055729

Place of Signature: Chennai

Date: October 27, 2016

#### **Annexure A**

**Statement of determination of the permissible capital payment towards Buy-back of Equity Shares ("the Statement") in accordance with Section 68 (2) (b) and (c) of the Companies Act, 2013**

<b>Particulars</b>	<b>March 31, 2016 (₹ in lakhs)</b>
Paid-up Equity Share Capital as at March 31, 2016* [17,719,813 equity shares of Rs. 10 each fully paid-up]	1,771.98
Free Reserves as at March 31, 2016*	
Securities premium account	29.16
General reserve	3,438.66
Surplus in the statement of profit & loss	42,777.44
<b>Total</b>	<b>48,017.24</b>
Permissible capital payment towards Buy-back of Equity Shares in accordance with Section 68 (2) (b) and (c) of the Companies Act, 2013 (25% of paid up equity capital and free reserves)	12,004.31

*\*Calculation in respect to the Buy-back is done on basis of audited financial statements of the Company as of, and for the year ended March 31, 2016.*

For Sasken Communication Technologies Limited

Authorised Signatory

Place: Chennai

Date: October 27, 2016

**Unquote**

**24. MATERIAL DOCUMENTS FOR INSPECTION**

Copies of the following documents will be available for inspection at the Registered Office of the Company at 139/25, Ring Road, Domlur, Bengaluru - 560 071, India between 10 a.m. and 5.00 p.m. on all working days (Monday to Friday) during the offer period.:

- (i) Certificate of Incorporation of the Company.
- (ii) Memorandum and Articles of Association of the Company.
- (iii) Annual reports of the Company for the preceding three financial years viz. March 31, 2016, 2015, and 2014 and audited financial results for six months ended September 30, 2016.
- (iv) Copy of resolution passed by the Board of Directors at their meeting held on October 27, 2016 approving the proposal of the Buy-back.
- (v) Copy of the resolution of shareholders passed by way of Postal Ballot results of which were declared on December 23, 2016 along with Scrutinizer Report.
- (vi) Copy of Share Buy-back Committee resolution dated December 23, 2016
- (vii) Certificate dated October 27, 2016 received from S.R. Batliboi & Associates LLP, Chartered Accountants, the statutory auditors of the Company, in terms of clause (xi) of Part A to Schedule II of the Buy-back Regulations.
- (viii) Copy of Public Announcement dated December 23, 2016 published in the newspapers on December 26, 2016 regarding Buy-back.
- (ix) Copy of Declaration of Solvency and an affidavit verifying the same as per Form SH-9 prescribed under the Companies (Share Capital and Debentures) Rules, 2014.
- (x) Certificate dated December 23, 2016 by Mr. Narayana V. Chartered Accountant certifying that the Company has made firm financial arrangements for fulfilling its obligations under the Buy-back, in accordance with the Buy-back Regulations.
- (xi) Copy of the Escrow Agreement dated [●] executed amongst the Company, Escrow Agent and the Manager to the Buy-back.
- (xii) Confirmation letter by the Escrow Agent dated [●] that the Escrow Account has been opened and that the amount required to be deposited in the Escrow Account has been deposited.
- (xiii) SEBI comments received on DLoF vide letter dated [●] issued in terms of the Buy-back Regulations.

**25. DETAILS OF THE COMPLIANCE OFFICER**

The Equity Shareholders may contact the Compliance Officer of the Company for any clarifications or to address their grievances, if any, during office hours i.e. 10.00 a.m. to 5.00 p.m. on all working days except Saturday, Sunday and public holidays, at the following address:

**Mr. S. Prasad,**

**Associate Vice President & Company Secretary**

**Sasken Communication Technologies Limited**

139/25, Ring Road, Domlur, Bengaluru – 560 071.

**Tel:** +91 80 6694 3000; **Fax:** +91 80 2535 1309

**E-mail:** [investor@sasken.com](mailto:investor@sasken.com); **Website:** [www.sasken.com](http://www.sasken.com)

## 26. DETAILS OF THE REMEDIES AVAILABLE TO THE ELIGIBLE SHAREHOLDERS

- (i) In case of any grievances relating to the Buy-back (e.g. non-receipt of the Buy-back consideration, share certificate, demat credit, etc.), the Eligible Shareholders can approach the Compliance Officer of the Manager to the Buy-back at investors@vivro.net and / or Registrar to the Buy-back and / or Compliance Officer(s) of the Company for redressal.
- (ii) If the Company makes any default in complying with the provisions of Section 68 of the Companies Act, 2013 or any rules made there-under, for the purposes of clause (f) of sub-section (2) of Section 68 of the Companies Act, 2013, the Company or any officer of the Company who is in default shall be punishable with imprisonment for a term and its limit, or with a fine and its limit or with both in terms of the Companies Act, 2013, as the case may be.
- (iii) The address of the concerned office of the Registrar of Companies is as follows:

### **The Registrar of Companies, Bangalore**

'E' Wing, 2nd Floor, Kendriya Sadana, Kormangala, Bengaluru – 560 034.

## 27. DETAILS OF INVESTOR SERVICE CENTRE

In case of any queries, Equity Shareholders may also contact the Registrar to the Buy-back, during office hours i.e. 10.00 a.m. to 5.00 p.m. on all working days except Saturday, Sunday and public holidays, at the following address:

### **Registrar to the Buy-back:**

#### **Karvy Computershare Private Limited**

Karvy Selenium Tower B, Plot No.31-32,  
Gachibowli, Financial District, Nanakramguda,  
Hyderabad - 500 032.

**Contact person:** Mr. M. Muralikrishna

**E-mail:** einward.ris@karvy.com; **Website:** www.karisma.karvy.com

**Tel:** +91 40 6716 2222; **Fax:** +91 40 2343 1551

**SEBI Registration Number:** INR000000221; **CIN:** U72400TG2003PTC041636

## 28. MANAGER TO THE BUY-BACK



### **Vivro Financial Services Private Limited**

607, 608 Marathon Icon, Opp. Peninsula Corporate Park,  
Off Ganpatrao Kadam Marg, Veer Santaji Lane, Lower Parel,  
Mumbai – 400 013.

**Contact Person:** Mr. Harish Patel / Ms. Shashi Singhvi

**E-mail:** investors@vivro.net, **Website:** www.vivro.net

**Tel:** +91 22 6666 8040/42; **Fax:** +91 22 6666 8047

**SEBI Registration Number:** INM000010122; **CIN:** U67120GJ1996PTC029182

**29. DECLARATION BY THE DIRECTORS REGARDING AUTHENTICITY OF THE INFORMATION IN THE DRAFT LETTER OF OFFER**

As per regulation 19(1)(a) of the Buy-back Regulations, the Board of Directors of the Company accept full responsibility for the information contained in this Draft Letter of Offer. This Draft Letter of Offer is issued under the authority of the Board and in terms of the resolution passed by the Board on October 27, 2016.

**For and on behalf of the Board of Directors of Sasken Communication Technologies Limited**

Sd/-  
**Rajiv C. Mody**  
Chairman & Managing  
Director  
(DIN: 00092037)

Sd/-  
**Neeta S. Revankar**  
Whole-time Director & CFO  
(DIN: 00145580)

Sd/-  
**S. Prasad**  
Associate Vice-President &  
Company Secretary

**Date:** December 28, 2016

**Place:** Bengaluru



## LETTER OF OFFER

### THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

This Letter of Offer is being sent to you as a registered Equity Shareholder of Sasken Communication Technologies Limited (the "Company") as on the Record Date, in accordance with Securities and Exchange Board of India (Buy-back of Securities) Regulations, 1998, as amended (the "Buy-back Regulations"). If you require any clarification about the action to be taken, you should consult your stock broker or your investment consultant or the Manager to the Buy-back i.e. Vivro Financial Services Private Limited or the Registrar to the Buy-back i.e. Karvy Computershare Private Limited. Please refer to the section on "Definitions of Key Terms" for the definition of the capitalized terms used herein.



#### SASKEN COMMUNICATION TECHNOLOGIES LIMITED

**Registered Office:** 139/25, Ring Road, Domlur, Bengaluru - 560 071.

**Tel:** + 91 80 6694 3000; **Fax:** + 91 80 2535 1309

**E-mail:** investor@sasken.com; **Website:** www.sasken.com; **Corporate Identity Number (CIN):** L72100KA1989PLC014226

**Contact Person:** Mr. S. Prasad, Associate Vice President & Company Secretary

Cash offer to buy-back of up to 28,69,098 (Twenty Eight Lakhs Sixty Nine Thousand and Ninety Eight) fully paid-up equity shares of the Company of face value of ₹ 10 (Rupees Ten only) each ("Equity Share(s)"), representing up to about 16.19% of the total paid-up equity share capital of the Company as on March 31, 2016, from all the fully paid-up Equity Shareholders / beneficial owners of the Equity Shares of the Company as on the Record Date i.e. Friday, January 6, 2017 ("Record Date"), on a proportionate basis, through the tender offer route using stock exchange mechanism ("Tender Offer"), at a price of ₹ 410 (Rupees Four Hundred and Ten) per Equity Share ("Buy-back Price") for an aggregate maximum amount of upto ₹ 11,763.30 lakhs (Rupees Eleven Thousand Seven Hundred and Sixty Three Lakhs and Thirty Thousand only) ("Buy-back Size") excluding the Transaction Costs ("Buy-back"). As required under the Buy-back Regulations, Equity Shares to be bought back are divided into two categories: (i) reserved category for Small Shareholders (as defined hereinafter); and (ii) general category for all other shareholders.

1. The Buy-back is in accordance with provisions of Section 68, 69, 70 and other applicable provisions of the Companies Act, 2013 (the "Act") as amended and the Companies (Share Capital and Debentures) Rules, 2014 to the extent applicable and in compliance with the Buy-back Regulations, Article 172 of the Articles of Association of the Company and is subject to other approvals, permissions and exemptions as may be required from time to time from any statutory and / or regulatory authority and which may be agreed to by the Board of Directors / or any Committee thereof.
2. The Buy-back Size of ₹ 11,763.30 lakhs (Rupees Eleven Thousand Seven Hundred and Sixty Three Lakhs and Thirty Thousand only), which represents 24.49% and 25% of the paid-up equity share capital and free reserves (including securities premium account) as per the audited standalone and consolidated financial statements of the Company as on March 31, 2016 respectively and is within the statutory limits of 25% (twenty five percent) of the total paid-up share capital and free reserves (including securities premium account). The Equity Shares proposed to be bought back represent 16.19% of the total number of paid-up equity share capital of the Company as on March 31, 2016.
3. The Letter of Offer shall be sent to the Equity Shareholder(s) / beneficial owner(s) of Equity Shares as on the Record Date i.e. Friday, January 6, 2017
4. The procedure for tendering Equity Shares and settlement is set out in paragraph 20 on page 37 of this Letter of Offer. The Form of Acceptance-cum-Acknowledgement (the "Tender Form") will be enclosed together with this Letter of Offer.
5. For mode of payment of consideration to the Eligible Sellers, please refer to paragraph 20.25 on page 43 of the Letter of Offer.
6. A copy of the Public Announcement and the Letter of Offer (including the Tender Form) shall be available on the website of Securities and Exchange Board of India - [www.sebi.gov.in](http://www.sebi.gov.in) and on Company's website [www.sasken.com/investors](http://www.sasken.com/investors).
7. Eligible Sellers are advised to refer to details of the Statutory Approvals and Note on Taxation mentioned in paragraph 17 on page 32 and paragraph 21 on page 45 respectively of this Letter of Offer, before tendering their Equity Shares in the Buy-back.

**BUY-BACK OPENS ON: FRIDAY, FEBRUARY 3, 2017**

**BUY-BACK CLOSURES ON: THURSDAY, FEBRUARY 16, 2017**

**LAST DATE / TIME OF RECEIPT OF COMPLETED APPLICATION FORMS AND OTHER SPECIFIED DOCUMENTS INCLUDING PHYSICAL SHARE**

**CERTIFICATES BY THE REGISTRAR TO BUY-BACK: MONDAY, FEBRUARY 20, 2017**

**MANAGER TO THE BUY-BACK**

**REGISTRAR TO THE BUY-BACK**



#### Vivro Financial Services Private Limited

607, 608 Marathon Icon, Opp. Peninsula Corporate Park,  
Off Ganpatrao Kadam Marg, Veer Santaji Lane, Lower Parel,  
Mumbai - 400 013.

**Contact Person(s):** Mr. Harish Patel / Ms. Shashi Singhvi

**E-mail:** investors@vivro.net; **Website:** www.vivro.net

**Tel:** +91 22 6666 8040 / 42; **Fax:** +91 22 6666 8047

**SEBI Registration Number:** INM000010122

**Validity:** Permanent

**CIN:** U67120GJ1996PTC029182



#### Karvy Computershare Private Limited

Karvy Selenium, Tower B, Plot No.31-32,  
Gachibowli, Financial District, Nanakramguda,  
Hyderabad - 500 032.

**Contact person:** Mr. M. Muralikrishna

**E-mail:** einward.ris@karvy.com; **Website:** www.karisma.karvy.com

**Tel:** +91 40 6716 2222; **Fax:** +91 40 2343 1551

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## **TABLE OF CONTENTS**

1. SCHEDULE OF ACTIVITIES.....	3
2. DEFINITION OF KEY TERMS.....	3
3. DISCLAIMER CLAUSE.....	6
4. TEXT OF THE RESOLUTION PASSED AT THE BOARD MEETING .....	8
5. DETAILS OF THE PUBLIC ANNOUNCEMENT .....	12
6. DETAILS OF THE BUY-BACK.....	13
7. AUTHORITY FOR THE BUY-BACK.....	15
8. NECESSITY OF THE BUY-BACK .....	15
9. MANAGEMENT DISCUSSION AND ANALYSIS AND THE LIKELY IMPACT OF BUY-BACK ON THE COMPANY.....	15
10. BASIS OF CALCULATING THE BUY-BACK PRICE .....	18
11. SOURCES OF FUNDS FOR THE BUY-BACK .....	18
12. DETAILS OF THE ESCROW ACCOUNT AND THE AMOUNT DEPOSITED THEREIN.....	19
13. CAPITAL STRUCTURE AND SHAREHOLDING PATTERN.....	19
14. BRIEF INFORMATION ABOUT THE COMPANY .....	21
15. FINANCIAL INFORMATION ABOUT THE COMPANY.....	28
16. STOCK MARKET DATA.....	31
17. DETAILS OF THE STATUTORY APPROVALS .....	32
18. DETAILS OF THE REGISTRAR TO THE BUY-BACK AND COLLECTION CENTRE .....	32
19. PROCESS AND METHODOLOGY FOR THE BUY-BACK.....	33
20. PROCEDURE FOR TENDERING EQUITY SHARES AND SETTLEMENT .....	37
21. NOTE ON TAXATION.....	45
22. DECLARATION BY THE BOARD OF DIRECTORS.....	49
23. AUDITORS' CERTIFICATE.....	49
24. MATERIAL DOCUMENTS FOR INSPECTION .....	52
25. DETAILS OF THE COMPLIANCE OFFICER.....	53
26. DETAILS OF THE REMEDIES AVAILABLE TO THE ELIGIBLE SHAREHOLDERS .....	53
27. DETAILS OF INVESTOR SERVICE CENTRE .....	54
28. MANAGER TO THE BUY-BACK .....	54
29. DECLARATION BY THE DIRECTORS REGARDING AUTHENTICITY OF THE INFORMATION IN THE LETTER OF OFFER.....	54

## 1. SCHEDULE OF ACTIVITIES

Activity	Date	Day
Date of the Board meeting to approve the proposal for Buy-back of Equity Shares	October 27, 2016	Thursday
Date on which the result of the postal ballot through which the Shareholders approval for the Buy-back was sought	December 23, 2016	Friday
Date of publication of Public Announcement for the Buy-back	December 26, 2016	Monday
Record Date for determining the Buy-back Entitlement and the Eligible Sellers	January 6, 2017	Friday
Buy-back opens on / Buy-back Opening Date	February 3, 2017	Friday
Buy-back closes on / Buy-back Closing Date	February 16, 2017	Thursday
Last date of receipt of completed Tender Forms and other specified documents including physical share certificates by the Registrar to Buy-back	February 20, 2017	Monday
Last date of verification by Registrar to Buy-back	February 27, 2017	Monday
Last date of intimation to the Stock Exchange regarding acceptance or non-acceptance of tendered Equity Shares by the Registrar and Manager to the Buy-back	February 27, 2017	Monday
Last date of settlement of bids on the Stock Exchange	February 28, 2017	Tuesday
Last date of dispatch of share certificate(s) by Registrar to Buy-back / return of unaccepted demat shares by Stock Exchange to Seller Member / Broker	February 28, 2017	Tuesday
Last date of extinguishment of Equity Shares bought back	March 7, 2017	Tuesday

*Note: Where last dates are mentioned for certain activities, such activities may happen on or before the respective last dates.*

## 2. DEFINITION OF KEY TERMS

*This Letter of Offer uses certain definitions and abbreviations which, unless the context otherwise indicates or implies or specified otherwise, shall have the meaning as provided below. References to any legislation, act, regulation, rules, guidelines or policies shall be to such legislation, act, regulation, rules, guidelines or policies as amended, supplemented, or re-enacted from time to time and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision.*

*The words and expressions used in this Letter of Offer, but not defined herein shall have the meaning ascribed to such terms under the Buy-back Regulations, the Companies Act, 2013 and Companies Act, 1956, to the extent applicable, as amended and the rules and regulations made thereunder.*

Term	Description
<b>Acceptance</b>	Acceptance of fully paid-up Equity Shares tendered by Eligible Sellers in the Buy-back Offer.
<b>Act / Companies Act</b>	The Companies Act, 2013 and the Companies Act, 1956, to the extent applicable.
<b>Acquisition Window</b>	The facility for acquisition of Equity Shares through mechanism provided by the BSE in the form of a separate window in accordance with SEBI circular no. CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015.

<b>Term</b>	<b>Description</b>
<b>Additional Equity Shares</b>	Equity Shares tendered by an Eligible Seller over and above the Buy-back Entitlement of such Eligible Seller such that total number of Equity Shares tendered does not exceed the Equity Shares held on the Record Date by such Eligible Seller.
<b>Articles</b>	Articles of Association of the Company, as amended from time to time.
<b>AOP</b>	Association of Persons
<b>Board / Board of Directors</b>	Board of Directors of the Company (which term shall, unless repugnant to the context or meaning thereof, be deemed to include a duly authorized 'Committee' thereof)
<b>BSE</b>	BSE Limited
<b>Buy-back or Buy-back Offer or Offer</b>	Buy-back of up to 28,69,098 (Twenty Eight Lakhs Sixty Nine Thousand and Ninety Eight) fully paid-up Equity Shares at a price of ₹ 410 (Rupees Four Hundred and Ten) per Equity Share for an aggregate amount up to ₹ 11,763.30 lakhs (Rupees Eleven Thousand Seven Hundred and Sixty Three Lakhs and Thirty Thousand only) through Tender Offer.
<b>Buy-back Entitlement or Entitlement</b>	The number of Equity Shares that an Eligible Seller is entitled to tender in the Buy-back, based on the number of Equity Shares held by that Eligible Seller on the Record Date in the Ratio of Buy-back as applicable in the category, to which such Eligible Shareholder belongs.
<b>Buy-back Price</b>	Price at which Equity Shares will be bought back from the Eligible Shareholders i.e. ₹ 410 (Rupees Four Hundred and Ten) per fully paid-up Equity Share, payable in cash.
<b>Buy-back Regulations</b>	Securities and Exchange Board of India (Buy-back of Securities) Regulations, 1998, as amended from time to time.
<b>Buy-back Size</b>	Maximum number of Equity Shares proposed to be bought back (i.e. not exceeding 28,69,098 Equity Shares) multiplied by the Buy-back Price (i.e. ₹ 410 per Equity Share) aggregating to maximum amount of up to ₹ 11,763.30 lakhs.
<b>BOI</b>	Body of Individuals
<b>Company</b>	Sasken Communication Technologies Limited
<b>Company's Broker</b>	Kisan Ratilal Choksey Shares and Securities Private Limited
<b>Compliance Officer(s)</b>	Mr. S. Prasad, Associate Vice President & Company Secretary
<b>Company's Demat Account</b>	The depository account opened by the Company in relation to the Buy-back.
<b>Depositories</b>	Collectively, National Securities Depository Limited and Central Depository Services (India) Limited.
<b>DP</b>	Depository Participant
<b>Draft Letter of Offer / DLoF</b>	The Draft Letter of Offer dated December 28, 2016 filed with SEBI.
<b>Designated Stock Exchange</b>	The designated stock exchange for the Buy-back is BSE.
<b>Director</b>	Director(s) of the Company
<b>Eligible Shareholder(s) or Eligible Seller(s) or Equity Shareholder(s)</b>	All persons holding Equity Shares as on the Record Date being January 6, 2017 and who are eligible to participate in the Buy-back in terms of this LoF

<b>Term</b>	<b>Description</b>
<b>Equity Shares</b>	Fully paid-up equity shares of face value of ₹ 10 (Rupee Ten only) each of the Company.
<b>Escrow Account</b>	The Escrow Account titled " <b>Sasken-Buy-back of Equity Shares - Escrow A/c</b> " opened with Escrow Agent.
<b>Escrow Agent</b>	Union Bank of India having its branch located at #23, 1 <sup>st</sup> Floor, Archana Complex, J.C. Road, Bengaluru - 560 002.
<b>Escrow Agreement</b>	The escrow agreement dated January 24, 2017 entered into between the Company, Escrow Agent and Manager to the Buy-back.
<b>FEMA</b>	Foreign Exchange Management Act, 1999, as amended from time to time.
<b>FII(s)</b>	Foreign Institutional Investor(s)
<b>General Category</b>	Category of Eligible Seller(s) other than the Small Shareholders.
<b>HUF</b>	Hindu Undivided Family
<b>IT Act / Income Tax Act</b>	Income Tax Act, 1961, as amended from time to time.
<b>Letter of Offer / LoF</b>	This Letter of Offer dated January 24, 2017 to be filed with SEBI containing disclosures in relation to the Buy-back as specified in the Buy-back Regulations, including comments received from SEBI on the DLoF.
<b>LODR Regulations</b>	SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015
<b>Manager to the Buy-back / Manager</b>	Vivro Financial Services Private Limited
<b>Non-Resident Shareholders</b>	Equity Shareholders other than resident Equity Shareholders including Non-Resident Indians (NRI), Foreign Institutional Investors (FII), Foreign Portfolio Investors (FPI), erstwhile Overseas Corporate Bodies (OCB) and Foreign Nationals
<b>NSE</b>	National Stock Exchange of India Limited
<b>NRE Account</b>	Non-resident external account
<b>Offer Period / Tendering Period / Buy-back Offer Period</b>	Period of ten working days from the Buy-back Opening Date i.e. Friday, February 3, 2017 till Buy-back Closing Date i.e. Thursday, February 16, 2017 (both days inclusive).
<b>Promoters and Persons in Control</b>	Promoters, Promoter Group and Person Acting in Concert including such persons as have been disclosed under the filings made by the Company from time to time under the extant SEBI (SAST) Regulations.
<b>Public Announcement / PA</b>	Public announcement dated Friday, December 23, 2016 in relation to the Buy-back made by the Company published on Monday, December 26, 2016 in Financial Express (English national daily), Jansatta (Hindi national daily) and Kannada Prabha (Regional language daily - Kannada)
<b>PAN</b>	Permanent Account Number
<b>Ratio of Buy-back or Entitlement Ratio</b>	The ratio of the buy-back for the Equity Shares held by Eligible Shareholders as on Record Date: (i) in case of Small Shareholders ("Reserved Category"), 383 Equity Shares for every 1,656 Equity Shares; and (ii) in case of Eligible Shareholders other than Small Shareholders, 167 Equity Shares for every 1,086 Equity Shares.
<b>RBI</b>	Reserve Bank of India
<b>Record Date</b>	The date for the purpose of determining the Buy-back Entitlement and the names of the Eligible Sellers to whom the Letter of Offer and Tender Form will be sent and who are eligible to participate in the Buy-back in accordance with

<b>Term</b>	<b>Description</b>
	the Buy-back Regulations and in terms of this Letter of Offer. The Record Date for the Buy-back is January 6, 2017.
<b>Registrar to the Buy-back / Registrar</b>	Karvy Computershare Private Limited
<b>Reserved Category</b>	Category of the Small Shareholders eligible to tender Equity Shares in the Buy-back.
<b>SEBI</b>	The Securities and Exchange Board of India
<b>Shareholder Member / Seller Member / Shareholder Broker</b>	A stock broker (who is a member of the BSE) of an Eligible Shareholder, through whom the Eligible Shareholder may participate in the Buy-back.
<b>Share Buy-back Committee / Committee / Committee of Directors</b>	The committee of the Board constituted and authorized for the purposes of the Buy-back by way of a resolution of the Board dated October 27, 2016.
<b>Small Shareholder</b>	An Eligible Shareholder who holds Equity Shares of market value not more than ₹ 2,00,000 (Rupees Two Lakhs only) on the basis of closing price on the Recognised Stock Exchange registering the highest trading volume on the Record Date.
<b>Stock Exchanges / Recognised Stock Exchanges</b>	BSE and NSE, being the stock exchanges where the Equity Shares of the Company are listed
<b>Takeover Regulations</b>	The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended.
<b>Tender Form</b>	Form of Acceptance-cum-Acknowledgement to be filled in and sent to the Registrar by the Eligible Shareholders to participate in the Buy-back.
<b>Tender Offer</b>	Method of Buy-back as defined in regulation 2(1)(o) read with regulation 9(3A) of the Buy-back Regulations using stock exchange mechanism.
<b>TRS</b>	Transaction Registration Slip
<b>U.S.</b>	United States / United States of America
<b>Working Day(s)</b>	Any working day of SEBI

### 3. DISCLAIMER CLAUSE

- 3.1. As required, a copy of this Letter of Offer has been submitted to SEBI. It is to be distinctly understood that submission of this Letter of Offer to SEBI should not in any way be deemed or construed that the same has been cleared or approved by SEBI. SEBI does not take any responsibility either for the financial soundness of the Company to meet the Buy-back commitments or for the correctness of the statements made or opinions expressed in this Letter of Offer. The Manager to the Buy-back, i.e. Vivro Financial Services Private Limited, has certified that the disclosures made in this Letter of Offer are generally adequate and are in conformity with the provisions of the Act and Buy-back Regulations. This requirement is to facilitate Eligible Shareholders to take an informed decision for tendering their Equity Shares in the Buy-back.
- 3.2. It should also be clearly understood that while the Company is primarily responsible for the correctness, adequacy and disclosure of all relevant information in this Letter of Offer, the Manager to the Buy-back is expected to exercise due diligence to ensure that the Company discharges its duty adequately in this behalf and towards this purpose, the Manager to the Buy-back, has furnished to SEBI a Due Diligence Certificate dated December 28, 2016 in accordance with Buy-back Regulations, which reads as follows:

"We have examined various documents and materials relevant to the Buy-back as part of the due diligence carried out by us in connection with the finalization of the Public Announcement dated December 23, 2016 and the draft Letter of Offer dated December 28, 2016. On the basis of such examination and the discussions with the Company, we hereby state that:

- The Public Announcement and the DLoF are in conformity with the documents, materials and papers relevant to the Buy-back;
- All the legal requirements connected with the said Buy-back including the SEBI (Buy-back of Securities) Regulations, 1998, as amended, have been duly complied with;
- The disclosures in the Public Announcement and the DLoF are, to the best of our knowledge, true, fair and adequate in all material respects for the shareholders of the Company to make a well informed decision in respect of the captioned Buy-back;
- Funds used for Buy-back shall be as per the provisions of the Companies Act."

3.3. The filing of Letter of Offer with SEBI does not, however, absolve the Company from any liabilities under the provisions of the Act, or from the requirement of obtaining such statutory or other clearances as may be required for the purpose of the Buy-back.

3.4. The Promoters and Directors declare and confirm that no information or material likely to have a bearing on the decision of Eligible Shareholders has been suppressed, withheld and / or incorporated in the manner that would amount to mis-statement or misrepresentation and in the event of it transpiring at any point of time that any information or material has been suppressed, withheld and / or amounts to a mis-statement or misrepresentation, the Promoters and Directors and the Company shall be liable for penalty in terms of the provisions of the Act and the Buy-back Regulations.

3.5. The Promoters and Directors also declare and confirm that funds if borrowed from banks and financial institutions will not be used for the Buy-back.

3.6. **NO OFFER TO SUBSCRIBE / PURCHASE / SELL, OR AN INVITATION TO SUBSCRIBE / PURCHASE / SELL, ANY SECURITIES OF THE COMPANY OR AS A SOLICITATION OR AN INVITATION TO SUBSCRIBE / PURCHASE / SELL ANY SECURITIES OF THE COMPANY INCLUDING THE EQUITY SHARES IS MADE IN A JURISDICTION, OTHER THAN INDIA, WHERE IT IS ILLEGAL, OR ANY ACTION OR APPROVAL IS REQUIRED, TO MAKE THIS BUY-BACK**

a) The Public Announcement that was published on Monday, December 26, 2016 and this Letter of Offer in connection with this Buy-back, has been prepared for the purposes of compliance with the regulations of the Securities and Exchange Board of India (Buy-back of Securities) Regulations, 1998, as amended from time to time. 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 India. The Company and the Manager to the Buy-back are under no obligation to update the information contained herein at any time after the date of the Letter of Offer. This Letter of Offer does not in any way constitute an offer in any form, or an invitation in any form to subscribe / purchase / sell, any securities of the Company in any jurisdiction or as a solicitation or an invitation in any form to subscribe / purchase / sell any securities including the Equity Shares of the Company.

b) **Disclaimer for US Persons:** The information contained in this Letter of Offer is exclusively intended for persons who are not U.S. Persons, as such term is defined in Regulation S of the U.S. Securities Act of 1933, as amended, and who are not physically present in the United States of America. This Letter of Offer does not in any way constitute an offer to sell, or an invitation to sell,

any securities in the United States of America or in any other jurisdiction in which such offer or invitation is not authorized or to any person to whom it is unlawful to make such offer or solicitation. Potential users of the information contained in this Letter of Offer are requested to inform themselves about and to observe any such restrictions.

- c) **Disclaimer for Persons in other foreign countries:** This Letter of Offer does not in any way constitute an offer to sell, or an invitation to sell, any securities in any jurisdiction in which such offer or invitation is not authorized or to any person to whom it is unlawful to make such offer or solicitation. Potential users of the information contained in this Letter of Offer are requested to inform themselves about and to observe any such restrictions.
- d) No action has been or will be taken by the Company or Manager to the Buy-back to permit the Buy-back in any jurisdiction where action would be required for that purpose. This Letter of Offer shall be dispatched to all Equity Shareholders whose names appear in the register of members of the Company, as on the Record Date. However, receipt of this Letter of Offer by any Eligible Shareholder in a jurisdiction in which it would be illegal to make this Buy-back, or where making this Buy-back would require any action to be taken (including, but not restricted to, registration of this Letter of Offer under any local securities laws of any jurisdiction outside of India), shall not be treated by such Eligible Shareholder as an offer or invitation to offer being made to them and shall be construed by them as being sent for information purposes only.
- e) Persons in possession of this Letter of Offer are required to inform themselves of any relevant restrictions in their respective jurisdictions. Any Eligible Seller who tenders his, her or its Equity Shares in the Buy-back shall be deemed to have declared, represented, warranted and agreed that he, she or it is authorized under the provisions of any applicable local laws, rules, regulations and statutes to participate in the Buy-back.

#### 4. TEXT OF THE RESOLUTION PASSED AT THE BOARD MEETING

- 4.1. The Buy-back through Tender Offer was considered and approved by the Board of Directors of the Company at their meeting held on October 27, 2016. The extract of the resolution of the Board is as follows:

RESOLVED THAT in accordance with Article 172 of the Articles of Association of the Company and the provisions of sections 68, 69, 70 and other applicable provisions of the Companies Act, 2013 (“**the Act**”) and applicable rules made thereunder and in compliance with the Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 1998, as amended from time to time (“**Buy-back Regulations**”) and subject to such other approvals, permissions and sanctions as may be necessary and further subject to approval of the members of the Company by way of special resolution through Postal Ballot (including e-voting), the consent of the Board of Directors (herein referred to as the “**Board**” which term shall be deemed to include any committee which the Board may constitute to exercise its powers, including the powers conferred by this resolution) be and is hereby accorded for the Buy-back of fully paid up Equity Shares by the Company having face value of Rs.10 each (“**Equity Share(s)**”) up to 28,24,544 Equity Shares (representing 15.94% of the total paid-up equity share capital of the Company) at a price not exceeding Rs.425 (Rupees Four Hundred and Twenty Five only) (“**Maximum Buy-back Price**”) per Equity Share payable in cash for a total consideration not exceeding Rs.12,004.31 lakhs (Rupees Twelve Thousand and Four Lakhs and Thirty One Thousand), excluding transaction costs viz. fees, brokerage, applicable taxes such as securities transaction tax, service tax, stamp duty, etc., (“**Transaction Costs**”) (hereinafter referred to as “**Maximum Buy-back Size**”), which is within 25% of the total paid-up equity capital and free reserves (including securities premium account) as per the audited accounts of the Company for the financial year ended March 31, 2016, on standalone basis



through the “**Tender Offer**” route as prescribed under the Buy-back Regulations (the process being referred hereinafter as Buy-back), on a proportionate basis, from the equity shareholders / beneficial owners of the Equity Shares of the Company as on the record date to be decided at a later stage including those who are promoters, members of promoter group and persons acting in concert (it being understood that the “promoter”, “promoter group” and “persons acting in concert” will be such persons as have been disclosed under the shareholding pattern filed by the Company from time to time under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended).

FURTHER RESOLVED THAT at the Maximum Buy-back Price of Rs.425 per Equity Share and for the Maximum Buy-back Size up to Rs.12,004.31 lakhs, the indicative number of Equity Shares that can be bought back would be 28,24,544 fully paid-up Equity Shares, representing 15.94% of the total issued and paid up equity capital of the Company; and in the event the final Buy-back price is lower than Rs.425 per Equity Share (Maximum Buy-back Price), the indicative number of shares and percentage thereof shall go up accordingly.

FURTHER RESOLVED THAT 15% (fifteen percent) of the number of Equity Shares which the Company proposes to Buy-back or number of Equity Shares entitled as per the shareholding of small shareholders, whichever is higher, shall be reserved for the small shareholders, as prescribed under Regulation 6 of the Buy-back Regulations.

FURTHER RESOLVED THAT Buy-back will be made out of the Company's free reserves, current surplus and / or cash and cash equivalents and / or internal accruals and / or liquid resources of the Company as the Board or a duly constituted committee thereof may decide from time to time.

FURTHER RESOLVED THAT the Company shall implement the Buy-back using the “Mechanism for acquisition of shares through Stock Exchange” as notified by SEBI vide circular No. CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015 and the Company shall approach the BSE Limited for facilitating the same.

FURTHER RESOLVED THAT the Buy-back would be subject to the condition of maintaining minimum public shareholding requirements as specified in Regulation 38 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations 2015, as amended (“**Listing Regulations**”).

FURTHER RESOLVED THAT in terms of Regulation 19(3) of the Buy-back Regulations, Mr. S. Prasad, Associate Vice President & Company Secretary be and is hereby appointed as the Compliance Officer for the proposed Buy-back and M/s. Karvy Computershare Pvt. Ltd., Registrar and Transfer Agent as the Investor Service Centre.

FURTHER RESOLVED THAT the Board of Directors confirm the following with reference to the Buy-back process:

- i. That the Equity Shares of the Company are fully paid up;
- ii. That the Company shall not issue or allot any Equity Shares including by way of bonus till the date of closure of this Buy-back except in discharge of subsisting obligations such as stock option schemes, sweat equity as may be permitted under the relevant regulations and applicable law;
- iii. The Company shall not raise further capital for a period of one year from the closure of the Buy-back, except in discharge of subsisting obligations such as conversion of warrants, stock option schemes, sweat equity or conversion of preference shares or debentures into Equity Shares;

- iv. That the Company shall not Buy-back any locked-in Equity Shares and non-transferable Equity Shares till the pendency of the lock-in or till the Equity Shares become transferable;
- v. That the Company shall not Buy-back its Equity Shares from any person through negotiated deal whether on or off the Stock Exchanges or through spot transactions or through any private arrangement;
- vi. That the Company shall not directly or indirectly purchase its own Equity Shares through any subsidiary company including its own subsidiary companies or through any investment company or group of investment companies;
- vii. That the Company shall not make any offer of Buy-back within a period of one year reckoned from the date of closure of the Buy-back;
- viii. That there are no defaults subsisting in the repayment of deposits, redemption of debentures or preference shares or repayment of term loans to any financial institutions or banks;
- ix. That the ratio of the aggregate of secured and unsecured debts owned by the Company immediately after the Buy-back is not more than twice the paid up capital and free reserves of the Company;
- x. That there shall not be pendency of any scheme of amalgamation or compromise or arrangement pursuant to the provisions of the Act outstanding as on the date of Public Announcement;
- xi. The Company will not withdraw the Buy-back after the Draft Letter of Offer is filed with the SEBI;
- xii. That the Company has been in compliance with Sections 92, 123, 127 and 129 of the Act.

FURTHER RESOLVED THAT any two of the following Directors viz., Mr. Rajiv C. Mody, Chairman & Managing Director, Ms. Neeta S. Revankar, Whole-time Director & CFO, Dr. G. Venkatesh, Director be and are hereby jointly and / or severally authorized to sign the Public Announcement and Letter of Offer along with Mr. S. Prasad, Associate Vice President & Company Secretary.

FURTHER RESOLVED THAT nothing contained herein above shall confer any right on the part of any shareholder to offer, or any obligation on the part of the Company or the Board to Buy-back any Equity Shares, and / or impair any power of the Company or the Board to terminate any process in relation to such Buy-back as permissible by law.

FURTHER RESOLVED THAT the Buy-back of Equity Shares from Non-Resident Shareholders, Overseas Corporate Bodies, Shareholders of foreign nationality, etc. shall be subject to such approval of the Reserve Bank of India, if any, as may be required under the Foreign Exchange Management Act, 1999 and relevant rules and regulations.

FURTHER RESOLVED THAT the approval of the Board be and is hereby accorded to the appointment of Vivro Financial Services Private Limited as Manager to the Buy-back Offer.

FURTHER RESOLVED THAT a committee consisting of Mr. Rajiv C. Mody, Chairman & Managing Director, Dr. G. Venkatesh, Director and Ms. Neeta S. Revankar, Whole-time Director & CFO, be and is hereby constituted to do all such acts, deeds, matters and things as they may in their absolute discretion deem necessary, expedient or proper with regard to the implementation of the Buy-back, including fixing the Buy-back price before making the Public Announcement.

FURTHER RESOLVED THAT at any meeting of the Committee any two members of the Committee shall constitute the quorum and that resolutions by circulation shall require approval by majority of the members of the Committee.

FURTHER RESOLVED THAT the Committee shall from time to time report to the Board of Directors at its meeting the status / progress of actions taken by the Committee concerning Buy-back.

FURTHER RESOLVED THAT Mr. Rajiv C. Mody, Chairman & Managing Director, Ms. Neeta S. Revankar, Whole-time Director & CFO, Dr. G. Venkatesh, Director and Mr. S. Prasad, Associate Vice President & Company Secretary be and are hereby jointly and / or severally authorized to sign all the forms, documents, applications, undertakings and such other documents and to do all such acts, deeds and things as may be necessary, expedient or proper with regard to the implementation of the Buy-back, including:

1. The appointment of Broker, Lawyers, Registrar, Advertising Agency and other Advisors, Consultants or Representatives;
2. Fix Record Date in accordance with the Buy-back Regulations for determining the eligible shareholders from whom the Buy-back shall be made;
3. To prepare, modify, make alterations, additions, deletions, variations, amendments or correction to and approve / file the final Public Announcement, draft Letter of Offer and final Letter of Offer, filing of Declaration of Solvency, certificate of extinguishment of Equity Shares and physical destruction of share certificates and all other documents / acts required to be filed / done in connection with the Buy-back with Securities and Exchange Board of India / Stock Exchanges / Registrar of Companies, National Securities Depository Limited, Central Depository Services (India) Limited and other appropriate authorities;
4. The making of all applications to the appropriate authorities for their requisite approvals;
5. The opening, operation and closure of all necessary accounts such as Broking Account, Escrow Account, Special account(s) and any other bank account(s) and Depository Account for the purpose of the Buy-back and authorize persons to operate the said accounts;
6. To arrange for bank guarantees as may be necessary for the Buy-back in accordance with applicable laws;
7. To settle all such questions, difficulties or doubts that may arise in relation to the implementation of the Buy-back;
8. To delegate all or any of the authorities conferred as above to any Officer(s) / Authorized Representative(s) of the Company to give effect to the aforesaid resolution or to accept any change(s) or modification(s) as may be felt necessary or as may be suggested by the appropriate authorities or advisors.

FURTHER RESOLVED THAT the Common seal of the Company if required be affixed on such documents in the presence of any one of the Directors and duly countersigned by the Company Secretary.

FURTHER RESOLVED THAT the Board hereby confirms that it has made a full enquiry into the affairs and prospects of the Company and has formed the following opinion:

- a. That immediately following the date of this Board Meeting and the date on which the results of the Postal Ballot will be declared, there will be no grounds on which the Company can be found unable to pay its debts.
- b. That as regards the Company's prospects for the year immediately following the date of this Board Meeting as well as the year immediately following the date on which the results of the Postal Ballot will be declared approving the Buy-back, and having regard to the Board's intentions with respect to the management of the Company's business during that year and to the amount and character of the financial resources, which will, in the Board's view, be available to the Company during that year, the Company will be able to meet its liabilities as and when they fall due and will not be rendered insolvent within a period of one year from the date of this Board Meeting or as the case may be, within a period of one year from the date on which the results of the Postal Ballot will be declared.
- c. In forming its opinion aforesaid, the Board has taken into account the liabilities as if the Company were being wound up under the provisions of the Act (including prospective and contingent liabilities).
- d. That the debt equity ratio of the Company after the Buy-back will be within the limit of 2:1 as prescribed under the Act.

FURTHER RESOLVED THAT Company shall not use borrowed funds, directly or indirectly, whether secured or unsecured, of any form and nature, from Banks and Financial Institutions for paying the consideration to the equity shareholders who have tendered their Equity Shares in the Buy-back;

FURTHER RESOLVED THAT in terms of Section 68(6) of the Act read with Regulation 8(7) of the Buy-back Regulations the draft of the Declaration of Solvency prepared in the prescribed form and supporting affidavit, the Statement of Assets and Liabilities in the prescribed Form SH 9 as at March 31, 2016 as per Draft placed before the Board be and is hereby approved and authorises Mr. Rajiv C. Mody, Chairman & Managing Director together with anyone of the following Directors viz. Dr. G. Venkatesh or Ms. Neeta S. Revankar to sign the same for and on behalf of the Board, and Mr. S. Prasad, Associate Vice President & Company Secretary be and is hereby authorised to file the same with the ROC and the SEBI.

## 5. DETAILS OF THE PUBLIC ANNOUNCEMENT

In accordance with the provisions of regulation 8(1) of the Buy-back Regulations, the Company has made a Public Announcement dated Friday, December 23, 2016 in relation to the Buy-back which was published in the following newspapers, within two Working Days i.e. on Monday, December 26, 2016 from the date of Shareholders' approving the Buy-back, by Special Resolution through postal ballot, the result of which were declared on Friday, December 23, 2016 :

Name of the Newspaper	Language	Editions
Financial Express	English	All Editions
Jansatta	Hindi	All Editions
Kannada Prabha	Kannada	Regional Edition

(A copy of the Public Announcement is available on the SEBI website at [www.sebi.gov.in](http://www.sebi.gov.in))

## 6. DETAILS OF THE BUY-BACK

- 6.1 In accordance with Article 172 of the Articles of Association of the Company and provisions of section 68, 69, 70 and other applicable provisions of the Act, rules made thereunder and in compliance with the Buy-back Regulations and subject to such other approvals, permissions and sanctions as may be necessary, the Board of the Company at its meeting held on October 27, 2016 have approved the Buy-back of up to 28,24,544 Equity Shares fully paid up Equity Shares of the Company having face value of ₹ 10 each (representing 15.94% of the total paid-up equity share capital of the Company) at a price not exceeding ₹ 425 (Rupees Four hundred and twenty five) per Equity Share payable in cash for a total consideration not exceeding ₹ 12,004.31 lakhs (Rupees Twelve thousand four lakhs and thirty one thousand only) excluding transaction costs, which is within 25% of the total paid-up equity capital and free reserves (including securities premium account) as per the standalone audited Financial Statements of the Company for the financial year ended March 31, 2016, through the "Tender Offer" route as prescribed under the Buy-back Regulations, on a proportionate basis, from the Eligible Shareholders of the Equity Shares of the Company as on the record date. The shareholders approved the Buy-back, by way of special resolution, through postal ballot / e-voting by way of a postal ballot notice dated November 18, 2016 (the "**Notice**"), the results of which were announced on December 23, 2016. The shareholders have authorized the Board (which term shall, unless repugnant to the context or meaning thereof, be deemed to include a duly authorised "**Committee**" or persons nominated by the Board to exercise its powers in relation to the Buy-back thereof) to determine the total amount to be deployed in the Buy-back, final Buy-back price, number of Equity Shares to be bought back within the aforesaid limits and such other terms of Buy-back. The Buy-back is subject to receipt of any approvals, permissions and sanctions of statutory, regulatory or governmental authorities as may be required under applicable laws, including the SEBI, and the Stock Exchanges on which the Equity Shares of the Company are currently listed.
- 6.2 Pursuant to the shareholders' approval, the Share Buy-back Committee at its meeting held on December 23, 2016 and January 13, 2017 have determined the final Buy-back Price of ₹ 410 (Rupees Four hundred and ten) per Equity Share (the "**Buy-back Price**") and Maximum Buy-back Size up to 28,69,098 Equity Shares respectively and therefore the total amount for Buy-back is ₹ 11,763.30 lakhs (Rupees Eleven Thousand Seven Hundred and Sixty Three lakhs and Thirty Thousand only) (the "**Buy-back Size**") excluding the Transaction Costs which is 24.49% and 25% of the total paid-up equity capital and free reserves (including securities premium account) as per the standalone and consolidated audited Financial Statements of the Company for the financial year ended March 31, 2016 respectively. With the Buy-back price of ₹ 410 and Buy-back Size of ₹ 11,763.30 lakhs, the total number of shares to be bought back in the Buy-back shall be 28,69,098 Equity Shares (the "**Maximum Buy-back Shares**"), representing 16.19% of the total issued and paid-up equity capital of the Company.
- 6.3 The Buy-back shall be undertaken on a proportionate basis from the Eligible Shareholders as on the **Record Date** through the Tender Offer route prescribed under Regulation 4(1)(a) of the Buy-back Regulations. Additionally, the Buy-back shall be, subject to applicable laws, facilitated by tendering of Equity Shares by such Eligible Shareholders and settlement of the same, through the Stock Exchange Mechanism as specified by SEBI in Circular Number CIR/CFD/POLICYCELL/1/2015, dated April 13, 2015 (the "**SEBI Circular**").
- 6.4 As on Record date, Promoters and Persons in Control hold 77,40,673 Equity Shares representing 43.69% of total issued and paid up capital.
- 6.5 In terms of Buy-back Regulations, under the Tender Offer route, promoters and promoter group ("**Promoters**") of the Company have option to participate in the Buy-back. However, none of the Promoters and Persons in Control will participate in the Buy-back.

- 6.6 The Buy-back Price of ₹ 410 per Equity Share represents (i) premium of 12.29% on BSE and 12.13% on NSE over the volume weighted average price of the Equity Shares on BSE and NSE respectively for 3 months preceding the date of intimation of the Board Meeting to consider the proposal of the Buy-back to the Stock Exchanges; (ii) premium of 6.12% on BSE and 6.12% on NSE over the volume weighted average price of the Equity Shares on BSE and NSE respectively for 2 weeks preceding the date of intimation of the Board Meeting to consider the proposal of the Buy-back to the Stock Exchanges; (iii) premium of 1.22% on BSE and 1.17% on NSE over the closing market price of the Equity Shares on Stock Exchanges as on the date of the intimation of the Board Meeting to consider the proposal of the Buy-back to the Stock Exchanges.
- 6.7 The aggregate paid-up equity share capital and free reserves (including securities premium account) as at March 31, 2016 on standalone and consolidated basis is ₹ 48,017.24 lakhs and ₹ 47,053.21 lakhs respectively. In accordance with section 68(2)(c) of the Act, the funds deployed for the Buy-back shall not exceed 25% of the total paid-up equity share capital and free reserves (including securities premium account) of the Company under shareholder approval route. Accordingly, the maximum amount that can be utilized in the present Buy-back is ₹ 12,004.31 lakhs and ₹ 11,763.30 lakhs based on standalone and consolidated audited financial statements as on March 31, 2016 respectively. The Company has proposed to utilise an aggregate amount not exceeding ₹ 11,763.30 lakhs excluding the Transaction Costs for the Buy-back which is within the maximum amount as aforesaid and which represents 24.49% and 25% of the total paid-up share capital and free reserves (including securities premium account) of the Company as per standalone and consolidated audited Financial Statements of the Company for the financial year ended March 31, 2016 respectively.
- 6.8 Further, under the Act, the number of Equity Shares that can be bought back during the financial year shall not exceed 25% of the paid-up Equity Shares of the Company. Accordingly, the number of Equity Shares that can be bought back during the financial year cannot exceed 44,29,953 Equity Shares being 25% of 1,77,19,813 Equity Shares. Since the Company proposes to Buy-back up to 28,69,098 Equity Shares, the same is within the aforesaid limit.
- 6.9 Pursuant to the proposed Buy-back and depending on the response to the Buy-back, the shareholding and voting rights of the Promoters and Persons in Control in the Company may increase from the existing shareholding of the total equity capital and voting rights of the Company. The Promoters and Persons in Control of the Company are already in control over the Company and therefore such further increase in voting rights of the Promoters and Persons in Control will not result in any change in control over the Company.

Assuming the Buy-back of Maximum Buy-back Shares pursuant to the Buy-back Offer, the percentage holding of the Promoters and Persons in Control may increase from the existing level of 43.69% to 52.12%.

The shareholding percentage of the Promoters and Persons in Control as a result of the Buy-back shall increase. Such an increase in shareholding percentage may attract Regulation 3(2) of the Takeover Regulations. However, the same is exempt in terms of clause (i), (ii) and (iv) to the proviso to Regulation 10(4)(c) of the Takeover Regulations, subject to compliance with the proviso of the aforesaid clauses of the Takeover Regulations.

The Promoter Directors of the Company being interested in the resolution approving the Buy-back in their capacity as Directors of the Company, have abstained themselves from voting on the resolution passed by the Board at their meeting held on October 27, 2016.

The Promoters and members of the Promoter Group in their capacity as shareholders of the Company and being interested in the resolution approving the Buy-back, have abstained themselves from voting on the said resolution as detailed in the Postal Ballot Notice dated November 18, 2016.

- 6.10 The Buy-back of Equity Shares may be subject to taxation in India and in the country of residence of the Eligible Shareholder(s). The Eligible Shareholder(s) may please refer the " Note on Taxation" detailed in para 21. However, in view of the particularized nature of tax consequences, Eligible Shareholders are required to consult their tax advisors for the applicable tax provisions including the treatment that may be given by their respective tax officers in their case, and the appropriate course of action that they should take.

## **7. AUTHORITY FOR THE BUY-BACK**

- 7.1. The Buy-back is being undertaken by the Company in accordance with the provisions of Article 172 of the Articles of Association of the Company, the provisions of Section 68, 69 and 70 of the Act and all other applicable provisions, if any, of the Act, the Companies (Share Capital and Debentures) Rules, 2014, to the extent applicable, and in compliance with the Buy-back Regulations.
- 7.2. The Board at its meeting dated October 27, 2016, passed resolution(s) approving the Buy-back of Equity Shares of the Company and sought approval of its Shareholders, by a special resolution, through postal ballot notice dated November 18, 2016. The result of the postal ballot / e-voting was announced on December 23, 2016. The shareholders of the Company have approved the Buy-back by way of a special resolution, through the postal ballot / e-voting as aforesaid.

## **8. NECESSITY OF THE BUY-BACK**

- 8.1 The Buy-back is being undertaken by the Company to enhance overall shareholders' value and to return surplus funds to the equity shareholders of the Company. The Buy-back would lead to reduction in outstanding number of Equity Shares and may consequently increase earnings per Equity Share over a period of time. This would in turn lead to improvement in return on net worth and other financial ratios and contribute to maximization of overall shareholders' value. Additionally, the Buy-back is being undertaken for the following reasons:
- i. The Buy-back gives an option to the equity shareholders to either participate in the Buy-back and receive cash in lieu of Equity Shares accepted under the Buy-back or not participate in the Buy-back and enjoy a resultant increase in their percentage shareholding in the Company post the Buy-back;
  - ii. The Buy-back would help in improving certain key financial ratios of the Company;
  - iii. The Buy-back, which is being implemented through the Tender Offer route as prescribed under the Buy-back Regulations, would involve a reservation for small shareholders.

## **9. MANAGEMENT DISCUSSION AND ANALYSIS AND THE LIKELY IMPACT OF BUY-BACK ON THE COMPANY**

- 9.1. We believe that the Buy-back is not likely to cause any material impact on the profitability / earnings of the Company except to the extent of reduction in the amount available for investment, which the Company could have otherwise deployed towards generating investment income. Assuming that the response to the Buy-back is 100% (full acceptance) from all the Eligible Shareholders in proportion of their respective Buy-back Entitlement, the funds deployed by the Company towards the Buy-back would be ₹ 11,763.30 lakhs excluding Transaction Costs.

- 9.2. In terms of the Buy-back Regulations, under the Tender Offer, the Promoter and Persons in Control have an option to participate in the Buy-back. However, none of them will participate in the Buy-back.
- 9.3. Assuming the response to the Buy-back is 100% (full acceptance) from all the Eligible Shareholders except the Promoters and Persons in Control, in proportion to their respective Buy-back Entitlement, the aggregate shareholding of the Promoter and Persons in Control post the Buy-back may increase to 52.12% from 43.69% prior to Buy-back, and the aggregate shareholding of the public in the Company post Buy-back may decrease to 47.88% from 56.31% prior to Buy-back. The actual percentage ownership could vary depending on overall percentage responses / acceptance.
- 9.4. The Promoters and Person in Control are already in control over the Company and therefore such further increase in voting rights of the Promoters and Person in Control will not result in any change in control over the Company. Further, Promoter Directors did not participate in the discussion nor vote thereon at the Board Meeting held on October 27, 2016, while authorizing the Buy-back and the Promoters and Persons in Control did not participate in the shareholders resolution by way of postal ballot / e-voting authorizing the Buy-back under section 68 of the Act. Therefore, in terms of Regulation 10(4)(c) of the Takeover Regulation despite the possible increase in voting rights of the Promoters and Persons in Control from 43.69% to 52.12%, the Promoters and Persons in Control are exempted from an obligation to make an open offer under the Takeover Regulations. Further, such increase in voting rights of the Promoters and Persons in Control after the Buy-back shall be within the limit of permissible maximum non-public shareholding in the Company as prescribed under Regulation 38 of LODR Regulations read with Securities Contracts (Regulations) Rules, 1957. The Promoters and Persons in Control undertake and confirm that they shall also comply with Regulation 10(6) and 10(7) of the Takeover Regulation as per the timelines stipulated therein.
- 9.5. The Buy-back of Equity Shares shall not result in a change in control or otherwise affect the existing management structure of the Company.
- 9.6. Consequent to the Buy-back and depending on the number of Equity Shares bought back from the Non-Resident Shareholders, financial institutions, banks, mutual funds and other public shareholders, the shareholding of each such person shall undergo a change.
- 9.7. The debt-equity ratio immediately on completion of Buy-back shall be in compliant with the permissible limit of 2:1 prescribed under the Act even if the response to the Buy-back is 100% (full acceptance) from all the Eligible Shareholders in proportion to their respective Buy-back Entitlement.
- 9.8. We believe that the Buy-back is not expected to impact growth opportunities for the Company.
- 9.9. The Promoters and Persons in Control of the Company shall not deal in the Equity Shares of the Company on Stock Exchanges or off market, including by way of inter-se transfer(s) of Equity Shares among the Promoters and Persons in Control during the period from the date of passing the special resolution till the closing of the Buy-back.
- 9.10. The Company shall not issue any new Equity Shares or other specified securities including by way of bonus till the date of closure of the Buy-back.
- 9.11. The Company shall not raise further capital for a period of one year from the closure of the Buy-back except in discharge of its subsisting obligations such as conversion of warrants, stock option schemes, sweat equity or conversion of preference shares or debentures into Equity Shares.



9.12. Salient financial parameters consequent to the Buy-back based on the audited standalone financial statements and audited consolidated financial statements for the financial year ended on March 31, 2016 are as under:

**Standalone:**

Parameters	Based on Standalone Financial Statements	
	Pre Buy-back	Post Buy-back <sup>^</sup>
Net Worth (₹ in lakhs)*	48,017.24	36,253.94
Return on Net Worth (%) (including exceptional items)	45.79	52.57
Return on Net Worth (%) (excluding exceptional items)	8.29	9.51
Earnings Per Share (EPS) (Basic) (in ₹) (including exceptional items)	108.51	127.51
Earnings Per Share (EPS) (Basic) (in ₹) (excluding exceptional items)	19.64	23.07
Book Value per share (in ₹)	281.47	256.63
Price / Earnings (before exceptional items) as per financial statements for financial year ended March 31, 2016	17.36	14.77
Total Debt / Equity Ratio (Total Debt / Net Worth)	0.00	0.00

**Consolidated**

Parameters	Based on Consolidated Financial Statements	
	Pre Buy-back	Post Buy-back <sup>^</sup>
Net Worth (₹ in lakhs)*	47,053.21	35,289.91
Return on Net Worth (%) (including exceptional items)	45.99	52.93
Return on Net Worth (%) (excluding exceptional items)	7.92	9.12
Earnings Per Share (EPS) (Basic) (in ₹) (including exceptional items)	107.14	125.90
Earnings Per Share (EPS) (Basic) (in ₹) (excluding exceptional items)	18.46	21.69
Book Value per share (in ₹)	281.61	256.81
Price / Earnings (before exceptional items) as per financial statements for financial year ended March 31, 2016	18.46	15.71
Total Debt / Equity Ratio (Total Debt / Net Worth)	0.002	0.003

<sup>^</sup> The Net worth, Earnings per share and Book value per Equity Share has been calculated using the Net worth and Profit after Tax as on March 31, 2016 and the number of Equity Shares has been taken as on the date of the Public Announcement adjusted for the Maximum Buy-back Shares.

Note:

- (1) For the above purpose, "Net Worth" means total of shareholders' funds reduced by revaluation reserves, miscellaneous expenditure, to the extent not written off, Capital Reserve, Capital Redemption Reserve, ESOP Outstanding, Hedging Reserve, Foreign Currency Translation Reserve ("FCTR") and the money received against share warrants. The post Buy-back number are calculated by reducing the net worth by the proposed Buy-back Amount (assuming full acceptance) without factoring in any impact of Profit & Loss account.
- (2) Return on Net Worth = Profit After Tax / Average Net Worth for the period (computed as average of opening and closing Net Worth).
- (3) Earnings per Share = Profit After Tax / weighted average number of Equity Shares outstanding for the year.

- (4) *EPS post Buy-back is computed after reducing 28, 69, 098 Equity Shares to be bought back under the Buy-back from weighted average number of Equity Shares outstanding for the year.*
- (5) *Book value per Equity Share = Net Worth / Number of Equity Shares outstanding at the end of the year.*
- (6) *PE Multiple = Closing Market price as on March 31, 2016 / EPS excluding exceptional items as per latest audited financial statements.*
- (7) *Total debt / equity Ratio = Total Debt / Net Worth.*

## **10. BASIS OF CALCULATING THE BUY-BACK PRICE**

- 10.1. The Equity Shares are proposed to be bought back at a price of ₹ 410 per Equity Share. The Buy-back Price has been arrived at after considering various factors including, but not limited to, the volume weighted average market price of the Equity Shares on BSE and NSE respectively for 3 (three) months and 2 (two) weeks preceding the date of intimation of the Board Meeting to consider the proposal of the Buy-back to the Stock Exchanges, closing market price on the date of Board Meeting, price earnings ratio and the impact on the Net worth of the Company.
- 10.2. The Buy-back Price of ₹ 410 per Equity Share represents (i) premium of 12.29% on BSE and 12.13% on NSE over the volume weighted average price of the Equity Shares on BSE and NSE respectively for 3 months preceding the date of intimation of the Board Meeting to consider the proposal of the Buy-back to the Stock Exchanges; (ii) premium of 6.12% on BSE and 6.12% on NSE over the volume weighted average price of the Equity Shares on BSE and NSE respectively for 2 weeks preceding the date of intimation of the Board Meeting to consider the proposal of the Buy-back to the Stock Exchanges; (iii) premium of 1.22% on BSE and 1.17% on NSE over the closing market price of the Equity Shares on Stock Exchanges as on the date of the intimation of the Board Meeting to consider the proposal of the Buy-back to the Stock Exchanges.
- 10.3. The closing market price of the Equity Shares as on the date of intimation of the date of the Board Meeting for considering the Buy-back to the Stock Exchanges, i.e. October 24, 2016 was ₹ 405.25 and ₹ 405.05 on NSE and BSE respectively. The Buy-back Price of ₹ 410 amounts to a premium of 1.17% and 1.22% to the closing market price of the Equity Shares as on the date of intimation of the date of the Board Meeting respectively.
- 10.4. The Buy-back Price is about 145.66% of the book value per Equity Share of the Company, which is ₹ 281.47 as at March 31, 2016.
- 10.5. The EPS of the Company pre-Buy-back as on March 31, 2016 on standalone and consolidated basis is ₹ 108.51 and ₹ 107.14 respectively which will increase to ₹ 127.51 and ₹ 125.90 respectively post Buy-back assuming full acceptance of the Buy-back.
- 10.6. The Return of Net worth (including exceptional items) of the Company pre-Buy-back as on March 31, 2016 on standalone and consolidated basis is 45.79% and 45.99% respectively which will increase to 52.57% and 52.93% respectively post Buy-back assuming full acceptance of the Buy-back.

## **11. SOURCES OF FUNDS FOR THE BUY-BACK**

- 11.1. Assuming full acceptance, the funds that would be utilized by the Company for the purpose of the Buy-back would be ₹ 11,763.30 lakhs excluding Transaction Costs.
- 11.2. The Buy-back will be financed out of current surplus and / or internal accruals of the Company and / or other permissible sources of funds but not from any borrowed funds.

11.3. This Buy-back is not likely to cause any material impact on the earnings of the Company, except for the cost of financing the Buy-back, being reduction in the treasury income that the Company could have otherwise earned on the funds.

## 12. DETAILS OF THE ESCROW ACCOUNT AND THE AMOUNT DEPOSITED THEREIN

12.1. In accordance with Regulation 10 of the Buy-back Regulations, the Company has appointed Union Bank of India, Industrial Finance Branch, No.23, First Floor, Archana Complex, J.C. Road, Bengaluru - 560 002, as the Escrow Agent for the Buy-back. The Company, the Manager to the Buy-back and the Escrow Agent have entered into an Escrow Agreement dated January 24, 2017, pursuant to which the Escrow Account in the name and style "**Sasken-Buy-back of Equity Shares - Escrow A/c**" bearing account number 502301010035193 has been opened with the Escrow Agent. In compliance with the provisions of the Regulation 10(2) and Regulation 10(5) of Buy-back Regulations, the Company has submitted a Bank Guarantee issued by Union Bank of India having its bank branch located at, Industrial Finance Branch, No.23, First Floor, Archana Complex, J.C. Road, Bengaluru - 560 002, in favour of the Manager to the Buy-back for an amount of ₹ 26,76,33,018 (Rupees Twenty Six Crores Seventy Six Lakhs Thirty Three Thousand and Eighteen Only), equivalent to 25% up to ₹ 100 crore and 10% thereafter of the total consideration payable by the Company under the Buy-back, assuming full acceptance. The Bank Guarantee shall be valid for 30 days after the closure of the Buy-Back. Further, the Company has deposited cash of ₹ 1,17,63,302 (Rupees One Crore Seventeen Lakhs Sixty Three Thousand Three Hundred and Two Only) in the Escrow Account, opened at the Industrial Finance Branch of Union Bank of India located at No. 23, First Floor, Archana Complex, J.C. Road, Bengaluru - 560 002, Karnataka. The cash deposited is equals to 1% of the total consideration payable by the Company under the Buy-back, assuming full Acceptance, in compliance with the provisions of Regulation 10(8) of the Buy-back Regulations. The Manager has been empowered to operate the Escrow Account in accordance with the Buy-back Regulations.

12.2. The Company has adequate and firm financial resources to fulfill its obligations under the Buy-back and the same has been certified vide a certificate dated December 23, 2016 by Mr. Narayana V. (Membership No.: 018977, Chartered Accountant having his office at Second Floor East, Grace Villa, No.21, Church Road, Basavanagudi, Bengaluru - 560 004.

12.3. Based on the aforementioned certificate, the Manager to the Buy-back confirms that it is satisfied that the firm arrangements for fulfilling the obligations under the Buy-back are in place and that the Company has the ability to implement the Buy-back in accordance with the Buy-back Regulations.

## 13. CAPITAL STRUCTURE AND SHAREHOLDING PATTERN

13.1. The capital structure of the Company as on the date of this LoF, is as follows:

Sr. No.	Particulars	(in ₹)
<b>A</b>	<b>AUTHORISED SHARE CAPITAL</b>	
	5,00,00,000 Equity Shares of ₹ 10 each	50,00,00,000
<b>B</b>	<b>ISSUED, SUBSCRIBED AND PAID-UP CAPITAL PRE BUY-BACK</b>	
	1,77,19,813 Equity Shares of ₹ 10 each	17,71,98,130
<b>C</b>	<b>ISSUED, SUBSCRIBED AND PAID-UP CAPITAL POST BUY-BACK*</b>	
	1,48,50,715 Equity Shares of ₹ 10 each	14,85,07,150

\* Assuming full acceptance of Equity Shares in the Buy-back Offer.

13.2. Details of buy-back done by the Company in the past three financial years

Sr. No.	Opening Date	Closing Date	Method of Buy-back	Equity Shares Bought Back
1	August 10, 2015	August 24, 2015	Tender Offer	36,56,560
2	May 21, 2012	April 22, 2013	Open Market	52,77,878

13.3. As on date of this Letter of Offer, there are no partly paid-up Equity Shares outstanding.

13.4. As on date of this Letter of Offer, there are no outstanding securities convertible into Equity Shares. The shareholders have approved creation of Sasken Employees' Share Based Incentive Plan 2016 vide special resolution dated December 23, 2016 for granting up to a maximum of 8,85,900 Employees Stock Options.

13.5. As on date of this Letter of Offer, there is no amount under calls in arrears.

13.6. There is no pending scheme of amalgamation or compromise or arrangement pursuant to any provisions of the Act.

13.7. The Company shall not issue any Equity Shares including by way of bonus, from the date of public announcement till the date of closure of this Buy-back.

13.8. Assuming response to the Buy-back is 100% (full acceptance) from all the Eligible Shareholders in proportion to their respective Buy-back Entitlement, the aggregate shareholding of the Promoters and Persons in Control post the Buy-back may increase to 52.12% from 43.69% prior to the Buy-back.

13.9. The shareholding pattern of the Company (a) pre Buy-back i.e. as on Record date; and (b) the post Buy-back is as follows:

Category of Shareholder	Pre Buy-back		Post Buy-back*	
	Number of Shares	% to pre Buy-back Equity Share capital	Number of Shares	% to post Buy-back Equity Share capital
Promoters and Persons in Control	77,40,673	43.69	77,40,673	52.12
Foreign Investors (including Non-Resident Indians FII and Foreign Mutual Funds)	42,79,697	24.15	71,10,042	47.88
Financial Institutions / Banks & Mutual Funds promoted by Banks / Institutions	49,127	0.28		
Others (Public, Public Bodies Corporate, etc.)	56,50,316	31.88		
<b>Total</b>	<b>1,77,19,813</b>	<b>100.00</b>	<b>1,48,50,715</b>	<b>100.00</b>

\* Assuming response to the Buy-back is 100% (full acceptance) from all the Eligible Shareholders in proportion to their respective Buy-back Entitlement.

13.10. No Equity Shares were either purchased or sold by the Promoters and Persons in Control from a period of six months preceding the date of the Board Meeting at which the Buy-back was approved till the date of the this Letter of Offer except the following:

<b>Name</b>	<b>Date of Transaction</b>	<b>Mode</b>	<b>No. of Equity Shares</b>	<b>Minimum Price / Date of Minimum Price</b>	<b>Maximum Price / Date of Maximum Price</b>
Ms. Nilima Doshi	May 19, 2016	Market Purchase	12,500	₹ 330.00 May 19, 2016	₹ 339.50 May 19, 2016
Mr. Rajiv C. Mody (Representing in the capacity as Trustee of the Estate of Late C. J. Mody)	December 16, 2016	Transmission of Shares	(15,45,560)	Not Applicable	Not Applicable
Mr. Rajiv C. Mody	December 16, 2016	Received by way of transmission of shares	15,45,560	Not Applicable	Not Applicable

#### **14. BRIEF INFORMATION ABOUT THE COMPANY**

##### **14.1. History of the Company**

The Company was incorporated on February 13, 1989 as ASIC Technologies Private Limited under the Companies Act, 1956. The name of Company was changed to Silicon Automation Systems (India) Private Limited and a fresh certificate of incorporation consequent to the change of name was issued by the Registrar of Companies, Gujarat, Dadra & Nagar Haveli on October 13, 1992. On April 20, 1993 the Company changed its registered office from the State of Gujarat to the State of Karnataka. The name of Company was changed to Silicon Automation Systems Limited and a fresh certificate of incorporation consequent to the change of name was issued by the Registrar of Companies, Karnataka on December 30, 1998. Further, the Company name was changed to Saskaen Communication Technologies Limited and a fresh certificate of incorporation consequent on change of name was issued by the Registrar of Companies, Karnataka on October 17, 2000. The shareholders of the Company have approved change of name of the Company from "Saskaen Communication Technologies Limited" to "Saskaen Technologies Limited" vide special resolution dated December 23, 2016 and the Company is in the process of complying other formalities with ROC and Stock Exchanges to give effect to the name change of the Company.

##### **14.2. Business Overview**

Our Company is one of the leading players in providing Product Engineering and Digital Transformation services to global tier-1 customers. Saskaen's domain knowledge and comprehensive suite of services have helped global leaders maintain market leadership in industries such as Semiconductors, Automotive, Enterprise grade Devices, Smart Devices and Wearables, Industrials, Retail, Public Safety, Satcom, and Telecom. Global Fortune 500 and Tier 1 companies in these segments are part of Saskaen's customer profile.

The Company has five wholly owned subsidiaries which have been set-up primarily to cater to key customers worldwide, in areas such as hardware and software design; development and testing of wireless devices; product and solution design, etc.

In addition to being directly involved in the development of a variety of technologies, the Company has been a member of premier technology bodies including ITU, 3GPP, GCF, MPEG-ISO, WiMAX, NFC, Open Handset Alliance, DLNA and ATM and other forums.

The Company's solutions are backed by CMMI-DEV-V1.3-ML3, ISO 9001:2008, ISO 27001:2005 and TL 9000 certifications. The Company commitment to environment is highlighted by its ISO 14001:2004 certification.

#### 14.3. Financial Performance

As per standalone financial statements for the financial years ended March 31, 2016, 2015 and 2014, the Company recorded total income of ₹ 43,325.39 lakhs, ₹ 37,119.70 lakhs and ₹ 41,460.54 lakhs respectively, and Profit / (Loss) after Tax of ₹ 20,894.39 lakhs, ₹ 15,879.04 lakhs and ₹ 5,793.13 lakhs respectively.

14.4. The details of changes in the equity share capital of the Company since its incorporation are as follows:

Date of Allotment	Number of Equity Shares	Face Value per Equity Share (₹)	Issue Price per Equity Share (₹)	Reasons for Allotment	Consideration	Cumulative Capital (No. of Shares)
13-Feb-89	20	10.00	10.00	Subscriber to the Memorandum and Articles of Association	Cash	20
12-Aug-91	200,000	10.00	10.00	Preferential Allotment	Cash	200,020
8-Jan-92	30,000	10.00	10.00	Preferential Allotment	Cash	230,020
6-Jan-93	20,000	10.00	10.00	Preferential Allotment	Cash	250,020
31-Dec-93	50,000	10.00	10.00	Preferential Allotment	Cash	300,020
25-Aug-95	44,440	10.00	10.00	Preferential Allotment	Cash	344,460
16-Jan-96	905,540	10.00	10.00	Preferential Allotment	Cash	1,250,000
26-Mar-96	1,250,000	10.00	10.00	Bonus Issue (1:1)	-	2,500,000
20-Feb-97	1,250,000	10.00	10.00	Bonus Issue (1:2)	-	3,750,000
30-Sep-97	3,125,000	10.00	10.00	Bonus Issue (5:6)	-	6,875,000

Date of Allotment	Number of Equity Shares	Face Value per Equity Share (₹)	Issue Price per Equity Share (₹)	Reasons for Allotment	Consideration	Cumulative Capital (No. of Shares)
9-Feb-98	3,125,000	10.00	10.00	Preferential Allotment	Cash	10,000,000
1-Apr-98	667,100	10.00	10.00	FCD 'A' Series Conversion	Cash	10,667,100
18-Aug-98	50,000	10.00	10.00	Bonus Issue (1:200)		10,717,100
1-Oct-98	76,800	10.00	10.00	FCD 'B' Series Conversion	Cash	10,793,900
2-Aug-99	400	10.00	40.00	FCD 'F', 'G' & 'H' series Conversion	Cash	10,794,300
1-Oct-99	68,400	10.00	10.00	FCD 'C' series Conversion	Cash	10,862,700
8-Oct-99	454,000	10.00	300.00	Preferential Issue	Cash	11,316,700
8-Oct-99	454,000	10.00	210.00	Preferential Allotment	Cash	11,770,700
8-Oct-99	150,000	10.00	300.00	Rights Issue (1.389:100)	Cash	11,920,700
12-Oct-99	454,000	10.00	300.00	Preferential Allotment	Cash	12,374,700
1-Jan-00	100,000	10.00	40.00	FCD 'J' Series conversion	Cash	12,474,700
14-Oct-00	61,000	10.00	10.00	FCD 'D' Series conversion	Cash	12,535,700
14-Oct-00	29,600	10.00	40.00	FCD 'F' Series conversion	Cash	12,565,300
1-Dec-01	60,400	10.00	10.00	FCD 'E' Series conversion	Cash	12,625,700
1-Dec-01	42,700	10.00	40.00	FCD 'G' Series conversion	Cash	12,668,400
2001-02	1,017.00	10.00	-	ESOP	Cash	12,669,417
2002-03	601.50	10.00	-	ESOP	Cash	12,670,019
18-Oct-02	40,000	10.00	40.00	FCD 'H' Series Conversion	Cash	12,710,019
11-Apr-03	816,666.50	10.00	60.00	Preferential Allotment	Cash	13,526,685
11-Apr-03	1,633,333.50	10.00	60.00	Rights Issue (1:7.78)	Cash	15,160,019
22-Oct-03	800	10.00	40.00	FCD 'I' Series conversion	Cash	15,160,819
16-Jul-04	1,633,333.50	10.00	60.00	Preferential Allotment	Cash	16,794,152

Date of Allotment	Number of Equity Shares	Face Value per Equity Share (₹)	Issue Price per Equity Share (₹)	Reasons for Allotment	Consideration	Cumulative Capital (No. of Shares)
16-Jul-04	60	10.00	60.00	Issued for consolidation	Cash	16,794,212
2004-05	53,010	10.00	-	ESOP	Cash	16,847,222
2005-06	35,940	10.00	-	ESOP	Cash	16,883,162
14-Apr-05	3,228,334	10.00	141.63	Preferential Allotment	Cash	20,111,496
14-Apr-05	600,000	10.00	223.00	Preferential Allotment	Cash	20,711,496
27-Apr-05	1,800,000	10.00	223.00	Preferential Allotment	Cash	22,511,496
31-Aug-05	5,000,000	10.00	260.00	IPO	Cash	27,511,496
2005-06	424,885	10.00	-	ESOP(*)	Cash	27,936,381
2006-07	563,755	10.00	-	ESOP(*)	Cash	28,500,136
2007-08	60,657	10.00	-	ESOP(*)	Cash	28,560,793
2008-09	(1,449,742)	10.00	-	Buy-back of Equity Shares(#)	Cash	27,111,051
2009-10	507,375	10.00	-	ESOP(*)	Cash	27,618,426
2010-11	(1,432,633)	10.00	-	Buy-back of Equity Shares(#)	Cash	26,185,793
2011-12	(729,367)	10.00	-	Buy-back of Equity Shares(#)	Cash	25,456,426
2011-12	554,925	10.00	-	ESOP(*)	Cash	26,011,351
2012-13	90,500	10.00	-	ESOP(*)	Cash	26,101,851
2012-13	(5,052,325)	10.00	-	Buy-back of Equity Shares(#)	Cash	21,049,526
2013-14	(225,553)	10.00	-	Buy-back of Equity Shares(#)	Cash	20,823,973
2013-14	453,600	10.00	-	ESOP(*)	Cash	21,277,573
2014-15	67,300	10.00	-	ESOP(*)	Cash	21,344,873
2015-16	13,500	10.00	-	ESOP(*)	Cash	21,358,373
2015-16	(3,656,560)	10.00	-	Buy-back of Equity Shares(#)	Cash	17,701,813
2015-16	18,000	10.00	-	ESOP(*)	Cash	17,719,813

(\*) Equity shares allotted pursuant to exercise of stock options under Employee Stock Option Schemes of the Company in the respective financial years.

(#) during the financial years disclosed the Company has bought back Equity shares.

(Source: Company)



14.5. The Details of the Board of Directors of the Company as on date of this LoF are as follows:

<b>Name, Age and DIN of the Director</b>	<b>Designation</b>	<b>Qualifications And Occupation</b>	<b>Date of Appointment / Reappointment</b>	<b>Other Directorships in Indian Companies on the date of Public Announcement</b>
Mr. Rajiv C. Mody Age: 58 years DIN: 00092037	Chairman & Managing Director	Bachelors Degree in Electrical Engineering and Masters Degree in Computer Science.  <i>Occupation: Service</i>	September 29, 1989  Re-appointed as Managing Director w.e.f. September 14, 2015.	1. Centum Electronics Limited 2. J B Chemicals & Pharmaceuticals Limited 3. Sasken Network Engineering Limited 4. Taco Sasken Automotive Electronics Limited (Under Liquidation)
Dr. Ashok Jhunjhunwala Age: 63 years DIN: 00417944	Independent Director	B.Tech, MS & Ph.D. <i>Occupation: Professor</i>	November 22, 2000 Re-appointed on September 22, 2014	1. Exicom Tele-Systems Ltd. 2. Intellect Design Arena Limited 3. Mahindra Reva Electrical Vehicles Private Limited 4. Tata Communications Limited 5. Tata Teleservices (Maharashtra) Limited 6. Tejas Networks Limited 7. Biotechnology Industry Research Assistance Council (Section 8 Company under the Act) 8. IITM Incubation Cell (Section 8 Company under the Act) 9. IIT Madras Research Park (Section 8 Company under the Act)
Mr. Bansi S. Mehta Age: 81 years DIN: 00035019	Independent Director	FCA,  <i>Occupation: Practicing Chartered Accountant</i>	February 01, 2001  Re-appointed on September 22, 2014	1. Atul Limited 2. Century Enka Limited 3. Gillette India Limited 4. Housing Development Finance Corporation Limited 5. IL&FS Investment Managers Limited (Formerly known as IL&FS Venture Corporation Limited) 6. NSDL e-Governance Infrastructure Limited (Formerly known as National Securities Depositories Limited) 7. Pidilite Industries Limited 8. Proctor and Gamble Hygiene and Health Care Limited 9. Thyssenkrupp Industrial Solutions (India) Private Limited

<b>Name, Age and DIN of the Director</b>	<b>Designation</b>	<b>Qualifications And Occupation</b>	<b>Date of Appointment / Reappointment</b>	<b>Other Directorships in Indian Companies on the date of Public Announcement</b>
Mr. Bharat V. Patel Age: 72 years DIN: 00060998	Independent Director	MA in Economics and MBA in Marketing.  <i>Occupation: Consultant</i>	July 16, 2009  Re-appointed on September 22, 2014	1. Birla Sun Life Asset Management Company Limited 2. Broadcast Audience Research Council 3. Aditya Birla Fashion and Retail Limited (Formerly known as Pantaloons Fashion & Retail Limited) 4. Sistema Shyam Teleservices Limited 5. The Indian Society of Advertisers
Prof. J. Ramachandran Age: 59 years DIN: 00004593	Independent Director	Chartered Accountant, Cost Accountant and a Fellow of the Indian Institute of Management  <i>Occupation: Professor</i>	June 15, 2000  Re-appointed on September 22, 2014	1. Aditya Auto Products & Engineering (I) Private Limited 2. Allcargo Logistics Limited 3. Aquarius Investment Advisors India Private Limited 4. Redington India Limited 5. Reliance Communications Limited 6. Reliance Infratel Limited 7. Polaris Consulting & Services Limited
Mr. Sunirmal Talukdar Age: 65 years DIN: 00920608	Independent Director	Chartered Accountant  <i>Occupation: Service</i>	February 16, 2016	1. India Carbon Limited 2. Titagarh Capital Private Limited 3. Clariant Chemicals (India) Limited 4. Innvol Medical India Limited 5. Aris Capital Private Limited 6. Titagarh Wagons Limited 7. Titagarh Agrico Private Limited
Mr. Sanjay M. Shah Age: 53 years DIN: 00375679	Independent Director	Bachelor of Technology in Aerospace Engineering, Masters in Computer Science.  <i>Occupation: Service</i>	June 10, 2005  Re-appointed on September 22, 2014	1. Instavans Logistics Private Limited 2. Shoptree Online Retail Private Limited 3. Zpty Software Private Limited 4. Skelta Professional Services Private Limited

<b>Name, Age and DIN of the Director</b>	<b>Designation</b>	<b>Qualifications And Occupation</b>	<b>Date of Appointment / Reappointment</b>	<b>Other Directorships in Indian Companies on the date of Public Announcement</b>
Mr. Jyotindra B. Mody Age: 87 years DIN: 00034851	Non-Executive Director	Inter-Science  <i>Occupation: Service</i>	October 12, 1999  Re-appointed on July 23, 2012	1. Ansuya Mody Securities Private Limited 2. Ifiunik Pharmaceuticals Limited 3. J B Chemicals & Pharmaceuticals Limited 4. Jyotindra Mody Holdings Private Limited 5. Unique Pharmaceutical Labs. Limited 6. J B Life Science Overseas Limited 7. Lekar Healthcare Limited 8. Ansuya Mody Enterprises Private Limited 9. J. B. Mody Enterprises Private Limited
Mr. Pranabh D. Mody Age : 53 years DIN: 00035505	Non-Executive Director	Bachelors Degree in Pharmacy and Master's in Business Administration.  <i>Occupation: Service</i>	July 29, 1991  Re-appointed on September 22, 2014	1. Dinesh Mody Securities Private Limited 2. Ifiunik Pharmaceuticals Limited 3. J B Chemicals & Pharmaceuticals Limited 4. Kumud Mody Securities Private Limited 5. Unique Pharmaceutical Laboratories Limited 6. Dinesh Mody Ventures Private Limited 7. Kumud Mody Ventures Private Limited
Dr. G. Venkatesh Age: 55 years DIN: 00092085	Non-Executive Director	Graduate in Electronics, Ph.D in Computer Science.  <i>Occupation: Professor</i>	January 25, 2005  Change is designation from Whole-time Director to Non-Executive Director w.e.f. January 19, 2015.	1. MyLSpot Education Services Private Limited 2. Sasken Network Engineering Limited 3. Uniphore Software Systems Private Limited 4. Taco Sasken Automotive Electronics Limited (Under Liquidation) 5. Fulcrum Education Private Limited
Mr. Krishna J. Jhaveri Age: 61 years DIN: 00102729	Whole-time Director	Bachelor's degree in Mechanical Engineering and Masters in Operations Research and Industrial Engineering.	April 01, 2000  Re-appointed on September 14, 2015	Nil

Name, Age and DIN of the Director	Designation	Qualifications And Occupation	Date of Appointment / Reappointment	Other Directorships in Indian Companies on the date of Public Announcement
		<i>Occupation: Service</i>		
Ms. Neeta S. Revankar Age: 50 years DIN: 00145580	Whole-time Director & CFO	Chartered Accountant and Company Secretary <i>Occupation: Service</i>	April 22, 2010  Re-appointed on September 14, 2015	1. Sasken Network Engineering Limited 2. Taco Sasken Automotive Electronics Limited (Under Liquidation)

(Source: Ministry of Corporate Affairs (MCA) website and Company)

14.6. The details of changes in the Board of Directors during the last 3 years preceding the date of Public Announcement are as under:

Name of the Director	Appointment / Resignation / Cessation	Effective Date	Reasons
Mr. Bharat P. Mehta	Cessation	April 25, 2014	Ceased to be an Alternate Director consequent to notification of Section 161(2) of the Act
Mr. Deepak V. Harlalka	Appointment	July 17, 2014	Appointed as an Independent Director
Mr. Anjan Lahiri	Resignation	September 23, 2014	Resigned as a Whole-time Director
Mr. Deepak V. Harlalka	Resignation	January 12, 2015	Resigned as an Independent Director
Mr. Kiran S. Karnik	Resignation	August 24, 2015	Resigned as an Independent Director
Mr. Sunirmal Talukdar	Appointment	February 16, 2016	Appointed as an Independent Director

14.7. The Buy-back will not result in any benefit to any Directors of the Company except to the extent of the change in their shareholding as per the response received in the Buy-back, as a result of the extinguishment of Equity Shares which will lead to a reduction in the Equity Share Capital of the Company, post Buy-back.

## 15. FINANCIAL INFORMATION ABOUT THE COMPANY

15.1. The salient financial information of the Company as extracted from the audited standalone financial statements and consolidated financial statements for the preceding three financial years being March 31, 2016, March 31, 2015 and March 31, 2014 and audited financial results for nine months period ended December 31, 2016, are as under:

**(a) Based on audited standalone financial statements****(₹ in lakhs)**

Particulars	9 Months ended	Year ended		
	December 31, 2016	March 31, 2016	March 31, 2015	March 31, 2014
Total Income	31,740.86	43,325.39	37,119.70	41,460.54
Total Expenses (Excluding Finance Costs and Depreciation)	26,861.80	37,123.01	32,413.83	31,876.87
Finance Cost	0.00	0.00	0.00	0.00
Depreciation	454.05	586.04	1,039.23	953.32
Exceptional Items	0.00	23,333.27	21,716.10	(1,197.39)
Profit / (Loss) before tax	4,425.01	28,949.61	25,382.74	7,432.96
Provision for tax / (Deferred Tax Credit)	901.86	8,055.22	9,503.70	1,639.83
Profit / (Loss) after tax	3,523.15	20,894.39	15,879.04	5,793.13
Equity Share Capital	1,771.98	1,771.98	2,134.49	2,127.76
Reserves & Surplus*	49,325.41	46,245.26	41,103.01	31,668.19
Net worth	51,097.39	48,017.24	43,237.50	33,795.95
Total debt (excluding working capital loans)	0.00	0.00	0.00	0.00

\* Excluding revaluation reserves, miscellaneous expenditure, to the extent not written off, Capital Reserve, Capital Redemption Reserve, ESOP Outstanding, Hedging Reserve.

The Reserves and Surplus as on March 31, 2014 does not include revaluation reserves, miscellaneous expenditure, to the extent not written off, Capital Reserve, Capital Redemption Reserve, ESOP Outstanding, Hedging Reserve, FCTR and the money received against share warrants.

**(b) Based on audited consolidated financial statements****(₹ In Lakhs)**

Particulars	9 Months ended	Year ended		
	December 31, 2016	March 31, 2016	March 31, 2015	March 31, 2014
Total Income	37,340.31	49,937.03	44,994.79	48,955.90
Total Expenses (Excluding Finance Costs and Depreciation)	31,989.10	43,599.76	39,576.45	40,464.18
Finance Costs	9.23	18.89	13.87	20.25
Depreciation	498.28	660.08	1,119.76	1,254.22
Exceptional Items	0.00	23,294.27	17,333.20	0.00
Profit / (Loss) before tax	4,843.70	28,952.57	21,618.01	7,217.25
Provision for tax / (Deferred Tax Credit)	1,032.54	8,323.32	9,661.57	2,070.08
Profit / (Loss) after tax	3,811.16	20,629.25	11,956.44	5,147.17
Equity Share Capital	1,771.98	1,771.98	2,134.49	2,127.76
Reserves & Surplus*	48,649.39	45,281.23	40,528.75	35,153.70
Net worth*	50,421.37	47,053.21	42,663.24	37,281.46
Total debt (excluding working capital loans)	0.00	117.78	110.64	122.10

\* Excluding revaluation reserves, miscellaneous expenditure, to the extent not written off, Capital Reserve, Capital Redemption Reserve, ESOP Outstanding, Hedging Reserve, FCTR.

The Reserves and Surplus as on March 31, 2014 does not include revaluation reserves, miscellaneous expenditure, to the extent not written off, Capital Reserve, Capital Redemption Reserve, ESOP Outstanding, Hedging Reserve, FCTR and the money received against share warrants.

## 15.2. Key Financial Ratios

### (a) Based on audited standalone financial statements

Particulars	9 Months ended	Year ended		
	December 31, 2016 <sup>^</sup> (audited)	March 31, 2016 (audited)	March 31, 2015 (audited)	March 31, 2014 (audited)
Earnings per Share - Basic (₹) <sup>(1)</sup>	19.88	108.51	74.52	27.42
Earnings per Share – Diluted (₹) <sup>(1)</sup>	19.88	108.51	74.44	27.24
Book Value Per Share (₹) <sup>(2)</sup>	299.63	281.47	209.32	167.44
Return on Net worth (%) <sup>(3)</sup>	7.11	45.79	41.23	16.79
Debt-Equity Ratio <sup>(4)</sup>	0.00	0.00	0.00	0.00
Total Debt / Net worth	0.00	0.00	0.00	0.00

### (b) Based on audited consolidated financial statements

Particulars	9 Months ended	Year ended		
	December 31, 2016 <sup>^</sup> (audited)	March 31, 2016 (audited)	March 31, 2015 (audited)	March 31, 2014 (audited)
Earnings per Share - Basic (₹) <sup>(1)</sup>	21.51	107.14	56.11	24.36
Earnings per Share – Diluted (₹) <sup>(1)</sup>	21.51	107.14	56.05	24.20
Book Value Per Share (₹) <sup>(2)</sup>	300.90	281.61	209.39	191.55
Return on Net worth (%) <sup>(3)</sup>	7.82	45.99	29.91	13.41
Debt-Equity Ratio <sup>(4)</sup>	0.00	0.002	0.002	0.003
Total Debt / Net worth	0.00	0.002	0.002	0.003

**Note: The formulae used for computation of the above ratios are as follows:**

(1) Earnings per Share = Profit After Tax / weightage average number of Equity Shares outstanding during the year

(2) Book value per Share = Shareholders' Funds / Number of Equity Shares outstanding at the end of the year

(3) Return on Net Worth = Profit After Tax / Average Net Worth for the period (computed as average of opening and closing Net worth)

(4) Debt-Equity Ratio = Total Debt excluding Working Capital / (Paid up Equity Share Capital + Reserves & Surplus)

(5) ^ Not Annualized

(6) For the above purpose, "Net worth" means total of shareholders' funds reduced by revaluation reserves, miscellaneous expenditure, to the extent not written off, Capital Reserve, Capital Redemption Reserve, ESOP Outstanding, Hedging Reserve, FCTR and the money received against share warrants.

15.3. The Company shall comply with the Takeovers Regulations, wherever and if applicable. The Company hereby declares that it has complied with sections 68, 69 and 70 of the Act and the Companies (Share Capital and Debentures) Rules, 2014, to the extent applicable.

## 16. STOCK MARKET DATA

16.1. The Equity Shares are currently listed and traded on BSE and NSE.

16.2. The high, low, average market prices and total volume of Equity Shares traded in the last three Financial years (April to March) and the monthly high, low, average market prices and total volume of Equity Shares traded for the six completed calendar months preceding the date of publication of Public Announcement and the corresponding volumes on NSE (the Stock Exchange where the maximum volume of trading in the Equity Shares is recorded) are as follows:

### NSE (Scrip Code: SASKEN)

Period	HIGH			LOW			Average Price (₹)	Total Volume Traded in the period (No. of shares)
	High Price (₹)	Date of High Price	No. of shares traded on that date	Low Price (₹)	Date of Low Price	No. of shares traded on that date		
<b>PRECEDING 3 YEARS</b>								
FY 2016	430.90	March 15, 2016	29,75,403	205.60	April 07, 2015	95,916	280.53	2,76,97,382
FY 2015	353.00	September 10, 2016	5,75,420	176.10	March 25, 2015	67,713	244.39	3,61,43,938
FY 2014	216.80	January 21, 2014	13,32,698	99.25	September 10, 2013	26,997	143.01	1,43,06,418
<b>PRECEDING 6 MONTHS</b>								
November 2016	413.00	November 10, 2016	18,928	365.45	November 22, 2016	22,708	398.59	5,18,340
October 2016	440.00	October 25, 2016	4,43,907	340.55	October 04, 2016	5,228	384.00	15,33,341
September 2016	370.90	September 01, 2016	46,944	324.00	September 30, 2016	19,575	352.91	5,80,971
August 2016	379.50	August 25, 2016	1,90,858	340.00	August 16, 2016	8,752	352.91	6,83,524
July 2016	390.00	July 21, 2016	2,89,348	322.00	July 01, 2016	18,953	352.43	17,49,878
June 2016	341.90	June 01, 2016	1,19,833	301.00	June 24, 2016	25,053	322.39	6,23,607

Source: [www.nseindia.com](http://www.nseindia.com)

Note: High and Low price for the period are based on intraday prices and Average Price is based on average of closing price.

16.3. The closing market price of the Equity Shares on NSE and BSE on October 26, 2016, being the Working Day previous to the day on which the Board approved the proposal for Buy-back, was ₹ 431.00 and ₹ 430.80 respectively.

16.4. The closing market price of the Equity Shares as on the date of the Board Meeting, October 27, 2016, was ₹ 414.40 on the NSE and ₹ 416.10 on the BSE. The closing market price of the Equity Shares as on the date of intimation of the Board Meeting for considering the Buy-back, being October 24, 2016, was ₹ 405.25 on the NSE and ₹ 405.05 on the BSE.

## 17. DETAILS OF THE STATUTORY APPROVALS

- 17.1. The Buy-back is subject to approvals, if any, required under the provisions of the Act, the Buy-back Regulations, SEBI and applicable rules and regulations as specified by RBI under FEMA and / or such other applicable rules and regulations for the time being in force.
- 17.2. The Buy-back of Equity Shares from Non-Resident Shareholders will be subject to approvals, if any, of the appropriate authorities as applicable. Non-Resident Shareholders including Non-Resident Indians ("NRI") and erstwhile Overseas Corporate Bodies ("OCB") must obtain all approvals required to tender the Equity Shares held by them in this Buy-back (including without limitation the approval from the RBI). It is the obligation of such Non-Resident Shareholders including NRI and OCB shareholders, to obtain such approvals and submit such approvals along with the tender form, so as to enable them to validly tender Equity Shares in the Buy-back and for the Company to purchase such Equity Shares tendered. The Company will have the right to make payment to the Eligible Shareholders in respect of whom no prior RBI approval is required and will have the right to reject the Equity Shares tendered by the Eligible Sellers who are Non-Resident Shareholders in respect of whom prior RBI approval is required in the event copies of such approvals are not submitted.
- 17.3. As on date, there are no other statutory or regulatory approvals required to implement the Buy-back, other than that indicated above. If any statutory or regulatory approvals become applicable subsequently, the Buy-back will be subject to such statutory or regulatory approvals. In the event that the receipt of any statutory / regulatory approvals are delayed, changes to the proposed timetable of the Buy-back, if any, shall be intimated to the Stock Exchanges.

## 18. DETAILS OF THE REGISTRAR TO THE BUY-BACK AND COLLECTION CENTRE

### 18.1. REGISTRAR TO THE BUY-BACK



**Karvy Computershare Private Limited**

Karvy Selenium, Tower B, Plot No.31-32,  
Gachibowli, Financial District, Nanakramguda,  
Hyderabad - 500 032.

**Contact person:** Mr. M. Muralikrishna

**E-mail:** einward.ris@karvy.com; **Website:** www.karisma.karvy.com

**Tel:** +91 40 6716 2222; **Fax:** +91 40 2343 1551

**SEBI Registration Number:** INR000000221; **CIN:** U72400TG2003PTC041636

### 18.2. COLLECTION CENTRE

Eligible Shareholders are requested to submit their Tender Form(s) and requisite documents either by registered post / courier to the Registrar to the Buy-back, super scribing the envelope as "**Sasken Communication Technologies Limited Buy-back Offer 2016**", or hand deliver the same to the Registrar to the Buy-back at the address abovementioned.

**THE TENDER FORM AND OTHER RELEVANT DOCUMENTS SHOULD NOT BE SENT TO THE COMPANY OR TO THE MANAGER TO THE BUY-BACK.**



## 19. PROCESS AND METHODOLOGY FOR THE BUY-BACK

19.1. The Company proposes to buy-back not exceeding 28,69,098 fully paid-up Equity Shares (representing up to about 16.19% of the total paid-up Equity Share capital of the Company) from the Equity Shareholders as on the Record Date, on a proportionate basis, through the Tender Offer route at a price of ₹ 410 per Equity Share, payable in cash for an aggregate maximum amount of up to ₹ 11,763.30 lakhs. The Buy-back is in accordance with the provisions of Section 68, 69, 70 and other applicable provisions, if any, of the Act and in accordance with Article 172 of the Articles of Association of the Company and subject to regulation 4(1)(a) and other applicable provisions contained in the Buy-back Regulations and such other approvals, permissions and exemptions as may be required, from time to time from statutory authorities and / or regulatory authorities, including but not limited to approvals from SEBI, Stock Exchanges and the RBI, if any. The Buy-back Size represents 24.49% and 25% of the paid-up Equity Share Capital and free reserves of the Company on standalone and consolidated basis as on March 31, 2016 respectively. The maximum number of Equity Shares proposed to be bought back is up to 28,69,098 Equity Shares of face value of ₹ 10 each, being 16.19% of the total paid up Equity Shares of the Company.

19.2. The aggregate shareholding of the Promoters and Persons in Control as on the date of the Letter of Offer is 77,40,673 Equity Shares which represents 43.69% of the existing Equity Share capital of the Company. In terms of the Buy-back Regulations, under the Tender Offer route, the Promoters and Persons in Control of the Company have an option to participate in the Buy-back. However, none of them will participate in the Buy-back.

19.3. Assuming response to the Buy-back is 100% (full acceptance) from all the Eligible Shareholders in proportion to their respective Buy-back Entitlement, the aggregate shareholding of the Promoters and Persons in Control post the Buy-back may increase to 52.12% from 43.69%.

### 19.4. Record Date and Ratio of Buy-back as per the Buy-back Entitlement in each Category:

- (i) The Company had fixed Friday, January 6, 2017 as the Record Date for the purpose of determining the Buy-back Entitlement and the names of the Equity Shareholders who are eligible to participate in the Buy-back.
- (ii) The Equity Shares to be bought back as a part of this Buy-back are divided into two categories:
  - (a) Reserved category for Small Shareholders ("**Reserved Category**"); and
  - (b) General category for other Eligible Sellers ("**General Category**").
- (iii) As defined in the Buy-back Regulations, Small Shareholder includes a shareholder, who holds Equity Shares of the Company, as on the Record Date, whose market value, on the basis of closing price on the Recognized Stock Exchange registering the highest trading volume, as on Record Date, is not more than ₹ 2,00,000 (Rupees Two Lakh Only). As on the Record Date, the closing price on NSE, having the highest trading volume, was ₹ 402.75. Accordingly all Equity Shareholders holding not more than 496 Equity Shares as on the Record Date are classified as "Small Shareholders" for the purpose of the Buy-back.
- (iv) Based on the above definition, there are 23,186 Small Shareholders in the Company with aggregate shareholding of 18,60,795 Equity Shares as on the Record Date, which constitutes 10.50% of the outstanding number of Equity Shares of the Company and 64.86% of the maximum number of Equity Shares which the Company proposes to buy-back as a part of this Buy-back.

- (v) In compliance with regulation 6 of the Buy-back Regulations, the reservation for the Small Shareholders, will be higher of:
- (a) 15% (fifteen percent) of the number of Equity Shares which the Company proposes to Buy-back i.e. 15% of 28,69,098 Equity Shares which works out to 4,30,365 Equity Shares; or
  - (b) The number of Equity Shares entitled as per their shareholding as on Record Date i.e.  $(18,60,795/1,77,19,813)*28,69,098$ , which works out to be 3,01,290 Equity Shares.
    - (1) All the outstanding fully paid-up Equity Shares have been used for computing the Buy-back Entitlement of Small Shareholders.
    - (2) Based on the above and in accordance with regulation 6 of the Buy-back Regulations, 4,30,365 [(Rounded off)] fully paid-up Equity Shares have been reserved for Small Shareholders. Accordingly, General Category for all other Eligible Sellers shall consist of 24,38,733 Equity Shares.
- (vi) Based on the above Buy-back Entitlement, the Ratio of Buy-back for both categories is decided as below:

Category of Shareholders	Ratio of Buy-back*
Reserved category for Small Shareholders	383 Equity Shares out of every 1,656 fully paid-up Equity Shares held on the Record Date.
General category for all other Eligible Sellers	167 Equity Shares out of every 1,086 fully paid-up Equity Shares held on the Record Date.

*\*The above ratio of Buy-back is approximate and providing indicative Buy-Back Entitlement. Any computation of entitled Equity Shares using above ratio of Buy-back may provide a slightly different number due to rounding off. The actual Buy-Back entitlement for reserved category for Small Shareholders is 23.12% (up to 2 decimal) and for General category for all other Eligible Sellers is 15.37%.(up to 2 decimal).*

#### 19.5. Fractional Entitlements:

If the Buy-back Entitlement under the Buy-back, after applying the above mentioned ratios to the Equity Shares held on Record Date, is not a round number (i.e. not in the multiple of 1 Equity Share), then the fractional entitlement shall be ignored for computation of Buy-back Entitlement to tender Equity Shares in the Buy-back for both categories of Eligible Shareholders.

On account of ignoring the fractional entitlement, those Small Shareholders who hold 4 (Four) or less Equity Shares as on Record Date will be dispatched a Tender Form with zero entitlement. Such Small Shareholders are entitled to tender Additional Equity Shares as part of the Buy-back and will be given preference in the acceptance of one Equity Share, if such Small Shareholders have tendered for Additional Equity Shares.

#### 19.6. Basis of Acceptance of Equity Shares validly tendered in the Reserved Category for Small Shareholders:

Subject to the provisions contained in this Letter of Offer, the Company will accept the Equity Shares tendered in the Buy-back by the Small Shareholders in the Reserved Category in the following order of priority:

- (i) Acceptance of 100% Equity Shares from Small Shareholders in the Reserved Category, who have validly tendered their Equity Shares to the extent of their Buy-back Entitlement or the number of Equity Shares tendered by them, whichever is less.
- (ii) Post the acceptance as described in paragraph 19.6 (i) above, in case there are any Equity Shares left to be bought back from Small Shareholders in the Reserved Category, the Small Shareholders who were entitled to tender zero Equity Shares (on account of ignoring the fractional entitlement), and have tendered Additional Equity Shares as part of the Buy-back, shall be given preference and 1 (one) Equity Share each from the Additional Equity Shares applied by these Small Shareholders shall be bought back in the Reserved Category.
- (iii) Post the acceptance as described in paragraph 19.6 (i) and 19.6 (ii) above, in case there are any Equity Shares left to be bought back in the Reserved Category, the Additional Equity Shares tendered by the Small Shareholders over and above their Buy-back Entitlement, shall be accepted in proportion of the Additional Equity Shares tendered by them and the Acceptances per Small Shareholders shall be made in accordance with the Buy-back Regulations, i.e. valid acceptances per Small Shareholder shall be equal to the Additional Equity Shares validly tendered by the Small Shareholder divided by the total Additional Equity Shares validly tendered and multiplied by the total pending number of Equity Shares to be accepted in Reserved Category. For the purpose of this calculation, the Additional Equity Shares taken into account for such Small Shareholders, from whom 1 (one) Equity Share has been accepted in accordance with paragraph 19.6 (ii) above, shall be reduced by 1 (one).
- (iv) Adjustment for fractional results in case of proportionate Acceptance, as described in paragraph 19.6 (iii) above:
  - (a) For any Small Shareholder, if the number of Additional Equity Shares to be accepted, calculated on a proportionate basis is not in the multiple of 1 (one) and the fractional Acceptance is greater than or equal to 0.50, then the fraction would be rounded off to the next higher integer.
  - (b) For any Small Shareholder, if the number of Additional Equity Shares to be accepted, calculated on a proportionate basis is not in the multiple of 1 (one) and the fractional Acceptance is less than 0.50, then the fraction shall be ignored.

**19.7. Basis of Acceptance of Shares validly tendered in the General Category:**

Subject to the provisions contained in the Letter of Offer, the Company will accept the Equity Shares tendered in the Buy-back by all other Eligible Sellers in the General Category in the following order of priority:

- (i) Acceptance of 100% Equity Shares from other Eligible Shareholders in the General Category who have validly tendered their Equity Shares, to the extent of their Buy-back Entitlement, or the number of Equity Shares tendered by them, whichever is less.
- (ii) Post the Acceptance as described in paragraph 19.7 (i) above, in case there are any Equity Shares left to be bought back in the General Category, the Additional Equity Shares tendered by the other Eligible Shareholders over and above their Buy-back Entitlement shall be accepted in proportion of the Additional Equity Shares tendered by them and the acceptances per Shareholder shall be made in accordance with the Buy-back Regulations, i.e. valid acceptances per Shareholder shall be equal to the Additional Equity Shares validly tendered by the Eligible Shareholders divided by the total

Additional Equity Shares validly tendered in the General Category and multiplied by the total pending number of Equity Shares to be accepted in General Category.

- (iii) Adjustment for fractional results in case of proportionate acceptance as described in paragraph 19.7 (i) and (ii) above:
  - (a) For any Eligible Seller, if the number of Additional Equity Shares to be accepted, calculated on a proportionate basis is not in the multiple of 1 (one) and the fractional Acceptance is greater than or equal to 0.50, then the fraction would be rounded off to the next higher integer.
  - (b) For any Eligible Seller if the number of Additional Equity Shares to be accepted, calculated on a proportionate basis is not in the multiple of 1 (one) and the fractional Acceptance is less than 0.50, then the fraction shall be ignored.

#### 19.8. **Basis of Acceptance of Equity Shares between Categories**

- (i) In case there are any Equity Shares left to be bought back in one category ("**Partially filled Category**") after acceptance in accordance with the above described methodology for both the categories, and there are additional unaccepted validly tendered Equity Shares in the second category, then the Additional Equity Shares in the second category shall be accepted proportionately, i.e. valid acceptances per Eligible Seller shall be equal to the Additional outstanding Equity Shares validly tendered by an Eligible Seller in the second category divided by the total additional outstanding Equity Shares validly tendered in the second category and multiplied by the total pending number of Equity Shares to be bought back in the Partially filled Category.
- (ii) If the Partially filled Category is the General Category, and the second category is the Reserved Category for Small Shareholders, then for the purpose of this calculation, the Additional Equity Shares tendered by such Small Shareholders, from whom 1 (one) Equity Share has been accepted in accordance with paragraph 19.6 (ii) shall be reduced by 1 (one).
- (iii) Adjustment for fraction results in case of proportionate Acceptance, as defined in paragraph 19.8 (i) and (ii) above:
  - (a) For any Shareholder, if the number of Additional Equity Shares to be accepted, calculated on a proportionate basis is not in the multiple of 1 and the fractional acceptance is greater than or equal to 0.50, then the fraction would be rounded off to the next higher integer.
  - (b) For any Shareholder, if the number of Additional Equity Shares to be accepted, calculated on a proportionate basis is not in the multiple of 1 and the fractional acceptance is less than 0.50, then the fraction shall be ignored.

#### 19.9. **For avoidance of doubt, it is clarified that:**

- (i) The Equity Shares accepted under the Buy-back from each Eligible Shareholder, in accordance with paragraphs above, shall not exceed the number of Equity Shares tendered by the respective Eligible Shareholder;
- (ii) The Equity Shares accepted under the Buy-back from each Eligible Shareholder, in accordance with paragraphs above, shall not exceed the number of Equity Shares held by respective Eligible Shareholder as on the Record Date; and

- (iii) The Equity Shares tendered by any Eligible Shareholder over and above the number of Equity Shares held by such Eligible Seller as on the Record Date shall not be considered for the purpose of Acceptance in accordance with the paragraphs above.

## **20. PROCEDURE FOR TENDERING EQUITY SHARES AND SETTLEMENT**

- 20.1. The Buy-back is open to all Eligible Shareholders.
- 20.2. The Company proposes to effect the Buy-back through a Tender Offer method, on a proportionate basis. The Letter of Offer and Tender Form, outlining the terms of the Buy-back as well as the detailed disclosures as specified in the Buy-back Regulations, will be mailed / dispatched to the Eligible Shareholders.
- 20.3. The Company will not accept any Equity Shares offered for Buy-back which are under any restraint order of a court for transfer / sale of such Equity Shares.
- 20.4. The Company shall comply with regulation 19(5) of the Buy-back Regulations which states that the Company shall not buy-back the locked-in Equity Shares and non-transferable Equity Shares till the pendency of the lock-in or till the Equity Shares become transferable.
- 20.5. Eligible Shareholders will have to transfer the Equity Shares from the same demat account in which they were holding the Equity Shares as on the Record Date and in case of multiple demat accounts, Eligible Shareholders are required to tender the applications separately from each demat account.
- 20.6. The Company shall accept all the Equity Shares validly tendered for the Buy-back by Eligible Sellers, on the basis of their Buy-back Entitlement as on the Record Date and also Additional Equity Shares if any tendered by Eligible Shareholders will be accepted as per paragraph 19.6, 19.7, 19.8 and 20.8.
- 20.7. As elaborated under paragraph 19.4 above, the Equity Shares proposed to be bought as a part of the Buy-back are divided into two categories; (a) Reserved category for Small Shareholders and (b) the General category for other Eligible Sellers, and the Buy-back Entitlement of an Eligible Seller in each category shall be calculated accordingly.
- 20.8. After accepting the Equity Shares tendered on the basis of Buy-back Entitlement, Equity Shares left to be bought as a part of the Buy-back, if any, in one category shall first be accepted, in proportion to the Equity Shares tendered, over and above their Buy-back Entitlement, by Eligible Shareholders in that category, and thereafter, from Eligible Shareholders who have tendered over and above their Buy-back Entitlement, in other category.
- 20.9. The Buy-back shall be implemented using the "Mechanism for acquisition of shares through Stock Exchange" notified by SEBI vide circular CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015 and following the procedure prescribed in the Act and the Buy-back Regulations and as may be determined by the Board and on such terms and conditions as may be permitted by law from time to time.
- 20.10. For implementation of the Buy-back, the Company has appointed Kisan Ratilal Choksey Shares and Securities Private Limited as the registered broker to the Company (the "**Company's Broker**") through whom the purchases and settlements on account of the Buy-back would be made by the Company. The contact details of the Company's Broker are as follows:

**Kisan Ratilal Choksey Shares and Securities Private Limited**

5th Floor, Abhishek Building, Near Monginis Cake Factory,  
Dalia Industrial Estate, New Andheri Link Road, Mumbai- 400 053.

**Contact Person:** Mr. Shailesh Joshi; **Tel.:** +91 226696 5555

**E-mail:** shailesh.joshi@krchoksey.com; **Website:** www.krchoksey.com

**SEBI Registration Number:** BSE-INB010975834

**CIN:** U67120MH1997PTC108958

20.11. The Acquisition Window will be provided by the BSE to facilitate placing of sell orders by Eligible Shareholders who wish to tender Equity Shares in the Buy-back. The details of the platform will be specified by BSE from time to time.

20.12. In the event Seller Member(s) of Eligible Seller are not registered with BSE, then that Eligible Seller can approach any BSE registered stock broker and can make a bid by using quick unique client code (UCC) facility through that BSE registered stock broker after submitting the details as may be required by the stock broker to be in compliance with the applicable SEBI regulations. In case Eligible Seller is not able to bid using quick UCC facility through any other BSE registered stock broker, then the Eligible Seller may approach Company's Broker viz. Kisan Ratilal Choksey Shares and Securities Private Limited, to bid by using quick UCC facility. The Eligible Seller approaching BSE registered stock broker (with whom Eligible Seller does not have an account) may have to submit following details:

**1. In case of Eligible Seller being an individual or HUF:**

A. If Eligible Seller is registered with KYC Registration Agency ("KRA"):

a) Forms required:

- 1) Central Know Your Client (CKYC) form
- 2) Know Your Client (KYC) form

b) Documents required (all documents self-attested):

- 1) Bank details (cancelled cheque)
- 2) Demat details only if Equity Shares are in demat mode (Demat Master /Latest Demat statement)

B. If Eligible Seller is not registered with KRA:

a) Forms required:

- 1) CKYC form
- 2) KRA form
- 3) KYC form

b) Documents required (all documents self-attested):

- 1) PAN card copy
- 2) Address proof
- 3) Bank details (cancelled cheque)
- 4) Demat details only if Equity Shares are in demat mode (Demat master /Latest Demat statement)

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

## 2. In case of Eligible Seller other than Individual and HUF:

A. If Eligible Seller is KRA registered:

- a) Form required
  - 1) KYC Form
- b) Documents required (all documents self-attested)
  - 1) Bank details (cancelled cheque)
  - 2) Demat details only if Equity Shares are in demat mode (Demat master / Latest Demat statement)
  - 3) Latest list of directors/authorised signatories
  - 4) Latest shareholding pattern
  - 5) Board resolution
  - 6) Details of ultimate beneficial owner along with PAN card and address proof
  - 7) Last 2 years financial statements

B. If Eligible Seller is not KRA registered:

- a) Forms required:
  - 1) KRA form
  - 2) KYC form
- b) Documents required (all documents self-attested):
  - 1) PAN card copy
  - 2) Address proof
  - 3) Bank details (cancelled cheque)
  - 4) Demat details only if Equity Shares are in demat mode (Demat Master / Latest Demat statement)
  - 5) Latest list of directors / authorised signatories /partners
  - 6) PAN card copies & address proof of directors/authorised signatories/partners
  - 7) Latest shareholding pattern
  - 8) Board resolution/partnership declaration
  - 9) Details of ultimate beneficial owner along with PAN card and address proof
  - 10) Last 2 years financial statements
  - 11) MOA/Partnership deed

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

20.13. All Eligible Shareholders may place orders in the Acquisition Window, through their respective stock brokers.

20.14. During the Tendering Period, the order for selling the Equity Shares will be placed in the Acquisition Window by Eligible Sellers through their respective Seller Members during normal trading hours of the secondary market.

20.15. Seller Members can enter orders for Equity Shares in demat form as well as Equity Shares in physical form.

- 20.16. Modification / cancellation of orders and multiple bids from a single Eligible Seller will be allowed during the Tendering Period of the Buy-back. Multiple bids made by single Eligible Seller for selling the Equity Shares shall be clubbed and considered as "one" bid for the purposes of Acceptance.
- 20.17. The cumulative quantity tendered shall be made available on BSE's website - [www.bseindia.com](http://www.bseindia.com), throughout the trading session and will be updated at specific intervals during the Tendering Period.
- 20.18. All documents sent by the Eligible Sellers will be at their own risk. Eligible Shareholders are advised to safeguard adequately their interests in this regard.
- 20.19. **Procedure to be followed by Eligible Sellers holding Equity Shares in the dematerialised form**
- (i) Eligible Shareholders who desire to tender their Equity Shares in the electronic form under the Buy-back would have to do so through their respective Seller Member by indicating to their Seller Member the details of Equity Shares they intend to tender under the Buy-back.
  - (ii) The Eligible Shareholders / Seller Member would be required to transfer the number of Equity Shares by using the settlement number and the procedure prescribed by the Clearing Corporation for the transfer of the Equity Shares to the special account of Clearing Corporation before placing the bids / orders and the same shall be validated at the time of order entry.
  - (iii) The details of the special account of Clearing Corporation shall be informed in issue opening circular that will be issued by BSE / Clearing Corporation.
  - (iv) For Custodian Participant orders for Equity Shares in demat form, early pay-in is mandatory prior to confirmation of order by custodian. The custodian shall either confirm or reject the orders not later than closing of trading hours on the last day of the Tendering Period. Thereafter, all unconfirmed orders shall be deemed to be rejected. For all confirmed Custodian Participant orders, order modification shall revoke the custodian confirmation and the revised order shall be sent to custodian again for confirmation.
  - (v) Upon placing the bid, the Seller Member shall provide a Transaction Registration Slip ("**TRS**") generated by the exchange bidding system to the Eligible Seller. TRS will contain the details of order submitted like Bid ID No., Application No., DP ID, Client ID, No. of Equity Shares tendered, etc.
  - (vi) Eligible Shareholders who have tendered their Equity Shares in the Buy-back can 'hand deliver' Tender Form duly signed (by all Eligible Sellers in case Equity Shares are in joint names) in same order in which they hold the Equity Shares, along with the TRS generated by the exchange bidding system at the head-office (mentioned in paragraph 18 of the Letter of Offer) of Registrar to the Buy-back. TRS will be generated by the respective Seller Members. Eligible Shareholders who cannot hand deliver the Tender Form and other documents at the head-office of Registrar to the Buy-back, may send the same by registered post / speed post, at their own risk, super scribing the envelope as "**Sasken Communication Technologies Limited Buy-back Offer 2016-17**", to the Registrar to the Buy-back at their office mentioned on the cover page of this LoF, so that the same are received not later than 2 working (two) days from the Buy-back Closing Date i.e. Monday, February 20, 2017 (by 5 PM).
  - (vii) All Eligible Shareholders shall also provide all relevant documents, which are necessary to ensure transferability of the Equity Shares in respect of the Tender Form to be sent. Such documents may include (but not be limited to):



- (a) Duly attested power of attorney, if any person other than the Eligible Shareholders has signed the Tender Form;
  - (b) Duly attested death certificate and succession certificate / legal heirship certificate, in case any Eligible Shareholders has expired; and
  - (c) In case of companies, the necessary certified corporate authorizations (including board and / or general meeting resolutions).
- (viii) In case of non-receipt of the completed Tender Form and other documents, but receipt of Equity Shares in the special account of the Clearing Corporation and a valid bid in the exchange bidding system, the Buy-back shall be deemed to have been accepted, for demat Equity Shareholders.
- (ix) The Eligible Shareholders will have to ensure that they keep the DP Account active and unblocked to receive credit in case of return of Equity Shares due to rejection or due to prorated buy-back decided by the Company.

**20.20. Procedure to be followed by Registered Eligible Sellers holding Equity Shares in physical form**

- (i) Eligible Shareholders who are holding physical Equity Shares and intend to participate in the Buy-back are required to approach their respective Seller Member along with the complete set of documents for verification procedures to be carried out including the following:
  - (a) The Tender Form duly signed (by all Eligible Shareholders in case Equity Shares are in joint names) in the same order in which they hold the Equity Shares;
  - (b) Original share certificates;
  - (c) Valid share transfer form(s) duly filled and signed by the transferors (i.e. by all registered Eligible Shareholders in same order and as per the specimen signatures registered with the Company) and duly witnessed at the appropriate place authorizing the transfer in favor of the Company;
  - (d) Self-attested copy of the Eligible Shareholder's PAN Card;
  - (e) Any other relevant documents such as (but not limited to):
    - Duly attested Power of Attorney, if any person other than the Eligible Shareholder has signed the relevant Tender Form;
    - Notarized copy of death certificate / succession certificate or probated will, if the original Eligible Shareholder has deceased; and
    - Necessary corporate authorisations, such as Board Resolutions etc., in case of companies.
  - (f) In addition to the above, if the address of the Eligible Shareholder has undergone a change from the address registered in the Register of Members of the Company, the Eligible Shareholders would be required to submit a self-attested copy of address proof consisting of any one of the following documents: valid Aadhar Card, Voter Identity Card or Passport.
- (ii) Seller Member should place bids on the Acquisition Window with relevant details as mentioned on the physical share certificate(s). Upon placing the bid, the Seller Member shall provide a TRS generated by the exchange bidding system to the Eligible Shareholder. TRS will contain the details of the order submitted like Folio No., Certificate No., Distinctive No., No. of Equity Shares tendered, etc.

- (iii) After placement of bid, as mentioned in paragraph 20.19 (ii) above, the Seller Member must ensure delivery of Tender Form, TRS, original share certificate(s), valid share transfer form(s) and other documents (as mentioned in paragraph 20.19 (vii) above) either by registered post or courier or hand delivery to the Registrar to the Buy-back (at the address mentioned on the cover page and mentioned in paragraph 18 above) not later than 2 working (two) days from the Buy-back Closing Date i.e. Monday, February 20, 2017 (by 5 PM). The envelope should be superscribed as "**Sasken Communication Technologies Limited Buy-back Offer 2016-17**". One copy of the TRS will be retained by the Registrar and it will provide acknowledgement of the same to the Seller Member.
- (iv) Eligible 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 Equity Shares for Buy-back by the Company shall be subject to verification as per the Buy-back Regulations and any further directions issued in this regard. Registrar will verify such bids based on the documents submitted on a daily basis and till such time the BSE shall display such bids as "unconfirmed physical bids". Once, Registrar confirms the bids it will be treated as "Confirmed Bids".
- (v) All documents as mentioned above, shall be enclosed with the valid Tender Form, otherwise the Company and Registrar shall have the right to reject such Equity Shares tendered. The Equity Shares shall be liable for rejection on the following grounds amongst others: (a) If there is any other company's equity share certificate enclosed with the Tender Form instead of the Equity Share certificate of the Company; (b) If the transmission of Equity Shares is not completed, and the Equity Shares are not in the name of the Eligible Shareholders; (c) If the Eligible Shareholders tender Equity Shares but the Registrar does not receive the Equity Share certificate; (d) In case the signature on the Tender Form and Form No. SH-4 doesn't match as per the specimen signature recorded with Company / Registrar.
- (vi) In case any Eligible Shareholder has submitted Equity Shares in physical form for dematerialization, such Eligible Seller should ensure that the process of getting the Equity Shares dematerialized is completed well in time so that they can participate in the Buy-back before Buy-back Closing Date.

**20.21. For Equity Shares held by Eligible Shareholders, being Non-Resident Shareholders of Equity Shares:**

- (i) Eligible Shareholders, being Non-Resident Shareholders of Equity Shares (excluding FIIs) shall also enclose a copy of the permission received by them from RBI, if applicable, to acquire the Equity Shares held by them.
- (ii) In case the Equity Shares are held on repatriation basis, the Eligible Shareholders who are Non-Resident Shareholders shall obtain and enclose a letter from its authorized dealer / bank confirming that at the time of acquiring the Equity Shares, payment for the same was made by such non-resident Eligible Shareholder from the appropriate account (e.g. NRE a/c.) as specified by RBI in its approval. In case the Eligible Shareholders who are Non-Resident Shareholders is not in a position to produce the said certificate, the Equity Shares would be deemed to have been acquired on non-repatriation basis and in that case the Non-Resident Eligible Shareholder shall submit a consent letter addressed to the Company allowing the Company to make the payment on a non-repatriation basis in respect of the valid Equity Shares accepted under the Buy-back. In the event, such consent letter is not submitted by such non-resident Eligible Shareholder, the Company shall have the right to reject the Equity Shares tendered in the Buy-back and acceptance of such Equity Shares shall be at the sole discretion of the Company subject to such conditions as the Company may deem fit including making payment for the same on a non-repatriation basis.

**20.22. In case of non-receipt of the Letter of Offer:**

- (i) **In case the Equity Shares are in dematerialised form:** An Eligible Seller may participate in the Buy-back by downloading the Tender Form from the website of the Company i.e. [www.sasken.com/investors](http://www.sasken.com/investors) or by providing their application in writing on plain paper, signed by Eligible Shareholder or all Eligible Shareholders (in case Equity Shares are in joint name), stating name and address of Eligible Shareholders, number of Equity Shares held as on the Record Date, Client ID number, DP Name / ID, beneficiary account number and number of Equity Shares tendered for the Buy-back.
- (ii) **In case the Equity Shares are in physical form:** An Eligible Shareholder may participate in the Buy-back by providing their application in writing on plain paper signed by Eligible Shareholder or all Eligible Shareholders (in case Equity Shares are in joint name) stating name, address, folio number, number of Equity Shares held, share certificate number, number of Equity Shares tendered for the Buy-back and the distinctive numbers thereof, enclosing the original share certificate(s), copy of Eligible Shareholders PAN card(s) and executed share transfer form in favour of the Company. The transfer form no. SH-4 can be downloaded from the Company's website [www.sasken.com/investors](http://www.sasken.com/investors). Eligible Shareholders must ensure that the Tender Form, along with the TRS and requisite documents (as mentioned in paragraph 20.20 (i) above), reach the collection centre not later than 2 working (two) days from the Buy-back Closing Date i.e. Monday, February 20, 2017 (by 5 PM). If the signature(s) of the Eligible Shareholders provided in the plain paper application differs from the specimen signature(s) recorded with the Registrar / Company or are not in the same order (although attested), the Company / Registrar shall have a right to reject such applications.

Please note that Eligible Shareholder(s) who intend to participate in the Buy-back will be required to approach their respective Seller Member / broker (along with the complete set of documents for verification procedures) and have to ensure that their bid is entered by their respective Seller Member or Seller Broker in the electronic platform to be made available by BSE before the Buy-back Closing Date.

The Company shall accept Equity Shares validly tendered by the Equity Shareholder(s) in the Buy-back on the basis of their shareholding as on the Record Date and the Buy-back Entitlement. Eligible Shareholder(s) who intend to participate in the Buy-back using the "plain paper" option as mentioned in this paragraph is advised to confirm their Buy-back Entitlement from the Registrar to the Buy-back, before participating in the Buy-back.

20.23. Non-receipt of the Letter of Offer by, or accidental omission to dispatch the Letter of Offer to, any Eligible Shareholder, shall not invalidate the Buy-back in any way.

20.24. The acceptance of the Buy-back made by the Company is entirely at the discretion of the Eligible Shareholders of the Company. The Company does not accept any responsibility for the decision of any Eligible Shareholder to either participate or not to participate in the Buy-back. The Company will not be responsible in any manner for any loss of share certificate(s) and other documents during transit and the Eligible Sellers are advised to adequately safeguard their interest in this regard.

**20.25. Method of Settlement**

Upon finalization of the basis of acceptance as per Buy-back Regulations and in terms of this LoF:

- (i) The settlement of trades shall be carried out in the manner similar to settlement of trades in the secondary market.
  - (ii) The Company will pay the consideration to the Company's Broker on or before the pay-in date for settlement. For Equity Shares accepted under the Buy-back, the Seller Member / Custodian Participant will receive funds payout in their settlement bank account. The Seller Members / Custodian Participants would pay the consideration to their respective clients. The payment of consideration to all Eligible Shareholders validly participating in the Buy-back will be made in Indian National Rupees.
  - (iii) The Equity Shares bought back in the demat form would be transferred directly to the demat account of the Company (the "**Special Demat Account**") provided it is indicated by the Company's Broker or it will be transferred by the Company's Broker to the Special Demat Account on receipt of the Equity Shares from the clearing and settlement mechanism of the Stock Exchange.
  - (iv) Excess demat Equity Shares or unaccepted demat Equity Shares, if any, tendered by the Eligible Sellers would be returned to the respective Seller Members by Clearing Corporation as part of the exchange payout process, not later than February 28, 2017. In case of Custodian Participant orders, excess demat Equity Shares or unaccepted demat Equity Shares, if any, will be returned to the respective Custodian Participant. The Seller Members / Custodian Participants would return these unaccepted Equity Shares to their respective clients on whose behalf the bids have been placed.
  - (v) Equity Shares in physical form, to the extent tendered but not accepted, will be returned back to the Equity Shareholders directly by Registrar. The Company will issue a new single share certificate for all the unaccepted physical Equity Shares and return the same to the sole / first Equity Shareholder (in case of joint Equity Shareholders). Share certificates in respect of unaccepted / rejected Equity Shares and other documents, if any, will be sent by registered post / speed post at the Eligible Shareholder sole risk to the sole / first Equity Shareholder (in case of joint Eligible Shareholders), at the address recorded with the Registrar / Company, not later than Monday, February 20, 2017.
  - (vi) Every Seller Member, who puts in a valid bid on behalf of an Eligible Shareholder, would issue a contract note and pay the consideration for the Equity Shares accepted under the Buy-back and return the balance unaccepted demat Equity Shares to their respective clients. Company's Broker would also issue a contract note to the Company for the Equity Shares accepted under the Buy-back.
- 20.26. Eligible Shareholders who intend to participate in the Buy-back should consult their respective Seller Members for payment to them of any cost, applicable taxes, charges and expenses (including brokerage) that may be levied by the Seller Member upon the Eligible Sellers for tendering Equity Shares in the Buy-back (secondary market transaction). The Buy-back consideration received by the Eligible Shareholders from their respective Seller Members, in respect of accepted Equity Shares, could be net of such costs, applicable taxes, charges and expenses (including brokerage) and the Company accepts no responsibility to bear or pay such additional cost, applicable taxes, charges and expenses (including brokerage) incurred solely by the Eligible Sellers.
- 20.27. The Equity Shares lying to the credit of the Special Demat Account and the Equity Shares bought back and accepted in physical form will be extinguished in the manner and following the procedure prescribed in the Buy-back Regulations.

## 21. NOTE ON TAXATION

**THE SUMMARY OF THE TAX CONSIDERATIONS IN THIS SECTION ARE BASED ON THE CURRENT PROVISIONS OF THE TAX LAWS OF INDIA AND THE REGULATIONS THEREUNDER, THE JUDICIAL AND THE ADMINISTRATIVE INTERPRETATIONS THEREOF, WHICH ARE SUBJECT TO CHANGE OR MODIFICATION BY SUBSEQUENT LEGISLATIVE, REGULATORY, ADMINISTRATIVE OR JUDICIAL DECISIONS. ANY SUCH CHANGES COULD HAVE DIFFERENT TAX IMPLICATIONS.**

**IN VIEW OF THE PARTICULARISED NATURE OF TAX CONSEQUENCES, SHAREHOLDERS ARE REQUIRED TO CONSULT THEIR TAX ADVISORS FOR THE APPLICABLE TAX PROVISIONS INCLUDING THE TREATMENT THAT MAY BE GIVEN BY THEIR RESPECTIVE TAX OFFICERS IN THEIR CASE, AND THE APPROPRIATE COURSE OF ACTION THAT THEY SHOULD TAKE.**

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

Given below is a broad summarization of the applicable sections of the Income-tax Act, 1961 ("IT Act") relating to treatment of income-tax in case of Buy-back of listed equity shares, which is provided only as a guidance.

### I. CLASSIFICATION OF SHAREHOLDERS

Shareholders can be classified under the following categories:

#### **A) Resident Shareholders being:**

- Individuals, Hindu Undivided Family (HUF), Association of Persons (AOP) and Body of Individuals (BOI)
- Others

#### **B) Non Resident Shareholders being:**

- Non Resident Indians (NRIs)
- Foreign Institutional Investors (FIIs)
- Others:
  - Company
  - Other than Company

### II. CLASSIFICATION OF INCOME

Shares can be classified under the following two categories:

- A) Shares held as investment (Income from transfer taxable under the head "Capital Gains")
- B) Shares held as stock-in-trade (Income from transfer taxable under the head "Profits and Gains of Business or Profession", hereinafter referred to as "business income")

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

Further, investments by FII in any securities in accordance with the regulations made under the Securities Exchange Board of India Act, 1992 would be treated as capital asset and the transfer of such shares would be treated as "capital gains" under the provisions of the Income Tax Act.

#### **A) SHARES HELD AS INVESTMENT**

- i. As per the provisions of the Income Tax Act, where the shares are held as investments, income arising from the transfer of such shares is taxable under the head "Capital Gains". Capital gains on buy-back of shares are governed by the provisions of section 46A of the Income Tax Act and would attract capital gains in the hands of shareholders as per computation provisions contained in section 48 of the Income Tax Act. The provisions of buy-back tax on the Company under section 115QA in Chapter XII-DA of the Income Tax Act do not apply for shares listed on the stock exchange.

#### **ii. Period of holding**

Depending on the period for which the shares are held, the gains would be taxable as 'short term capital gain' or 'long term capital gain' as stated below:

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

#### **iii. Buy-back of shares through a recognized stock exchange**

Where transaction for transfer of such equity shares (i.e. buy-back) is transacted through a recognized stock exchange then the taxability will be as under (for all categories of shareholders):

- LTCG arising from such transaction would be exempt under section 10(38) of the Income Tax Act; and
- STCG arising from such transaction would be subject to tax @ 15% under section 111A of the Income Tax Act.

- iv. Further, in case of resident Individual or HUF, the benefit of maximum amount which is not chargeable to income-tax is considered while computing the tax on such STCG taxable under section 111A of the Income Tax Act. In such cases, where the total income as reduced by such STCG is below the maximum amount not chargeable to tax, then such STCG shall be reduced by the amount by which the total income as so reduced falls short of the maximum amount which is not chargeable to income tax and on the balance of STCG, if any, income tax @ 15% is charged. In addition to the above STCG tax, Surcharge, Education Cess and Secondary and Higher Education Cess are leviable (Please refer to paragraph 21. IV. below for rate of surcharge and cess).

- v. Further in case of Eligible Shareholders being companies as defined under the Income Tax Act, the tax provisions of minimum alternate tax on book profits as provided u/s. 115JB of the Income Tax Act need to be considered depending on their income and losses, etc. for the year.

- vi. Non-resident shareholders can avail beneficial provisions of the applicable double taxation avoidance agreement (“DTAA”), if any, entered into by India with relevant country in which the shareholder is resident but subject to fulfilling relevant conditions and submitting / maintaining necessary documents prescribed under the Income Tax Act.
- vii. As an overall point, since the buy-back is undertaken on the stock exchange, such transaction is chargeable to Securities Transaction Tax (“STT”). STT is a tax payable in India on the value of securities on every purchase or sale of securities that are listed on the Indian Stock Exchange. Currently, the STT rate applicable on the purchase or sale of shares on the stock exchange is 0.1% of the value of security transacted.

## **B) SHARES HELD AS STOCK-IN-TRADE**

If the shares are held as stock-in-trade by any of the shareholders of the Company, then the gains would be characterized as business income and taxable under the head “Profits and Gains of Business or Profession”. In such a case, the provisions of section 46A and section 48 of the Income Tax Act will not apply.

### **i. Resident Shareholders**

- a) For individuals, HUF, AOP, BOI, profits would be taxable at slab rates.
- b) For persons other than stated in a) above, profits would be taxable @ 30% or other applicable tax rate.

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

### **ii. Non Resident Shareholders**

- a) Non-resident shareholders can avail beneficial provisions of the applicable (‘DTAA’), if any, entered into by India with relevant shareholder country but subject to fulfilling relevant conditions and submitting / maintaining necessary documents prescribed under the Income Tax Act.
- b) Where DTAA provisions are not applicable:
  - For non-resident individuals, HUF, AOP, BOI, profits would be taxable at slab rates.
  - For foreign companies, profits would be taxed in India @ 40%.
  - For other non-resident shareholders, such as foreign firms, profits would be taxed in India @ 30%.

In addition to the above, Surcharge, Education Cess and Secondary and Higher Education Cess are leviable (Please refer to paragraph 21.IV, below for rate of surcharge and cess).

### III. TAX DEDUCTION AT SOURCE

#### A) In case of Resident Shareholders

In absence of any specific provision under the Income Tax Act, the Company is not required to deduct tax at source on the consideration payable to resident shareholders pursuant to the said Buy-back.

#### B) In case of Non-resident Shareholders

Since the Buy-back is through the Stock Exchange, the responsibility of discharge of the tax due on the gains (if any) is primarily on the Non-Resident Shareholder. It is therefore important for the Non-Resident Shareholders to appropriately compute such gains (if any) on this transaction and immediately pay taxes in India (either through deduction at source or otherwise) in consultation with their custodians / authorized dealers / tax advisors appropriately.

### IV. RATE OF SURCHARGE AND CESS

In addition to the basic tax rate, Surcharge, Education Cess and Secondary and Higher Education Cess are leviable as under:

#### A) Surcharge

- In case of domestic companies: Surcharge @ 12% is leviable where the total income exceeds ₹ 10 crores and @ 7% where the total income exceeds ₹1 crore but does not exceed ₹ 10 crores.
- In case of companies other than domestic companies: Surcharge @ 5% is leviable where the total income exceeds ₹ 10 crores and @ 2% where the total income exceeds ₹ 1 crore but does not exceed ₹ 10 crores.
- In case of other assesseees (i.e. other than companies): Surcharge @15% (increased to 15% by Finance Act, 2016 applicable from Financial year 2016-17) is leviable where the total income exceeds ₹ 1 crore.

#### B) Cess

Education Cess @ 2% and Secondary and Higher Education Cess @ 1% is leviable in all cases

**The above note on taxation sets out the provisions of law in a summary manner only and is not a complete / exhaustive analysis or listing of all potential tax consequences on the disposal of equity shares under the Buy-back. This note is neither binding on any regulators nor can there be any assurance that they will not take a position contrary to the comments mentioned herein. Hence, you should consult with your own tax advisors for the tax provisions applicable to your particular circumstances.**



## 22. DECLARATION BY THE BOARD OF DIRECTORS

Declaration as required under clause (ix) and clause (x) of Part A of Schedule II to the Buy-back Regulation:

The Board of Directors made declaration as on the date of passing the board resolution approving the Buy-back i.e. October 27, 2016. Subsequently, pursuant to the authority granted to the Share Buy-back Committee by the Board of Directors, in terms of the resolution dated October 27, 2016, the Share Buy-back Committee on December 23, 2016 has confirmed on behalf of Board of Directors that:

1. There are no defaults subsisting in repayment of deposits, redemption of debentures or preference shares or repayment of term loans to any financial institutions or banks.
2. It has, based on a full enquiry conducted into the affairs and prospects of the Company and taking into account all the liabilities including prospective and contingent liabilities payable as if the Company were being wound up under the Act formed an opinion that:
  - (a) immediately following the date of the Letter of Offer, there will be no grounds on which the Company could be found unable to pay its debts;
  - (b) as regards the Company's prospects for the year immediately following the date of Letter of Offer, that, having regard to their intention with respect to the management of Company's business during the said year and to the amount and character of the financial resources, which will be available to the Company during the said year, the Company will be able to meet its liabilities as and when they fall due and will not be rendered insolvent within a period of one year from that date.

**For and on behalf of the Board of Directors of Sasken Communication Technologies Limited**

Sd/-  
Rajiv C. Mody  
Chairman & Managing Director  
(DIN: 00092037)

Sd/-  
Neeta S. Revankar  
Whole time Director & CFO  
(DIN: 00145580)

## 23. AUDITORS CERTIFICATE

The text of the report dated October 27, 2016 received from S. R. Batliboi & Associates LLP, the Statutory Auditors of the Company on permissible capital payment addressed to the Board of Directors of the Company and the Statement of determination of permissible capital payment towards Buy-back of Equity Shares is reproduced below:

### **Quote**

**"Independent Auditor's Report on Buy-back of Equity Shares pursuant to the requirement of Schedule II to the Securities and Exchange Board of India (Buy-back of Securities) Regulations, 1998, as amended:**

To,  
The Board of Directors  
Sasken Communication Technologies Limited  
No. 139/25, Domlur Layout  
Ring Road, Domlur P.O.  
Bangalore 560 071

1. This Report is issued in accordance with the terms of our service scope letter dated October 26, 2016 and master engagement agreement dated October 24, 2016 with Sasken Communication Technologies Limited.
2. In connection with the proposal of Sasken Communication Technologies Limited ("the Company") to buy back its Equity Shares in pursuance of the provisions of Section 68 and 70 of the Companies Act, 2013 ('the Act') and Securities and Exchange Board of India (Buy-back of Securities) Regulations, 1998, as amended ('the Buy-back Regulations'), and in terms of the resolution passed by the Board of Directors of the Company in their meeting held on October 27, 2016, which is subject to the approval of the shareholders of the Company, we have been engaged by the Company to perform a reasonable assurance engagement on the reporting criteria, specified in paragraph 5 of this report.

#### Board of Directors Responsibility

3. The preparation of the Statement of determination of the permissible capital payment towards Buy-back of Equity Shares ("the Statement"), as set out in Annexure A hereto, initialed by us for identification purpose only, is the responsibility of the Board of Directors of the Company, including the preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Statement and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.
4. The Board of Directors are responsible to make a full inquiry into the affairs and prospects of the Company and to form an opinion that the Company will not be rendered insolvent within a period of one year from the date on which the results of the postal ballot for Buy-back of its Equity Shares will be declared.

#### Auditor's Responsibility

5. Pursuant to the requirements of the Buy-back Regulations, it is our responsibility to provide reasonable assurance on the following ("the Reporting Criteria")
  - (i) Whether the amount of capital payment for the Buy-back is within the permissible limit computed in accordance with the provisions of Section 68 of the Act;
  - (ii) Whether the Board of Directors has formed the opinion, as specified in Clause (x) of Part A of Schedule II to the Buy-back Regulations, on a reasonable grounds that the Company having regard to its state of affairs will not be rendered insolvent within a period of one year from the date on which the results of postal ballot for Buy-back of its Equity Shares will be declared.
  - (iii) Whether we are aware of anything to indicate that the opinion expressed by the Directors in the declaration as to any of the matters mentioned in the declaration is unreasonable in circumstances as at the date of declaration.
6. The financial statements for the year ended March 31, 2016 had been audited by us, on which we had issued an unmodified audit opinion, vide our audit report dated April 22, 2016. Our audits of these financial statements were conducted in accordance with the Standards on Auditing, as specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

7. We conducted our examination of the Statement in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.
8. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.
9. A reasonable assurance engagement involves performing procedures to obtain sufficient appropriate evidence on the Reporting Criteria mentioned in paragraph 5 above. The procedures selected depend on the auditor's judgement, including the assessment of the risks associated with the Reporting Criteria. We have performed the following procedures in relation to the Statement:
  - i) We have inquired into the state of affairs of the Company in relation to its audited financial statements for year ended March 31, 2016;
  - ii) Examined authorization for Buy-back from the Articles of Association of the Company;
  - iii) Examined that the amount of capital payment for the Buy-back as detailed in Annexure A is within permissible limit computed in accordance with section 68 of the Act;
  - iv) Examined that the ratio of debt owned by the Company, if any, is not more than twice the capital and its free reserve after such Buy-back;
  - v) Examined that all Equity Shares for Buy-back are fully paid-up;
  - vi) Examined resolutions passed in the meetings of the Board of Directors;
  - vii) Examined Directors' declarations for the purpose of Buy-back and solvency of the Company;
  - viii) Obtained necessary representations from the management of the Company.

#### Opinion

10. Based on our examination and procedures performed by us as mentioned above and the information and explanations given to us, in our opinion, the permissible capital payment towards Buy-back of Equity Shares, as stated in Annexure A, is properly determined in accordance with Section 68 of the Act; and the Board of Directors, in their meeting held on October 27, 2016, have formed the opinion, as specified in clause (x) of Part A of Schedule II of the Buy-back Regulations, on reasonable grounds, that the Company will not, having regard to its state of affairs, be rendered insolvent within a period of one year from the date on which the results of postal ballot for Buy-back of its Equity Shares will be declared; and we are not aware of anything to indicate that the opinion expressed by the Directors in the declaration as to any of the matters mentioned in the declaration is unreasonable in circumstances as at the date of declaration.

#### Restriction on Use

11. This report is addressed to and provided to the Board of Directors of the Company pursuant to the requirements of the Regulations solely to enable them to include it (a) in the explanatory statement to be included in the postal ballot notice to be circulated to the Shareholders, (b) in the Public Announcement to be made to the Shareholders of the Company, (c) in the Draft Letter of Offer and Letter of Offer to be filed with the Securities and Exchange Board of India, the Stock Exchanges, the Registrar of Companies as required by the Buy-back Regulations, the National Securities Depository Limited and the Central Depository Securities (India) Limited, and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

For **S.R. Batliboi & Associates LLP**  
Chartered Accountants  
**ICAI Firm Registration Number:** 101049W/E300004  
per **Chandra Kumar Rampuria**  
Partner  
Membership Number: 055729  
Place of Signature: Chennai  
Date: October 27, 2016

#### **Annexure A**

#### **Statement of determination of the permissible capital payment towards Buy-back of Equity Shares ("the Statement") in accordance with Section 68 (2) (b) and (c) of the Companies Act, 2013**

<b>Particulars</b>	<b>March 31, 2016 (₹ in lakhs)</b>
Paid-up Equity Share Capital as at March 31, 2016* [17,719,813 equity shares of Rs. 10 each fully paid-up]	1,771.98
Free Reserves as at March 31, 2016*	
Securities premium account	29.16
General reserve	3,438.66
Surplus in the statement of profit & loss	42,777.44
<b>Total</b>	<b>48,017.24</b>
Permissible capital payment towards Buy-back of Equity Shares in accordance with Section 68 (2) (b) and (c) of the Companies Act, 2013 (25% of paid up equity capital and free reserves)	12,004.31

*\*Calculation in respect to the Buy-back is done on basis of audited financial statements of the Company as of, and for the year ended March 31, 2016.*

For Sasken Communication Technologies Limited

Authorised Signatory  
Place: Chennai  
Date: October 27, 2016

#### **Unquote**

#### **24. MATERIAL DOCUMENTS FOR INSPECTION**

Copies of the following documents will be available for inspection at the Registered Office of the Company at 139/25, Ring Road, Domlur, Bengaluru - 560 071 between 10 a.m. and 5.00 p.m. on all working days (Monday to Friday) during the offer period:

- (i) Certificate of Incorporation of the Company.
- (ii) Memorandum and Articles of Association of the Company.
- (iii) Annual reports of the Company for the preceding three financial years viz. March 31, 2016, 2015, and 2014 and audited financial results for six months ended September 30, 2016.
- (iv) Copy of resolution passed by the Board of Directors at their meeting held on October 27, 2016 approving the proposal of the Buy-back.
- (v) Copy of the resolution of shareholders passed by way of Postal Ballot results of which were declared on December 23, 2016 along with the Scrutinizer's Report.

- (vi) Copy of Share Buy-back Committee resolution dated December 23, 2016
- (vii) Certificate dated October 27, 2016 received from S.R. Batliboi & Associates LLP, Chartered Accountants, the statutory auditors of the Company, in terms of clause (xi) of Part A to Schedule II of the Buy-back Regulations.
- (viii) Copy of Public Announcement dated December 23, 2016 published in the newspapers on December 26, 2016 regarding Buy-back.
- (ix) Copy of Declaration of Solvency and an affidavit verifying the same as per Form SH-9 prescribed under the Companies (Share Capital and Debentures) Rules, 2014.
- (x) Certificate dated December 23, 2016 by Mr. Narayana V. Chartered Accountant certifying that the Company has made firm financial arrangements for fulfilling its obligations under the Buy-back, in accordance with the Buy-back Regulations.
- (xi) Copy of the Escrow Agreement dated January 24, 2017 executed amongst the Company, Escrow Agent and the Manager to the Buy-back.
- (xii) Confirmation letter by the Escrow Agent dated January 24, 2017 that the Escrow Account has been opened and that the amount required to be deposited in the Escrow Account has been deposited.
- (xiii) SEBI comments received on DLoF vide letter having ref no: CFD/DCR1/OW/P/2017/1737/1, dated January 20, 2017 issued in terms of the Buy-back Regulations.

## 25. DETAILS OF THE COMPLIANCE OFFICER

The Equity Shareholders may contact the Compliance Officer of the Company for any clarifications or to address their grievances, if any, during office hours i.e. 10.00 a.m. to 5.00 p.m. on all working days except Saturday, Sunday and public holidays, at the following address:

**Mr. S. Prasad,**  
**Associate Vice President & Company Secretary**  
**Sasken Communication Technologies Limited**  
 139/25, Ring Road, Domlur, Bengaluru – 560 071.  
**Tel:** +91 80 6694 3000; **Fax:** +91 80 2535 1309  
**E-mail:** [investor@sasken.com](mailto:investor@sasken.com); **Website:** [www.sasken.com](http://www.sasken.com)

## 26. DETAILS OF THE REMEDIES AVAILABLE TO THE ELIGIBLE SHAREHOLDERS

- (i) In case of any grievances relating to the Buy-back (e.g. non-receipt of the Buy-back consideration, share certificate, demat credit, etc.), the Eligible Shareholders can approach the Compliance Officer of the Manager to the Buy-back at [investors@vivro.net](mailto:investors@vivro.net) and / or Registrar to the Buy-back and / or Compliance Officer(s) of the Company for redressal.
- (ii) If the Company makes any default in complying with the provisions of Section 68 of the Companies Act, 2013 or any rules made there-under, for the purposes of clause (f) of sub-section (2) of Section 68 of the Companies Act, 2013, the Company or any officer of the Company who is in default shall be punishable with imprisonment for a term and its limit, or with a fine and its limit or with both in terms of the Companies Act, 2013, as the case may be.

(iii) The address of the concerned office of the Registrar of Companies is as follows:

**The Registrar of Companies, Bangalore**

'E' Wing, 2<sup>nd</sup> Floor, Kendriya Sadana, Kormangala, Bengaluru – 560 034.

**27. DETAILS OF INVESTOR SERVICE CENTRE**

In case of any queries, Equity Shareholders may also contact the Registrar to the Buy-back, during office hours i.e. 10.00 a.m. to 5.00 p.m. on all working days except Saturday, Sunday and public holidays, at the following address:

**Registrar to the Buy-back:**

**Karvy Computershare Private Limited**

Karvy Selenium, Tower B, Plot No.31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 032. **Contact person:** Mr. M. Muralikrishna

**E-mail:** einward.ris@karvy.com; **Website:** www.karisma.karvy.com

**Tel:** +91 40 6716 2222; **Fax:** +91 40 2343 1551

**SEBI Registration Number:** INR000000221; **CIN:** U72400TG2003PTC041636

**28. MANAGER TO THE BUY-BACK**



**Vivro Financial Services Private Limited**

607, 608 Marathon Icon, Opp. Peninsula Corporate Park,  
Off Ganpatrao Kadam Marg, Veer Santaji Lane, Lower Parel,  
Mumbai – 400 013.

**Contact Person:** Mr. Harish Patel / Ms. Shashi Singhvi

**E-mail:** investors@vivro.net; **Website:** www.vivro.net

**Tel:** +91 22 6666 8040/42; **Fax:** +91 22 6666 8047

**SEBI Registration Number:** INM000010122; **CIN:** U67120GJ1996PTC029182

**29. DECLARATION BY THE DIRECTORS REGARDING AUTHENTICITY OF THE INFORMATION IN THE LETTER OF OFFER**

As per regulation 19(1)(a) of the Buy-back Regulations, the Board of Directors of the Company accept full responsibility for the information contained in this Letter of Offer. This Letter of Offer is issued under the authority of the Board and in terms of the resolution passed by the Board on October 27, 2016.

**For and on behalf of the Board of Directors of Sasken Communication Technologies Limited**

Sd/-

**Rajiv C. Mody**

Chairman & Managing  
Director  
(DIN: 00092037)

Sd/-

**Neeta S. Revankar**

Whole-time Director & CFO  
(DIN: 00145580)

Sd/-

**S. Prasad**

Associate Vice-President &  
Company Secretary

**Date:** January 24, 2017

**Place:** Bengaluru