

PUBLIC ANNOUNCEMENT FOR THE ATTENTION OF EQUITY SHAREHOLDERS OF
POLARIS CONSULTING & SERVICES LIMITED

Registered Office: No. 34, IT Highway, Navalur, Chennai - 600130, Tamil Nadu. Corporate Identification Number (CIN): L65993TN1993PLC024142
Telephone: 044-3987 3000, Fax: 044-2743 5128, Website: www.polaris.com, Company Secretary and Compliance Officer: Ms. Christina Pauline Beulah, Email address: companysecretary@virtusa.com

This public announcement ("Public Announcement") is being issued by Virtusa Consulting Services Private Limited, a private limited company incorporated under the laws of India ("Acquirer") to the public shareholders of Polaris Consulting & Services Limited (the "Company") in respect of the proposed acquisition and consequent voluntary delisting of the fully paid up equity shares of the Company with a face value of Rs. 5 each ("Equity Shares") from the BSE Limited ("BSE"), the National Stock Exchange of India Limited ("NSE") (collectively referred to as the "Stock Exchanges"), and for withdrawal of the "Permitted to Trade" status on Metropolitan Stock Exchange of India Limited ("MSE") pursuant to Regulation 10 and other applicable provisions of the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 ("SEBI Delisting Regulations") and in accordance with the terms and conditions set out below ("Delisting Offer").

1. BACKGROUND OF THE DELISTING OFFER

1.1 The Company is a public limited company incorporated in accordance with the provisions of the Companies Act, 1956, having its registered office at No. 34, IT Highway, Navalur, Chennai - 600130, Tamil Nadu. The Equity Shares of the Company are listed on the Stock Exchanges and are permitted to trade on MSE. The Acquirer is a private limited company incorporated under the provisions of the Companies Act, 1956 from March 5, 2008 and having its registered office at Survey No.115/Part, Plot No.10, Nanakramguda Village, Serilingampally, Telangana 500008.

1.2 As on the date of this Public Announcement, the authorized share capital of the Company is Rs. 650,000,000 (Rupees Six Hundred and Fifty Million) divided into 120,000,000 (One Hundred and Twenty Million) Equity Share and 10,000,000 (Ten Million) 11% (Eleven Percent) preference shares of Rs. 5 each. The issued, subscribed and paid-up capital of the Company is Rs. 512,503,970 (Rupees Five Hundred and Twelve Million Five Hundred and Three Thousand Nine Hundred and Seventy only) divided into 102,500,794 (One Hundred and Two Million Five Hundred Thousand Seven Hundred and Ninety Four) Equity Shares.

1.3 The Acquirer is the sole promoter and is in control of the management of the Company. As on the date of this Public Announcement, the Acquirer holds 7,60,81,069 (Seventy Six Million Eighty One Thousand and Sixty Nine) Equity Shares representing 74.22% of the total share capital of the Company.

1.4 Through the Delisting Offer, the Acquirer seeks to acquire up to 26,419,725 (Twenty Six Million Four Hundred Nineteen Thousand Seven Hundred And Twenty Five) Equity Shares ("Offer Shares") representing 25.78% of the total issued equity share capital of the Company from the public shareholders (i.e. shareholders other than the Acquirer) ("Public Shareholders"). If the Delisting Offer is successful as defined in Section 12 read along with Section 13 of this Public Announcement, the Acquirer will apply for delisting of the Equity Shares from the Stock Exchanges and withdrawal of the "Permitted to Trade" status from the MSE in accordance with the provisions of the SEBI Delisting Regulations and the terms and conditions set out below and in the letter of offer proposed to be issued in relation to the Delisting Offer.

1.5 The Company currently administers four associate stock option programs, viz., ASOP 2003, ASOP 2004, ASOP 2011 and ASOP 2015. The objective of the ASOPs is to reward the employees for their performance, commitment and support for the growth of the Company. In pursuance of such objective, the Company has, from time to time, granted its associates stock options. As on the date of this Public Announcement, 566,540 (Five Hundred Sixty Six Thousand Five Hundred and Forty), employee stock options ("ESOPs"), are vested and pending exercise, and 524,120 (Five Hundred Twenty Four Thousand One Hundred and Twenty) ESOPs are outstanding and have varied vesting periods extending until February 16, 2020. Out of the above ESOPs, the dilutive ESOPs are 1,071,160 (One Million Seventy One Thousand One Hundred and Sixty). If any of the dilutive ESOPs are exercised and consequently Equity Shares are issued after the date of this Public Announcement resulting in an increase in the paid-up equity share capital of the Company, the Offer Shares would stand increased accordingly.

1.6 The Acquirer through a letter dated October 26, 2017, notified its intention to make the Delisting Offer and requested the board of directors of the Company to (a) approve the Delisting Offer, and (b) seek the requisite approval of the Delisting Offer from the equity shareholders of the Company through a postal ballot and e-voting in accordance with the SEBI Delisting Regulations and the Companies Act, 2013 and the rules made thereunder.

1.7 Pursuant to the intimation received from the Acquirer, the board of directors of the Company, in its meeting held on October 31, 2017, took on record the letter dated October 26, 2017 submitted by the Acquirer and also appointed Yes Securities (India) Limited, as the merchant banker for carrying out the due diligence as required in terms of Regulation 8(1A) (ii) and Regulation 8(1D) of the SEBI Delisting Regulations. Thereafter, the board of directors of the Company at its meeting held on November 14, 2017, approved the Delisting Offer in accordance with the Regulation 8(1)(a) of the SEBI Delisting Regulations subject to approval of the shareholders of the Company. The outcome of the board of director's meeting on November 14, 2017 was notified to the Stock Exchanges and MSE on the same day.

1.8 The shareholders of the Company have passed a special resolution through postal ballot, the result of which was declared on December 27, 2017, approving the Delisting Offer in accordance with Regulation 8(1)(b) of the SEBI Delisting Regulations. The Company has notified the result of postal ballot to the Stock Exchanges and MSE on December 27, 2017. The votes cast by the Public Shareholders in favour of the Delisting Offer were 1,20,01,387, which are more than twice the number of votes cast by the Public Shareholders against the Delisting Offer, being 140,013.

1.9 The Acquirer has sent a letter dated January 15, 2018 to the board of directors of the Company intimating that, after considering various facts including but not limited to capital allocation plan, availability of funds, and costs associated with debt financing availed, the board of the Acquirer considers it prudent to communicate, an indicative price of Rs. 370 (Rupees Three Hundred and Seventy only) per equity share, at which the Acquirer may be willing to accept the equity shares tendered by the Public Shareholders of the Company in the Delisting Offer ("Indicative Offer Price"). The Indicative Offer Price is at

- (i) 67.6% premium to Rs. 220.73 (Rupees Two Hundred and Twenty and Seventy Three Paise only) per equity share (Takeover Offer Price), at which the Acquirer acquired 78.65% of the voting share capital of the Company in March 2016 from the erstwhile promoters and the public shareholders in accordance with the provisions of SEBI Takeover Regulations; and
- (ii) 59.2% premium to the Floor Price of Rs. 232.37 (Rupees Two Hundred and Thirty Two and Thirty Seven Paise only), as determined in accordance with the SEBI Delisting Regulations.

The Indicative Offer Price should in no way be construed as:

- (a) A ceiling or minimum price for the purpose of the reverse book building process and the Public Shareholders are free to tender their equity shares at any price irrespective of the Indicative Offer Price, in accordance with the SEBI Delisting Regulations; or
- (b) A commitment by Acquirer to accept the equity shares tendered in the Delisting Offer, if the Discovered Price (final delisting price as determined in accordance with the reverse book building process as set out in the SEBI Delisting Regulations) is less than the Indicative Offer Price; or
- (c) An obligation on the Acquirer to pay the Indicative Offer Price in the event the Discovered Price is lower than the Indicative Offer Price; or
- (d) Any restriction on the ability of the Acquirer to acquire equity shares at a price higher or lower than the Indicative Offer Price.

The Company has intimated the contents of the letter dated January 15, 2018 sent by the Acquirer to the Stock Exchanges and MSE on January 15, 2018.

1.10 The Company has on January 23, 2018 received in-principle approvals for the Delisting Offer from both the BSE and the NSE.

1.11 This Public Announcement is being issued in the following newspapers as required under Regulation 10(1) of the SEBI Delisting Regulations:

Newspaper	Language	Editions
Financial Express	English	All
Jansatta	Hindi	All
Navshakti	Marathi	Mumbai
Makkal Kural	Tamil	Chennai

1.12 The Acquirer will inform the Public Shareholders of amendments or modifications, if any to the information set out in this Public Announcement by way of a corrigendum that will be published in the aforementioned newspapers in which this Public Announcement is published.

2. NECESSITY AND OBJECTIVE OF THE DELISTING OFFER

2.1 The objective of the Acquirer in making the Delisting Offer is *inter-alia* to enable the Acquirer to obtain full ownership of the Company, which will in turn provide enhanced operational flexibility to the Acquirer. Additionally, the Acquirer will realize the benefits of the Company no longer being publicly listed in India, which would include cost savings and reduction in dedicating management time to comply with the requirements associated with the continued listings, which can be refocused on the Company's business.

2.2 The Acquirer further believes that given the low liquidity of the Equity Shares, the Delisting Offer is in the interest of the Public Shareholders, as it will provide them with an exit opportunity at a price determined in accordance with the reverse book-building mechanism as set out in the SEBI Delisting Regulations.

3. BACKGROUND OF THE ACQUIRER

3.1 The Acquirer is a private limited company incorporated under the provisions of the Companies Act 1956 on March 5, 2008. The Corporate Identity Number ("CIN") of the Acquirer issued by the Registrar of Companies, Andhra Pradesh and Telangana at Hyderabad is U93000TG2008FT05988. The registered office of the Acquirer is situated at Survey No. 115/Part, Plot No.10, Nanakramguda Village, Serilingampally, Telangana 500008.

3.2 The principal activity of the Acquirer is to carry on the business of providing information technology consulting, technology implementation and application outsourcing services.

3.3 The authorised share capital of the Acquirer is Rs. 51,000,000 (Rupees Fifty One Million) comprising 5,100,000 (Five Million One Hundred Thousand) equity shares of face value Rs. 10 each. The paid up share capital of the Acquirer as on the date of this Public Announcement is Rs. 108,000 (Rupees One Hundred and Eight Thousand) comprising of 10,800 (Ten Thousand Eight Hundred) equity shares of face value of Rs. 10 each.

3.4 The Acquirer is a step down subsidiary of Virtusa Corporation ("Virtusa US"), a "C" corporation under the United States Internal Revenue Code, incorporated under the laws of the State of Delaware, the United States of America, bearing commission file number 001-33625. The common stock of Virtusa US is listed and traded on the Nasdaq Global Select Market under the trading symbol "VRTU". Virtusa US's principal executive office is located at 2000 West Park Drive, Westborough, Massachusetts 01581, the United States of America. While, Virtusa US is the ultimate parent company of the Acquirer, the Acquirer is owned and controlled through Virtusa International BV ("Virtusa NL"), private limited company incorporated in Rotterdam on February 20, 2008 under the laws of Netherlands, and having its office at Schiphol Boulevard 231, 1118 BH, Amsterdam Schiphol, the Netherlands. Virtusa NL is a wholly owned subsidiary of Virtusa US.

3.5 Virtusa US is engaged in the business of providing information technology consulting services, technology implementation and application outsourcing services primarily to enterprises in the following industries: communications and technology, banking, financial services and insurance; and media and information. Being a listed company, Virtusa US is a widely held and has a diverse shareholder base. No person has a controlling ownership interest in Virtusa US.

3.6 The Acquirer holds 76,081,069 (Seventy Six Million Eighty One Thousand and Sixty Nine) Equity Shares representing 74.22% of the equity share capital of the Company as on the date of this Public Announcement.

3.7 Select extracts of the audited financials (standalone) of the Acquirer for the financial years ended March 31, 2017, March 31, 2016 and March 31, 2015, being the last three financial years for which audited financials are available:

Particulars	Audited financials (standalone) for the financial year ended		
	March 31, 2017	March 31, 2016	March 31, 2015
Total Income	6,736.36	6,494.33	5,386.17
Profit / (Loss) Before Tax	(334.46)	1,319.77	1,202.20
Profit / (Loss) After Tax	(580.88)	1,039.95	946.75
Total Comprehensive Income / (Loss)	(608.29)	1,042.00	-
Equity Capital	0.11	0.10	0.10
Reserves	6,457.90	6,385.57	5,343.57
Minority Interests	-	-	-
Non-Current Liabilities	13,705.41	13,652.55	68.63
Current Liabilities	797.60	1,283.64	389.79
Total Equity and Liabilities	20,961.01	21,321.86	5,802.09
Non-Current Assets	18,184.55	13,305.51	1,790.28
Current Assets	2,776.46	8,016.35	4,011.82
Total Assets	20,961.01	21,321.86	5,802.09

Source: The financial information for the financial years ended March 31, 2017 and March 31, 2016 has been extracted from the Acquirer's audited financial statements prepared in accordance with Indian Accounting Standards (IndAS). The financial information from the Acquirer's Profit and Loss Statement for the financial year ended March 31, 2015 has been extracted from the Acquirer's audited financial statements prepared in accordance with generally accepted accounting principles in India (Indian GAAP) and information from the Acquirer's Balance Sheet for the financial year ended March 31, 2015 has been extracted from the Acquirer's audited financial statements prepared in accordance with Indian Accounting Standards (IndAS). The Acquirer's statutory auditors are BSR & Associates LLP, Chartered Accountants.

3.8 The Acquirer has, as detailed in Section 19 of this Public Announcement made available all the requisite funds necessary to fulfil the obligations of the Acquirer under the Delisting Offer.

4. BACKGROUND OF THE COMPANY

4.1 The Company was originally incorporated as a private limited company under the name "Polaris Software Lab Private Limited" on January 05, 1993 in accordance with the provisions of the Companies Act, 1956 bearing registration number 24142. The Company was converted into a public limited company by virtue of Section 44 of the Companies Act, 1956 with effect from June 24, 1996. The name of the Company was thereafter changed to "Polaris Financial Technology Limited" on November 16, 2011. Subsequently, the name of the Company was changed to its present name "Polaris Consulting & Services Limited" on October 21, 2014.

4.2 The Company's registered office is situated at No. 34, IT Highway, Navalur, Chennai - 600130, Tamil Nadu. The CIN of the Company is L65993TN1993PLC024142. The Equity Shares are listed on the Stock Exchanges and are permitted to trade on the MSE.

4.3 The Company is engaged in the business of providing computer programming, consultancy and related activities.

4.4 As on the date of this Public Announcement, the authorized share capital of the Company is Rs. 650,000,000 (Rupees Six Hundred and Fifty Million) divided into 120,000,000 (One Hundred and Twenty Million) Equity Share and 10,000,000 (Ten Million) 11% (Eleven Percent) preference shares of Rs. 5 each. The issued, subscribed and paid-up capital of the Company is Rs. 512,503,970 (Rupees Five Hundred and Twelve Million Five Hundred and Three Thousand Nine Hundred and Seventy only) divided into 102,500,794 (One Hundred and Two Million Five Hundred and Seven Hundred and Ninety Four) Equity Shares.

4.5 Out of 102,500,794 (One Hundred and Two Million Five Hundred Thousand Seven Hundred and Ninety Four) Equity Shares, 50 (Fifty) Equity Shares is not listed on NSE and is kept in abeyance.

4.6 As on the date of this Public Announcement, the Company does not have any partly paid-up shares.

4.7 Select extracts of the consolidated audited financials of the Company for the financial years ended March 31, 2017, March 31, 2016 and March 31, 2015, being the last three financials for which audited financials are available and unaudited but limited review financials for the six month ended September 30, 2017 is provided below: (Rs. in millions except per share data)

Particulars	Unaudited (Consolidated) Limited Review for the six months ended		Audited (Consolidated) for the financial year ended		
	September 30, 2017	March 31, 2017	March 31, 2016	March 31, 2015	
	Income (including other income)	12,333.42	21,006.05	20,705.15	19,344.88
Expenses (including exceptional items)	10,714.22	18,413.94	18,395.94	16,751.50	
Profit before interest, depreciation and tax (PBDITA)	1,619.19	2,592.12	2,309.21	2,593.38	
Finance charges					
Depreciation & amortization	114.54	233.30	264.33	279.09	
Net Profit Before Tax	1,504.65	2,358.82	2,044.88	2,314.29	
Provision for tax including deferred tax	476.92	738.12	1,023.57	642.23	
Net profit after tax	1,027.73	1,620.69	1,021.31	1,672.07	
Add / (Less): Share of profit / (Loss) on joint venture	(2.62)	(6.26)	(0.82)	-	
Add / (Less): Share of profit / (Loss) on Associate companies	-	-	-	0.12	
Add / (Less): Minority interest-Share of loss / (Profit)	-	-	0.53	0.51	
Net Profit	1,025.11	1,614.43	1,021.02	1,672.70	
EPS (Basic)	10.03	15.90	10.19	16.77	
EPS (Diluted)	9.96	15.79	10.07	16.39	

Particulars	Unaudited (Consolidated) Limited Review as on		Audited (Consolidated) as on		
	September 30, 2017	March 31, 2017	March 31, 2016	March 31, 2015	
	Equity Share Capital	511.15	510.60	506.83	499.57
Reserves and Surplus	11,474.29	10,402.42	8,835.85	8,023.49	
Net worth	11,985.44	10,913.03	9,342.69	8,523.06	
Total Current Liabilities	4,312.31	3,541.76	3,644.72	4,404.90	
Total Non Current Liabilities	11.80	13.50	14.84	25.06	
Total Equity & Liabilities	16,309.55	14,468.28	13,002.25	12,953.03	
Other Non-Current Assets	9.91	11.33	16.89	24.43	
Total Non-Current Assets	3,426.89	3,235.92	3,819.03	4,513.69	
Current Assets	12,882.65	11,232.36	9,183.22	8,439.34	
Total Assets	16,309.55	14,468.28	13,002.25	12,953.03	

Source: The financial information for the six month ended September 30, 2017 have been extracted from the consolidated results subjected to limited review by our Statutory Auditors, B S R & Co. LLP, Chartered Accountants. The financial information for the financial year ended March 31, 2017 and March 31, 2016 have been extracted from the Company's audited consolidated financial statements prepared in accordance with Indian Accounting Standards (Ind AS) and audited by B S R & Co. LLP, Chartered Accountants. It is to be noted that the figures for financial year ended March 31, 2016 are based on the previously audited consolidated financial statements by the then statutory auditor, S.R. Batliboi & Associates LLP, Chartered Accountants, in accordance with generally accepted accounting principles in India (Indian GAAP) and the adjustments to Ind AS for the financial year March 31, 2016 have been audited by B S R & Co. LLP. The financial information for the financial year ended March 31, 2015 has been extracted from the Company's audited consolidated financial statements prepared in accordance with generally accepted accounting principles in India (Indian GAAP), audited by S.R. Batliboi & Associates LLP, Chartered Accountants.

4.8 Except as stated in paragraph 1.5, there are no outstanding convertible instruments such as warrants / convertible debentures / convertible preference shares etc.

4.9 The shareholding pattern of the Company as on January 19, 2018 is given below:

Category	Number of shares	% of Share Capital
Promoters	76,081,069	74.22
Foreign Institutional Investors	4,983,985	4.86
Bodies Corporate	4,359,154	4.25
Mutual Funds	4,920,090	4.80
Financial Institutions / Banks	475,050	0.46
Resident Individuals	10,608,990	10.35
Others	1,072,456	1.05
TOTAL	102,500,794	100.00

4.10 Other than the shareholding mentioned herein, the Acquirer or any of its directors do not hold any Equity Shares, as on the date of this Public Announcement.

5. STOCK MARKET DATA

5.1 The Equity Shares are listed on the Stock Exchanges and are permitted to trade on MSE.

5.2 The high, low and average market prices of the Equity Shares (in Rupees per Equity Share) for the preceding three calendar years preceding the date of this Public Announcement on the Stock Exchanges are as follows:

(i) BSE

Calendar Year	High* (Rs.)	Low* (Rs.)	Average** (Rs.)
2017	393.90	152.00	234.50
2016	215.30	143.25	187.02
2015	211.30	135.20	175.71

*High/low of the daily closing prices during the period.

**Average of the daily closing prices during the period.

Source: www.bseindia.com

(ii) NSE

Calendar Year	High* (Rs.)	Low* (Rs.)	Average** (Rs.)
2017	395.25	152.00	234.60
2016	215.25	143.15	187.11
2015	211.70	135.20	175.81

*High / low of the daily closing prices during the period.

**Average of the daily closing prices during the period.

Source: www.nseindia.com

5.3 Monthly high and low prices (in Rupees per Equity Share) and the volume of Equity Shares traded in each month for the six months preceding the date of this Public Announcement are as follows:

(i) BSE

Month	High* (Rs.)	Low* (Rs.)	Volume **
December 2017	393.90	354.10	469,000
November 2017	367.80	280.75	1,766,468
October 2017	291.05	222.65	981,741
September 2017	244.15	228.00	205,704
August 2017	246.90	230.00	217,001
July 2017	244.80	220.80	690,629

*High / low of the daily closing prices during the period.

**Cumulative trading volume (number of Equity Shares) during the period

Source: www.bseindia.com

(ii) NSE

Month	High* (Rs.)	Low* (Rs.)	Volume **
December 2017	395.25	354.70	5,379,268
November 2017	367.95	280.50	7,822,317
October 2017	291.00	223.65	6,282,748
September 2017	240.80	219.95	1,420,897
August 2017	243.90	228.05	1,597,982
July 2017	246.95	229.90	1,918,112

*High / low of the daily closing prices during the period.

**Cumulative trading volume (number of Equity Shares) during the period

Source: www.nseindia.com

6. LIKELY POST DELISTING CAPITAL STRUCTURE

The likely post delisting capital structure of the Company, assuming all the Equity Shares are acquired from the Public Shareholders pursuant to the Delisting Offer will be as follows:

Category	Number of shares	% of Share Capital
(a) Promoters		
- Acquirer	102,500,794	100
(b) Public Shareholders	0	0.00
TOTAL (a+b)	102,500,794	100

7. STOCK EXCHANGES FROM WHICH THE EQUITY SHARES ARE SOUGHT TO BE DELISTED

7.1 The Equity Shares of the Company are listed on the Stock Exchanges and are permitted to trade on MSE. The Acquirer is seeking to delist the Equity Shares from the Stock Exchanges and to withdraw the "Permitted to Trade" status from MSE.

8. MANAGER TO THE DELISTING OFFER

8.1 The Acquirer has appointed Citigroup Global Markets India Private Limited, having its registered office at First International Centre (FIFC), 14th Floor, G-Block, Bandra Kurla Complex, Bandra (East), Mumbai- 400098, as the Manager to the Delisting Offer ("Manager to the Offer").

9. REGISTRAR TO THE DELISTING OFFER

9.1 The Acquirer has appointed Karvy Computershare Private Limited, bearing CIN U71440TG2003PTCO41636 and having its registered office at Karvy Selenium Tower B, Plot Number 31 and 32, Financial District, Gachibowli, Hyderabad, 500 032, as the Registrar to the Delisting Offer ("Registrar to the Offer").



10. DETERMINATION OF THE FLOOR PRICE

10.1 The Acquirer proposes to acquire the Equity Shares from the Public Shareholders pursuant to a reverse book-building process established in terms of Schedule II of the SEBI Delisting Regulations.

10.2 The Equity Shares of the Company are listed on the Stock Exchanges and are permitted to trade on MSE and are frequently traded on the Stock Exchanges as per the definition of frequently traded shares' set out in Regulation 2(1)(j) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 ("SEBI Takeover Regulations"). The annualized trading turnover based on the trading volume in the Equity Shares of the Company on the Stock Exchanges, based on the information available on the website of the Stock Exchanges during October 1, 2016 to September 30, 2017 (twelve calendar months preceding the calendar month in which the Stock Exchanges were notified of the meeting of the board of directors of the Company in which the Delisting Offer was considered) are as under:

- 16.2 Alternatively, the Public Shareholders may obtain copies of Letter of Offer from the website of the BSE, www.bseindia.com, NSE, www.nseindia.com and the website of the Company, www.polarisft.com, respectively.
- 16.3 For further details on the timetable of activities, please refer to Section 20 of this Public Announcement.
- 16.4 The Delisting Offer is open to all the Public Shareholders holding the Equity Shares either in physical and / or demat form.
- 16.5 During the Bid Period, the Bids will be placed in the Acquisition Window Facility by the Public Shareholders through their respective stock broker ("Seller Member") during normal trading hours of the secondary market. The Seller Member can enter orders for demat shares as well as physical shares.
- 16.6 Procedure to be followed by the Public Shareholders holding the Equity Shares in dematerialized form:
- The Public Shareholders who desire to tender their Equity Shares in the electronic form under the Delisting Offer would have to do so through their respective Seller Member by indicating to their Seller Member the details of the Equity Shares they intend to tender under the Delisting Offer ("Tendered Shares").
 - The Seller Member shall then transfer the Tendered Shares by using the settlement number and the procedure prescribed by the Indian Clearing Corporation Limited. ("Clearing Corporation") to a special escrow account created by the Clearing Corporation before placing the Bids and the same shall be validated at the time of order entry.
 - The details of settlement number shall be informed in the issue opening circular / notice that will be issued by the Stock Exchanges or the Clearing Corporation before the Bid Opening Date.
 - For Custodian Participant's orders for the demat Equity Shares early pay-in is mandatory prior to confirmation of order by the Custodian Participant. The Custodian Participant shall either confirm or reject the orders not later than the closing of trading hours on the last day of the Bid Period. Thereafter, all unconfirmed orders shall be deemed to be rejected. For all confirmed Custodian Participant orders, if there is any order modification, then it shall revoke the previous Custodian Participant's confirmation and the revised order shall be sent to the Custodian Participant again for its confirmation.
 - Upon placing the Bid, a Seller Member shall provide a Transaction Registration Slip ("TRS") generated by the exchange bidding system to the Public Shareholder. The TRS will contain the details of order submitted like Bid ID No., DP ID, Client ID, No. of the Equity Shares tendered and price at which the Bid was placed, etc.
 - The Clearing Corporation will hold in trust the Equity Shares until the Acquirer completes its obligations under the Delisting Offer in accordance with the SEBI Delisting Regulations.
 - The Public Shareholders will have to ensure that they keep the DP account active and unlocked to receive credit in case of return of Equity Shares due to rejection. Further, Public Shareholders will have to ensure that they keep the saving account attached with the DP account active and updated to receive credit remittance due to acceptance of Tendered Shares.
 - In case of non-receipt of the Letter of Offer / Bid Form, Public Shareholders holding equity shares in dematerialized form can make an application in writing on plain paper, signed by the respective Public Shareholder, stating name and address, client ID number, DP name / ID, beneficiary account number and number of equity shares tendered for the delisting offer. Public Shareholders will be required to approach their respective Seller Member and have to ensure that their bid is entered by their Seller Member in the electronic platform to be made available by the BSE and the NSE, before the Bid Closing Date.
 - The Public Shareholders should not send bids to the Company or Acquirer or Manager to the Offer or Registrar to the Offer. Please note that submission of Bid Form and TRS is not mandatorily required in case of equity shares held in dematerialized form.
- 16.7 Procedure to be followed by the Public Shareholders holding the Equity Shares in the Physical form:
- The Public Shareholders who are holding physical Equity Shares and intend to participate in the Delisting Offer will be required to approach their respective Seller Member along with the complete set of documents for verification procedures to be carried out including as below:
 - original share certificate(s);
 - valid share transfer form(s) duly filled and signed by the transferors (i.e. by all registered shareholders in same order and as per the specimen signatures registered with the Company / registrar and transfer agent of the Company) and duly witnessed at the appropriate place authorizing the transfer. Attestation, where required, (thumb impressions, signature difference, etc.) should be done by a Magistrate / Notary Public / Bank Manager under their official seal;
 - self-attested PAN Card copy (in case of Joint holders, PAN card copy of all transferors);
 - Bid Form duly signed (by all holders in case the Equity Shares are in joint names) in the same order in which they hold the Equity Shares; and
 - 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 Public Shareholder has undergone a change from the address registered in the Register of Members of the Company, the Public Shareholder would be required to submit a self-attested copy of address proof consisting of any one of the following documents: valid Aadhar Card, Voter Identity Card or Passport.
 - Upon placing the Bid, the Seller Member will provide a TRS generated by the Exchange Bidding System to the Public Shareholder. The TRS will contain the details of order submitted like Folio No., Certificate No., Distinctive No., No. of the Equity Shares tendered, price at which the Bid was placed, etc.
 - The Seller Member / Public Shareholder should ensure to deliver the documents as mentioned in Section 16.7 (i) above along with the TRS either by registered post or courier or hand delivery to the Registrar to the Offer (at the address mentioned at Section 9) within 2 (two) days of Bid Closing Date by the Seller Member. The envelope should be super scribed as "Polaris Consulting & Services Limited - Delisting Offer".
 - Public Shareholders holding the Equity Shares in physical form should note that the Equity Shares will not be accepted unless the complete set of documents is submitted. Acceptance of the Equity Shares by the Acquirer will be subject to verification of documents. The Registrar to the Offer will verify such bids based on the documents submitted on a daily basis and till such time the BSE shall display such bids as 'unconfirmed physical bids'. Once, the Registrar to the Offer confirms the Bids, it will be treated as 'Confirmed Bids'. The Bids of the Public Shareholders whose original share certificate(s) and other documents (as mentioned in Section 16.7(i) above) along with the TRS are not received by the Registrar to the Offer, within two days after the Bid Closing Date, shall be liable to be rejected.
 - In case of non-receipt of the Letter of Offer / Bid Form, Public Shareholders holding equity shares in physical form can make an application in writing on plain paper, signed by the respective Public Shareholder, stating name and address, folio number, share certificate number, number of equity shares tendered for the delisting offer and the distinctive numbers thereof, enclosing the original share certificate(s) and other documents (as mentioned in Section 16.7(i) above). Public Shareholders will be required to approach their respective Seller Member and have to ensure that their bid is entered by their Seller Member in the electronic platform to be made available by the BSE and the NSE, before the Bid Closing Date.
 - The Registrar to the Offer will hold in trust the share certificate(s) and other documents (as mentioned in Section 16.7(i) above) until the Acquirer completes its obligations under the Delisting Offer in accordance with the SEBI Delisting Regulations.
 - It shall be the responsibility of the Public Shareholders tendering in the Delisting Offer to obtain all requisite approvals (including corporate, statutory and regulatory approvals) prior to tendering their Equity Shares in the Acquisition Window Facility. The Acquirer shall assume that the eligible Public Shareholders have submitted their Bids only after obtaining applicable approvals, if any. The Acquirer reserves the right to reject Bids received for physical shares which are without a copy of the required approvals.
- 16.8 The Public Shareholders, who have tendered their Equity Shares by submitting the Bids pursuant to the terms of the Public Announcement and the Letter of Offer, may withdraw or revise their Bids upwards not later than one day before the Bid Closing Date. Downward revision of the Bids shall not be permitted. Any such request for revision or withdrawal of the Bids should be made by the Public Shareholder through their respective Seller Member, through whom the original Bid was placed. Any such request for revision or withdrawal of the Bids received after normal trading hours of secondary market on one day before the Bid Closing Date will not be accepted.
- 16.9 The Public Shareholders should note that the Bids should not be tendered to the Manager to the Offer or the Registrar to the Offer or to the Acquirer or to the Company or the Stock Exchanges. The Public Shareholders should further note that they should have a trading account with a Seller Member as the Bids can be entered only through their respective Seller Member. The Seller Member would issue contract note and pay the consideration to the respective Public Shareholder whose Equity Shares are accepted under the Delisting Offer.
- 16.10 The cumulative quantity of the Equity Shares tendered shall be made available on the website of the Stock Exchanges throughout the trading session and will be updated at specific intervals during the Bid Period.
- 16.11 The Equity Shares to be acquired under the Delisting Offer are to be acquired free from all liens, charges, and encumbrances and together with all rights attached thereto. The Equity Shares that are subject to any lien, charge or encumbrances are liable to be rejected

17. METHODS OF SETTLEMENT
- 17.1 Upon finalization of the basis of acceptance as per the SEBI Delisting Regulations:
- The settlement of trades shall be carried out in the manner similar to settlement of trades in the secondary market.
 - For consideration towards the Equity Shares accepted under the Delisting Offer, the money of the Escrow Account (defined in Section 20 of this Public Announcement) shall be used to pay the consideration to the Manager to the Offer on or before the pay-in date for settlement. The Manager to the Offer will transfer the funds to the Clearing Corporation, which will be released to the respective Seller Member(s) / Custodian Participants as per the secondary market payout in their settlement bank account. The Seller Member(s) / Custodian Participants would pay the consideration to their respective clients.
 - The Equity Shares acquired in the demat form would either be transferred directly to the Acquirer's account provided it is indicated by the Manager to the Offer or it will be transferred by the Manager to the Offer to the Acquirer's account on receipt of the Equity Shares pursuant to the clearing and settlement mechanism of the Stock Exchanges. In case of the Equity Shares acquired in the physical form, the same will be transferred directly to the Acquirer by the Registrar to the Offer.
 - In case of rejected demat Equity Shares, if any, tendered by the Public Shareholders, the same would be returned to the respective Seller Member by the Clearing Corporation in payout. The Seller Member / Custodian Participants would return these rejected Equity Shares to their respective clients on whose behalf the Bids have been placed. In case of rejection of physical Equity Shares, the same will be returned back to the respective Public Shareholders directly by the Registrar to the Offer.
 - The Seller Member would issue contract note & pay the consideration to the respective Public Shareholder whose Equity Shares are accepted under the Delisting Offer. The Manager to the Offer would also issue a contract note to the Acquirer for the Equity Shares accepted under the Delisting Offer.
 - The Public Shareholders who intend to participate in the Delisting Offer should consult their respective Seller Member for payment to them of any cost, charges and expenses (including brokerage) that may be levied by the Seller Member upon the Public Shareholders for tendering Equity Shares in the Delisting Offer (secondary market transaction). The consideration received by the Public Shareholders from their respective Seller Member, in respect of accepted Equity Shares, could be net of such costs, charges and expenses (including brokerage) and the Acquirer, the Company, the Manager to the Offer, the Registrar to the Offer and the Manager to the Offer accept no responsibility to bear or pay such additional cost, charges and expenses (including brokerage) incurred by the Public Shareholders.
18. PERIOD FOR WHICH THE DELISTING OFFER SHALL BE VALID
- 18.1 The Public Shareholders may submit their Bids to the Acquirer during the Bid Period. Additionally, once the Shares have been delisted from the Stock Exchanges and withdrawal of permitted to trade from MSE, Public Shareholders, whose Equity Shares have not yet been acquired by the Acquirer may offer their Equity Shares for sale to the Acquirer at the Exit Price for a period of one year following the date of the delisting of the Equity Shares from the Stock Exchanges and withdrawal of permitted to trade from MSE ("Exit Window"). A separate letter of offer in this regard will be sent to these remaining Public Shareholders who will be required to submit the required documents to the Registrar to the Offer during the Exit Window.
19. DETAILS OF THE ESCROW ACCOUNT
- 19.1 The estimated consideration payable under the SEBI Delisting Regulations, being the Floor Price of Rs. 232.37 (Rupees Two Hundred and Thirty Two and Thirty Seven Paise only) per Equity Share multiplied by the number of Equity Shares outstanding with the Public Shareholders i.e., 26,419,725 (Twenty Six Million Four Hundred Nineteen Thousand Seven Hundred And Twenty Five) Equity Shares as on the date of this Public Announcement, is Rs. 6,139,151,498/- (Rupees Six Thousand One Hundred and Thirty Nine Million and One Hundred and Fifty One Thousand Four Hundred and Ninety Eight only) ("Estimated Consideration Amount").
- 19.2 The Acquirer, Manager to the Offer, and Citibank N.A., having its India registered office at 11th Floor, First International Financial Centre, C-54 & 55, G Block, Bandra Kurla Complex, Bandra - East, Mumbai- 400098 (hereinafter referred to as "Escrow Bank") have entered into an escrow agreement dated January 18, 2018.
- 19.3 The Acquirer has made an escrow arrangement of Rs. 6,139,151,498/- (Rupees Six Thousand One Hundred and Thirty Nine Million and One Hundred and Fifty One Thousand Four Hundred and Ninety Eight only) ("Escrow Amount") for the Delisting Offer, comprising of combination of cash and bank guarantee as security for performance of their obligations under the SEBI Delisting Regulations. The Acquirer has arranged for Rs. 3,219,151,498/- (Rupees Three Thousand Two Hundred and Nineteen Million One Hundred Fifty One Thousand Four Hundred and Ninety Eight only) by way of cash and Rs. 2,920,000,000/- (Rupees Two Thousand Nine Hundred and Twenty Million only) by way of bank guarantee, issued by JP MORGAN CHASE BANK, N.A. ("Bank Guarantee"). The Escrow Amount is equal to 100% of the Estimated Consideration Amount.
- 19.4 On determination of the Discovered Price and making of the public announcement under Regulation 18 of the SEBI Delisting Regulations, the Acquirer shall ensure compliance with Regulation 11(2) of the SEBI Delisting Regulations.
- 19.5 If the Acquirer accepts the Discovered Price and offers an Exit Price, and the Delisting Offer is successful, the Acquirer will open a special account with the Escrow Bank and credit thereto, the entire amount due and payable as consideration in respect of the Equity Shares validly tendered in the Delisting Offer at the Exit Price.
- 19.6 Where the Delisting Offer fails:
- The Equity Shares deposited or pledged by a Public Shareholder shall be returned or released to such Public Shareholder within 10 working days from the Bid Closing Date in terms of the schedule of activities set out herein;
 - no final application shall be made to the Stock Exchanges for delisting of the Shares, and withdrawal of "Permitted to Trade" status from MSE;
 - The cash deposited in the Escrow Account shall be returned to the Acquirer; and
 - The Bank Guarantee shall be cancelled.
- 19.7 In the event of default by the Acquirer in fulfilling its obligations under the SEBI Delisting Regulations, the Manager to the Offer has been authorised to realise the value of the Bank Guarantee as per the provisions of the SEBI Delisting Regulations.
20. PROPOSED SCHEDULE FOR THE DELISTING OFFER
- 20.1 The proposed time table for the reverse book-building process is as follows:
- | Activity | Day and Date |
|--|------------------------------|
| Resolution for approval of the Delisting Proposal passed by the board of directors the Company | Tuesday, November 14, 2017 |
| Date of publication of the Public Announcement | Wednesday, January 24, 2018 |
| Specified Date* | Wednesday, January 24, 2018 |
| Dispatch of Offer Letters and Bid Forms to the Public Shareholders as on the Specified Date | Monday, January 29, 2018 |
| Bid Opening Date | Tuesday, January 30, 2018 |
| Last Date for revision (upwards) or withdrawal of Bids | Friday, February 02, 2018 |
| Bid Closing Date (up to 3:00 pm) | Monday, February 05, 2018 |
| Last date for announcement of the Discovered Price or the Exit Price and Acquirer's Acceptance or Non-acceptance of the Discovered Price or the Exit Price | Monday, February 12, 2018 |
| Proposed date for payment of consideration# | Wednesday, February 14, 2018 |
| Proposed date for return of Equity Shares to the Public Shareholders in case of Bids not being accepted / failure of the Delisting Offer | Wednesday, February 14, 2018 |
- * Specified Date is only for the purpose of determining the name of the Public Shareholders as on such date to whom the Letter of Offer will be sent. However, all owners (registered or unregistered) of the Equity Shares of the Company are eligible to participate in the Delisting Offer any time before and on the Bid Closing Date.
- # Subject to the acceptance of the Discovered Price or the Exit Price.
- All the dates are subject to change and are dependent on obtaining all the requisite statutory and regulatory approvals as may be applicable. In the event there is any change in the proposed timetable, it will be announced by way of a corrigendum to this Public Announcement in the same newspapers in which this Public Announcement appears.
21. STATUTORY APPROVALS
- 21.1 It shall be the primary responsibility of the Public Shareholders tendering Offer Shares in the Delisting Offer to obtain all requisite approvals, if any (including corporate, statutory or regulatory approvals and the RBI approval), prior to tendering in the Delisting Offer, and the Acquirer shall take no responsibility for the same. The Public Shareholder should attach a copy of any such approvals to the Bid Form, wherever applicable.
- 21.2 To the best of the Acquirer's knowledge, as of the date of this Public Announcement, there are no other statutory or regulatory approvals required to acquire the Offer Shares and implement the Delisting Offer, other than that indicated above. If any statutory or regulatory approval becomes applicable, the acquisition of Offer Shares by the Acquirer and the Delisting Offer will be subject to such statutory or regulatory approvals and receipt thereof.
- 21.3 If any other statutory or regulatory approvals become applicable, the acquisition of the Shares by the Acquirer pursuant to the Delisting Offer will be subject to such statutory or regulatory approvals.
- 21.4 The Acquirer reserves the right not to proceed with or withdraw the Delisting Offer in the event the conditions mentioned in the Section 12 (Conditions to the Delisting Offer) and Section 13 (Disclosure Regarding The Minimum Acceptance Condition For Success of the Delisting Offer) of this Public Announcement are not fulfilled, and if any of the requisite statutory approvals are not obtained or conditions which the Acquirer considers in its sole discretion to be onerous are imposed in respect of such approvals.

- 21.5 In the event that receipt of the statutory or regulatory approvals are delayed, changes to the proposed timetable, if any, will be notified to the equity shareholders of the Company by way of a corrigendum to this Public Announcement in the same newspapers in which this Public Announcement appears.
22. TAXATION AND TAX DEDUCTION AT SOURCE
- 22.1 Capital Gains
- Under current Indian tax laws and regulations, capital gains arising from the sale of equity shares in an Indian company are generally taxable in India. Any gain realized on the sale of listed equity shares on a stock exchange held for more than 12 (twelve) months will not be subject to capital gains tax in India if Securities Transaction Tax (STT) has been paid on the transaction. STT will be levied on and collected by a domestic stock exchange on which the equity shares are sold. Recent Finance Act 2017 amendments provides that any income arising from the transfer of a long term capital asset, being equity share in a company, shall not be exempted, if the transaction of acquisition of such equity shares was entered on or after October 1, 2004 without payment of STT except in certain instances as provided for in notification dated June 5, 2017 (F. No. 43/2017/F. No. 370142/09/2017-TPL). Any gain realised on the sale of listed equity shares held for a period of 12 (twelve) months or less, which are sold will be subject to short term capital gains tax provided the transaction is chargeable to STT.
- 22.2 Tax deduction at source
- In case of Resident Shareholders
- In absence of any specific provision under the Income Tax Act, the Acquirer shall not deduct tax on the consideration payable to resident shareholders pursuant to the Delisting Offer.
- In the case of Non Resident Shareholders
- Capital gains arising from the sale of the Equity Shares will be exempt from taxation in India in cases where the exemption is provided under a treaty between India and the country of which the seller is resident, subject to satisfaction of prescribed conditions. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on a gain upon the sale of the Equity Shares. Since the Delisting Offer is through the stock exchange, the responsibility of discharge of the tax due on the gains (if any) is on the non-resident shareholder. It is therefore recommended that the non-resident shareholder may consult their custodians / authorized dealers / tax advisors appropriately.
- SHAREHOLDERS ARE ADVISED TO CONSULT THEIR TAX ADVISORS FOR TAX TREATMENT ARISING OUT OF THE PROPOSED DELISTING OFFER THROUGH TENDER OFFER AND APPROPRIATE COURSE OF ACTION THAT THEY SHOULD TAKE. THE ACQUIRER DOES NOT ACCEPT NOR HOLD ANY RESPONSIBILITY FOR ANY TAX LIABILITY ARISING TO ANY SHAREHOLDER AS A RESULT OF THIS DELISTING OFFER.
23. CERTIFICATION BY THE BOARD OF DIRECTORS OF THE COMPANY
- 23.1 The Board of Directors of the Company has certified that:
- There has been no material deviation in utilisation of proceeds of issues of securities made during the five years immediately preceding the date hereof, from the stated object of the issue;
 - All material information which is required to be disclosed under the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, continuous listing requirements under the listing agreement executed with the Stock Exchanges have been disclosed to the Stock Exchanges;
 - The Company is in compliance with the applicable provisions of securities law;
 - The Acquirer or promoter group or their related entities have not carried out any transaction during the aforesaid period to facilitate the success of the delisting offer which is not in compliance with the provisions of sub-regulation (5) of Regulation 4 of SEBI Delisting Regulations.; and
 - The Delisting Offer and the consequent delisting of the Equity Shares from the Stock Exchanges is in the interest of the shareholders.
24. COMPANY SECRETARY AND COMPLIANCE OFFICER
- The Company Secretary and Compliance Officer of the Company is: Ms. Christina Pauline Beulah
Address: No. 34 IT Highway, Navalur, Chennai – 600 130, India
Telephone: 044-3987 3000
Fax: 044-2743 5128
Email address: companysecretary@virtusa.com
25. OTHER DISCLOSURES
- 25.1 The SEBI has initiated adjudication proceedings against the erstwhile promoters of the Company and the Company ("Adjudication Proceedings") in relation to the violation of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 ("PIT Regulations 1992"). However, the only allegation against the Company under the Adjudication Proceedings is that the insider trading policy of the Company, as prevailing in 2008, did not recognise the then chief financial officer and compliance officer of the Company as a "designated employee" within the meaning of explanation (i) of Clause 1.2 of the Model Code of Conduct under the PIT Regulations 1992. The Company has, on January 22, 2018, filed a settlement application along with necessary annexures in accordance with the provisions of the Securities and Exchange Board of India (Settlement of Administrative and Civil Proceedings) Regulations, 2014, with the SEBI seeking settlement of the Adjudication Proceedings in relation to the Company. The Company believes that the said matter does not have a material bearing on the interests of the shareholders of the Company.
26. GENERAL DISCLAIMER
- 26.1 Every person who desires to avail of the Delisting Offer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Acquirer, the Manager to the Offer or the Company whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such offer and tender of securities through the reverse book building process through Acquisition Window Facility or otherwise whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.
- For further details please refer to the Letter of Offer, the Bid Form and the Bid Revision / Withdrawal Form which will be sent to the Public Shareholders who are shareholders of the Company as on the Specified Date.
- This Public Announcement is expected to be available on the website of the Stock Exchanges, www.bseindia.com and www.nseindia.com. Public Shareholders will also be able to download the Letter of Offer, the Bid Form and the Bid Revision / Withdrawal Form from the websites of the Stock Exchanges.
- | MANAGER TO THE OFFER | REGISTRAR TO THE OFFER |
|---|--|
|  <p>Citigroup Global Markets India Private Limited
Corporate Identification Number (CIN): U99999MH2000PTC126657
SEBI Registration Number: INM000010718
Registered Office address: First International Centre (FIFC), 14th Floor, G-Block, Bandra Kurla Complex, Bandra (East), Mumbai- 400098
Tel: (91 22) 6175 9999
Fax: (91 22) 6175 9961
Contact Person: Saurabh Dhulap
Email: polaris.delisting@citi.com
Website: www.online.citibank.co.in</p> |  <p>Karvy Computershare Private Limited
Corporate Identification Number (CIN): U72400TG2003PTC041636
SEBI Registration Number: INR000000221
Registered Office: Karvy Seleninum Tower B, Plot Number 31 and 32 Financial District, Gachibowli, Hyderabad, 500 032
Tel: (91 40) 6716 2222
Fax: (91 40) 2343 1551
Contact Person: Murali Krishna
Email: polaris.delisting@karvy.com
Website: www.karvycomputershare.com</p> |
- For and on behalf of the Board of Virtusa Consulting Services Private Limited (the Acquirer)
- Authorised signatory
Name: Mr. Vasu Pendyala
Designation: Chief Financial Officer
Date: January 23, 2018
- Director
Name: Mr. Vasu Pendyala
Date: January 23, 2018
- Director
Name: Ms. Hema Mohandas
Date: January 23, 2018