LETTER OF OFFER

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

This Letter of Offer ("**LoF**") is sent to you as a shareholder(s) of **Polaris Consulting & Services Limited** (the "**Target Company**"). If you require any clarifications about the action to be taken, you may consult your stockbroker or investment consultant or Manager to the Offer (as defined below) or Registrar to the Offer (as defined below). In case you have recently sold your equity shares in the Target Company, please hand over the Letter of Offer ("**LoF**") and the accompanying Form of Acceptance-cum-Acknowledgement and transfer deed(s) to the member of stock exchange through whom the said sale was effected.

VIRTUSA CONSULTING SERVICES PRIVATE LIMITED ("ACQUIRER")

Having its registered office at Survey No. 115/Part, Plot No.10, Nanakramguda Village, Serilingampally, Telangana 500008
Corporate Identification Number ("**CIN**"): U93000TG2008FTC057988,
Telephone: +91 40 44528000, **Fax:** +91 40 44528019

Along with the Persons Acting in Concert ("PACs")

VIRTUSA CORPORATION ("PAC 1"/ "Virtusa US")

Registered Office: 2000 West Park Drive, Westborough, MA 01581, United States of America,
Telephone: +1 508-389-7300, **Fax:** +1 508-389-7224;

AND

VIRTUSA INTERNATIONAL B.V. ("PAC 2"/ "Virtusa NL")

Registered Office.: Schiphol Boulevard 231, 1118 BH, Amsterdam Schiphol, The Netherlands,
Telephone: +31 88 560 9950, Fax: +31 88 560 9960

MAKES A CASH OFFER OF RS. 220.73/- (INDIAN RUPEES TWO HUNDRED AND TWENTY AND SEVENTY THREE PAISE) PER FULLY PAID EQUITY SHARE OF FACE VALUE OF RS. 5/- (INDIAN RUPEES FIVE ONLY) EACH PURSUANT TO THE SECURITIES AND EXCHANGE BOARD OF INDIA (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 2011 AND SUBSEQUENT AMENDMENTS THERETO ("SEBI (SAST) REGULATIONS") TO ACQUIRE UP TO 26,719,942 (TWENTY SIX MILLION SEVEN HUNDRED AND NINETEEN THOUSAND NINE HUNDRED AND FORTY TWO) FULLY PAID-UP EQUITY SHARES OF THE FACE VALUE OF RS. 5 (INDIAN RUPEES FIVE) EACH, CONSTITUTING 26% (TWENTY SIX PER CENT) OF THE VOTING SHARE CAPITAL (AS DEFINED BELOW), FROM THE PUBLIC SHAREHOLDERS OF

POLARIS CONSULTING & SERVICES LIMITED ("PCSL" OR THE "TARGET COMPANY")

Having its registered office at Polaris House, 244, Anna Salai, Chennai, Tamil Nadu, 600006
Corporate Identification Number (CIN) L65993TN1993PLC024142,
Telephone: +91 44 3987 4000, Fax: +91 44 2852 3280, **E-mail:** company.secretary@polarisft.com

Notes:

- The Offer (as defined below) is being made by the Acquirer and the PACs pursuant to Regulations 3(1) & 4, and other applicable regulations of the SEBI (SAST) Regulations for substantial acquisition of shares and voting rights accompanied with a change in control and management of the Target Company.
- The Offer is not conditional upon any minimum level of acceptance in terms of Regulation 19 of the SEBI (SAST) Regulations.
- The Offer is not a competing offer in terms of Regulation 20 of the SEBI (SAST) Regulations.
- The acquisition of the Offer Shares (as defined below) from NRIs (as defined below) and erstwhile OCBs (as defined below) is subject to approval or exemption from the RBI (as defined below).The Acquirer had made an application on December 15, 2015 to the RBI, seeking its approval for the acquisition of the equity shares from NRIs and OCBs, as may be required, under the Foreign Exchange Management Act, 1999 and the regulations made thereunder. The RBI, has vide letter dated February 5, 2016 conveyed its no-objection for the acquisition of the equity shares of the Target Company by the Acquirer from the NRI's pursuant to an open offer made in accordance with the provisions of SEBI (SAST) Regulations subject to the terms and conditions mentioned thereunder. Please refer to Paragraph 5 of Part C of Section VI *(Terms and Conditions of the Offer)* for further details of the RBI approval dated February 5, 2016. Notwithstanding the RBI approval received by the Acquirer, any NRI or OCB may also choose to apply for all requisite approvals required to tender their respective Offer Shares and submit such approvals along with the Form of Acceptance-cum-Acknowledgement and other documents required to accept this Offer. Where any statutory approval or exemption extends to some but not all of the Public Shareholders (as defined below), the Acquirer shall have the option to make payment to such Public Shareholders in respect of whom no statutory approvals or exemptions are required in order to complete this Offer.
- Other than as set out in paragraph 5 of Part C of Section VI *(Terms and Conditions of the Offer)*, as on the date of this Letter of Offer, to the best of the knowledge and belief of the Acquirer along with the PACs, there are no statutory approvals required to acquire the equity shares by the Acquirer tendered pursuant to this Open Offer. However, in case of any other statutory approvals being required and/or become applicable at a later date before the closing of the Tendering Period (as defined below), this Open Offer would be subject to the receipt of such approvals.
- In the event that the number of Equity Shares (as defined below) validly tendered by the Public Shareholders under this Offer is more than the number of Offer Shares, the Acquirer shall accept those Equity Shares validly tendered by the Public Shareholders on a proportionate basis in consultation with the Manager, taking care to ensure that the basis of acceptance is decided in a fair and equitable manner and does not result in non-marketable lots, provided that acquisition of Equity Shares from a Public Shareholder shall not be less than the minimum marketable lot, or the entire holding if it is less than the marketable lot.
- The Offer Price (as defined below) may be subject to revision pursuant to the SEBI (SAST) Regulations or at the discretion of the Acquirer at any time prior to the commencement of the last three Working Days (as defined below) before the commencement of the Tendering Period in accordance with Regulation 18(4) of the SEBI (SAST) Regulations. Where the Acquirer has acquired any Equity Shares during the offer period at a price higher than the Offer Price, the Offer Price shall stand revised to the highest price paid for such acquisition in accordance with Regulation 8(8) of the SEBI (SAST) Regulations. However, the Acquirer shall not acquire any Equity Shares during the period commencing three Working Days prior to the commencement of the Tendering Period and ending on the expiry of the Tendering Period. In the event of such revision, the Acquirer shall (i) make corresponding increases to the Open Offer Escrow Amount in accordance with Regulation 17(2) of the SEBI (SAST) Regulations; (ii) make a public announcement in the same newspapers in which the Detailed Public Statement (as defined below) was published; and (iii) simultaneously with the issue of such announcement, inform SEBI (as defined below), the Stock Exchanges (as defined below) and the Target Company at its registered office, of such revision. Such revised Offer Price would be payable for all the Equity Shares validly tendered during the Tendering Period of the Offer.
- The Acquirer may withdraw the Offer in accordance with the terms and conditions specified in paragraph 8 of Part C of Section VI (*Terms and Conditions of the Offer*) of this Letter of Offer. In the event of a withdrawal of the Offer, the Acquirer (through the Manager) shall, within two Working Days of such withdrawal, make a public announcement of such withdrawal, in the same newspapers in which the Detailed Public Statement had appeared, stating the grounds for the withdrawal in accordance with Regulation 23(2) of the SEBI (SAST) Regulations.
- **There have been no competing offers as of the date of this Letter of Offer.**
- A copy of the Public Announcement (as defined below), Corrigendum to the Public Announcement (as defined below), Detailed Public Statement and the Letter of Offer (including Form of Acceptance cum Acknowledgment) will be available on the website of Securities and Exchange Board of India ('SEBI') at www.sebi.gov.in.

MANAGER TO THE OFFER	REGISTRAR TO THE OFFER
J.P.Morgan	KARVY Computershare
J.P. Morgan India Private Limited	**Karvy Computershare Private Limited**
Corporate Identification Number (CIN): U67120MH1992FTC068724	**Corporate Identification Number (CIN):** U74140TG2003PTC041636
SEBI Registration Number: INM000002970	**SEBI Registration Number:** INR000000221
Registered Office address: J. P. Morgan Tower, Kalina, Off C. S. T. Road, Santacruz (East), Mumbai 400 098	**Registered Office**: Karvy Selenium Tower B, Plot Number 31 and 32 Financial District, Gachibowli, Hyderabad, 500 032
Tel: +91 22 6157 3000, **Fax:** +91 22 6157 3911	**Tel:** +91 40 6716 2222, **Fax**: +91 40 2300 1153
Contact Person: Mr. Akhil Mittal / Mr. Aditya Monga	**Contact Person:** M. Murali Krishna/ Williams R
Email: polaris_openoffer@jpmorgan.com	**Email:** pollaries.openoffer@karvy.com
Website: www.jpmipl.com	**Website:** www.karvycomputershare.com

SCHEDULE OF ACTIVITIES OF THE OFFER IS GIVEN BELOW:

Activity	Original Date	Original Day	Revised Date	Revised Day
Date of Public Announcement	November 5, 2015	Thursday	November 5, 2015	Thursday
Publication of DPS in newspapers	November 16, 2015	Monday	November 16, 2015	Monday
Filing of draft offer document with SEBI	November 23, 2015	Monday	November 23, 2015	Monday
Last date for a Competing offer, if any	December 8, 2015	Tuesday	December 8, 2015	Tuesday
Last date for receipt of SEBI observations on draft letter of offer (in the event SEBI has not sought clarification or additional information from the Manager to the Offer)	December 15, 2015	Tuesday	February 23, 2016	Tuesday
Identified Date*	December 17, 2015	Thursday	February 25, 2016	Thursday
Last date by which letter of offer ("**Letter of Offer**") is to be dispatched to the Public Shareholders of the Target Company whose name appears on the register of members on the Identified Date	December 28, 2015	Monday	March 3, 2016	Thursday
Last date for upward revision of the Offer Price and/or the Offer Size	December 30, 2015	Wednesday	March 8, 2016	Tuesday
Last date by which the recommendation of the committee of the independent directors of the Target Company will be published	December 31 2015	Thursday	March 9, 2016	Wednesday
Date of publication of opening of the Open Offer in the newspapers where the DPS has been published	January 1, 2016	Friday	March 10, 2016	Thursday
Date of commencement of Tendering Period ("**Offer Opening Date**")	January 4, 2016	Monday	March 11, 2016	Friday
Date of closure of Tendering Period ("**Offer Closing Date**")	January 15, 2016	Friday	March 28, 2016	Monday
Last date of communicating the rejection/acceptance and payment of consideration for accepted equity shares and/or equity share certificate/demat delivery instruction for rejected equity shares to be dispatched/ issued	February 1, 2016	Monday	April 12, 2016	Tuesday
Date of post offer advertisement	February 8, 2016	Monday	April 22, 2016	Friday

**Identified Date is only for the purpose of determining the names of the shareholders as on such date to whom the Letter of Offer would be sent. It is clarified that all owners (registered or unregistered) of equity shares of the Target Company (except the Acquirer and the Sellers) are eligible to participate in the Offer any time before the closure of the tendering period.*

RISK FACTORS:

Given below are the risks related to the transaction, proposed Open Offer and those associated with the Acquirer:

Risk factors relating to the transaction:

1. The SPA (as defined below) is subject to the compliance of provisions of the SEBI (SAST) Regulations, 2011 and in case of non compliance with the provisions of the SEBI (SAST) Regulations, 2011 the SPA shall not be acted upon.
2. In accordance with the SPA, the acquisition of the Sale Shares (as defined below) shall be completed upon the fulfilment or waiver of certain conditions agreed between the Acquirer, the Target Company and the Sellers (as defined below). Details of each of these conditions have been outlined in Paragraph 3 of Part A of Section II (*Details of the Offer*). If any of these conditions are not satisfied or, in certain cases, waived in accordance with the terms of the SPA and/or any termination event occurs, the Acquirer shall be entitled to terminate the SPA.

Relating to the Open Offer:

1. In the event that either: (a) regulatory or statutory approvals, if any required, are not received in time; (b) there is any order of a governmental authority or litigation leading to a stay/injunction on the Open Offer or that restricts/restrains the Acquirer along with the PACs from performing its obligations hereunder; or (c) SEBI instructing the Acquirer and the PACs not to proceed with the Open Offer, then the Open Offer process may be delayed beyond the schedule of activities indicated in this Letter of Offer. In case the delay is due to non-receipt of statutory approval(s), then in accordance with Regulation 18(11) of the SEBI (SAST) Regulations, 2011, SEBI may, if satisfied that non-receipt of approvals was not due to any wilful default or negligence on the part of the Acquirer, grant an extension for the purpose of completion of the Open Offer subject to the Acquirer and the PACs agreeing to pay interest to the validly tendering shareholders at such rate as may be specified by SEBI. Provided where the statutory approvals extend to some but not all the shareholders, the Acquirer along with the PACs will have the option to make payment of the consideration to such shareholders in respect of whom no statutory approvals are required in order to complete this Open Offer.
2. The acquisition of the Offer Shares from NRIs and erstwhile OCBs is subject to the approval or exemption from the RBI. The Acquirer had made an application on December 15, 2015 to the RBI, seeking its approval for the acquisition of the equity shares from NRIs and OCBs, as may be required, under the Foreign Exchange Management Act, 1999 and the regulations made thereunder. In terms of a letter dated February 5, 2016, the RBI conveyed its no-objection for the acquisition of the equity shares of the Target Company by the Acquirer from the NRI's pursuant to an open offer made in accordance with the provisions of SEBI (SAST) Regulations subject to the terms and conditions mentioned thereunder. Please refer to Paragraph 5 of Part C of Section VI *(Terms and Conditions of the Offer)* for further details of the RBI approval dated February 5, 2016. Where any such statutory approval or exemption extends to some but not all of the Public Shareholders, the Acquirer shall have the option to make payment to such Public Shareholders in respect of whom no statutory approvals or exemptions are required in order to complete this Offer. Notwithstanding the RBI approval sought by the Acquirer, any NRIs and OCBs may also choose to apply for all requisite approvals required to tender their respective Offer Shares and submit such approvals along with the Form of Acceptance-cum-Acknowledgement and other documents required to accept this Offer.
3. The Acquirer may withdraw the Offer in accordance with the terms and conditions specified in paragraph 8 of Part C of Section VI *(Terms and Conditions of the Offer*) of this Letter of Offer.
4. In the event that the number of Equity Shares validly tendered by the Public Shareholders under this Offer is more than the number of Offer Shares, the Acquirer shall accept those Equity Shares validly tendered by the Public Shareholders on a proportionate basis as detailed in Section VII (*Procedure for Acceptance and Settlement of the Offer*) below. Therefore, there is no certainty that all the Equity Shares tendered in the Offer will be accepted. The unaccepted Equity Shares will be returned to the respective Public Shareholders in accordance with the schedule of activities for the Offer.
5. The tendered Equity Shares will be held in trust by the Registrar to the Offer/Clearing Corporation (as defined below) until the completion of the Open Offer formalities. During such period, there may be fluctuations in the market price of the Equity Shares and the shareholders will not be able to trade in such Equity Shares held in trust by the Registrar to the Offer/Clearing Corporation, that may adversely impact the Public Shareholders who have tendered their Equity Shares in this Open Offer.
6. Shareholders who tender the Equity Shares in acceptance of the Open Offer shall not be entitled to withdraw such acceptances during the Tendering Period, even if the acceptance of the Equity Shares in this Open Offer and dispatch of consideration are delayed.
7. The Acquirer, the PACs and the Manager to the Offer accept no responsibility for statements made otherwise than in the Letter of Offer (LoF)/ Detailed Public Statement (DPS)/Public Announcement(PA)/Corrigendum to the PA (as defined below); anyone placing reliance on any other sources of information (not released by the Acquirer) would be doing so at his / her / its own risk.

8. Public Shareholders are advised to consult their respective stockbroker, legal, financial, tax, investment or other advisors and consultants of their choosing, if any, for assessing further risks with respect to their participation in the Open Offer, and related transfer of Equity Shares of the Target Company to the Acquirer. The Acquirer and the Manager to the Offer do not accept any responsibility for the accuracy or otherwise of the tax provisions set forth in this Letter of Offer, and all shareholders should independently consult their respective tax advisors.

Relating to the Acquirer and PACs:

1. The Acquirer and PACs make no assurances with respect to the continuation of the past trend in the financial performance or the future performance of the Target Company.

2. The Acquirer and PACs make no assurance with respect to its investment/divestment decisions relating to its proposed shareholding in the Target Company.

3. The Acquirer and PACs make no assurance with respect to the market price of the equity shares of the Target Company before, during or after the Open Offer and expressly disclaims any responsibility or obligation of any kind (except as required by applicable law) with respect to any decision by any shareholder on whether to participate or not to participate in the Open Offer.

4. Upon completion of the Open Offer, assuming full acceptances in the Open Offer, the public shareholding of the Target Company may fall below the minimum level of public shareholding as required to be maintained as per the Securities Contract (Regulation) Rules, 1957 as amended and the Listing Agreement. While the Acquirer and the PACs are required to decrease the non-public shareholding to the level specified and within the time stipulated under the Securities Contract (Regulation) Rules, 1957, as amended ("**SCRR**"), as per the requirements of Regulation 7(4) of the SEBI (SAST) Regulations, 2011 and/or the Listing Agreement, any failure to comply with the conditions with aforesaid regulations could have an adverse effect on the price and tradability of the equity shares of the Target Company.

5. The information pertaining to the Target Company and/or the Sellers contained in the PA or Corrigendum to the PA or DPS or LoF or any other advertisement/publications made in connection with the Open Offer has been compiled from information published or provided by the Target Company or Sellers, as the case may be, or publicly available sources. The Acquirer and the PACs do not accept any responsibility with respect to any misstatement by the Target Company and/or the Sellers in relation to such information.

6. Pursuant to the SPA, on acquisition of the Sale Shares at Closing, the Sellers shall cause their respective nominees (i) to approve of the transfer of Sale Shares, and the Target Company to take on record the transfer of the Sale Shares, save and except for the portion of the Sale Shares being transferred by NRIs, which, shall be taken on record subject to the receipt of the endorsed Form FC-TRS, (ii) the Promoter Seller shall resign and, the Promoter Seller shall cause each Promoter Seller nominee to resign (and each Promoter Seller nominee shall resign) from the board, in each case, effective upon the Closing or such other time as directed by the Acquirer; and (iii) to convene an extraordinary general meeting of the Target Company for approving the appointment of nominee directors of the Acquirer, on the Board, effective on the Closing Date.

The risk factors set forth above pertain to the underlying transaction, this Open Offer and are not in relation to the present or future business or operations of the Target Company or any other matters being neither exhaustive nor intended to constitute a complete or comprehensive analysis of the risks involved in or associated with the participation or otherwise by any shareholder in the Open Offer, but are only indicative.

CURRENCY OF PRESENTATION

In this Letter of Offer, all references to "**Rs.**"/"**INR**"/ "**Indian Rupees**" are to Indian Rupee(s), the official currency of India and all references to "**USD**"/"**US$**"/"**US Dollar**" are to United States Dollars, the official currency of the United States of America respectively. In this Letter of Offer, any discrepancy in any table between the total and sums of the amount listed are due to rounding off and/or regrouping. All the data presented in USD in this Letter of Offer have been converted into INR for the purpose of convenience of translation. The conversion has been assumed at the following rate as on the date of the PA (i.e. November 5, 2015) (unless otherwise stated in this Letter of Offer):

US$ 1 = INR 65.6755(*Source: Reserve Bank of India - http://www.rbi.org.in*)

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ABBREVIATIONS / DEFINITIONS

Acquirer	Virtusa Consulting Services Private Limited
Affiliate	(i) in relation to any individual, a relative of such individual; and (ii) in relation to any Person (other than an individual), any entity Controlled, directly or indirectly, by that Person, any entity that Controls, directly or indirectly, that Person, any entity under common Control with that Person, or any entity where 26% (Twenty Six Per Cent) or more of the voting securities of such entity are directly or indirectly, legally or beneficially, owned by such Person. For the purpose of this definition a holding company or subsidiary of any entity shall be deemed to be an Affiliate of that entity
Assets	means any assets or properties of every kind, nature, character, and description (whether immovable, movable, tangible, intangible, absolute, accrued, fixed or otherwise) as now operated, hired, rented, owned or leased by a Person (as defined below), including cash, cash equivalents, receivables, real estate, furniture, fixtures, insurance and intellectual property (including in the case of the Target Company, the Polaris Brand)
BPO Retention Amount	An amount of INR 130,000,000 (Indian Rupees One Hundred and Thirty Million) which shall be placed in the Retention Escrow Account on the Closing Date, per the terms of the SPA
BPO Transfer	Transfer of the business process outsourcing division of the Target Company, in favor of any Person identified by the Promoter Sellers which has to be consummated and completed within a period of 90 (ninety) days from the Closing Date, per the terms of the SPA
BSE	BSE Limited, Mumbai
Business	means the business of the Target Company as conducted on the date of execution of the SPA (i.e. November 5, 2015) and excluding (a) all of the business that stands transferred by virtue of the scheme of arrangement and demerger entered into with Intellect Design Arena Limited as approved by the High Court of Judicature at Chennai with effect from April 1 2014; (b) investments completed by Promoter Sellers or their Affiliates, as of the date of execution of the SPA (i.e.November 5, 2015) and as set out in the SPA; and (c) taking up entitlements in a rights / bonus issue in which the Promoter Seller had made an investment as of the date of the SPA (i.e.November 5, 2015)
Claim	A claim whether for breach of contract, tort, misrepresentation or otherwise arising out of or in connection with the representations provided under the SPA
Clearing Corporation	Clearing Corporation of Stock Exchanges
Closing	Completion of the sale and purchase of the Sale Shares in terms of the SPA
Closing Date	Date on which Closing under the SPA occurs, which is seven (7) business days after all the conditions precedent under the SPA have been satisfied and fulfilled.
Companies Act	Companies Act, 2013, as amended or modified from time to time
Competing Business	Any entity engaged on its own or through its Affiliates in a business or having more than 10% interest in a business which is identical or similar to the business of the Target Company, or which can be reasonably said to be in competition with the business of the Target Company; and either such entity engaged on its own or through its Affiliate receives more than 10% of its revenue from carrying on such business which is identical or similar to the business of the Target Company or which can be reasonably said to be in competition with the business of the Target Company; or any business unit, division or subsidiary of such entity or its Affiliates deriving more than 10% of its revenue from carrying on such business which is identical or similar to the business of the Target Company or which can be reasonably said to be in competition with the business of the Target Company
Control	Together with its grammatical variations when used with respect to any Person, means (a) the right to appoint the majority of directors, or (b) to control the management and policy decisions exercisable by a Person, or (c) to direct the management and policies of such Person, in each case, directly or indirectly, whether individually or jointly with other persons, through the ownership of the vote carrying securities, by contract or otherwise.
Corrigendum to the PA	Corrigendum to the PA, issued by the Manager to the Offer, on behalf of the Acquirer and

	the PACs, in relation to this Open Offer, on November 13, 2015
DIN	Director Identification Number
DP	Depository Participant
DPS / Detailed Public Statement	Detailed Public Statement, issued by the Manager to the Offer, on behalf of the Acquirer and the PACs, in relation to this Open Offer, published on November 16, 2015 (Monday)
Eligible Shareholders	All the owners (registered or unregistered) of the Equity Shares of the Target Company, except the Acquirer, the promoters/promoter group and parties to the SPA, including persons acting in concert with such persons
Equity Shares	Fully paid-up equity shares of the Target Company of face value Rs. 5/- each
Escrow Bank	The Hongkong And Shanghai Banking Corporation Limited
Excess BPO Costs	All costs and expenses incurred by the Target Company in connection with the BPO Transfer other than up to USD 600,000 (United States Dollars Six Hundred Thousand) infusion of working capital from the Target Company
FEMA	Foreign Exchange Management Act, 1999, as amended from time to time
FII	Foreign Institutional Investor registered with SEBI
Form of Acceptance	Form of Acceptance- cum-Acknowledgement, accompanying with this Letter of Offer
Identified Date	The date falling on the 10th Working Day prior to the commencement of the Tendering Period
Income Tax Act	Income Tax Act, 1961, as amended from time to time
INR / Rs. / Indian Rupees	Indian Rupees, the legal currency of India
Investor Seller	Orbitech Private Limited
Letter of Offer / LoF	This Letter of Offer
Long Stop Date	March 4, 2016 or such other date as may be agreed to by the parties to the SPA
Manager to the Offer	J.P. Morgan India Private Limited
Manesar Release	Release and discharge to be obtained by the Target Company per the terms of the SPA which shall be effective on or prior to the Closing Date in relation to a plot of land at Manesar, Haryana
Manesar Settlement	The settlement amount paid by the Target Company in order to obtain the Manesar Release
Material Adverse Effect	means any change, event, development, state of facts, condition, circumstance, occurrence or effect (including but not limited to change in applicable law) that is or would have (or could reasonably be expected to have) (i) a material adverse financial impact to the business, operations, Assets, condition (financial or otherwise), or operating results of the Target Company, or (ii) a material adverse impact on the ability of the parties to consummate the transactions contemplated under the SPA
MSEI	Metropolitan Stock Exchange of India Limited
NA	Not Applicable
Net Working Capital	Amounts calculated under Indian GAAP on a consolidated basis, being the amount which is the difference between current assets (computed as the total of current investments + trade receivables + cash and bank balance + short-term loans and advances + other current assets) and current liabilities (computed as the total of trade payables + other current liabilities + short-term provisions). For the purpose of computing Net Working Capital, items, which are non-operational in nature, for e.g. mark-to-market value of hedges, etc. would be excluded. For the purpose of calculation of the Net Working Capital, amounts reported in INR shall be converted to USD using an exchange rate of 1 USD = INR 65
Non-Resident Shareholder(s)	Persons resident outside India, as defined under FEMA, holding equity shares of the Target Company
NRI	Non-Resident Indians as defined under the Foreign Exchange Management (Deposit) Regulations, 2000
NSE	National Stock Exchange of India Limited

OCBs	Overseas Corporate Bodies
Offer/Open Offer	This Open Offer, being made by the Acquirer along with the PAC to the shareholders of the Target Company (other than parties to the SPA, including persons deemed to be acting in concert with such parties) to acquire up to 26,719,942 (Twenty Six Million Seven Hundred and Nineteen Thousand Nine Hundred and Forty Two) fully paid-up Equity Shares of face value of Rs. 5/- (Indian Rupees Five only) each, representing 26% (Twenty Six per cent) of the voting share capital of the Target Company
Offer Period	Period from the date of entering into Share Purchase Agreement to the date on which the payment of consideration to the shareholders whose Equity Shares are accepted in this Open Offer, is made, or the date on which this Open Offer is withdrawn, as the case may be
Offer Price	Rs. 220.73 (Indian Rupees Two Hundred and Twenty and Seventy Three paise only) per equity share
Offer Size	26,719,942 (Twenty Six Million Seven Hundred and Nineteen Thousand Nine Hundred and Forty Two) fully paid-up equity shares of Rs. 5/- (Indian Rupees Five only) each, constituting 26% (Twenty Six per cent) of the voting share capital of the Target Company aggregating to a total consideration of Rs. 5897,892,797.66 (Indian Rupees Five Thousand Eight Hundred and Ninety Seven Million Eight Hundred and Ninety Two Thousand Seven Hundred and Ninety Seven and Sixty Six Paise)
Optimus	Optimus Global Services Limited, a subsidiary of the Target Company, registered under the Companies Act, 1956 having its registered office at 244, Carex Centre, Anna Salai, Chennai 600 006, Tamil Nadu, India
Other Sellers	Rakesh Radheshyam Jhunjhunwala, Arun Sekhar Aran, Amit Goela, Konark Trust, Orbitech Employees Welfare Trust
PA / Public Announcement	Public Announcement of the Open Offer issued by the Manager to the Offer, on behalf of the Acquirer along with the PAC on November 5, 2015 (Thursday)
PACs	Virtusa Corporation and Virtusa International B.V. are the persons acting in concert with the Acquirer for the purpose of this Open Offer within the meaning of Regulation 2(1)(q) of the SEBI (SAST) Regulations, 2011
PAN	Permanent Account Number
Person	Any individual, joint venture, company, corporation, partnership (whether limited or unlimited), proprietorship, trust or other enterprise, Hindu undivided family, union, association, government (central, state or otherwise), or any agency, department, authority or political subdivision thereof, and shall include their respective successors and in case of an individual shall include his/her legal representatives, administrators, executors and heirs and in case of a trust shall include the trustee or the trustees for the time being
Polaris Brand	The right to own, distribute, exploit and use, the several trademarks in the name and style "Polaris" registered in the name of the Target Company with the relevant Governmental Agencies including but not limited to the Registry of Trademarks, India, as the Company possesses as on each of the Execution Date and the Closing Date; For clarification (i) The Promoter Seller shall have the right to enjoy the Polaris Brand and such right shall continue to remain unaffected with respect to Polaris Foundation and Polaris Banyan Holding Private Limited, with respect to the continuation of their existing businesses and activities; provided such existing businesses and activities do not constitute a Competing Business; (ii) Other than the entity listed in (i) above per the terms herein, all other entities in which the Promoter Seller (or his Affiliates) have an economic interest, including without limitation, Intellect Design Arena Limited, Maverick Systems Limited and Adrenalin eSystems Limited (and any successors in interest thereto), shall cease to use the "Polaris" name on the Closing Date and shall cease to be called Polaris Group companies on such Closing date, however there shall be no bar on these entities to cite their Polaris heritage on a historical basis after Closing; and (iii) The right to enjoy the Polaris Brand upon the written consent of Acquirer, such consent not to be unreasonably withheld if Acquirer determines in its sole discretion that the requested use of the Polaris Brand is not a Competing Business or otherwise related to information technology or information technology enabled services

Promoters/Promoter Sellers	Arun Jain, Polaris Banyan Holding Private Limited (formerly known as Polaris Holdings Private Limited), Yogesh Andlay, Manju Jain, Arun Jain (HUF), Uday Jain, Aarushi Jain, Meena Agarwal, Shashi Gupta, Naveen Kumar, Neeta Mathur, Nita Jain, Manju Verma, Uma Gupta, Suman Mathur
Public Shareholders	All equity shareholders of the Target Company, other than members of the promoter and promoter group of the Target Company, Orbitech Private Limited (formerly known as Orbitech Limited), Orbitech Employees Welfare Trust, Rakesh Radheshyam Jhunjhunwala, Arun Sekhar Aran, Amit Goela and the Konark Trust, who are parties to the share purchase agreement dated November 5, 2015 entered into amongst the Acquirer, the Target Company and the Sellers and any persons acting in concert with them
RBI	Reserve Bank of India
Registrar / Registrar to the Offer	Karvy Computershare Private Limited
Registrar and Transfer Agent/ RTA	Karvy Computershare Private Limited
Retention Escrow Account	An escrow account jointly opened by the Promoter Sellers, the Target Company and the Acquirer with a scheduled commercial bank
Sale Shares	53,133,127 (Fifty Three Million One Hundred and Thirty Three Thousand One Hundred and Twenty Seven) fully paid-up Equity Shares of Rs. 5/- each, constituting 52.94 % (Fifty Two point nine four per cent) of the current paid up capital and 51.70% (Fifty One Point Seven Zero per cent) of the Voting Share Capital of the Target Company, to be sold by the Sellers to the Acquirer, in terms of the SPA
SCRR	Securities Contract (Regulation) Rules, 1957 and subsequent amendments thereto
SEBI	Securities and Exchange Board of India
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended or modified from time to time
SEBI (SAST) Regulations, 2011	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, and subsequent amendments thereof
SEBI (SAST) Regulations 1997	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, and subsequent amendments thereof
Sellers	Arun Jain, Polaris Banyan Holding Private Limited (Formerly Known As Polaris Holdings Private Limited), Yogesh Andlay, Manju Jain, Arun Jain (HUF), Uday Jain, Aarushi Jain, Meena Agarwal, Shashi Gupta, Naveen Kumar, Neeta Mathur, Nita Jain, Manju Verma, Uma Gupta, Suman Mathur, Orbitech Private Limited (formerly known as Orbitech Limited), Rakesh Radheshyam Jhunjhunwala, Arun Sekhar Aran, Amit Goela, Konark Trust, Orbitech Employees Welfare Trust
Share Purchase Agreement/ SPA	Share Purchase Agreement dated November 5, 2015 entered into between the Target Company, the Acquirer and the Sellers
SPA Amendment Agreement	The SPA Amendment Agreement dated February 25, 2016 executed amongst the Target Company, the Acquirer and the Sellers
Stock Exchanges	BSE, NSE and MSEI
Target Company/ PCSL	Polaris Consulting & Services Limited
Tendering Period	Period commencing from March 11, 2016 and closing on March 28, 2016, both days inclusive
Unrestricted Funds Balance	Amounts reported under Indian GAAP on a consolidated basis under: (a) cash denominated in deposit with banks, both current and deposit accounts, whether interest bearing or not; (b) investment in mutual funds; (c) investment in equity shares of companies listed in any stock exchange; (d) investment in bonds and money market instruments, whether classified as current or non-current in nature; and

	(e) investment in preference shares of reputed companies. Notwithstanding the foregoing Unrestricted Funds Balance shall not include: (a) cash or investments earmarked or otherwise reserved for distribution or dividend; (b) cash or investments subject to any other restrictions on use by the Target Company; (c) cash or investments subject to any lien or other encumbrance in favor of any third party; and (d) Any investment in subsidiaries or associate companies. The mutual funds, bonds and preference shares will be valued at the cost or (fair market value) whichever is lower as on Closing Date. For the purpose of calculation of the Unrestricted Funds Balance, amounts reported in INR shall be converted to USD using an exchange rate of 1 USD = INR 65
Voting Share Capital	Rs. 513,845,045 (Indian Rupees Five Hundred and Thirteen Million Eight Hundred and Forty Five Thousand and Forty Five) comprising of 102,769,009 (One Hundred and Two Million Seven Hundred and Sixty Nine Thousand and Nine) equity shares, being the total share capital of the Target Company, assuming exercise of 2,520,885 (Two Million Five Hundred and Twenty Thousand Eight Hundred and Eighty Five) employee stock options of the Target Company that have vested or will vest by the tenth (10^{th}) Working Day from the closure of the tendering period of the Offer
Working Days	As defined under the SEBI (SAST) Regulations

I. DISCLAIMER CLAUSE

"IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF DRAFT LETTER OF OFFER WITH SEBI SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED, VETTED OR APPROVED BY SEBI. THE DRAFT LETTER OF OFFER HAS BEEN SUBMITTED TO SEBI FOR A LIMITED PURPOSE OF OVERSEEEING WHETHER THE DISCLOSURES CONTAINED THEREIN ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE REGULATIONS. THIS REQUIREMENT IS TO FACILITATE THE SHAREHOLDERS OF POLARIS CONSULTING & SERVICES LIMITED TO TAKE AN INFORMED DECISION WITH REGARD TO THE OFFER. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR FINANCIAL SOUNDNESS OF THE ACQUIRER, THE PACS OR THE TARGET COMPANY WHOSE SHARES/CONTROL IS PROPOSED TO BE ACQUIRED OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE LETTER OF OFFER. IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ACQUIRER AND THE PACS ARE PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS LETTER OF OFFER, THE MERCHANT BANKER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT ACQUIRER AND PACS DULY DISCHARGE THEIR RESPONSIBILITY ADEQUATELY. IN THIS BEHALF, AND TOWARDS THIS PURPOSE, THE MERCHANT BANKER, J.P. MORGAN INDIA PRIVATE LIMITED HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED NOVEMBER 23, 2015 TO SEBI IN ACCORDANCE WITH THE SEBI (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVER) REGULATIONS 2011 AND SUBSEQUENT AMENDMENT(S) THEREOF. THE FILING OF THE LOF DOES NOT, HOWEVER, ABSOLVE THE ACQUIRER AND THE PACS FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE OFFER."

II. DETAILS OF THE OFFER

A. BACKGROUND OF THE OFFER

1. The Offer is being made by the Acquirer and the PACs to the Public Shareholders of the Target Company in accordance with Regulation 3 (1) and Regulation 4 of the SEBI (SAST) Regulations pursuant to the execution of the SPA on November 5, 2015 by the Acquirer, the Target Company and the Sellers. Pursuant to the execution of the SPA, the Acquirer has agreed to purchase the Sale Shares.

2. The details of the Sale Shares being sold by each of the Sellers are set out below:

Name of the seller	Number of Sale Shares	Percentage of Current Paid up Capital	Percentage of Voting Share Capital
Polaris Banyan Holding Private Limited (formerly known as Polaris Holdings Private Limited)	20,020,938	19.95	19.48
Arun Jain	4,322,365	4.31	4.21
Yogesh Andlay	2,077,447	2.07	2.02
Manju Jain	1,052,460	1.05	1.02
Arun Jain (HUF)	789,000	0.79	0.77
Uday Jain	619,500	0.62	0.60
Aarushi Jain	60,000	0.06	0.06
Meena Agarwal	21,450	0.02	0.02
Shashi Gupta	5,900	0.01	0.01
Naveen Kumar	4,800	0.00	0.00
Neeta Mathur	2,400	0.00	0.00

Name of the seller	Number of Sale Shares	Percentage of Current Paid up Capital	Percentage of Voting Share Capital
Nita Jain	2,400	0.00	0.00
Manju Verma	2,400	0.00	0.00
Uma Gupta	2,400	0.00	0.00
Suman Mathur	2,300	0.00	0.00
Orbitech Private Limited (formerly known as Orbitech Limited)	17,458,692	17.40	16.99
Rakesh Radheshyam Jhunjhunwala	5,000,000	4.98	4.87
Arun Sekhar Aran	438,675	0.44	0.43
Amit Goela	200,000	0.20	0.19
Konark Trust	150,000	0.15	0.15
Orbitech Employees Welfare Trust	900,000	0.90	0.88
Total	**53,133,127**	**52.94**	**51.70**

3. The salient features of the SPA have been summarized below:

3.1 The Sale Shares comprise 52.94 % (Fifty Two point nine four per cent) of the current paid up capital and 51.70 % (Fifty One point seven zero per cent) of the Voting Share Capital of the Target Company. Each fully paid up equity share under the SPA is proposed to be acquired by the Acquirer from each Seller at a price of Rs.220.73/- (Indian Rupees Two Hundred and Twenty and Seventy Three Paise) aggregating to Rs. 11,728,075,123 /- (Indian Rupees Eleven Thousand Seven Hundred and Twenty Eight Million Seventy Five Thousand One Hundred and Twenty Three) payable in cash. Of the total consideration, the consideration payable to the Promoter Sellers is subject to the adjustments set out below:

(i) If, on the Closing Date, the Unrestricted Funds Balance and the Net Working Capital is less than the Indian Rupee equivalent of USD 50 million (provided that in the event that the Target Company fails to obtain and pay for the Manesar Release prior to Closing then such minimum amount shall be increased by the Indian Rupee equivalent of the Manesar Settlement Amount based upon an exchange rate of 1USD = INR 65), subject to the limitations in paragraph 3.14 of Part A of Section II *(Details of the Offer)* below, the acquisition consideration payable to the Promoter Sellers at Closing shall stand reduced to the extent of such shortfall.

(ii) Out of the Acquisition Consideration payable to the Promoter Sellers, INR 130,000,000 shall be placed in the Retention Escrow Account on the Closing Date. In the event that (a) the BPO Transfer is consummated and completed within a period of 90 (ninety) days of the Closing Date, the escrow agent shall, immediately and without any further action, release the BPO Retention Amount less any Excess BPO Costs in favour of the Promoter Sellers; or (b) the BPO Transfer is not consummated and completed within a period of 90 (ninety) days of the Closing Date, the escrow agent shall, immediately and without any further action, release the BPO Retention Amount in favour of the Acquirer, and the Acquisition Consideration payable to the Promoter Sellers shall stand reduced to such extent.

(iii) Out of the acquisition consideration payable to Arun Jain and Polaris Banyan Holding Private Limited (formerly known as Polaris Holdings Private Limited, which is under a scheme of amalgamation with Aaum Holdings (India) Private Limited before the Hon'ble Madras High Court, vide a CP No 399/2015 and CP No. 400/2015, have been sanctioned vide its order and its successors and assigns) a sum of Rs. 325,000,000 (Indian Rupees Three Hundred and Twenty Five Million) will be retained in the Retention Escrow Account for a period of 18 (Eighteen) months from the Closing Date for the purposes of indemnity. Upon the expiry of 18 (Eighteen) months of the Closing Date, the amounts remaining, less the amounts of any claims that have been made by certain indemnified parties against the Promoter Sellers at such time, will be released to the Arun Jain and Polaris Banyan Holding Private Limited out of the amount so retained.

(iv) The aforesaid adjustments will not result in an increase in the price of Rs.220.73/- (Indian Rupees Two Hundred and Twenty and Seventy Three Paise) per fully paid up Equity Share and, accordingly, there will be no change in the Offer Price due to the aforesaid adjustment.

3.2 Each of the Parties to the SPA have provided various representations and warranties to each other in relation to the transactions contemplated under the SPA. These include the following:

(i) Acquirer

(a) the SPA being validly and duly executed by the Acquirer;
(b) capacity of the Acquirer to undertake the transactions set out in the SPA;
(c) the Acquirer not being subject to an insolvency event; and
(d) the Acquirer having the necessary monetary resources through verifiable means for fulfilling its payment obligations to complete the transactions contemplated under the SPA.

(ii) Sellers

(a) the SPA being duly and validly executed by the Sellers;
(b) capacity of the Sellers to undertake the transactions contemplated under the SPA;
(c) clear and marketable title to the Sale Shares, no encumbrances on the Sale Shares, authority and power to execute the SPA;
(d) the Sellers not having received any notice of any proceedings that are pending or threatened, or any notice of any taxes or other sums payable under the Income Tax Act which necessitates obtaining of a 'no-objection certificate' under Section 281 of the Income Tax Act from the tax authorities prior to the transfer of the Sale Shares to the Acquirer;
(e) in addition to the general representations and warranties provided by the Sellers, the Promoter Sellers have provided representations and warranties in relation to the business and operations of the Target Company, including but not limited to material contracts, financial matters, employees, Assets etc.; and
(f) each Seller has, in terms of the SPA, agreed to indemnify the Acquirer in case of any inaccuracy or breach of any of the representations and warranties made by such Seller.

(iii) Target Company

(a) the SPA being duly and validly executed by the Target Company; and
(b) the Target Company has also provided certain business related representations and warranties.

3.3 The Acquisition of the Sale Shares is subject to the satisfaction of the following conditions precedent, which are outside the reasonable control of the Acquirer:

(i) receipt of approval from the Competition Commission of India under the provisions of the Competition Act, 2002 and the Competition Commission of India (Procedure for Transaction of Business Relating to Combinations) Regulations, 2011;
(ii) receipt of approval from the Federal Trade Commission established under the Federal Trade Commission Act, 1914 and/or the United States Department of Justice under the provisions of the Hart – Scott- Rodino Antitrust Improvements Act of 1976;
(iii) receipt of approval from the RBI for (a) purchase of the Sale Shares from the Sellers at a price of Rs.220.73/- (Indian Rupees Two Hundred and Twenty and Seventy Three Paise); and (b) purchase of the relevant Sale Shares from NRI Sellers, being Mrs. Manju Verma and Mr. Naveen Kumar; and
(iv) receipt of approval from the shareholders of the Target Company, (other than the Sellers) with requisite majority, as may be directed by any governmental agency for the purpose of approving the amendment agreement executed between the Target Company and Citigroup Technology Inc; details of which amendment have been included in the press release issued by the Target Company on November 5, 2015 and are available on the website of the BSE.

With respect to sub-paragraph (iv) above, the Target Company is of the view and opinion that the amendment agreement referred to therein, does not require the approval of the shareholders under the Companies Act, 2013, the listing agreement, as applicable, and the SEBI (Listing Obligations and Listing Requirements) Regulations, 2015.

Pursuant to making the applications as stated above before the regulatory authorities, the Acquirer has received or is deemed to have received the following regulatory/statutory approvals:

(i) The Competition Commission of India has, vide its letter dated February 18, 2016 accorded its approval for the proposed combination;

(ii) The Reserve Bank of India vide its letter dated February 05, 2016 conveyed its no-objection for the acquisition of the equity shares of the Target Company by the Acquirer from NRI's pursuant to an open offer made in accordance with the provisions of SEBI SAST Regulations, subject to the following conditions:

1. Acquisition of non-repatriable shares from NRIs should be at or above fair value;
2. While acquiring the shares from Resident shareholders, conditions of Regulation 14 of FEMA 20/2000 may be adhered to;
3. Permission is granted for acquisition of shares from OCBs who have obtained prior permission from RBI to sell those shares;
4. Shares offered by erstwhile OCB, CITFIN Investment Holding Limited, can be acquired by the Acquirer;
5. Airsea Freight Management Limited, the erstwhile OCB, may be advised to seek permission from OCB Desk, Foreign Exchange Department, RBI, Mumbai for sale of shares;
6. Pricing guidelines as per A.P. (DIR Series) Circular No. 4 dated July 15, 2014 and Notification No. FEMA 20/2000- RB dated May 3, 2000, as amended from time to time shall be adhered to.

(iii) As regards the approval from the Federal Trade Commission, please note that the applicable law in the United States of America, prescribes as follows:

(i) once the parties have submitted the relevant documents and forms to the Federal Trade Commission, there is a waiting period of thirty days, and prior to the expiry of this thirty days period, the parties to an acquisition cannot acquire voting securities;

(ii) if the Federal Trade Commission does not provide comments within a period of thirty days, then the filing is deemed to have been approved and the parties to the acquisition can acquire voting securities.

The Parties to the acquisition had submitted the relevant documents and forms to the Federal Trade Commission and the waiting period of thirty days required under law, prior to which no person may acquire voting securities, commenced on November 20, 2015 and expired on December 21, 2015 with no comments being provided by the Federal Trade Commission. Accordingly, following the expiry of the said waiting period, the filing with the Federal Trade Commission is deemed to have been approved.

3.4 The acquisition of the Sale Shares is also subject to the satisfaction or waiver of certain other conditions precedent including:

(i) Sellers' Conditions Precedent:

(a) the representations and warranties made by the Sellers and the Target Company remaining true and correct;

(b) there not being in effect any writ, judgment, injunction, decree or similar order of any court or similar authority restraining, enjoining or otherwise preventing the consummation of the purchase of the Sale Shares under the SPA;

(c) Promoter Sellers and the Target Company having provided the Acquirer with a copy of documents evidencing that, as on the Closing Date, at least the Unrestricted Funds Balance is freely available for utilization and a Net Working Capital of an amount equivalent to or greater than the average Net Working Capital of the Target Company over the six (6) month period preceding the Closing Date is available with the Target Company;

(d) there not being any action, suit, investigation, or other proceeding instituted, pending, or threatened in, before, or by any court or any, governmental agency, or other authority to restrain, enjoin, or otherwise prevent consummation of the purchase of the Sale Shares by the Acquirer in accordance with the SPA or to recover any damages or obtain other relief as a result of the SPA or any of the transactions contemplated or as a result of any contract entered into in connection with or as a condition precedent to the consummation;

(e) the Target Company having provided the Acquirer with a copy of the signed definitive agreements with respect to the BPO Transfer in favor of any Person identified by the Promoter Sellers and which transaction shall be consummated and completed within a period of ninety (90) days post the Closing Date;

(f) the Target Company having delivered to the Acquirer on or prior to the Closing Date the accounts and all other historical audited financial statements which the Acquirer reasonably determines are required to be filed with the United States Securities and Exchange Commission ("**SEC**") in connection with the transactions contemplated under the SPA including without limitation audited financial statements of the Target Company, including balance sheet, statement of income, statement of cash flows and statement of changes in shareholder equity, in accordance with US GAAP for the financial years ending March 31, 2014 and March 31, 2015 (subject to carve out as accepted by the SEC with respect to the product business of Company);

(g) loans or other indebtedness to identified key employees of the Target Company having been repaid or otherwise satisfied in full;

(h) the Sellers having good, clear and marketable title to the Sale Shares, free and clear from any encumbrances or any other similar interest;

(i) the Sale Shares when conveyed to the Acquirer represent, in the aggregate, not less than 50.1% of the Target Company's fully diluted share capital as of Closing, which amount will constitute and convey Control of the Target Company to the Acquirer;

(j) each of the Promoter Sellers having furnished a letter or such other document as is required to be filed with the SEBI to seek declassification as 'promoter' and classifying the Acquirer as 'promoter' of the Target Company on consummation of the Closing;

(k) the Target Company having amended the corporate framework agreement entered into between the Target Company and Intellect Design Arena Limited;

(l) there having not been any breach of the covenants of the Target Company and Sellers under the Target Company's and Sellers' undertakings as captured in the SPA;

(m) each Seller having delivered to the Acquirer, a statement of the dematerialized account of such Seller;

(n) Sellers who are classified as "person resident outside India" under the Foreign Exchange Management Act, 1999 having finalized the agreed form of the relevant supporting documents for each Seller and the Target Company to be submitted along with Form FC-TRS with the authorized dealer;

(o) no debts being payable by the Target Company to third parties, other than those reflected in the accounts;

(p) all orders, consents, waivers, no-objections, permits, approvals, authorizations or compliances necessary to permit the parties to perform their obligations under the SPA having been obtained and being in full force and effect;

(q) all regulatory approvals either (i) having been obtained or (ii) deemed to have been granted through expiration of prescribed time periods;

(r) the Promoter Sellers and the Target Company having obtained all governmental, regulatory approvals, authorizations or permits as required under applicable law;

(s) the Promoter Sellers and the Target Company having procured the approval of any governmental agency obtained for sale of the Sale Shares and other transactions under the SPA;

(t) the Target Company having terminated all inter se agreements with Intellect Design Arena Limited, which have not been renegotiated on arms' length basis;

(u) the Target Company having obtained the Manesar Release and paid the Manesar Settlement amount and the discharge letter being effective on or prior to the Closing Date without further action required by any party;

(v) amendment No. 1 to the Limited Liability Company Agreement of Intellect Polaris Design LLC entered into will remaining in full force and effect through the Closing Date;

(w) the Promoter Sellers, the Target Company and the Acquirer having opened the Retention Escrow Account; and

(x) no event having occurred which reasonable would constitute a Material Adverse Effect.

(ii) Acquirer's Conditions Precedent:

(a) the representations and warranties made by the Acquirer remaining true and correct;

(b) the Acquirer having finalized the agreed form of the relevant supporting documents for the Acquirer to be submitted along with Form FC-TRS with the authorized dealer;

(c) acquirer having obtained all governmental, regulatory approvals, authorizations or permits as may be required under applicable law;

(d) all orders, consents, waivers, no-objections, permits, approvals, authorizations or compliances necessary to permit the parties to perform their obligations under the SPA having obtained and being in full force and effect;

(e) there not being any action, suit, investigation, or other proceeding instituted, pending, or threatened in, before, or by any court or any, governmental agency, or other authority to restrain, enjoin, or otherwise prevent consummation of the purchase of the Sale Shares by the Acquirer in accordance with the SPA or to recover any damages or obtain other relief as a result of the SPA or any of the transactions contemplated or as a result of any contract entered into in connection with or as a condition precedent to the consummation;

(f) no event having occurred which reasonable would constitute a Material Adverse Effect; and

(g) the Acquirer having either: (i) provided a letter certified by an officer of the Acquirer dated no earlier than two (2) business days prior to Closing, confirming the commitment of the Acquirer's financing sources to pay the consideration and consummate the transactions contemplated in or pursuant to the SPA remains in effect or (ii) provided the Sellers with written confirmation from the Acquirer's investment or commercial bankers dated no earlier than two (2) business days prior to the Closing certifying that the Acquirer has freely available funds to pay the consideration as of the Closing Date and to consummate the transactions contemplated in or pursuant to the SPA.

3.5 During the period commencing from the date of the SPA and ending on the earliest of (i) the Closing Date; (ii) the Long Stop Date; and (iii) the termination of the SPA, the Target Company has agreed to and the Promoter Sellers have agreed that they will use their best efforts to cause the Target Company to continue to conduct its business in the ordinary course consistent with past practice and in compliance with the requirements under Regulation 26 of the SEBI (SAST) Regulations including with respect to:

(i) alienating any material Assets whether by way of sale, lease, encumbrance or otherwise or entering into any agreement outside the ordinary course of business, other than for:

(a) a disposal of Assets of Optimus or a sale of shares of Optimus by the Target Company (subject to compliance with the provision of the SEBI (SAST) Regulations and any other applicable laws in respect of such disposal); and

(b) the BPO Transfer pursuant to a definitive agreement approved by the Acquirer (such approval not being unreasonably withheld);

(ii) effecting any material borrowings, outside the ordinary course of business;

(iii) issuing or allotting any authorised but unissued securities entitling the holder to voting rights, other than grants of stock options in the ordinary course of business and consistent with past practice and in any event not to exceed 200,000 (Two Hundred Thousand) number of options;

(iv) implementing any buy-back of shares or effecting any other change to the capital structure of the Target Company;

(v) entering into, amending or terminating any material contracts to which the Target Company or any of its subsidiaries are a party, whether such contract is with a related party, within the meaning of the term under applicable accounting principles, or with any other Person;

(vi) effecting any changes to the accounting policies of the Target Company; or

(vii) accelerating any contingent vesting of a right of any Person to whom the Target Company or any of its subsidiaries may have an obligation, whether such obligation is to acquire shares of the Target Company by way of employee stock options or otherwise.

3.6 Further, under the SPA, the Target Company has agreed to conduct its business and the Promoter Sellers have agreed to use all commercially reasonable efforts to cause the Target Company to conduct its business only in the ordinary course including with respect to:

(i) conducting its business, in all material respects, as it is presently conducted as on the SPA execution date;

(ii) preserving intact in all material respects the present business organization, reputation, and customer/client relations of the Target Company;

(iii) maintaining, in the ordinary course of business, in full force and effect all material contracts other than such contracts, documents, and agreements that expire in accordance with their terms or are terminated by any party thereto other than the Target Company;

(iv) preserving intact in all material respects the Assets of the Target Company and refraining from permitting any of such Assets to be subjected to any lien;

(v) maintaining all material approvals, licenses, permits, registrations, qualifications, classifications and authorizations of the Target Company to do its business;

(vi) maintaining the books and records of the Target Company as historically maintained in the ordinary course of business and not permitting any material change in any underwriting, investment, financial reporting, tax, or accounting practice or policy of the Target Company or in any assumption underlying such a practice or policy, or in any method of calculating any bad debt, contingency, or other reserve for financial reporting purposes or for other accounting purposes;

(vii) continuing to comply with all laws applicable to the business, operations, or affairs of the Target Company;

(viii) undertaking in the ordinary course not to discontinuing the business of the Target Company presently being carried on by the Target Company and the Target Company not undertaking any new line of business;

(ix) (a) making any payments or entering into any commitment or transaction, (b) waiving or releasing any right or claim, (c) failing to pay, or delaying in paying, accounts payable when due or accelerating the payment of any accounts receivable, and (d) changing or deviating from any cash management practices, in each case outside of the ordinary course of business or inconsistent with prior practice.

3.7 Additionally, the Promoter Sellers have agreed to refrain, except as may be required by applicable law, and have agreed to cause the Target Company to refrain, from directly or indirectly:

(i) making any representation or promise, oral or written, or amending the existing terms and conditions of employment in any manner whatsoever, including, without limitation, commitments, salaries, wages, benefits, perquisites, loans or other compensation to any officer, director, employee, agent, or other similar representative of the Target Company, except as otherwise agreed to between the parties;

(ii) assuming, entering into, amending, altering, or terminating any labour or collective bargaining agreement to which the Target Company is a party or is affected thereby;

(iii) except as otherwise agreed to between the parties, hiring or terminating the services of any officer, director, or key employee of the Target Company;

(iv) except as otherwise agreed between the parties, amending the memorandum of association and articles of association of the Target Company, and from taking any action with respect to any such amendment;

(v) declaring any dividends, final and/or interim, or taking, directly or indirectly, any action to seek or encourage any offer (including any competing offer in connection with any proposed transaction or the Open Offer) or proposal from any Person to acquire any Assets or shares or other securities of the Target Company (or interests therein);

(vi) making any changes to the accounting policies of the Target Company;

(vii) incurring any indebtedness, drawing down or borrowing any amounts under any existing agreements with respect to indebtedness, guaranteeing any indebtedness of any Person, issuing or selling any debt securities of the Target Company or any of its subsidiaries or purchasing or guaranteeing any debt securities of others, except in the ordinary course of business and consistent with prior practice;

(viii) making any voluntary prepayment or other non-mandatory payment of, or in respect of, any indebtedness or any lien other than in the ordinary course of business; and

(ix) entering into or initiating any settlement or withdrawal or compromise of any litigation or legal proceeding other than in the ordinary course of business and only to the extent any such settlement not including any obligations of the Target Company which would survive the Closing.

3.8 Furthermore, in terms of the SPA, the Sellers have also agreed to refrain from directly or indirectly taking, any action to furnish or cause to be furnished any information with respect to the Target Company to any Person (other than the Acquirer) that the Sellers know or have reason to believe that the Sale Shares and other shares of the Target Company are likely to be sold. During the period commencing from the date of the SPA and ending on the earliest of (i) the Closing Date; (ii) the Long Stop Date; and (iii) the termination of the SPA, the Sellers have amongst other matters agreed not to directly or indirectly:

(i) create any encumbrance on the Sale Shares; and
(ii) transfer any of the Sale Shares.

3.9 In terms of the SPA, the Promoter Sellers have agreed not to during the twenty four (24) months from the Closing Date (directly or indirectly, alone or together with other Persons, on their own account or in conjunction with, through or on behalf of any agents, affiliates, intermediaries, joint ventures or alliances), be engaged in any Competing Business, whether as director, manager, shareholder, investor, partner, employee, consultant, subcontractor or in any other capacity:

(i) engage or be engaged in any Competing Business or which is aimed at generating Competing Business; provided that acquiring or holding up to an interest in any listed company or unlisted company not in excess of 10% of the paid up capital or outstanding capital stock of such company shall not be deemed a violation of the foregoing, provided that in each case, the Promoter Seller is not, and does not perform any duties as, a director, manager, shareholder, employee, consultant, subcontractor or in any other similar capacity, of such entity; provided further that the restrictions contained in this paragraph will not be extending to Naveen Kumar. Provided further that Yogesh Andlay may be a director or shareholder in the following companies:
    (a) Nucleus Software Exports Ltd.
    (b) Nucleus Software Engineers P Ltd.
    (c) Nucleus Software Workshop P Ltd.
    (d) Nucsoft Ltd.
    (e) Intellect Design
    (f) Ivy Cap Venture Fund
    (g) Kritikal Solutions P Ltd.
    (h) Innoflaps Remedy P Ltd.
    (i) Aakar Innovations P Ltd.
(ii) endeavour to entice and/or influence away from dealing with the Target Company or its subsidiary, or any Person who on the Closing Date is a material customer or supplier of the Target Company, its subsidiaries or its affiliates;
(iii) hire, employ or endeavour to entice away from being employed or hired by the Target Company, any Person who is on the Closing Date an employee, manager, director or consultant of the Target Company, except that the foregoing restrictions will not apply to any employee whose employment is involuntarily terminated by the Acquirer or Target Company or who has not been employed by the Acquirer or the Target Company for at least one year; and
(iv) commencing from the Closing Date and for a period of 24 (twenty-four) months thereafter, none of the Sellers will acquire any Equity Shares of the Target Company, whether by themselves or through their affiliates.

3.10 Upon completion of the transactions contemplated under the SPA and the Open Offer, the Acquirer will hold a majority and controlling stake in the Target Company, with all rights (under law) to appoint majority of directors, control the management or policy decisions of the Target Company and other rights as available under applicable law, and the Acquirer will be in charge of the overall business, decision making and day to day operations of the Target Company. Further it is contemplated that, in terms of Clause 31(A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Promoters, shall on or immediately following the Closing Date, be declassified as ‘promoters’ of the Target Company for the purposes of all applicable laws and the Acquirer shall be named as the ‘promoter’ of the Company for the purposes of all applicable laws as on such date.

3.11 The Parties to the SPA have entered into the SPA Amendment Agreement, in terms of which they have agreed that, if the Acquirer, pursuant to timely satisfaction of all of its conditions precedent under the SPA, deposits in the Escrow Account (as defined below), 100% (one hundred percent.) of the consideration payable under the Open Offer (assuming full acceptance) and subject to certain other conditions being satisfied, the Promoter

Sellers, the Investor Seller and the Other Sellers, shall have the option to proceed to complete the sale of Sale Shares as a block deal trade in accordance with applicable law. The Parties have also agreed that in the event the sale and purchase of the Sale Shares is not effected through a block deal trade, despite each of the concerned Parties making reasonable efforts to execute the block trade or if any of the Promoter Sellers, the Investor Seller and the Other Sellers, elect not to complete a block deal trade, then such sellers are required to mandatorily complete the sale and purchase of the remaining Sale Shares that have not been sold through the block deal trade, by way of an off- market transaction on or before March 3, 2016. In no event will the Sale Shares be purchased and sold for a price that is higher than Rs. 220.73 (Indian Rupees Two Hundred and Twenty Seven and Seventy Three Paise).

3.12 Subject to the provisions of the SEBI (SAST) Regulations and with SEBI's approval (if required), the SPA may be terminated prior to the Closing Date by either party (without any liability) if there is a material breach of the SPA by the other party and such breach is not rectified within a period of 30 (Thirty) days from the time a notice of breach is provided to the breaching party.

3.13 Subject to the provisions of the SEBI (SAST) Regulations and with SEBI's approval (if required) and such other laws and regulations as may be applicable, the SPA may be terminated prior to Closing:

(i) by mutual written agreement of each of the parties;

(ii) by the Acquirer, if the Sellers' Conditions Precedent listed in paragraph 3.4(i) above have not been fulfilled or waived by the Long Stop Date;

(iii) by any Seller (with respect to itself), if the Acquirer's Conditions Precedent listed in paragraph 3.4(ii) above have not been fulfilled or waived by the Long Stop Date.

3.14 Except as set forth in paragraph 3.14(i) (ii) and (iii) below, all transaction expenses shall be borne by the Promoter Sellers.

(i) (a) the limitations set out under Section 67 of the Companies Act, 2013, if permitted under applicable laws and (b) an Unrestricted Funds Balance at Closing of at least Indian Rupee equivalent of USD 50.0 million based upon an exchange rate of 1 USD = INR 65; provided that in the event that the Target Company fails to obtain and pay for the Manesar Release prior to Closing then such amount shall be increased by an Indian Rupee equivalent of the Manesar Settlement Amount based upon an exchange rate of 1 USD = INR 65, then the Target Company shall settle and pay a portion of certain transaction expenses up to a maximum amount of (USD 5,000,000 * INR65)*(1- the Sale Shares/total number of shares of the Company listed on for trading on the BSE).

(ii) all taxes or other government charges assessed against or otherwise payable by any party relating to the transactions contemplated by the SPA (except as otherwise expressly provided herein) shall be the exclusive responsibility of and shall be borne by such Party.

(iii) the stamp duty payable on the SPA shall be borne by Acquirer.

3.15 Neither the Acquirer, the PACs, nor the Sellers have been prohibited by SEBI from dealing in securities, pursuant to the terms of any directions issued under Section 11B of the SEBI Act or under any other regulation made under the SEBI Act.

3.16 As per Regulations 26(6) and 26(7) of the SEBI (SAST) Regulations, the board of directors of the Target Company have, on December 23, 2015 constituted a committee of independent directors to provide their reasoned recommendations on the Offer. The reasoned recommendations are required to be published in the same newspapers in which the Detailed Public Statement was published by no later than March 9, 2016, and simultaneously a copy of such recommendations is required to be sent to SEBI, the Stock Exchange and to the Manager to the Offer.

B. DETAILS OF THE OFFER

1.1 The Public Announcement in connection with this Offer was made on November 05, 2015 to the Stock Exchanges and was sent to the SEBI and to the Target Company at its registered office in accordance with Regulations 3(1) and 4 of the SEBI (SAST) Regulations, 2011 on November 6, 2015. A Corrigendum to the Public Announcement was issued by the Manager on behalf of the Acquirer and the PACs on November 13, 2015. A copy of the Corrigendum to the Public Announcement was filed on November 13, 2015 with the Stock Exchanges and sent to the Target Company at its registered office and to SEBI per the terms of Regulations 3(1) and 4 of the SEBI (SAST) Regulations.

1.2 The Detailed Public Statement was published on November 16, 2015 in The Financial Express (all editions), Jansatta (all editions) and Makkal Kural (Chennai edition). A copy of the Public Announcement, Corrigendum to the Public Announcement and a copy of the Detailed Public Statement are also available on the website of SEBI (www.sebi.gov.in).

1.3 This Offer is being made by the Acquirer to all the Public Shareholders of the Target Company and any persons acting or deemed to be acting in concert with any of them, to acquire up to up to 26,719,942 (Twenty Six Million Seven Hundred and Nineteen Thousand Nine Hundred and Forty Two) fully paid-up equity shares of the face value of Rs. 5 (Indian Rupees Five) each ("**Offer Shares**"), constituting 26% (Twenty Six per cent) of the Voting Share Capital at a price of Rs.220.73/- (Indian Rupees Two Hundred and Twenty and Seventy Three Paise) per fully paid up equity share ("**Offer Price**") aggregating to Rs.5897,892,797.66 (Indian Rupees Five Thousand Eight Hundred and Ninety Seven Million Eight Hundred and Ninety Two Thousand Seven Hundred and Ninety Seven and Sixty Six Paise) ("**Maximum Open Offer Consideration**"). As of the date of this Letter of Offer, there are no outstanding convertible securities, depository receipts, warrants or instruments, issued by the Target Company, convertible into Equity Shares of the Target Company. The Offer Price will be payable in cash by the Acquirer, in accordance with the provisions of Regulation 9(1)(a) of the SEBI (SAST) Regulations. If the number of Equity Shares validly tendered by the Public Shareholders under this Offer is more than the Offer Size, the Acquirer will accept the Equity Shares received from the Public Shareholders on a proportionate basis in consultation with the Manager to the Offer.

1.4 The acquisition of the Offer Shares from NRIs and erstwhile OCBs, if any, is subject to the approval or exemption from the RBI. Where any such statutory approval or exemption extends to some but not all of the Public Shareholders, the Acquirer will have the option to make payment to such Public Shareholders in respect of whom no statutory approvals or exemptions are required in order to complete this Offer.

1.5 The Target Company has represented and certified that as on date of this Letter of Offer, the Target Company does not have any partly paid-up shares. The number of shares outstanding as on date of this Letter of Offer in the Target Company is 100,360,774 (One Hundred Million Three Hundred Sixty Thousand Seven Hundred and Seventy Four) equity shares of Rs. 5/- (Indian Rupees Five) each amounting to Rs. 501,803,870 (Indian Rupees Five Hundred and One Million Eight Hundred and Three Thousand Eight Hundred and Seventy).

1.6 The Target Company has represented and certified that the Voting Share Capital of the Target Company has been computed as follows:

S.No.	Particulars	Shares
1.	Shares outstanding as on the date of the PA (A)	100,248,124
2.	Options already vested or to be vested by 10 working day following the closure of the tendering period (B)	2,520,885
3.	Voting Share Capital (A+B)	102,769,009

1.7 In terms of Regulation 23(1) of the SEBI (SAST) Regulations, the Acquirer shall have the right to withdraw the Offer if the conditions set out in paragraph 3.3 of Part A of Section II (*Details of the Offer*), each of which are outside the reasonable control of the Acquirer, or any statutory approvals that become applicable prior to completion of the Offer are not fulfilled by the Long Stop Date and the SPA is terminated.

1.8 To the best of the knowledge of the Acquirer, there are no statutory or other approvals required to complete the acquisition under the SPA or of the Offer Shares as on the date of this LoF, except as set out under paragraph 5 of Part C of Section VI (*Terms and Conditions of the Offer*) below. If, however, any statutory or other approval becomes applicable prior to the completion of the Offer, the Offer would be subject to such statutory or other approval(s) being obtained. Where any statutory or other approval extends to some but not all of the Public Shareholders, the Acquirer shall have the option to make payment to such Public Shareholders in respect of whom no statutory or other approvals are required in order to complete this Offer.

1.9 Other than the transactions detailed in Section II (*Details of the Offer*) above, which have triggered this Offer, pursuant to which the Acquirer will acquire Equity Shares in the Target Company, as on the date of this LoF, neither the Acquirer nor the PACs and their respective directors, and key managerial employees hold any ownership/ interest/ relationship/shares in the Target Company. The provisions of Chapter V of the SEBI (SAST) Regulations are therefore not applicable.

1.10 Upon completion of the Open Offer, assuming full acceptances in the Open Offer, the public shareholding of the Target Company may fall below the minimum level of public shareholding as required to be maintained as per Securities Contract (Regulation) Rules, 1957 as amended and the Listing Agreement. If the public shareholding of the Target Company falls below the prescribed minimum level of public shareholding, the Acquirer and the PACs shall decrease the non-public shareholding to the level specified and within the time stipulated under the SCRR, as per the requirements of Regulation 7(4) of the SEBI (SAST) Regulations, 2011 and the Listing Agreement.

1.11 The Equity Shares will be acquired by the Acquirer as fully paid-up, free from all liens, charges, equitable interests and encumbrances and shall be tendered together with all rights attached thereto, including all rights to dividends, bonuses and rights offers, if any, declared hereafter, and the tendering Public Shareholder shall have obtained all necessary consents for it to sell the Equity Shares on the foregoing basis.

1.12 The Managers to the Open Offer shall not deal on their own account in the Equity Shares of the Target Company during the Offer Period.

1.13 In terms of Regulation 25(2) of the SEBI (SAST) Regulations, the Acquirer does not intend to sell, dispose of or otherwise encumber any material assets of the Target Company during the period of 2 (two) years from the expiry of the Offer period, except:
(i) where it is in the ordinary course of business;
(ii) the BPO Transfer; and
(iii) a disposal of the Assets of Optimus.

It will be the responsibility of the Board of Directors of the Target Company to make appropriate decisions in these matters in accordance with the requirements of the business of the Target Company. Such approvals and decisions will be governed by the provisions of the relevant regulations or any other applicable laws and legislations at the relevant time. Further, during such period of 2 (two) years, save as set out above, the Acquirer undertakes not to sell, dispose or otherwise encumber any material assets of the Target Company except with the prior approval of the shareholders of the Target Company through a special resolution by way of a postal ballot in terms of Regulation 25(2) of the SEBI (SAST) Regulations.

1.14 Subject to paragraph 1.13 above, if the Acquirer intends to alienate any material asset of the Target Company or its subsidiaries, within a period of two years from completion of the Offer, the Target Company shall seek the approval of its shareholders as per proviso to Regulation 25(2) of SEBI (SAST) Regulations.

1.15 The Offer is not conditional on any minimum level of acceptance by the Public Shareholders in terms of Regulation 19 of the SEBI (SAST) Regulations and is not a competing offer in terms of Regulation 20 of the SEBI (SAST) Regulations. Further, there is no differential price being offered for Offer Shares tendered in this Offer.

1.16 The Acquirer has not acquired any Equity Shares of the Target Company from the date of the Public Announcement and up to the date of this Letter of Offer.

C. OBJECT OF THE ACQUISITION/ OFFER

1. On completion of the Acquisition, the Acquirer would obtain a majority and controlling interest in the shares and voting rights in the Target Company. The intended purpose of the acquisition is to enable the Acquirer and PACs, as well as the Target Company, to:
(i) provide end-to-end IT consulting and outsourcing services across banking, financial services ("**BFS**") clients, particularly retail banking, corporate banking, capital markets, payments, and governance, risk management and compliance;

(ii) expand the addressable market for the services and solutions of the Acquirer and PACs, as well as the Target Company;
(iii) enhance the ability of Acquirer, PACs and the Target Company to pursue larger consulting and outsourcing contracts;
(iv) obtain strategic partner status with Citigroup Technology Inc.;
(v) achieve revenue synergies;
(vi) increase the mix of recurring revenue;
(vii) diversify and expand clients, revenue and operations geographically; and
(viii) strategically use India-based cash of the Acquirer and PACs.

2. The Acquirer and the PACs believe that, through this acquisition, the Acquirer and PACs will be able to create a differentiated, end-to-end service provider delivering next-generation, transformational BFS solutions which the Acquirer, PAC and the Target Company can bring to a larger, addressable market both with respect to existing and new clients across the globe in the highly competitive global IT industry. The Acquirer and the PACs by this acquisition seek to strengthen the employee resources of the Target Company, enhance skills and build combined resources with a view to enhance the employment expectations between the Acquirer and the Target Company. The Acquirer and the Target Company recognize this strategic positioning of each of the respective facilities and by this acquisition would like to beneficially use the same as a part of their ordinary course of business and based on clients' needs.

III. BACKGROUND OF THE ACQUIRER AND THE PACs

A. Virtusa Consulting Services Private Limited - the Acquirer

1. The Acquirer is a private limited company limited by shares and was incorporated on March 05, 2008 in accordance with the provisions of Companies Act, 1956, as amended from time to time (the "1956 Act"). The Corporate Identification Number (CIN) of the Acquirer issued by the Registrar of Companies, Hyderabad is U93000TG2008FTC057988. There has been no change in the name of the Acquirer since its incorporation.

2. The registered office of the Acquirer is situated at Survey No. 115/Part, Plot No.10, Nanakramguda Village, Serilingampally, Telangana 500008. Telephone: +91 40 44528000, Fax: +91 40 44528019.

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

4. 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 Letter of Offer is Rs. 101,000 (Indian Rupees One Hundred and One Thousand) comprising of 10,100 (Ten Thousand One Hundred) equity shares of Rs. 10 /- each (Indian Rupees Ten each). The Acquirer is a step down subsidiary of Virtusa US and is owned and controlled through Virtusa NL, a wholly owned subsidiary of Virtusa US. The shareholding pattern of the Acquirer as on date of this Letter of Offer is as under:

Shareholder	No. of Shares Held	%
Virtusa International BV, the Netherlands*	9,990	98.91%
Virtusa Corporation, US	100	0.99%
Virtusa UK Limited**	10	0.10%
Total	**10,100**	**100.00%**

* Virtusa US owns 100% of Virtusa NL
** Virtusa NL, owns 100% of Virtusa UK Limited

5. The details of board of directors of the Acquirer, as on the date of LoF, are as follows:

S.No.	Name of the Director	Date of Appointment	Designation	Director Identification Number (DIN)
1.	Mr. Roger Keith Modder	March 05, 2008	Executive Director	01430010
2.	Mr. Murali Satish Kumar Sureddi	May 18, 2010	Executive Director	03021378
3.	Mr. Samir Dhir	April 08, 2014	Executive Director	03021413
4.	Ms. Darshana Rajesh Pai	December 30, 2015	Additional Director	07386499
5.	Mr. Hari Raju Mahadevu	February 5, 2016	Additional Director	03262516

Roger Keith Modder

Roger Keith Modder is the Chief Operating Officer of Virtusa Corporation/PAC1. Prior to this position, he served as President of Asian Operations and EVP Global Services. Prior to joining Virtusa, he worked simultaneously as the Managing Director/Chief Executive positions for an IT systems integrator and office automation company and has over 25 years of experience in the IT industry. He is also a government nominated member of the board of directors of Nanco, (a public-private partnership for nano technology initiatives in Sri Lanka) and a member of the National Council for Economic Development (IT/BPO cluster) in Sri Lanka. Keith has been a Director on the board of the Acquirer since 2008.Keith is educated in Sri Lanka, was a member of the board of directors of Lanka Software Foundation, and also a member of the ICT Advisory Committee of the Sri Lanka Export Development Board.

Murali Satish Kumar Sureddi

Murali Satish Kumar Sureddi is a Director in the Acquirer and his designation is the head of the Global FP&A. He manages the financial planning, budgeting and resource allocations. His role is to enable and help the company meet its financial objectives and plans. He is also responsible for establishing operational efficiencies across all functions and front end the company's pricing team and related pricing strategies. He is also the leader of the strategic automation initiatives team. Satish is a chartered accountant, being a qualified member of Institute of Chartered Accountants of India (ICAI), a company secretary being an associate of the Institute of Company Secretaries of India (ICSI) and also a member of the Institute of Cost and Work Accountants of India (CWA) with 14 (Fourteen) years of experience. Broadly, his role covers finance activities, planning, controllership, audit & shared services. Satish has been a Director on the board of the Acquirer since 2010. Satish received his Bachelor’s Degree in Commerce (Honours) from the Osmania University in the year 1997 and qualified as a Chartered Accountant from the Institute of Chartered Accountants of India in the year 2002, Company Secretary in the year 2002 from the Institute of Company Secretaries in India (ICSI), and Cost Accountancy from the Institute of Cost Accountants of India in the year 1998.

Samir Dhir

Samir Dhir heads operations of the Acquirer. Samir has close to 20 (Twenty) years of experience in the global information technology industry. His experience spans key functions such as corporate strategy, customer relationship management and operations management. Samir has been with the Acquirer since 2010, propelling its growth through global delivery excellence, spearheading newer solutions and championing crucial process initiatives. Samir is responsible for driving delivery management, building scale /capacity growth and process initiatives, proactively nurturing key alliances and leveraging business partnerships. In addition, Samir also focuses on emerging markets such as India, Asia-Pacific, Europe, and others. Given his background in leading and guiding global teams, across diverse geographies and cultures, Samir brings with him unique perspectives and experiences on global IT practices. Samir received his Masters in Business Administration from the Warwick Business School, United Kingdom and holds a Bachelor of Technology degree from the Indian Institute of Technology, Roorkee. Samir has been a Director on the board of the Acquirer since 2014.

Darshana Rajesh Pai

Darshana Pai is Senior Vice President and Hyderabad Center Delivery head of Virtusa. She has a total 24 years of experience in global information technology industry. For the last 12 years she has been heading delivery function of Geo, Vertical or Center. She has been with Virtusa since 2011 and has been responsible for Delivery Excellence, Employee Engagement and Growth of 4 Industry Verticals - Healthcare, Insurance, Media & Information Services. She leads a team of 3500+ professionals across delivery centers in Hyderabad, Chennai, Colombo and US. She has extensive experience in running business and technology transformation programs delivering business outcomes to customers. She received her Masters in Technology from IIT Mumbai and holds a Bachelor of Technology degree from SPCE, Mumbai.

Hari Raju Mahadevu

Hari Raju Mahadevu is an Independent Director of the Acquirer. He is the Financial Controller of Google India Private Limited, Hyderabad. Hari is a qualified Chartered Accountant from the Institute of Chartered Accountants of India (ICAI). He has been a Director on the board of the Acquirer since February, 2016.

6. As on date of this Letter of Offer, none of the directors of the Acquirer are directors on the board of directors of the Target Company.

7. The Acquirer and the PACs do not directly or indirectly hold any shares in the Target Company and hence the provisions of Chapter II of SEBI (SAST) Regulations, 1997 and Chapter V of SEBI (SAST) Regulations, 2011 with respect to the Target Company are not applicable.

8. Other than the transactions detailed in Part A of Section II (*Details of the Offer*) above, which have triggered this Offer, pursuant to which the Acquirer shall acquire Equity Shares in the Target Company, as on the date of this LoF, the Acquirer, its directors, and its key managerial employees do not hold any ownership/interest/ relationship/shares in the Target Company. The provisions of Chapter V of the SEBI (SAST) Regulations are therefore not applicable.

9. Brief financial statements of the Acquirer extracted from the audited financial statements of the Acquirer for the financial year ended March 31, 2013, March 31, 2014, March 31, 2015 and un-audited but limited review financial information for the 6 (six) months period ended September 30, 2015 is as under. Kindly note that the financial information for the 6 (six) month period ended September 30, 2015 as disclosed in the DPS was derived from management accounts and differs from the un-audited but limited review financial information for the 6 (six) months period ended September 30, 2015 as disclosed in this Letter of Offer

Income Statement

(Rs. In Millions)

Particulars	Period ended on September 30, 2015	Year ended March 31, 2015	Year ended March 31, 2014	Year ended March 31, 2013*
	Limited Review	**Audited**	**Audited**	**Audited**
Income from operations	2,953.94	5,179.18	4,322.57	3,658.22
Other income	168.46	206.99	259.09	121.15
Total income	3,122.39	5,386.17	4,581.66	3,779.38
Total expenditure	2,229.82	3,918.48	3,245.32	2,768.84
EBITDA	892.57	1,467.69	1,336.35	1,010.54
Depreciation and Amortization	154.90	263.15	235.09	187.79
Interest	0.62	2.33	0.74	0.18
Profit/(Loss) Before Tax	737.05	1,202.20	1,100.52	822.57
Provision for Tax	160.46	255.45	259.47	150.76
Profit/(Loss) After Tax	576.59	946.75	841.05	671.81

** Note: the financial statements for the year ending March 31, 2013 is post merger of Virtusa (India) Private Limited with the Acquirer*

Balance Sheet

(*Rs. In Millions)*

Particulars	Period ended on September 30, 2015	Year ended March 31, 2015	Year ended March 31, 2014	Year ended March 31, 2013*
	Limited Review	Audited	Audited	Audited
Sources of funds				
Paid up share capital	0.10	0.10	0.10	0.10
Reserves and Surplus (excluding revaluation reserves)	5,931.14	5,354.55	4,407.79	3,566.75
Networth[1]	5,931.24	5,354.65	4,407.90	3,566.85
Secured loans	7.88	8.12	4.89	1.29
Unsecured loans	-	-	-	-
Other non current liabilities	72.18	62.90	41.23	23.09
Total	6,011.30	5,425.67	4,454.02	3,591.22
Uses of funds				
Net fixed assets[2]	1,512.24	1,331.22	1,326.78	1,316.99
Investments	-	-	-	-
Other non current assets	456.74	465.36	441.69	385.42
Net current assets	4,042.32	3,629.09	2,685.54	1,888.81
Total	6,011.30	5,425.67	4,454.02	3,591.22

** Note: the financial statements for the year ending March 31, 2013 is post merger of Virtusa (India) Private Limited with the Acquirer*

[1]*Net worth/shareholders' funds = share capital + reserves and surplus*
[2]*Net fixed assets includes tangible assets, intangible assets, capital work in progress and intangible assets under development*

(Rs. In Millions)

Other financial data	Period ended on September 30, 2015	Year ended March 31, 2015	Year ended March 31, 2014	Year ended March 31, 2013*
	Limited Review	Audited	Audited	Audited
EPS (basic & diluted)	57,088.17	93,737.89	84,088.55	66,516.09
Dividend	-	-	-	-

** Note: the financial statements for the year ending March 31, 2013 is post merger of Virtusa (India) Private Limited with the Acquirer*

Earnings per share is calculated as profit after tax/weighted average number of shares outstanding during of the respective period

(Source - Audited financial statements of the Acquirer for the financial year ended March 31, 2013, March 31, 2014, March 31, 2015 and un-audited but limited review financial information for the 6 (six) months period ended September 30, 2015)

Contingent Liabilities

(*Rs. In Millions*)

Contingent liability/Commitment	Period ended as on June 30, 2015	Year ended March 31, 2015	Year ended March 31, 2014	Year ended March 31, 2013*
	Extracted from Management accounts	Audited	Audited	Audited
Claims against company not acknowledged as debts in respect of Income Tax	37.00	37.00	33.95	37.42

Contingent liability/Commitment	Period ended as on June 30, 2015	Year ended March 31, 2015	Year ended March 31, 2014	Year ended March 31, 2013*
	Extracted from Management accounts	Audited	Audited	Audited
Claims against company not acknowledged as debts in respect of Service Tax				10.67
Commitment, if any	59.38	171.87	29.65	125.19

** Note: the financial statements for the year ending March 31, 2013 is post merger of Virtusa (India) Private Limited with the Acquirer*

10. As on the date of the LoF, the Acquirer is neither a Promoter nor a part of the promoter group of the Target Company.

11. The Acquirer along with the PACs have not been prohibited by SEBI from dealing in securities, in terms of directions issued under Section 11B of the SEBI Act and subsequent amendments thereto or under any other regulations made under the SEBI Act.

B. Virtusa Corporation - "PAC 1"/ "Virtusa US"

1. Virtusa US is a corporation under the United States Internal Revenue Code, incorporated under the laws of the State of Delaware, United States of America (USA), bearing commission file number 001- 33625. Virtusa US was originally incorporated in the Commonwealth of Massachusetts, USA in November 1996 as Technology Providers, Inc. The company was thereafter reincorporated in Delaware as eRunway, Inc. in May 2000 and subsequently changed its name to Virtusa Corporation in April 2002. Virtusa US comprises a part of the Virtusa group. The Acquirer is a step down subsidiary of Virtusa US and PAC 2 (which owns and controls the Acquirer), and is an indirect subsidiary of Virtusa US and direct subsidiary of Virtusa NL, all entities within the Virtusa group. Virtusa US's principal executive office is located at 2000 West Park Drive, Westborough, Massachusetts 01581. Telephone: +1 508-389-7300, Fax: +1 508-389-7224.

2. 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 & technology, banking, financial services & insurance; and media and information.

3. The common stock of Virtusa US is listed and traded on the Nasdaq Global Select Market under the trading symbol "VRTU". The closing price as on February 26, 2016 was USD 35.25 aggregating to a market capitalization of USD 1.05 billion.

4. Mr. Kris Canekeratne is the founder of Virtusa US and is the chairman and chief executive officer of Virtusa US. As on February 26, 2016, Mr. Kris Canekeratne holds 4.16% of the common stock of Virtusa US.

5. Virtusa US is a widely held public listed company and has a diverse shareholder base. No person has a controlling ownership interest in Virtusa US. The names of the beneficial owners holding 5% or more in Virtusa US as of December 31, 2015 are as listed below:

Sr. No	Name of the beneficial owner	Number of shares	% of shareholding
1.	FMR LLC	2,639,992	8.86%
2.	Waddel & Reid Financial LLC	1,885,472	6.33%
3.	BlackRock Fund Advisors	1,770,817	5.94%
4.	Vanguard Group Inc	1,608,046	5.40%
5.	Oak Ridge Investments LLC	1,499,179	5.03%

6. The board of directors of Virtusa US as on date of the LoF is comprised as under:

Sl. No.	Name of the Director	Designation	Date of Appointment
1	Kris Canekeratne	Chairman and Chief Executive Officer	November 18, 1996
2	Izhar Armony	Independent Director	June 29, 2004
3	Robert E Davoli	Independent Director	June 14, 2000
4	Ronald T. Maheu	Independent Director	April 28, 2004
5.	Rowland T. Moriarty	Independent Director	July 20, 2006
6.	William K. O'Brien	Independent Director	November 19, 2008
7.	Al- Noor Ramji	Independent Director	February 4, 2011
8.	Martin Trust	Lead Independent Director	September 22, 2004

Kris Canekeratne
Chairman and Chief Executive Officer

Kris A. Canekeratne, one of Virtusa US' co-founders, has served as chairman of the Virtusa US board of directors since its inception and chief executive officer from 1996 to 1997 and from 2000 to the present. As chief executive officer, he plays a key role in defining the company strategy and using technology and innovation continuously to maintain its leadership in the industry. In 1997, Kris Canekeratne co-founded eDocs, Inc., a provider of electronic account management and customer care, later acquired by Oracle Corporation. In 1989, Kris Canekeratne was one of the founding team members of INSCI Corporation, a supplier of digital document repositories and integrated output management products and services and served as its senior vice president from 1992 to 1996. Canekeratne obtained his B.S. in Computer Science from Syracuse University.

Izhar Armony

Izhar Armony has served as a member of Virtusa US board of directors since April 2004. Armony has been a partner at Charles River Ventures, a venture capital investment firm, since 1997. Armony is also a member of the advisory board of the Invention Science Fund. Prior to joining Charles River Ventures, Armony was with Onyx Interactive, an interactive training company based in Tel Aviv where he served as vice president of marketing and business development. Armony also served as an officer in the Israeli Army. Armony received a Masters in Business Administration from the Wharton School of Business and an M.A. in Cognitive Psychology from the University of Tel Aviv in Israel.

Robert E. Davoli

Robert E. Davoli has served as a member of Virtusa US board of directors since 2000. Davoli has been managing director of Sigma Partners, a venture capital investment firm, since November 1995. From February 1993 to September 1994, Davoli was president and chief executive officer of Epoch Systems, Inc., a vendor of client-server data management software products. From 1990 to 1992, Davoli served as an executive officer of Sybase, Inc. In 1985, Davoli founded SQL Solutions, a purveyor of services and tools for the relational database market where he was president and chief executive officer from 1985 to 1990. Davoli holds a B.A. in History from Ricker College and studied Computer Science at Northeastern University for two years.

Ronald T. Maheu

Ronald T. Maheu has served as a member of Virtusa US board of directors since April 2004. Maheu retired in July 2002 from PricewaterhouseCoopers LLP. Maheu was a senior partner at PricewaterhouseCoopers LLP from 1998 to July 2002. Maheu was a founding member of Coopers & Lybrand's board of partners. Following the merger of Price Waterhouse and Coopers & Lybrand in 1998, Maheu served on both the United States and global boards of partners and principals of PricewaterhouseCoopers until 2001. Maheu currently serves as a member of the board of directors of Wright Express Corporation and CRA International, Inc.

Rowland T. Moriarty

Rowland T. Moriarty has served as a member of Virtusa US board of directors since July 2006. Moriarty is currently chairman of the board of directors of CRA International, Inc., a worldwide economic and business consulting firm. Moriarty also serves as a member of the board of directors of Wright Express Corporation and Staples Inc., Moriarty has been the president and chief executive officer of Cubex Corporation, a privately-held consulting company, since 1981. From 1981 to 1992, Moriarty was Professor of Business Administration at Harvard Business School. He received a D.B.A. from Harvard University, a Masters in Business Administration from the Wharton School of Business and a B.A. from Rutgers University.

William K. O'Brien

William K. O'Brien has served as a director since November 2008. O'Brien served as chief executive officer of Enterasys Networks from April 2002 until March 2006 and was named executive chairman of the board in 2004. Prior to Enterasys, O'Brien worked for over thirty years at PricewaterhouseCoopers LLP, where he served in a number of roles including chief operating officer of the former Coopers & Lybrand, with responsibility for the audit, tax and financial advisory components of the U.S. business; managing partner for the Boston office; and deputy chairman in the New York-based National office, responsible for international operations and the development of core competitive competencies. He currently serves on the board of directors of Camp Dresser & McKee and Mercury Computer Systems, Inc. He is a graduate of Bentley College.

Al-Noor Ramji

Al-Noor Ramji was inducted to Virtusa US board of directors in February 2011. Since April 2010, Ramji has been the executive vice president and general manager, Misys Banking, at Misys PLC, a mid size software company that serves the financial services industry. From May 2004 to March 2010, Ramji served in many executive roles at British Telecom, most recently as chief executive officer for BT Innovate and Design and chief information officer of BT Group plc. Prior to British Telecom, Ramji was executive vice president, chief information officer and chief e-commerce officer for Qwest Communications. Ramji has also served as chief information officer at UBS (then called SBC) and as global head of operations at Credit Suisse First Boston prior to that. Ramji has served as a non-executive director on the boards of Misys Software, Tech Mahindra and the HP Advisory Board. He is currently serving on the Board and as a member of the compensation committee of iSoftStone, a leading Chinese based global technology outsourcer. Ramji is a Chartered Financial Analyst and holds a B.Sc. in Electronics from the University of London. He is a multi-year winner of the CIO 100 Award, CIO Insight IT Leader of the Year 2009 and the British Computer Society CIO of the Year.

Martin Trust

Martin Trust has served as a member of Virtusa US board of directors since October 2004. Martin Trust is chief executive officer of Samtex (USA), Inc., a holding company engaged in the production of apparel and textile products, a position he has held since October 2003. Trust was senior advisor to Limited Brands, a retailer of apparel and personal care products, from 2001 to October 2003. Prior to that, Martin Trust served as president and chief executive officer of Mast Industries, Inc., a contract manufacturer, importer and wholesaler of women's apparel and wholly-owned subsidiary of Limited Brands, from 1970 to 2001. Martin Trust has served in the capacity of cleared advisor to the United States Department of Commerce with regard to textile trade issues. Martin Trust has been a member of the board of directors of Staples Inc., since 1987 and currently serves as chairman of its compensation committee of its board of directors.

7. As on date of the LoF, Virtusa US is neither a promoter nor a part of the promoter group of the Target Company. Neither Virtusa US nor any of its directors or any of its key managerial employees hold, either directly or indirectly, any ownership/interest/relationship/shares in the Target Company.

8. As on date of this Letter of Offer, there are no directors on the board of directors of the Target Company representing Virtusa US.

9. Virtusa US' key financial information extracted from the audited consolidated financial statements for the financial years ended March 31, 2015, March 31, 2014, and March 31, 2013 and financial information for the 6 (six) months period ended September 30, 2015 which have been reviewed by the independent registered public accountants of Virtusa US in accordance with the standards of the public company accounting oversight board have been set out below:

Profit & Loss Statements:

(Amount in Millions)

For the period/year ended	6 months ended September 30, 2015		March 31, 2015		March 31, 2014		March 31, 2013	
	Un-audited*		Audited		Audited		Audited	
	USD	INR	USD	INR	USD	INR	USD	INR
Income:								
Total revenue[1]	277.85	18,247.67	478.99	31,457.65	396.93	26,068.77	333.18	21,881.43
Total operating expenses, excluding depreciation and amortization	244.54	16,060.35	412.87	27,115.18	343.02	22,527.94	291.28	19,129.70
Income before depreciation, interest and tax	**33.31**	**2,187.32**	**66.12**	**4,342.47**	**53.91**	**3,540.83**	**41.90**	**2,751.73**
Depreciation and Amortization	7.64	501.70	13.55	890.03	11.50	755.40	9.04	593.71
Interest and other income[2]	3.22	211.48	4.83	317.34	3.51	230.65	3.00	197.03
Income before income tax	**28.89**	**1,897.10**	**57.40**	**3,769.78**	**45.92**	**3,016.08**	**35.86**	**2,355.05**
Provision for Tax	7.69	504.85	14.95	982.12	11.54	758.48	7.46	490.00
Net income	**21.20**	**1,392.25**	**42.45**	**2,787.66**	**34.38**	**2,257.60**	**28.40**	**1,865.05**

*** Note:** *financial information for the 6 months period ended September 30, 2015 have been reviewed by the independent registered public accountants of Virtusa US in accordance with the standards of the public company accounting oversight board*

[1]*Total Revenue does not include interest & other income of US$ 3.22 million (INR 211.48 million) for 6 month period ended September 30, 2015; US$ 4.83 million (INR 317.34 million) for Financial Year ended March 31, 2015; US$ 3.51 million (INR 230.65 million) for Financial Year ended March 31, 2014 and US$ 3.00 million (INR 197.03 million) for Financial Year ended March 31, 2013 in accordance with US GAAP.*

[2]*Interest & other income includes interest income and expense, investment gains and losses, foreign currency transaction gains and losses and gains and losses on disposal of fixed assets*

Balance Sheet Statement:

(Amount in Millions except EPS data)

As on	6 months ended September 30, 2015		March 31, 2015		March 31, 2014		March 31, 2013	
	Un-audited*		Audited		Audited		Audited	
	USD	INR	USD	INR	USD	INR	USD	INR
Sources of Funds:								
Paid up Share Capital (Common Stock less Treasury Stock plus APIC)	278.58	18,295.95	273.84	17,984.25	260.16	17,086.27	163.67	10,749.37
Reserves & Surplus (excluding revaluation reserves) / Retained Earnings	205.27	13,481.01	184.07	12,088.76	141.62	9,301.10	107.25	7,043.50
Accumulated other comprehensive loss	(44.19)	(2,902.20)	(34.13)	(2,241.37)	(27.71)	(1,820.14)	(18.71)	(1,229.05)
NETWORTH / Stockholders Equity[1]	**439.66**	**28,874.76**	**423.78**	**27,831.64**	**374.07**	**24,567.23**	**252.21**	**16,563.82**
Secured loans	-	-	-	-	-	-	-	-
Unsecured loans	-	-	-	-	-	-	-	-

Other non-current liabilities	5.49	360.43	4.76	312.48	8.59	563.82	2.48	162.74
TOTAL	**445.15**	**29,235.19**	**428.53**	**28,144.12**	**382.66**	**25,131.06**	**254.69**	**16,726.56**
Use of funds:								
Net fixed assets	40.69	2,672.60	37.99	2,494.88	35.35	2,321.37	36.78	2,415.22
Long-term Investments	24.89	1,634.47	20.73	1,361.58	62.02	4,072.87	8.32	546.35
Other non-current assets[2]	121.84	8,001.71	83.78	5,502.23	91.97	6,040.50	63.94	4,199.35
Net current assets[3] (current assets less current liabilities)	257.73	16,926.41	286.03	18,785.43	193.32	12,696.32	145.65	9,565.64
TOTAL	**445.15**	**29,235.19**	**428.53**	**28,144.12**	**382.66**	**25,131.06**	**254.69**	**16,726.56**
Other Financial Data								
Dividend (%)	-	-	-	-	-	-	-	-
EPS – Basic[4]	0.73	47.77	1.48	96.95	1.32	86.44	1.14	74.79
EPS – Diluted[5]	0.71	46.45	1.44	94.32	1.27	83.70	1.11	72.74

*** Note:** *financial information for the 6 months period ended September 30, 2015 have been reviewed by the independent registered public accountants of Virtusa US in accordance with the standards of the public company accounting oversight board*

[1]*Net Worth (Stockholder's Equity) = Share Capital (Common Stock, less Treasury Stock, plus Additional Paid-in Capital) + Reserves and Surplus (Retained Earnings) + Accumulated Other Comprehensive Loss*
[2]*Intangible assets is included in Other non current assets*
[3]*Short-term investments is included in Net current assets*
[4]*Basic Earnings per Share is calculated as Net Income/ weighted average number of shares outstanding during the respective period*
[5]*Dilutive Earnings per Share is calculated by including the dilutive impact of common stock equivalents outstanding for the period in the denominator.*

Note: Since the financial statements of Virtusa US are prepared in United States Dollars ("USD"), the functional currency of Virtusa US, the financial statements have been converted into INR for purpose of convenience of translation. INR to USD conversion has been assumed at a rate of 1 USD = 65.6755 INR on the basis of the reference rate published by the Reserve Bank of India as on November 5, 2015 (date of the PA).

(Source - Audited consolidated financial statements as of and for the financial years ended March 31, 2015, March 31, 2014, and March 31, 2013 audited by the Independent Registered Public Accountants of Virtusa US, and consolidated financial statements of Virtusa US for the six month period ended September 30, 2015 which have been reviewed by the Independent Registered Public Accountants of Virtusa US in accordance with the standards of the Public Company Accounting Oversight Board)

Contingent liability and Commitments

(Amount in Millions)

Contingent liability/ Commitment[#]	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2015	March 31, 2014	March 31, 2013
	Audited	Audited	Audited	Audited	Audited	Audited
	USD	USD	USD	INR	INR	INR
Bank Guarantee Outstanding	-	-	0.05	-	-	3.28
Commitment, if any	25.11	27.00	23.23	1,649.11	1,773.24	1,525.64
Total	**25.11**	**27.00**	**23.28**	**1,649.11**	**1,773.24**	**1,528.93**

[#]*Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles in the United States are condensed or omitted in interim filings pursuant to SEC rules and regulations. Hence, disclosure of Commitments and Contingencies is not available for the 6-month period ending September 30th, 2015. Interim financial statements should be read in conjunction with the Company's audited consolidated financial statements (and notes thereto). The table above includes amounts disclosed for Commitment and Contingencies in the footnotes to the Company's audited consolidated financial statements.*

Note: Since the financial statements of Virtusa US are prepared in United States Dollars ("USD"), the functional currency of Virtusa US, the financial statements have been converted into INR for purpose of convenience of translation. INR to USD conversion has been assumed at a rate of 1 USD = 65.6755 INR on the basis of the reference rate published by the Reserve Bank of India as on November 5, 2015 (date of the PA).

10. Virtusa US has not been prohibited by SEBI, in terms of any directions issued under Section 11B of SEBI Act as amended or under any regulations made under the SEBI Act.

11. Virtusa US, being a Nasdaq listed company, is required to comply and is in compliance with the standards of accounting, corporate governance and public disclosures as required by the including the Nasdaq Global Select Market rules, United States Securities and Exchange Commission, Sarbanes-Oxley Act of 2002 and other SEC Regulations. Virtusa US also continually monitors compliance with the provisions of the US Sarbanes–Oxley Act of 2002 and the related regulations regarding our required assessment of its internal control over financial reporting. Virtusa US also publishes information required to be disclosed in its annual reports including its definitive proxy statement which proxy statement is expected to be filed with the SEC not later than 120 (One Hundred and Twenty) days after the close of the Company's fiscal year. Mr. Paul Tutun, Executive Vice President, General Counsel and Assistant Secretary of Virtusa US, assesses and monitors adherence to compliances.

C. Virtusa International B.V. ("PAC 2"/ "Virtusa NL")

1. Virtusa NL is a private limited company incorporated in Rotterdam on February 20, 2008 under the laws of Netherlands, bearing number 34295390. Virtusa NL comprises a part of the Virtusa Group. There has been no name change of PAC 2 since incorporation. The registered office of Virtusa NL is situated at Schiphol Boulevard 231, 1118 BH, Amsterdam Schiphol, The Netherlands Tel no.: +31 88 560 9950, Fax no.: +31 88 560 9960.

2. Virtusa NL is engaged in the business of software development and IT services to large enterprises and leading software vendors.

3. Virtusa NL is a wholly owned and controlled by, and is a subsidiary of, Virtusa US. The shareholding of Virtusa NL is stated below:

S. No	Name of the beneficial owner	Number of shares	% of shareholding
1.	Virtusa Corporation US	18,000	100

4. The board of directors of Virtusa NL as on date of the LoF is comprised as under:

S.No	Names of the Director	Designation	Date of Appointment
1.	Denagamage Shanaka Pramudith De Silva Jayawardena	Director	September 29, 2010
2.	Rogier Johan van Schaik	Director	March 01, 2015
3.	Bart Willem de Sonnaville	Director	March 23, 2012
4.	Jacobus Johannes van Ginkel	Director	February 20, 2008

Denagamage Shanaka Pramudith De Silva Jayawardena

Shanaka Jayawardena is the Europe Controller of Virtusa UK Limited. He is responsible for general management and compliance including accounting and statutory reporting. Prior to joining Virtusa NL, he worked as a senior business analyst at SJ Associates, representing Anderson worldwide. He also worked as a Senior Accountant in Virtusa, Sri Lanka, Management Accountant at Regent UK and Senior Management Accountant at VT Plus UK, a subsidiary of Vosper Thorneycroft Group. He has completed his Bachelor's Degree in Science (Business Administration) from University of Sri Jayawardenapura, Sri Lanka, Chartered Institute of Management Accounts from United Kingdom (UK) (ACMA), Chartered Global Management Accountant (CGMA affiliate of AICPA) and Business & Management degree from Henley Business School, UK.

Rogier Johan van Schaik

Rogier Johan van Schaik is the Head of Netherlands BFS Consulting, Virtusa International BV since January He is based out of Utrecht and prior to being part of the Virtusa Group he was associated with TradeTech Consulting. TradeTech Consulting rebranded to Virtusa Corporation. Rogier has worked to extend Virtusa's presence within Europe and expanding Virtusa's global footprint into the Nordics and Western Europe. His role will continue to benefit from local operational support and provides clients with access to Virtusa's global delivery model and broader services capabilities. Rogier has acquired a Doctorate (2001) in Business Economics from the University of Amsterdam, Netherlands and prior to that he has completed his bachelors degree (1998) in Business Economics from Hogeschool Den Bosch, Breda, Netherlands.

Bart Willem de Sonnaville

Bart Sonnaville is responsible for general management, sales in Virtusa NL and compliance including accounting and statutory reporting.. He has completed his Masters degree in International and European Taxation from Maastricht University in the Netherlands.

Jacobus Johannes van Ginkel

Jacobus Ginkel is responsible for general management, and compliance including accounting and statutory reporting in Virtusa NL Prior to being part of Virtusa Group, he worked in various positions including being the Executive and Managing Director of Holland Intertrust, MeesPierson Intertrust, Fortis Intertrust. He has completed Business Economics from Business School, Hague.

5. The shares of Virtusa NL are not listed on any stock exchange.

6. As on date of this Letter of Offer, there are no directors on the board of directors of the Target Company representing Virtusa NL.

7. As on the date of the LoF, Virtusa NL is neither a promoter nor a part of the promoter group of the Target Company. As on date of the Letter of Offer, neither Virtusa NL nor any of its directors or any of its key managerial employees hold, either directly or indirectly, any ownership/interest/relationship/shares in the Target Company.

8. Virtusa NL has not been prohibited by SEBI from dealing in securities, in terms of any directions issued under Section 11B of SEBI Act as amended or under any regulations made under the SEBI Act.

9. Virtusa US has, vide its letter dated November 11, 2015, confirmed that in terms of Articles 2:396 and 2:408 of the Dutch Civil Code, Virtusa NL is not required to audit its financial statements.

10. Since an audit of Virtusa NL is not required under applicable Dutch law and Virtusa NL does not prepare financial statements for interim periods, based on the unaudited annual standalone financial information for the financial year ended March 31, 2015, March 31, 2014 and March 31, 2013, the financial information of Virtusa NL is as follows:

Profit & Loss Statements:

(Amount in Millions)

For the period/year ended	March 31, 2015		March 31, 2014		March 31, 2013	
	Unaudited		Unaudited		Unaudited	
	EUR	INR	EUR	INR	EUR	INR
Income:						
Total revenue[1]	4.02	286.90	3.52	251.10	2.00	142.77
Total operating expenses, excluding depreciation and amortization	**3.80**	**271.27**	**3.71**	**264.49**	**1.83**	**130.24**

Profit before depreciation, interest and tax	**0.22**	**15.63**	**(0.19)**	**(13.39)**	**0.18**	**12.53**
Depreciation and Amortization	0.13	9.45	_	_	0.00	0.04
Interest and other income[2]	2.97	212.26	(1.10)	(78.29)	0.02	1.77
Profit before tax	**(2.89)**	**(206.08)**	**0.91**	**64.89**	**0.15**	**10.73**
Provision for Tax	(0.85)	(60.42)	0.02	1.13	0.03	2.27
Profit after tax	**(2.04)**	**(145.66)**	**0.89**	**63.77**	**0.12**	**8.46**

Note: Financial data presented in EUR has been converted to INR for the purpose of convenience. The conversion has been assumed at the rate EUR 1 = INR 71.3499 as of the date of the PA (i.e. November 5, 2015) (Source: Reserve Bank of India - http://www.rbi.org.in)

[1] Total revenue does not include dividend income of EUR 1.37 million (INR 97.97 million) for the Financial Year ended March 31, 2015; dividend income of EUR 1.19 million (INR 85.13 million) for the Financial Year ended March 31, 2014 and interest income of EUR 785 (INR 0.06 million) for the Financial Year ended March 31, 2013

[2]Interest and other income includes interest cost and income, dividend income and exchange differences.

Balance Sheet Statement:

(Amount in Millions except EPS data)

As on	March 31, 2015 Unaudited		March 31, 2014 Unaudited		March 31, 2013 Unaudited	
	EUR	INR	EUR	INR	EUR	INR
Sources of Funds:						
Paid up share capital	0.02	1.28	0.02	1.28	0.02	1.28
Reserves & Surplus (excluding revaluation reserves)	0.85	60.64	2.60	185.25	1.70	121.48
NETWORTH						
Secured loans	-	-	-	-	-	-
Unsecured loans	18.11	1,292.24	14.35	1,023.80	-	_
TOTAL	**18.98**	**1,354.16**	**16.96**	**1,210.34**	**1.72**	**122.77**
Use of funds:						
Net fixed assets	0.70	49.83	-	-	-	-
Investments	15.08	1,075.63	15.29	1,090.60	-	-
Net current assets (current assets less current liabilities)	3.21	228.70	1.68	119.74	0.78	55.35
TOTAL	**18.98**	**1,354.16**	**16.96**	**1,210.34**	**1.72**	**122.77**

Note: Financial data presented in EUR has been converted to INR for the purpose of convenience. The conversion has been assumed at the rate EUR 1 = INR 71.3499 as of the date of the PA (i.e. November 5, 2015) (Source: Reserve Bank of India - http://www.rbi.org.in)

IV. BACKGROUND OF THE TARGET COMPANY: POLARIS CONSULTING & SERVICES LIMITED[1]

1. The Target Company was originally incorporated as a private limited company under the name and style "Polaris Software Lab Private Limited" on January 05, 1993 in accordance with the provisions of the Companies Act, 1956 bearing registration number 24142. The Target Company was converted into a public limited company by virtue of Section 44 of 1956 Act with effect from June 24, 1996. The name of the Target Company was thereafter

[1] *The information contained in this section (Section IV) has been confirmed and certified by the Target Company vide its certificate dated February 27, 2016.*

changed to "Polaris Financial Technology Limited" on November 16, 2011. Subsequently, the name of the Target Company was changed to its present name "Polaris Consulting & Services Limited" on October 21, 2014.

2. The Target Company has its registered office at Polaris House, 244, Anna Salai, Chennai, Tamil Nadu, 600006. Tel: +91 44 3987 4000; Fax: +91 44 2852 3280. Email id: company.secretary@polarisft.com, website: www.polarisft.com. The Corporate Identity Number (CIN) of the Target Company is L65993TN1993PLC024142.

3. The Target Company is engaged in the business of providing IT consulting services to various industries. The Target Company has the following subsidiaries and entities in which it exercises controlling interest:

Sr. No	Name of the Entity	Subsidiary or Branch	Country	Address
1	Polaris Consulting & Services Pte Ltd, Singapore	Subsidiary	Singapore	No. 1 North Bridge Road, # 19-04 High street Center, Singapore – 179094
2	Polaris Consulting & Services Limited, United Kingdom	Subsidiary	United Kingdom	6th Floor, No. 1 Harbour Exchange Square, London, E14 9GE, United Kingdom
3	Polaris Consulting & Services kft. , Hungary *	Subsidiary	Hungary	1103 Budapest, Koer utca 2A, C ep. Hungary
4	Polaris Consulting & Services GmbH, Germany	Subsidiary	Germany	No. 2 Etage, Herriostrasse 1, Frankfurt - 60528, Germany
5	Polaris Consulting & Services Pty Ltd, Australia	Subsidiary	Australia	Level 23, HWT Tower, 40, City Road, South Gate, Victoria - 3006, Australia
6	Polaris Consulting & Services Ireland Ltd, Ireland	Subsidiary	Ireland	Atlas Court, Bray Business Park, Sourthern Cross Bray, Co Wicklow, Republic of Ireland
7	Polaris Consulting and Services Japan K.K , Japan	Subsidiary	Japan	32 Shiba koen Building, 8th Floor, Shiba-koen Tokyo 105-0011, Japan
8	Polaris Consulting & Services Inc , Canada **	Subsidiary	Canada	Suite No. 1800, The Exchange Tower, 130, King Street, W Toronto, Ontario, M5X1E3, Canada
9	Polaris Consulting & Services B.V, Netherlands *	Subsidiary	Netherland	Newtonlaan 115,3584 BH, Ultrecht, The Netherlands
10	Polaris Consulting & Services (Shanghai) Company Ltd#	Subsidiary	China	Level 26, Shanghai City Time Square Office Tower, No:93, Huaihai Zhong Road, Luwan District, Shanghai -200021, People Republic of China
11	Optimus Global Services Limited	Subsidiary	India	No. 244 Anna Salai, Chennai - 600 006
12	Polaris Consulting & Services SDN.BHD., Malaysia #	Subsidiary	Malaysia	Suite 6, Level 21, Block 3B, Plaza Central, Jalan Steseu Sentral 5, 50470, Kuala Lumpur, Malaysia
13	Intellect Polaris Design LLC, USA	Subsidiary	USA	15 Corporate Place South, Piscataway, NJ 08854
14	Polaris Consulting & Services Limited	Branch	United States	20, Corporate Place South, Piscataway, NJ 08854, USA
15	Polaris Consulting & Services Ltd	Branch	Hong Kong	19/F Beverly House Road, Wanchai Hong Kong,
16	Polaris Consulting & Services Ltd ***	Branch	France	30, Bis Rue de Veil Abreuvoir, 78100, St Germain En Laye, Paris, France

Sr. No	Name of the Entity	Subsidiary or Branch	Country	Address
17	Polaris Consulting & Services Pty Ltd[##]	Branch	New Zealand	Regus Business Centre, 171, Featherson Street, Wellington - 6011, New Zealand
18	Polaris Consulting and Services FZ – LLC	Subsidiary	Dubai	Premises : 113, Floor:01, Building:12, Dubai, United Arab Emirates

Notes

** Subsidiaries of Polaris Consulting & Services Ltd, UK*

[#] Subsidiaries of Polaris Consulting & Services Ltd, Singapore

*** 40% of shares held by Polaris Consulting & Services Pte Limited, Singapore*

[##] Branch of Australian Subsidiary

**** Deregistered as branch w.e.f 17th August 2015*

4. The equity shares of the Target Company are listed on BSE, NSE and the MSEI (collectively referred to as the "**Stock Exchanges**"). The Equity Shares of the Target Company were delisted (pursuant to voluntary delisting) from the Madras Stock Exchange with effect from October 15, 2014.

5. As on date of this Letter of Offer, the authorized share capital of the Target Company is Rs. 650,000,000/- (Indian Rupees Six Hundred and Fifty Million) divided into 120,000,000 (One Hundred and Twenty Million) Equity Shares of Rs. 5/- each (Indian Rupees Five) and 10,000,000 (Ten Million) 11% (Eleven per cent) preference shares of Rs. 5/- each (Indian Rupees Five). The issued, subscribed and paid-up capital of the Target Company is Rs. 501,803,870 - (Indian Rupees Five Hundred and One Million Eight Hundred and Three Thousand Eight Hundred and Seventy only) divided into 100,360,774 (One Hundred Million Three Hundred Sixty Thousand Seven Hundred and Seventy Four) equity shares of Rs. 5/- (Indian Rupees Five) each.

6. As on the date of the Letter of Offer, the Target Company does not have any partly paid-up shares. The number of shares outstanding as on date of the Letter of Offer in the Target Company is 100,360,774 (One Hundred Million Three Hundred Sixty Thousand Seven Hundred and Seventy Four) equity shares of Rs. 5/-(Indian Rupees Five) each amounting to Rs. 501,803,870 - (Indian Rupees Five Hundred and One Million Eight Hundred and Three Thousand Eight Hundred and Seventy only) . Out of 100,360,774 (One Hundred Million Three Hundred Sixty Thousand Seven Hundred and Seventy Four) equity shares, the following Equity Shares are not listed on any of the Stock Exchanges:

Shares that are not listed	Reasons for not being listed	Steps taken to regularize listing
50 Equity Shares	On August 13, 2001 these shares were issued to Citfin Investment Holdings Limited, an overseas corporate body. These shares were bonus shares. However, on application, the RBI required certain certificates (issued to such overseas corporate body) to be submitted to it in original for according its approval. These shares are in physical form.	The Target Company has been corresponding with the Stock Exchanges to regularize listing of these shares

7. As on the date of this Letter of Offer, there are no outstanding depository receipts, whether in the form of ADRs or GDRs of the Target Company. Except as stated below, there are no outstanding convertible instruments such as warrants/convertible debentures/ convertible preference shares etc. Except for the 4,986,200 (Four Million Nine Hundred and Eighty Six Thousand Two Hundred) employee stock options ("**ESOPs**") granted by the Company there are no outstanding convertible instruments such as warrants/convertible debentures/convertible preference shares etc. The ESOPs represent a maximum of 4,986,200 equity shares of the Target Company amounting to 4.97% of the total paid up share capital of the Target Company.

8. The details of board of directors of the Target Company, as on the date of LoF, are as follows:

S. No.	Name of the Director	Date of Appointment	Director Identification Number (DIN)
1.	Mr. Ravindra Chandra Bhargava	March 30, 1999	00007620
2.	Mr. Abhay Kumar Aggarwal	May 12, 1995	00042882
3.	Mr. Venkatarathnam Balaraman	April 27, 2013	00267829
4.	Ms. Uma Ratnam Krishnan	March 19, 2015	00370425
5.	Mr. Ashok Jhunjhunwala	June 16, 2001	00417944
6.	Mr. Arun Jain	September 29, 1995	00580919
7.	Mr. Raju Venkatraman	December 30, 2005	00632071
8.	Mr. Arvind Kumar	May 12, 1995	00636869
9.	Mr. Jitin Goyal	November 07, 2014	02851976
10.	Mr. Rajesh Mehta	November 19, 2012	06410765
11.	Jonathan Eric Beyman	January 22, 2015	07066811
12.	Theodore Roosevelt Malloch Jr.	November 07, 2014	07011292

9. Based on the information available on the website of the Stock Exchanges, the Equity Shares of the Target Company are frequently traded on BSE and NSE in terms of Regulation 2(1)(j) of the SEBI (SAST) Regulations. The equity shares of the Target Company are infrequently traded on the MSEI.

10. Share Capital Structure:
The share capital structure of the Target Company is as follows:

Paid-up Shares	No. of Shares/Voting Rights	% Shares/Voting Rights
Fully Paid-up Equity Shares	100,360,774	100%
Partly Paid-up Equity Shares	-	-
Total Paid-up Equity Shares	100,360,774	100%
Total Voting Rights in Target Company	100,360,774	100%

The Voting Share Capital of the Target Company equals 102,769,009 equity shares, comprising 100,248,124 equity shares outstanding as of the date of the PA and assuming exercise of 2,520,885 employee stock options of the Target Company that have vested or will vest by the tenth (10^{th}) Working Day from the closure of the tendering period of the Offer.

11. There are no locked-in shares of the Target Company in accordance with the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009.

12. In the event violations of disclosure requirements by the Target Company and the Promoters under Chapter II of the 1997 Takeover Regulations and Chapter V of the SEBI (SAST) Regulations are established, then SEBI, may initiate appropriate action for imposing monetary penalty against the Target Company and its Promoters

13. Mergers, demergers & scheme of amalgamation/rearrangement (in the last three years):

(i) **Scheme of arrangement-cum-demerger between Polaris Consulting & Services Limited (formerly known as Polaris Financial Technology Limited) and Intellect Design Arena Limited (formerly known as Fin Tech Grid Limited)**

The scheme of arrangement-cum-demerger ("the Scheme") between the Target Company and Intellect Design Arena Limited ("Resulting Company") was approved by the board of directors of the Target Company in the meeting held on March 18, 2014 and by the shareholders in the court convened meeting held on July 23, 2014 and by the Hon'ble High Court of Judicature, Chennai, India vide its order dated September 15, 2014 received by the Company on September 24, 2014 for demerging the product business undertaking of the Target Company and the Scheme came into effect from September 25, 2014. Subsequent thereto, the transfer of the product business undertaking with effect from the appointed date, April 1, 2014 has been completed. The scheme. inter alia envisaged the following: (i) Demerger of the products business undertaking of Polaris Financial Technology Limited to lntellect Design Arena Limited; (ii) Vesting of the assets and liabilities of product business undertaking to lntellect Design Arena Limited at book value on the appointed date; (iii) Appointed date for effecting the proposed scheme is April 1, 2014; and (iv) Reduction of the share capital of lntellect Design Arena Limited by its existing shareholders, upon allotment of equity shares to the share holders of Polaris Financial Technology Limited, as consideration for demerger.

(ii) **Scheme of Arrangement (Demerger) between Polaris Consulting & Services Limited (Formerly known as Polaris Financial Technology Limited) and Optimus Global Services Limited**

The Scheme of Arrangement (Demerger) between the Target Company and Optimus Global Services Limited (Optimus) was considered and approved by the shareholders of the Target Company at the Court convened meeting held on April 9, 2012. Consequently, the Target Company filed a petition with the Hon'ble High Court of Judicature at Madras on April 23, 2012 and it was heard on July 20, 2012. The Hon'ble High Court approved the Scheme and passed its order on July 20, 2012 and the Scheme was effectuated from the appointed date, i.e. October 1, 2011. Pursuant to the demerger, the BPO undertaking was demerged with Polaris.

14. Financial information:

Brief financial information of the Target Company, extracted from its audited consolidated financial statements for the financial year ended March 31, 2013, March 31, 2014, March 31, 2015, audited standalone financial information for the 6 (six) months period ended September 30, 2015 and un-audited consolidated financials for the 6 (six) months period ended September 30, 2015 is as follows:

Income statement

(Rs. In Millions)

Particulars	**6 months period ended September 30,2015 (standalone)**	**6 months period ended September 30,2015 (consolidated)**	**March 31, 2015 (consolidated)**	**March 31, 2014 (consolidated)**	**March 31, 2013 (consolidated)**
	Audited	**Unaudited**	**Audited**	**Audited**	**Audited**
Income from operations	9,207.12	10,135.14	18,933.45	24,236.97	22,586.31
Other Income	58.81	60.40	411.43	323.52	341.39
Total Income	9,265.93	10,195.53	19,344.88	24,560.49	22,927.70
Total expenditure[1]	8,181.47	8,818.33	16,751.50	21,608.67	19,934.99
EBITDA[1]	**1,084.45**	**1,377.21**	**2,593.38**	**2,951.82**	**2,992.71**
Depreciation and Amortization	127.07	136.21	279.09	544.40	536.91
Interest	-	-	-	19.77	24.91
Profit/(Loss) Before Tax	**957.38**	**1,241.00**	**2,314.30**	**2,387.64**	**2,430.90**
Provision for Tax	320.14	387.02	642.23	396.88	490.37
Profit/(Loss) After Tax[2]	**637.24**	**854.30**	**1,672.70**	**1,991.92**	**2,008.03**

[1]*Total expenditure and EBITDA includes exceptional items and prior period items*
[2]*Profit/(Loss) After Tax includes profit/(loss) from minority interest/associate.*

Balance Sheet

(Rs. In Millions)

Particulars	6 months period ended September 30,2015 (standalone)	6 months period ended September 30,2015 (consolidated)	March 31, 2015 (consolidated)	March 31, 2014 (consolidated)	March 31, 2013 (consolidated)
	Audited	Unaudited	Audited	Audited	Audited
Sources of funds					
Paid up share capital	501.15	501.15	499.57	497.75	497.53
Reserves and Surplus (excluding revaluation reserves)	5,775.54	8,579.18	8,008.67	14,976.36	12,929.72
Networth[1]	**6,276.68**	**9,080.32**	**8,508.25**	**15,474.11**	**13,427.25**
Secured loans	-			-	5.78
Unsecured loans	-	-	-	40.32	1,155.42
Other non current liabilities[2]	40.89	81.72	39.89	161.52	170.86
Total	**6,317.57**	**9,162.04**	**8,548.13**	**15,675.95**	**14,759.31**
Uses of funds					
Net fixed assets[3]	2,044.81	2,358.91	2,346.78	3,787.30	4,006.88
Investments[4]	1,430.60	1,094.50	1,253.86	4,590.22	3,011.11
Other non current assets	918.25	968.71	1,018.09	2,812.47	3,441.98
Net current assets	1,923.91	4,739.92	3,929.40	4,485.97	4,299.34
Total	**6,317.57**	**9,162.04**	**8,548.13**	**15,675.95**	**14,759.31**

[1]Net worth/shareholders' funds = share capital + reserves and surplus
[2]Minority interest is included in other non current liabilities
[3]Net fixed assets includes tangible assets, intangible assets, capital work in progress and intangible assets under development
[4]Investments include long term and short term investments

Other financial data	6 months period ended September 30,2015 (standalone)	6 months period ended September 30,2015 (consolidated)	March 31, 2015 (consolidated)	March 31, 2014 (consolidated)	March 31, 2013 (consolidated)
	Audited	Unaudited	Audited	Audited	Audited
EPS	6.37 (Basic)	8.54 (Basic)	16.77 (Basic)	20.01 (Basic)	20.19 (Basic)
	6.26(Diluted)	8.39(Diluted)	16.39(Diluted)	19.97 (Diluted)	20.15 (Diluted)
Dividend (per share) percentage	-	-	300%	125%	100%

Earnings per share is calculated as profit after tax/weighted average number of shares outstanding during the respective period
(Source: Audited consolidated financial statements of the Target Company for the financial year ended March 31, 2013, March 31, 2014, March 31, 2015, audited standalone financial information for the 6 (six) months period ending September 30, 2015 and un-audited consolidated financials for the 6 (six) months period ended September 30, 2015.)

Contingent Liabilities

Contingent liability/ Commitment	6 months period ended September 30, 2015 (standalone)	6 months period ended September 30, 2015 (consolidated)	March 31, 2015 (consolidated)	March 31, 2014 (consolidated)	March 31, 2013 (consolidated)
	Audited	**Unaudited**	**Audited**	**Audited**	**Audited**
Bank Guarantee Outstanding*	78.21	82.27	417.46	492.10	526.57
Claims against company not acknowledged as debts in respect of sales tax demand against which Company's appeal is pending before Commissioner of Sales Tax appeal (net of security deposit paid)	54.12	54.12	59.91	67.14	61.80
Claims against company not acknowledged as debts in respect Income Tax	689.55	689.55	689.55	830.80	843.40
Claims against company not acknowledged as debts -Service tax (net of security deposit paid)	13.28	22.81	22.81	25.69	22.73
Claims against company not acknowledged as debts in respect of alleged breach of intellect property rights	9.00	9.00	9.00	9.00	-
Commitment, if any- Capital commitments	24.34	24.34	67.80	59.20	121.40

* Note: Bank Guarantee Outstanding is extracted from management accounts and is not audited

15. Pre and Post-Offer Shareholding Pattern of the Target Company as on February 25, 2016 is as follows:

Shareholders' Category	Shareholding & Voting Rights prior to the Open Offer		Shares / Voting Rights agreed to be Acquired which triggered off the Regulations		Shares/ Voting Rights to be Acquired in Open Offer (assuming full acceptances)		Shareholding / Voting Rights after the Acquisition and Open Offer	
	(A)		**(B)**		**(C)**		**(A)+(B)+(C) = (D)**	
	No.	**%**	**No.**	**%**	**No.**	**%**	**No.**	**%**
1. Promoter Group								
Polaris Banyan Holding Private Limited (Formerly Known As Polaris Holdings Private Limited)	20,020,938	19.48	Nil	Nil	Nil	Nil	Nil	Nil
Arun Jain	4,322,365	4.21	Nil	Nil	Nil	Nil	Nil	Nil
Yogesh Andlay	2,077,447	2.02	Nil	Nil	Nil	Nil	Nil	Nil

Manju Jain	1,052,460	1.02	Nil	Nil	Nil	Nil	Nil	Nil
Arun Jain (HUF)	789,000	0.77	Nil	Nil	Nil	Nil	Nil	Nil
Uday Jain	619,500	0.60	Nil	Nil	Nil	Nil	Nil	Nil
Aarushi Jain	60,000	0.06	Nil	Nil	Nil	Nil	Nil	Nil
Meena Agarwal	34,740*	0.03	Nil	Nil	Nil	Nil	13,290	0.01
Shashi Gupta	5,900**	0.01	Nil	Nil	Nil	Nil	Nil	Nil
Naveen Kumar	4,800	0.00	Nil	Nil	Nil	Nil	Nil	Nil
Neeta Mathur	2,400	0.00	Nil	Nil	Nil	Nil	Nil	Nil
Nita Jain	2,400	0.00	Nil	Nil	Nil	Nil	Nil	Nil
Manju Verma	2,400	0.00	Nil	Nil	Nil	Nil	Nil	Nil
Uma Gupta	2,400	0.00	Nil	Nil	Nil	Nil	Nil	Nil
Suman Mathur	2,300	0.00	Nil	Nil	Nil	Nil	Nil	Nil
Total (1)	**28,999,050**	**28.22**	**Nil**	**Nil**	**Nil**	**Nil**	**13,290**	**0.01**
2. Acquirer								
Virtusa Consulting Services Limited	Nil	Nil	53,133,127	51.70	26,719,942	26.00	79,853,069	77.70
Virtusa US	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Virtusa NL	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Total (2)	**Nil**	**Nil**	**53,133,127**	**51.70**	**26,719,942**	**26.00**	**79,853,069**	**77.70**
3. Parties to agreement other than(1) & (2)	**24,560,454*** **	**23.90**	**Nil**	**Nil**	**Nil**	**Nil**	**413,087**	**00.40**
4. Public (other than parties to Agreement, Acquirer & PACs) #								
a) FIs / MFs / FIIs / Banks, SFIs, ARCs^	21,687,745	21.10	Nil	Nil	Nil		Will depend on response from each category	
b) Others	25,113,525	24.44	Nil	Nil				
Total 4 (a+b)	**46,801,270**	**45.54**	**Nil**	**Nil**	**Nil**		**22,489,563**	**21.88**
GRAND TOTAL ## (1+2+3+4)	**100,360,774**	**97.66**	**53,133,127**	**51.70**	**26,719,942**	**26.00**	**1,02,769,009**	**100.00**

Notes:

All % are taken as percentage of Voting Share Capital

** As on the date of the SPA, Meena Agarwal held 21,450 equity shares. Meena Agarwal thereafter acquired 16,790 equity shares on November 6, 2015 and on November 09, 2015, transferred 3,500 equity shares by way of a gift in favour of Shashi Gupta .*

*** As on the date of the SPA, Shashi Gupta held 400 equity shares. Shashi Gupta thereafter acquired 2,000 equity shares on November 6, 2015 and on November 09, 2015, acquired 3,500 equity shares by way of a gift from Meena Agarwal.*

**** As on the date of the SPA, one of the parties to the agreement other than Promoter Group and Acquirer, namely, Arun Sekhar Aran held 483,560 equity shares. Arun Sekhar Aran thereafter acquired 15,000 equity shares on November 06, 2015. Arun Sekhar Aran has subsequently sold 15,000 equity shares through open market transactions on December 24, 2015. The aggregate of 30,000 shares were held in separate folio numbers and do not comprise a part of the shares offered for sale as part of the SPA, by Arun Shekar Aran. The number of shares by Arun Sekhar Aran as on 25th Feb 2016 is 483,560.*

**** As on the date of the SPA, one of the parties to the agreement other than Promoter Group and Acquirer, namely, Orbitech Employees Welfare Trust held 1,119,529 shares. On 25th November 2015, 2000 shares and on 5th February 2016, 2000 shares were transferred to the option holders (pursuant to exercise of options in accordance with ASOP 2004). The number of shares held by the trust as on 25th Feb, 2016 is 1,115,529*

**** As on the date of the SPA, one of the parties to the agreement other than Promoter Group and Acquirer, namely, Konark Trust held 307,673 equity shares. On 22nd February 2016, 5000 shares were transferred to an option holder (pursuant to exercise of option under the Konark Stock Option Plan). The number of shares held by Konark Trust as on 25th Feb, 2016 is 302,673.*

^ Includes Banks, Foreign Banks, FIIs, FPIs, Indian Financial Institutions, MFs

[#] Number of Shareholders under Public category (i.e other than parties to Agreement) as on February 25, 2016 is 43,443.

[##] The figures in the above table have been derived from the Target Company's beneficiary position statement as on February 25, 2016 as maintained by the Target Company's RTA.

The total number of shares after the acquisition and open offer equal the Voting Share Capital of the Target Company of 102,769,009 equity shares, comprising 100,248,124 equity shares outstanding as of the date of the PA and assuming exercise of 2,520,885 employee stock options of the Target Company that have vested or will vest by the tenth (10th) Working Day from the closure of the tendering period of the Offer

Any Promoter or member of the Promoter group with shares remaining after the Acquisition and Open offer shall in terms of Clause 31(A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 be declassified as 'promoter' of the Target Company and shall be re-classified as public shareholder of the Target Company in accordance with the provisions of the SEBI (Listing Obligations and Disclosure Requirements). In any event, as stated in Paragraph 3.10 of Part A of Section II (Details of the Offer), in terms of Clause 31(A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, all of the Promoters, shall on or immediately following the Closing Date, be declassified as 'promoters' of the Target Company for the purposes of all applicable laws and the Acquirer shall be named as the 'promoter' of the Company for the purposes of all applicable laws as on such date.

16. Details of compliance officer:

Ms. Christina Pauline Beulah
The Company Secretary & Compliance Officer
POLARIS CONSULTING & SERVICES LTD
(Formerly Known As Polaris Financial Technology Limited)
Registered Office: Polaris House,
244, Anna Salai, Chennai 600 006
Phone: 044 39843400
Fax: 044 2852 3280
E mail: christina.beulah@polarisft.com

V. OFFER PRICE AND FINANCIAL ARRANGEMENTS

A. JUSTIFICATION OF OFFER PRICE

1. The Open Offer is made pursuant to the execution of the SPA for the acquisition of more than 25% of the equity shares and voting rights, accompanied with a change in control of the Target Company.

2. The Offer Price is Rs. 220.73 (Indian Rupees Two Hundred and Twenty and Seventy Three Paise) per Equity Share. The Offer Price will be paid in cash in accordance with Regulation 9(1)(a) of the SEBI (SAST) Regulations.

3. The equity shares of the Target Company are presently listed and traded on BSE (Scrip Code: 532254); NSE (Symbol: POLARIS), and MSEI.

4. The trading turnover in the equity shares of the Target Company on the Stock Exchanges based on trading volume during the twelve calendar months prior to the month of the PA (November 2014 to October 2015) is as given below:

Name of Stock Exchange	Total No. of Equity Shares traded during the 12 calendar months prior to the month of the PA ("A")	Weighted Average Number of Listed Equity Shares during the 12 calendar months prior to the month of PA ("B")	Total Trading Turnover (A as a % of B)
NSE	178,522,510	100,005,685	178.5%
BSE	46,864,010	100,005,685	46.9%
MSEI	Nil	100,005,685	Nil

(Source: www.bseindia.com, www.nseindia.com, and www.msei.in)

5. Based on the above, the equity shares are frequently traded in terms of Regulation 2(1)(j) of the SEBI (SAST) Regulations on the BSE and NSE. The shares of the Target Company are infrequently traded on MSEI.

6. The Offer Price of Rs. 220.73 (Indian Rupees Two Hundred and Twenty and Seventy Three Paise only) is justified in terms of Regulation 8(2) of the SEBI (SAST) Regulations on the basis of the following:

S. No.	Particulars	Price *(In Rs. per share)*
(a)	Negotiated price per equity share for any acquisition in terms of the SPA attracting the obligation to make the PA	220.73
(b)	The volume- weighted average price paid or payable for acquisitions by the Acquirer during 52 weeks immediately preceding the date of PA.	Not Applicable
(c)	The highest price paid or payable for acquisitions by the Acquirer during 26 weeks immediately preceding the date of PA.	Not Applicable
(d)	The volume-weighted average market price of shares for a period of 60 trading days immediately preceding the date of the PA as traded on the stock exchange where the maximum volume of trading in the shares of the Target Company are recorded during such period.	192.62

7. Calculation of the volume – weighted average market price of the Equity Shares for a period of sixty (60) trading days immediately preceding the date of PA as traded on NSE as per Regulation 8(2)(d) of the SEBI (SAST) Regulations is as follows:

S. No.	Date	Total traded equity shares	Total turnover (INR)	Volume weighted average price (INR)
1	4-Nov-15	2,573,383	535,348,000	208.03
2	3-Nov-15	1,881,886	382,863,000	203.45

S. No.	Date	Total traded equity shares	Total turnover (INR)	Volume weighted average price (INR)
3	2-Nov-15	647,360	127,229,000	196.54
4	30-Oct-15	1,052,708	205,605,000	195.31
5	29-Oct-15	1,284,418	255,065,000	198.58
6	28-Oct-15	759,453	149,938,000	197.43
7	27-Oct-15	287,242	55,712,000	193.95
8	26-Oct-15	753,146	147,408,000	195.72
9	23-Oct-15	236,786	46,076,000	194.59
10	21-Oct-15	318,206	62,190,000	195.44
11	20-Oct-15	372,102	72,390,000	194.54
12	19-Oct-15	244,756	47,212,000	192.89
13	16-Oct-15	402,073	77,546,000	192.87
14	15-Oct-15	1,742,606	342,874,000	196.76
15	14-Oct-15	730,464	140,305,000	192.08
16	13-Oct-15	346,850	66,347,000	191.28
17	12-Oct-15	598,802	114,715,000	191.57
18	9-Oct-15	404,426	75,798,000	187.42
19	8-Oct-15	211,108	39,042,000	184.94
20	7-Oct-15	318,567	59,637,000	187.21
21	6-Oct-15	448,585	84,348,000	188.03
22	5-Oct-15	442,376	83,240,000	188.17
23	1-Oct-15	464,401	89,480,000	192.68
24	30-Sep-15	465,298	91,689,000	197.05
25	29-Sep-15	688,897	132,631,000	192.53
26	28-Sep-15	1,081,469	214,177,000	198.04
27	24-Sep-15	811,542	159,704,000	196.79
28	23-Sep-15	981,602	189,793,000	193.35
29	22-Sep-15	1,763,793	334,822,000	189.83
30	21-Sep-15	1,405,194	252,631,000	179.78
31	18-Sep-15	563,218	95,863,000	170.21
32	16-Sep-15	153,349	25,380,000	165.51
33	15-Sep-15	149,363	24,715,000	165.47
34	14-Sep-15	271,923	45,536,000	167.46
35	11-Sep-15	317,796	52,644,000	165.65
36	10-Sep-15	261,545	42,001,000	160.59
37	9-Sep-15	432,358	71,113,000	164.48
38	8-Sep-15	413,109	65,751,000	159.16
39	7-Sep-15	253,923	41,061,000	161.71
40	4-Sep-15	483,391	78,535,000	162.47
41	3-Sep-15	339,708	57,356,000	168.84
42	2-Sep-15	285,451	47,654,000	166.94
43	1-Sep-15	439,424	73,038,000	166.21
44	31-Aug-15	454,398	76,658,000	168.70
45	28-Aug-15	747,945	128,327,000	171.57
46	27-Aug-15	367,930	64,045,000	174.07
47	26-Aug-15	566,388	96,465,000	170.32
48	25-Aug-15	1,202,158	194,332,000	161.65
49	24-Aug-15	1,176,586	196,574,000	167.07

S. No.	Date	Total traded equity shares	Total turnover (INR)	Volume weighted average price (INR)
50	21-Aug-15	889,154	164,703,000	185.24
51	20-Aug-15	689,325	133,236,000	193.28
52	19-Aug-15	859,055	171,783,000	199.97
53	18-Aug-15	762,191	152,611,000	200.23
54	17-Aug-15	562,802	112,652,000	200.16
55	14-Aug-15	776,818	155,671,000	200.40
56	13-Aug-15	967,311	192,916,000	199.44
57	12-Aug-15	1,124,717	232,155,000	206.41
58	11-Aug-15	3,877,551	840,954,000	216.88
59	10-Aug-15	1,293,122	265,842,000	205.58
60	7-Aug-15	1,849,881	373,493,000	201.90
	Total	**46,251,389**	**8,908,879,000**	**NA**
Volume weighted average price (Total turnover divided by Total traded equity shares)				**192.62**

(Source: www.nseindia.com)

8. In view of the parameters considered and presented in the table above, in the opinion of the Acquirer and the PAC and Manager to the Offer, the Offer Price of Rs. 220.73 (Indian Rupees Two Hundred and Twenty and Seventy Three Paise) per share is justified in terms of Regulation 8 of the SEBI (SAST) Regulations, 2011.

9. There have been no corporate actions in the Target Company warranting adjustment of relevant price parameters under Regulation 8(9) of the SEBI (SAST) Regulations, 2011.

10. If the Acquirer along with the PAC acquires or agrees to acquire any Equity shares or voting rights in the Target Company during the Offer Period, whether by subscription or purchase, at a price higher than the Offer Price, the Offer Price shall stand revised to the highest price paid or payable for any such acquisition in terms of Regulation 8(8) of SEBI (SAST) Regulations, 2011. Provided that no such acquisition shall be made after the third working day prior to the commencement of the Tendering Period and until the expiry of the Tendering Period.

11. The Acquirer is permitted to revise the Offer Price upward at any time up to 3 working days prior to the commencement of the Tendering Period in accordance with Regulation 18(4) of the SEBI (SAST) Regulations, 2011. If there is any such upward revision in the Offer Price by the Acquirer or in the case of withdrawal of the Open Offer, the same would be informed by way of the Public Announcement in the same newspapers where the original Detailed Public Statement has appeared. Such revision in the Offer Price would be payable by the Acquirer along with the PAC for all the shares validly tendered in the Open Offer.

12. As on date there is no revision in the Open Offer Price or Open Offer Size. In case of any revision in the Open Offer Price or Open Offer Size, the Acquirer along with the PAC shall comply with Regulation 18 of SEBI (SAST) Regulations, 2011 and all the provisions of SEBI (SAST) Regulations, 2011 which are required to be fulfilled for the said revision in the Open Offer Price or Open Offer Size.

B. DETAILS OF FIRM FINANCIAL ARRANGEMENTS

1. The total funding requirement for the Open Offer, assuming full acceptance i.e. for the acquisition of all the Offer Shares at the Offer Price is Rs.5897,892,797.66 (Indian Rupees Five Thousand Eight Hundred and Ninety Seven Million Eight Hundred and Ninety Two Thousand Seven Hundred and Ninety Seven and Sixty Six Paise).

2. The Acquirer and PACs have made firm financial arrangements for fulfilling the payment obligations under the Offer in terms of regulation 25(1) of the SEBI (SAST) Regulations. The Acquirer and the PACs shall meet their obligation to acquire such shares through internal accruals and/or borrowings from a bank and/or financial institution.

3. PAC 1 has given an undertaking to the Manager to the Offer to the effect that it has secured commitments for senior secured debt financing from JP Morgan Chase Bank, N.A. and Bank of America, N.A., to fund the Open Offer. PAC 1 has also shared copies of the commitment letters with the Manager to the Offer. Pursuant to the commitment letters, PAC 1 has obtained commitment for secured debt financing of USD 300 million for the transaction contemplated in the SPA and the Open Offer, which comprises a $100 million revolving credit facility and a $200 million multi-draw term loan. In order to fund the Open Offer, Virtusa US has on February 26, 2016, drawn down on the commitment letter provided by J.P. Morgan Chase N.A. and Bank of America N.A. and is in the process of funding the Acquirer.

4. In addition to the above mentioned commitment letters:
   (i) the Acquirer, vide certificate dated November 5, 2015, had confirmed that it has unencumbered free cash reserves of Rs. 365,89.72 Lakhs (Indian Rupees Three Hundred and Sixty Five Crores Eighty Nine Lakhs Seventy Two Thousand) in its bank accounts and out of this a sum of Rs. 300,00.00 Lakhs (Indian Rupees Three Hundred Crores only) has been set aside by the Acquirer for the Open Offer. Damodhara & Associates, Chartered Accountants, having its membership number 217947 and firm registration number 012393S and its office at H.No. 8-3-167/D/240, Plot No. 240, First floor, Kalyan Nagar, Vengalarao Nagar, Main Road, Hyderabad 500 038 have, vide their certificate dated February 25, 2016, confirmed that as of February 24, 2016, the Acquirer has a sum of Rs. 405,80.81 Lakhs (Indian Rupees Four Hundred and Five Crores Eighty Lakhs Eighty One Thousand) in its banks accounts.
   (ii) PAC1, vide certificate dated February 25, 2016, has also certified that it has unencumbered amounts of USD 59,962,960 (United States Dollars Fifty Nine Million Nine Hundred and Sixty Two Thousand and Nine Hundred and Sixty) ("**US Cash Amount**") in its bank accounts and has confirmed to the Manager that the US Cash Amount taken together with the Bank Cash Amount is adequate to pay the Maximum Open Offer Consideration.

5. In accordance with Regulation 17(1) of the SEBI (SAST) Regulations, the Acquirer have opened an "**Escrow Account**" in the name and style as "**Polaris Consulting – OPEN OFFER ESCROW ACCOUNT**" bearing Account No. 042-741009-001 with The Hongkong and Shanghai Banking Corporation Limited ("**HSBC Limited**"), 11th Floor, Building No. 3, NESCO- IT Park, NESCO Complex, Western Express Highway, Goregaon (East), Mumbai- 400063 ("**Escrow Bank**") and made a cash deposit of Rs. 1340,000,000/- (Indian Rupees One Thousand Three Hundred and Forty Million) ("**Open Offer Escrow Amount**") in the account in accordance with the Regulation 17(3)(a). The cash deposit has been confirmed vide a confirmation letter dated November 09, 2015 issued by HSBC Limited. In terms of agreement dated November 05, 2015 amongst the Acquirer, Manager to the Offer and Escrow Bank ("**Escrow Agreement**"), the Manager to the Offer has been duly authorized to operate and to realize the monies lying in the Escrow Account in terms of the SEBI (SAST) Regulations. In case of any upward revision in the Offer Price or the Offer Size, the cash in the Escrow Account shall be increased by the Acquirer in terms of Regulation 17(2) of the SEBI (SAST) Regulations, prior to effecting such revision.

   In terms of Regulation 22(2) of the SEBI (SAST) Regulations, subject to the Acquirer depositing in the Escrow Account, cash of an amount equal to 100% (one hundred percent) of the consideration payable under this Offer assuming full acceptance, the Acquirer and the PACs may, subject to the fulfilment of the statutory/regulatory conditions listed in Paragraph 3.3. of Part A of Section II (Details of the Offer) and in Paragraph 5 of Part C (Statutory Approvals) of Section VI (Terms and Conditions of the Offer) of this Letter of Offer (each of which have already been received), complete the acquisition of the Sale Shares, pursuant to the SPA during the Offer Period.

6. Damodhara & Associates, Chartered Accountants, having its membership number 217947 and firm registration number 012393S and its office at H.No. 8-3-167/D/240, Plot No. 240, First floor, Kalyan Nagar, Vengalarao Nagar, Main Road, Hyderabad 500 038 have, vide their certificate dated February 25, 2015 certified that the Acquirer and the PACs have adequate financial resources through verifiable means to fulfill their obligations under this Offer.

7. Based on the above, the Manager to the Offer is satisfied that firm arrangements have been put in place by the Acquirer and the PACs to fulfill their obligations in relation to the Open Offer through verifiable means in accordance with the SEBI (SAST) Regulations.

VI. TERMS AND CONDITIONS OF THE OFFER

A. OPERATIONAL TERMS AND CONDITIONS

1. This Open Offer is not conditional upon any minimum level of acceptance in terms of Regulation 19 of the SEBI (SAST) Regulations, 2011.

2. This Open Offer is not a competing offer in terms of Regulation 20 of the SEBI (SAST) Regulations, 2011.

3. This Open Offer is subject to the fulfilment of the conditions mentioned under paragraph 3.3 of Part A of Section II (*Details of the Offer*) of this Letter of Offer. In terms of Regulation 23(1) of the SEBI (SAST) Regulations, 2011, if these conditions are not fulfilled and the SPA is terminated as a consequence thereof, the Acquirer will have the right to withdraw the Open Offer.

4. The Open Offer is subject to the terms and conditions set out in this LoF, the Form of Acceptance, the PA, Corrigendum to the PA, the DPS and any other public announcements, or corrigendum that may be issued with respect to the Open Offer.

5. The Letter of Offer together with the Form of Acceptance-cum-Acknowledgment (Form of Acceptance) and transfer deed (for shareholders holding equity shares in the physical form) is being mailed to all the shareholders of the Target Company (except the Acquirer and parties to the SPA, including Persons deemed to be acting in concert with such parties) whose names appear on the register of members of the Target Company and to the owners of the equity shares of the Target Company whose names appear as beneficiaries on the record of the respective depositories, at the close of business on the Identified Date i.e. February 25, 2016.

6. While endeavours would be made to ensure that this Letter of Offer is dispatched to all the Public Shareholders of the Target Company as on the Identified Date, non-receipt of this Letter of Offer by any member entitled to participate in this Open Offer shall not invalidate the Open Offer in any manner whatsoever.

7. Eligible persons can write to the Registrar to the Offer/Manager to the Offer requesting for the Letter of Offer along with Form of Acceptance-cum-Acknowledgement and fill up the same in accordance with the instructions given therein, so as to reach the Registrar to the Offer, on or before the date of closing of Tendering Period i.e. March 28, 2016. Alternatively, the Letter of Offer along with the Form of Acceptance cum acknowledgement would also be available at SEBI's website, www.sebi.gov.in, and shareholders can also apply by downloading such forms from the website.

8. The shareholders to whom the Open Offer is being made are free to offer their equity shares in the Target Company in whole or in part while accepting the Open Offer.

9. The acceptance of the Open Offer must be unconditional, absolute and unqualified and should be on the enclosed Acceptance-cum-Acknowledgement and sent along with the other documents duly filled in and signed by the applicant shareholder(s).

10. The shareholders who tender their equity shares under the Open Offer shall ensure that the equity shares are free and clear from all liens, charges and encumbrances and together with all rights attached thereto, including the rights to all dividends, bonus and rights declared thereafter.

11. The Acquirer and the PACs will not be responsible in any manner for any loss of equity share certificate(s) and Open Offer acceptance documents during transit. The Public Shareholders are advised to adequately safeguard their interest in this regard.

12. Any equity shares that are subject matter of litigation or are held in abeyance due to pending court cases/attachment orders/restriction from other statutory authorities wherein the shareholder may be precluded from transferring the equity shares during pendency of the said litigation, are liable to be rejected if directions/orders are passed regarding the free transferability of such equity shares tendered under the Open Offer prior to the date of closure of the Tendering Period.

13. Equity shares that are subject to any charge, lien or encumbrance are liable to be rejected except where a 'no objection certificate' from lenders is attached with the Form of Acceptance-cum-Acknowledgement.

14. Incomplete acceptances, including non-submissions of necessary enclosures, if any, are liable to be rejected. Further, in case the documents/forms submitted are incomplete and/or if they have any defect or modifications, the acceptance is liable to be rejected.

15. In terms of Regulation 18(9) of the SEBI (SAST) Regulations, 2011, the shareholders who have accepted this Open Offer by tendering their equity shares and requisite documents in terms of the PA, DPS and Letter of Offer are not entitled to withdraw such acceptance during the Tendering Period for this Open Offer.

B. ELIGIBILITY FOR ACCEPTING THE OFFER

The Letter of Offer shall be sent to all Public Shareholders holding Equity Shares whose names appear in the register of members of the Target Company on the Identified Date.

All the owners of the equity shares of the Target Company, registered or unregistered, except the Acquirer and the parties to SPA, including persons deemed to be acting in concert with such parties, are eligible to participate in this Open Offer at any time during the Tendering Period for this Open Offer.

The RBI in terms of approval dated February 5, 2015 has indicated that Airsea Freight Management Limited, the erstwhile OCB, may be advised to seek permission from OCB Desk, Foreign Exchange Department, RBI, Mumbai for sale of shares.

The Target Company has represented and certified that as on August 13, 2001, 50 equity shares were issued to Citfin Investment Holdings Limited, an overseas corporate body. These shares were bonus shares. However, on application, the RBI required certain certificates (issued to such overseas corporate body) to be submitted to it in original for according its approval. These shares are in physical form. While the RBI has in terms approval dated February 5, 2016 issued to the Acquirer indicated that shares tendered by Citfin Investment Holdings Limited can be acquired by the Acquirer, these shares have not yet been listed.

The Public Announcement, the Corrigendum to the Public Announcement, the Detailed Public Statement (and any corrigenda thereto), the Draft Letter of Offer, the Letter of Offer and the Form of Acceptance will also be available on SEBI's website (www.sebi.gov.in). Amendments and corrigendum made to these documents will also be available on the website of SEBI. In case of non-receipt of the Letter of Offer, Public Shareholders, including those who have acquired Equity Shares after the Identified Date, if they so desire, may download the Letter of Offer or the Form of Acceptance from SEBI's website.

C. STATUTORY APPROVALS

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

2. The Acquirer does not require any approvals from financial institutions or banks for this Open Offer.

3. If the holders of the equity shares who are not persons resident in India (including NRIs, OCBs and FIIs) had required any approvals (including from RBI, the Foreign Investment Promotion Board ("FIPB") or any other regulatory body) in respect of the equity shares held by them, they will be required to submit such previous approvals, that they would have obtained for holding the equity shares, to tender the equity shares held by them in this Open Offer, along with the other documents required to be tendered to accept this Open Offer. In the event such approvals are not submitted, the Acquirer and the PACs reserve the right to reject such equity shares tendered in this Open Offer.

4. NRIs and OCB holders of Equity Shares, if any, must obtain all requisite approvals required to tender the Equity Shares held by them pursuant to the Open Offer and submit such approvals along with the Form of Acceptance-cum-Acknowledgement and other documents required to accept the Open Offer. The Acquirer has made an application to the RBI seeking approval to purchase the Equity Shares tendered by the NRI and OCB shareholders in the Offer. While the aforesaid application remains pending with the RBI, NRI and OCB shareholders may also approach the RBI independently to seek approval to tender the Equity Shares in the Offer.

5. The regulatory/statutory approvals required to complete the acquisition under the SPA or the Offer Shares are :

(i) the Competition Commission of India, if applicable, under the provisions of the Competition Act, 2002 and the Competition Commission of India (Procedure for Transaction of Business Relating to Combinations) Regulations, 2011;
(ii) the Federal Trade Commission established under the Federal Trade Commission Act, 1914 and/or the United States Department of Justice under the provisions of the Hart – Scott- Rodino Antitrust Improvements Act of 1976; and
(iii) approval from RBI, in the context of this Open Offer is required for acquisition of Offer Shares from NRI and OCB shareholders as set out in paragraph 4 above and under the SPA for (a) purchase of the Sale Shares from the Sellers at a price of Rs.220.73/- (Indian Rupees Two Hundred and Twenty and Seventy Three Paise); and (b) purchase of the relevant Sale Shares from NRI Sellers, being Mrs. Manju Verma and Mr. Naveen Kumar.

Pursuant to making the applications as stated above before the regulatory authorities, the Acquirer has received or is deemed to have received the following regulatory/statutory approvals:

(i) The Competition Commission of India has, vide its letter dated February 18, 2016 accorded its approval for the proposed combination;

(ii) The Reserve Bank of India vide its letter dated February 05, 2016 conveyed its no-objection for the acquisition of the equity shares of the Target Company by the Acquirer from NRI's pursuant to an open offer made in accordance with the provisions of SEBI SAST Regulations, subject to the following conditions:
1. Acquisition of non-repatriable shares from NRIs should be at or above fair value;
2. While acquiring the shares from Resident shareholders, conditions of Regulation 14 of FEMA 20/2000 may be adhered to;
3. Permission is granted for acquisition of shares from OCBs who have obtained prior permission from RBI to sell those shares;
4. Shares offered by erstwhile OCB, CITFIN Investment Holding Limited, can be acquired by the Acquirer;
5. Airsea Freight Management Limited, the erstwhile OCB, may be advised to seek permission from OCB Desk, Foreign Exchange Department, RBI, Mumbai for sale of shares;
6. Pricing guidelines as per A.P. (DIR Series) Circular No. 4 dated July 15, 2014 and Notification No. FEMA 20/2000- RB dated May 3, 2000, as amended from time to time shall be adhered to.

(iii) As regards the approval from the Federal Trade Commission, the applicable law in the United States of America, prescribes as follows:

(i) once the parties have submitted the relevant documents and forms to the Federal Trade Commission, there is a waiting period of thirty days, and prior to the expiry of this thirty days period, the parties to an acquisition cannot acquire voting securities;

(ii) if the Federal Trade Commission does not provide comments within a period of thirty days, then the filing is deemed to have been approved and the parties to the acquisition can acquire voting securities.

The Parties to the acquisition had submitted the relevant documents and forms to the Federal Trade Commission and the waiting period of thirty days required under law, prior to which no person may acquire voting securities, commenced on November 20, 2015 and expired on December 21, 2015 with no comments being provided by the Federal Trade Commission. Accordingly, following the expiry of the said waiting period, the filing with the Federal Trade Commission is deemed to have been approved.

6. The Offer is subject to the fulfillment of the conditions set out in paragraph 3.3 of Part A of Section II *(Details of the Offer*) of this Letter of Offer.

7. In case of delay/non-receipt of any approval which may be required by the Acquirer and/or PACs at a later date, as per Regulation 18(11) of the SEBI (SAST) Regulations, SEBI may, if satisfied, that non receipt of the requisite statutory approval(s) was not attributable to any willful default, failure or neglect on the part of the Acquirer or the PACs to diligently pursue such approval(s), grant an extension of time for the purpose of completion of this Offer, subject to such terms and conditions as may be specified by SEBI, including payment of interest by the Acquirer and the PACs to the Public Shareholders at such rate, as may be prescribed by SEBI from time to time. Provided where the statutory approvals extend to such holders of the shares in respect of whom no statutory approvals are required in order to complete this Offer.

8. In terms of Regulation 23(1) of the SEBI (SAST) Regulations, if the conditions set out in paragraph 3.3 of Part A of Section II (*Details of the Offer*), all of which are outside the reasonable control of the Acquirer, are not fulfilled by the Long Stop Date (each of which have already been received by the Acquirer) or any other statutory approvals which become applicable prior to completion of the Offer are not received by the Long Stop Date, and the SPA is terminated, the Acquirer shall have the right to withdraw the Offer. In the event of such a withdrawal of the Offer, the Acquirer (through the Manager to the Offer) shall, within two Working Days (as defined in the SEBI (SAST) Regulations) of such withdrawal, make an announcement of such withdrawal stating the grounds for the withdrawal in accordance with Regulation 23(2) of the SEBI (SAST) Regulations.

VII. PROCEDURE FOR ACCEPTANCE AND SETTLEMENT OF THE OFFER:

1. The Open Offer will be implemented by the Acquirer through Stock Exchange mechanism made available by the BSE in the form of separate window ("**Acquisition Window**") as provided under the SEBI (SAST) Regulations and SEBI circular CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015 issued by SEBI.
2. BSE shall be the Designated Stock Exchange for the purpose of tendering shares in the Open Offer.
3. The facility for acquisition of shares through Stock Exchange mechanism pursuant to Offer shall be available on the BSE in the form of a separate window - Acquisition Window.
4. The Acquirer has appointed J.P. Morgan India Private Limited ("**Buying Broker**") as its broker for the Open Offer through whom the purchase and settlement of the Offer Shares tendered in the Open Offer will be made. The contact details of the Buying Broker are as mentioned below:

J.P. Morgan India Private Limited
J.P. Morgan Tower,
Off. C.S.T. Road,
Kalina,
Santacruz East,
Mumbai 400 098
Contact Person: Mr. Gopal Bhadra, Tel: +91 22 6157 3000

5. All eligible shareholders who desire to tender their Shares under the Open Offer would have to approach their respective stock brokers ("**Selling Broker**"), during the normal trading hours of the secondary market during Tendering Period.
6. Separate Acquisition window will be provided by the stock exchange to facilitate placing of sell orders. The Selling Brokers can enter orders for demat shares as well as physical shares.
7. The cumulative quantity tendered shall be displayed on the exchange website throughout the trading session at specific intervals by the stock exchange during Tendering Period.

8. Shareholders can tender their shares only through a broker with whom the shareholder is registered as client (KYC Compliant).

9. **Procedure for tendering Equity Shares held in dematerialised form:**

9.1 The Equity Shareholders who are holding the Equity Shares in demat form and who desire to tender their Equity Shares in this Offer shall approach their broker/Selling Broker indicating to their broker the details of Equity Shares they intend to tender in Open Offer.

9.2 The Selling Broker shall provide early pay-in of demat shares (except for custodian participant orders) to the Clearing Corporation before placing the bids/orders and the same shall be validated at the time of order entry.

9.3 For custodian participant, orders for demat equity shares early pay-in is mandatory prior to confirmation of order by the custodian. The custodians shall either confirm or reject orders not later than close of trading hours on the last day of the offer period. Thereafter, all unconfirmed orders shall be deemed to be rejected.

9.4 The details of settlement number for early pay-in of equity shares shall be informed in the issue opening circular that will be issued by BSE/Clearing Corporation, before the opening of the Offer.

9.5 Upon placing the bid, the Selling Broker(s) shall provide the Transaction Registration Slip ("**TRS**") generated by the exchange bidding system to the shareholder. TRS will contain details of order submitted like Bid ID No., DP ID, Client ID, No. of Shares tendered etc.

9.6 The Equity 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 Open Offer.

The Public Shareholders holding shares in demat mode are not required to fill any Form of Acceptance. Shareholders holding Equity Shares in physical mode and Equity Shares under lock-in will be required to fill the respective Form of Acceptances. Public Shareholders holding Equity Shares in physical mode and Equity Shares under lock-in will be sent respective Form of Acceptances along with the Letter of Offer. Detailed procedure for tendering such Equity Shares will be included in the Form of Acceptance. Form of Acceptance will not be sent to the Public Shareholders holding Equity Shares in demat mode.

10. **Procedure for tendering Equity Shares held in physical form:**

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

(i) Form of Acceptance duly completed and signed in accordance with the instructions contained therein, by sole/joint shareholders whose name(s) appears on the share certificate(s) and in the same order and as per the specimen signature lodged with the Target Company;

(ii) Original share certificate(s);

(iii) Valid share transfer deed(s) duly signed as transferor(s) by the sole/joint shareholder(s) in the same order and as per specimen signatures lodged with the Target Company and duly witnessed at the appropriate place;

(iv) Self attested PAN card copy (in case of joint holders, PAN card copy of all transferors);

(v) Any other relevant document such as power of attorney, corporate authorization (including board resolution/ specimen signature);

(vi) Self attested copy of address proof such as valid adhaar Card, voter ID, passport or driving license.

10.2 The Seller Broker(s) should place bids on the exchange platform with relevant details as mentioned on physical share certificate(s). The Seller Broker(s) to print the TRS generated by the exchange bidding system. TRS will contain the details of order submitted like Folio No., Certificate No. Dist. Nos., No. of shares etc.

10.3 The Seller Broker/investor has to deliver the shares & documents along with TRS to the Registrar and Transfer Agent **("RTA**"). Physical share certificates to reach RTA within 2 days of bidding by Seller Broker.

10.4 Shareholders holding physical Equity Shares should note that physical Equity Shares will not be accepted unless the complete set of documents is submitted. Acceptance of the physical shares in Open Offer shall be subject to verification by RTA. On receipt of the confirmation from RTA the bid will be accepted else rejected and accordingly the same will be depicted on the exchange platform.

10.5 In case any person has submitted Equity Shares in physical form for dematerialisation, such Equity Shareholders should ensure that the process of getting the Equity Shares dematerialised is completed well in time so that they can participate in the Open Offer before Closing Date**.**

11. **Acceptance of Shares**

Registrar to the Offer shall provide details of order acceptance to Clearing Corporation within specified timelines.
In the event that the number of Equity Shares (including demat shares and physical shares) validly tendered by the Public Shareholders under this Offer is more than the number of Offer Shares, the Acquirer shall accept those Equity Shares validly tendered by the Public Shareholders on a proportionate basis in consultation with the Manager to the Offer, taking care to ensure that the basis of acceptance is decided in a fair and equitable manner and does not result in non-marketable lots, provided that acquisition of Equity Shares from a Public Shareholder shall not be less than the minimum marketable lot.

12. **Procedure for tendering the shares in case of non-receipt of Letter of Offer:**

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

12.2 A Shareholder may participate in the Offer by approaching their broker/Selling Broker and tender Shares in the Open Offer as per the procedure mentioned in this Letter of Offer or in the relevant Acceptance Form.

12.3 The Letter of Offer will be dispatched to all the Eligible Shareholders of the Target Company. Public Shareholders holding Equity Shares in physical mode and Equity Shares under lock-in will be sent respective Form of Acceptances along with the Letter of Offer. In case of non-receipt of the Letter of Offer, such Eligible Shareholders of the Target Company may download the same from the SEBI website (www.sebi.gov.in) or obtain a copy of the same from the Registrar to the Offer on providing suitable documentary evidence of holding of the equity shares of the Target Company.

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

13. **Settlement Process**

13.1 On closure of the Offer, reconciliation for acceptances shall be conducted by the Manager to the Offer and the Registrar to the Offer and the final list shall be provided to the Stock Exchanges to facilitate settlement on the basis of Shares transferred to the Clearing Corporation.

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

13.3 Selling Brokers should use the settlement number to be provided by the Clearing Corporation to transfer the shares in favour of Clearing Corporation.

13.4 Once the basis of acceptance is finalised, the Clearing Corporation would facilitate clearing and settlement of trades by transferring the required number of shares to the escrow account which will be opened by the Acquirer.

13.5 In case of partial or non-acceptance of orders or excess pay-in, demat shares shall be released to the securities pool account of the Selling Broker(s)/custodian, post which, the Seller Broker(s) would then issue contract note for the shares accepted and return the balance shares to the Shareholders.

13.6 Any excess physical shares, to the extent tendered but not accepted, will be returned back to the Shareholder(s) directly by Registrar to the Offer.

14. **Settlement of Funds / Payment Consideration**

For Equity Shareholders holding Equity Shares in demat and physical mode

(i) The settlement of fund obligation for demat and physical shares shall be effected through existing settlement accounts of Seller Brokers.

(ii) The payment will be made to the Buying Broker for settlement. For Equity Shares accepted under the Open Offer, the Seller Broker/custodian participant will receive funds payout in their settlement bank account. The Seller Brokers/custodian participants would pay the consideration to their respective clients.

(iii) The funds received from Buyer Broker by the Clearing Corporation will be released to the Seller Broker(s) as per secondary market pay out mechanism.

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

VIII. TAX INFORMATION

A. 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 STT has been paid on the transaction. STT will be levied on and collected by a domestic stock exchange on which the equity shares are sold. Further, any gain realised on the sale of listed equity shares held for a period of 12 (twelve) months or less, which are sold will be subject to short term capital gains tax provided the transaction is chargeable to STT.

B. Tax deduction at source

1. <u>In case of Resident Shareholders</u>

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 said Offer.

2. <u>In the case of Non Resident Shareholders</u>

Since the 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 the non-resident shareholder may consult their custodians/ authorized dealers/ tax advisors appropriately.

C. Interest Payment

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

SHAREHOLDERS ARE ADVISED TO CONSULT THEIR TAX ADVISORS FOR TAX TREATMENT ARISING OUT OF THE PROPOSED OFFER THROUGH TENDER OFFER AND APPROPRIATE COURSE OF ACTION THAT THEY SHOULD TAKE. THE PURCHASER DOES NOT ACCEPT NOR HOLD ANY RESPONSIBILITY FOR ANY TAX LIABILITY ARISING TO ANY SHAREHOLDER AS A REASON OF THIS OFFER.

IX. DOCUMENTS FOR INSPECTION

The copies of the following documents will be available for inspection to the public shareholders of Target Company at the office of the Manager to the Offer, J. P. Morgan India Private Limited, situated at J. P. Morgan Tower, Kalina, Off C. S. T. Road, Santacruz (East), Mumbai 400 098, Tel: +91 22 6157 3000, Fax: +91 22 6157 3911, on any day (except Saturdays, Sundays and public holidays) between 10.30 a. m. to 3.00 p.m. during the period from the Date of commencement of the Tendering Period till the date of closing of the Tendering Period (i.e from March 11, 2016 to March 28, 2016)

1. Copy of the SPA dated November 5, 2015, entered by and among the Acquirer and the Sellers, which triggered this Open Offer.
2. Copy of the Amendment to the SPA dated November 5, 2016, entered into by and among the Acquirer and the Seller.
3. Certificate of incorporation, memorandum and articles of association of the Target Company.
4. Audited consolidated financial statements of the Target Company for the financial year ended March 31, 2013, March 31, 2014, March 31, 2015, audited standalone financial information for the 6 (six) months period ending September 30, 2015 and un-audited consolidated financials for the 6 (six) months period ended September 30, 2015.
5. Certificate of incorporation, memorandum and articles of association of the Acquirer.
6. Audited financial statements of the Acquirer for the financial year ended March 31, 2013, March 31, 2014, March 31, 2015 and un-audited but limited review financial information for the 6 (six) months period ended September 30, 2015.
7. Certificate of incorporation, memorandum and articles of association of the PACs.
8. Audited consolidated financial statements of Virtusa US for the financial years ended March 31, 2015, March 31, 2014, and March 31, 2013 and financial information for the 6 (six) months period ended September 30, 2015 which have been

reviewed by the independent registered public accountants of Virtusa US in accordance with the standards of the public company accounting oversight board.

9. Letter from the Hongkong and Shanghai Banking Corporation Limited, dated November 9, 2015 confirming the amount kept in the Escrow Account.
10. Copies of the Public Announcement, Corrigendum to Public Announcement and Detailed Public Statement.
11. Copy of the recommendation to be made by Committee of Independent Directors of the Target Company, as required under Regulation 26(7) of SEBI (SAST) Regulations, 2011, at least two working days before the commencement of the Tendering Period.
12. Copy of the observation letter no. CFD/DCR-2/OW/2016/04911/1 dated February 23, 2016 received from SEBI.

X. DECLARATION BY THE ACQUIRER ALONG WITH THE PACs

1. The Acquirer along with the PACs accept full responsibility, jointly and severally, for the information contained in this Letter of Offer, including the Form of Acceptance-cum-Acknowledgement (other than such information as has been obtained from public sources or provided or confirmed by any of the Sellers or the Target Company) and for ensuring compliance with the SEBI (SAST) Regulations, 2011 and for fulfilling their obligations as laid down in terms of the SEBI (SAST) Regulations, 2011.
2. For the purpose of disclosure in this Letter of Offer, relating to the Target Company and the Sellers, the Acquirer along with the PACs have relied on the information available from public sources or provided by the Target Company and/or the Sellers and the accuracy thereof has not been independently verified by the Acquirer and/or the Manager to the Offer. The information and disclosures contained in sub clause 1.5 and 1.6 of sub Section B (Details of the Proposed Offer) of Section II (Details of the Offer), Section IV (Background of the Target Company- Polaris Consulting & Services Limited), appearing in this Letter of Offer have been confirmed and certified by the Target Company to the Manager to the Offer.
3. The information contained in this Letter of Offer is as of the date of this Letter of Offer, unless expressly stated otherwise.
4. We, the Acquirer along with the PACs, have made all reasonable inquiries, accepts responsibility, jointly and severally, and confirm that this Letter of Offer is in compliance with the SEBI (SAST) Regulations, 2011 and that it contains all information with regard to the Offer, which is material in the context of the issue, that the information contained in this Letter of Offer is true and correct in all material respects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this document as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.
5. The person(s) signing this Letter of Offer on behalf of the Acquirer along with the PACs have been duly and legally authorised by the board of directors of the Acquirer to sign this Letter of Offer.

SIGNED FOR AND ON BEHALF OF VIRTUSA CONSULTING SERVICES PRIVATE LIMITED

Sd/-

Authorized Signatory

SIGNED FOR AND ON BEHALF OF VIRTUSA CORPORATION.

Sd/-

Authorized Signatory

SIGNED FOR AND ON BEHALF OF VIRTUSA INTERNATIONAL B.V.

Sd/-

Authorized Signatory

Date: February 27 , 2016

FORM OF ACCEPTANCE-CUM-ACKNOWLEDGEMENT
(FOR HOLDING SHARES IN PHYSICAL FORM)
THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

(Please send this Form with TRS generated by Broker and enclosures to Registrar to the Offer, Karvy Computershare Private Limited, at their address given in the Letter of Offer as per the mode of delivery mentioned in the Letter of Offer)

From:
Name:
Address:

TENDERING PERIOD FOR THE OFFER	
OPENS ON:	**March 11, 2016 (Friday)**
CLOSES ON:	**March 28, 2016 (Monday)**

Tel. No. **Fax No.:** **E-mail:**

To
Karvy Computershare Private Limited
Karvy Selenium Tower B,
Plot 31-32, Gachibowli, Financial District,
Nanakramguda
Hyderabad – 500 032

Dear Sir,

Sub: **Open offer for acquisition of up to 26,719,942 (Twenty Six Million Seven Hundred and Nineteen Thousand Nine Hundred and Forty two) fully paid-up equity shares of the face value of Rs. 5 (Indian Rupees Five) each, constituting 26% (Twenty Six per cent) of the Voting Share Capital) ("Open Offer" or "Offer") of Polaris Consulting And Services Limited (the "Target Company") to the Public Shareholders of the Target Company by Virtusa Consulting Services Private Limited (the "Acquirer") along with Virtusa Corporation ("PAC 1"/ "Virtusa US") and Virtusa International B.V., ("PAC 2"' "Virtusa NL") in their capacity as persons acting in concert with the Acquirer (collective referred to as the "PACs").**

I/We refer to the Letter of Offer dated February 27, 2016 for acquiring the equity shares held by me/us in Polaris Consulting and Services Limited. Capitalised terms not defined here shall have the meanings ascribed to them under the Letter of Offer.

I/We, the undersigned, have read the Public Announcement, the Corrigendum to the Public Announcement, the Detailed Public Statement and the Letter of Offer and understood its contents and unconditionally accepted the terms and conditions as mentioned therein.

FOR EQUITY SHARES HELD IN PHYSICAL FORM

I/We, holding the equity shares in physical form, accept the Open Offer and enclose the original share certificate(s) and duly signed transfer deed(s) in respect of my/our equity shares as detailed below:

S. No.	Regd. Folio Number	Share Certificate Number	Distinctive Numbers		Number of Equity Shares
			From	To	
1					
2					
3					
Total Number of Equity Shares					

(In case the space provided is inadequate, please attach a separate sheet with the above details and authenticate the same)

I/We confirm that the equity shares which are being tendered herewith by me/us under this Open Offer, are free from liens, charges, equitable interests and encumbrances and are being tendered together with all rights attached thereto, including all rights to dividends, bonuses and rights offers, if any, declared hereafter and that I/We have obtained any necessary consents to sell the equity shares on the foregoing basis.

I/We also note and understand that the obligation on the Acquirers to pay the purchase consideration arises only after verification of the certification, documents and signatures submitted along with this Form of Acceptance-cum-Acknowledgment.

I/We confirm that there are no taxes or other claims pending against us which may affect the legality of the transfer of equity shares under the Income Tax Act, 1961. I/We are not debarred from dealing in equity shares.

I/We note and understand that the shares/original share certificate(s) and transfer deed(s) will be held by the Registrar to the Offer in trust for me/us till the date the Acquirers make payment of consideration as mentioned in the Letter of Offer or the date by which original share certificate(s), transfer deed(s) and other documents are dispatched to the shareholders, as the case may be.

I/We confirm that in the event of any income tax demand (including interest, penalty, etc.) arising from any misrepresentation, inaccuracy or omission of information provided/to be provided by me/us, I/we will indemnify the Acquirers for such income tax demand (including interest, penalty, etc.) and provide the Acquirers with all information/documents that may be necessary and co-operate in any proceedings before any income tax/appellate authority.

I/We note and understand that the original share certificate(s) and valid share transfer deed will be held in trust for me/us by the Registrar to the Offer until the time the Acquirers pay the purchase consideration as mentioned in the Letter of Offer. I/We also note and understand that the Acquirers will pay the purchase consideration only after verification of the documents and signatures.

I/We note and understand that the equity shares would lie with the Clearing Corporation until the time the Acquirers make payment of purchase consideration as mentioned in the Letter of Offer. I/We authorise the Acquirers to accept the equity shares so offered or such lesser number of equity shares which they may decide to accept in consultation with the Manager to the Offer and the Registrar to the Offer and in terms of the Letter of Offer and I/we further authorize the Acquirers to return to me / us, share certificate(s) in respect of which the Open Offer is not found valid/not accepted without specifying the reasons thereof.

Yours faithfully, Signed & Delivered:

	Full Name	PAN	Signature
First / Sole Holder			
Joint Holder 1			
Joint Holder 2			
Joint Holder 3			

Note: In case of joint holdings, all must sign. In case of body corporate, the common seal should be affixed and necessary Board resolutions should be attached.

Place: ____________________________

--- **Tear along this line**--

ACKNOWLEDGEMENT SLIP
(For the Equity Shareholders of Polaris Consulting and Services Limited)

Received from Mr. / Ms. / Smt:___________________ _____________________________ _____

Address:____________________ ____ _ Form of Acceptance-cum-Acknowledgement for _____________Shares along with:

- ☐ **Physical Shares:___**Share Certificate(s) along with _____ number of Transfer Deed(s) under Folio Number (s) ____________________________
- ☐ **TRS No. --------**
- ☐ **Other Documents please specify**

_____________ _ __________________ _ __________________ _

Stamp of Registrar to the Offer:		Signature of the Official:		Date of Receipt:	

All future correspondence, if any, should be addressed to the Registrar to the Offer at their address quoting your Folio No.

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