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Polaris Consulting & Services Limited

Registered office: No. 34 IT Highway, Navallur, Chennai – 600 130

Corporate Identity Number (CIN): L65993TN1993PLC024142

Email: shareholderquery@virtusapolaris.com website: www.polarisft.com

Tel: 044-3987 3000 Fax: 044-27435128

POSTAL BALLOT NOTICE

Dear Shareholders,

Notice is hereby given that, pursuant to Section 110 of the Companies Act, 2013 read with Rule 22 of the Companies (Management and Administration) Rules, 2014, that Company seeks approval of Members, via Postal Ballot for the following:

Approval of increase in limits of related party transaction

Members' consent is sought for the proposals contained in the resolutions given in this Notice. The Explanatory Statement pertaining to the said resolutions setting out the material facts and related particulars are annexed hereto along with the Postal Ballot Form.

The Company has appointed Mr. Jayanth Viswanathan (COP: 14642; FCS 7968), Partner, RBJV & Associates, Company Secretaries, as Scrutinizer for conducting the Postal Ballot in a fair and transparent manner.

Please read carefully the instructions printed on the Postal Ballot Form and return the Postal Ballot Form duly completed in all respects in the enclosed self-addressed pre-paid postage envelope, so as to reach the Scrutinizer on or before 5:00 PM, on 22nd March 2017.

Members may choose to vote using the e-voting facility, the details whereof are specified under instructions to the Postal Ballot Form.

The Scrutinizer will submit his report to the Chairman of the Board of Directors after completion of the scrutiny and the result of the voting by Postal Ballot will be declared at the registered office on Friday 24th day of March 2017, at 3 PM and through the website of the Company (www.polarisft.com) and by way of intimation to the Stock Exchanges on which the Company's shares are listed.

SPECIAL BUSINESS:

Approval of increase in limits of related party transaction

To consider and, if thought fit, to pass the following resolution as Ordinary Resolution:

RESOLVED THAT pursuant to the provisions of Section 188 of the Companies Act, 2013, Rule 15 (3) of the Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR") (including any statutory modification(s) or re-enactment thereof for the time being in force) and subject to such approvals, consents, sanctions and permissions as may be necessary, consent of the members of the company be and is hereby accorded to the Board of Directors or Audit Committee of the company to enter into contracts and/or agreements with parties as detailed in table forming part of the explanatory statement annexed to the notice with respect to Sale, purchase or supply of goods or materials, leasing of property of any kind, availing or rendering of any services, appointment of agent for purchase or sale of goods, materials services or property or appointment of such parties to any office or place of profit the company, or its subsidiary or associate company or any other transactions involving a transfer of resources, services or obligations of whatever nature on such terms and conditions as may be mutually agreed upon, upto a maximum amount of Rs. 600 crores per financial year commencing from financial year 2017-18 and onward provided, however that contract(s)/transaction(s) so carried out shall at all times be on arm's length basis and in the ordinary course of the Company's business.

“RESOLVED FURTHER THAT the Board of Directors / Audit Committee of the company be and is hereby authorised to determine the actual sums to be involved in the transaction and to finalize the terms and conditions including the period of transactions and all other matters arising out of or incidental to the proposed transactions and generally to do all acts deeds and things that may be necessary proper, desirable or expedient and to execute all documents, agreements and writings as may be necessary, proper, desirable or expedient to give effect to this resolution”.

By order of the Board of Directors
Polaris Consulting & Services Limited

Place: Chennai
Date: 10th February 2017

Christina Pauline Beulah
Company Secretary & Compliance Officer

Notes:

1. Pursuant to Section 102 of the Companies Act, 2013, the Explanatory Statement setting out material facts and reasons for the proposed Special Business are appended herein.
2. The Postal Ballot Notice is being sent to all the Members of the Company by courier and electronically by email to those members who have registered their e-mail ids with the Depositories or with the Company and whose names appear in the Register of Members/list of Beneficial Owners, as received from National Securities Depository Limited (NSDL)/Central Depository Services (India) Limited (CDSL) on 10th February 2017.
3. All documents referred to in the accompanying notice and the explanatory statement is open for inspection at the registered office of the Company on working days from 9 A.M. upto 3 P.M.
4. The Notice of postal Ballot along with the form has been made available on the website of the company i.e, www.polarisft.com.
5. Members desiring to exercise their vote by Postal Ballot are requested to carefully read the instructions printed in the Postal Ballot Form and return the same duly completed in the attached postage pre-paid self-addressed envelope. Unsigned Postal Ballot Form/s will be rejected. Postage will be borne and paid by the Company. However, Postal Ballot Form(s), if sent by courier or by registered post at the expense of the Member(s) will also be accepted.

The duly completed Postal Ballot Form(s) should reach the Scrutinizer on or before (day of the week) 5:00 pm,(closure of evoting/postal ballot end date) to be eligible for being considered, failing which, it will be strictly treated as if no reply has been received from the Member/s.
6. Pursuant to provisions of Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, and Section 108, 110 of the Companies Act, 2013 read with Rule 22 of the Companies (Management and Administration) Rules, 2014, the Company has is pleased to provide e-voting facility through Karvy Computershare Private Limited, for its Members to enable them to cast their votes electronically.The instructions for electronic voting are annexed to this Notice.
7. The Members can opt for only one mode of voting, i.e., either by physical ballot or e-voting. In case Members cast their votes through both the modes, voting done by e-voting shall prevail and votes cast through physical Postal Ballot Forms will be treated as invalid.

EXPLANATORY STATEMENT

(Pursuant to the provisions of Section 102 of the Companies Act, 2013)

The Companies Act, 2013 aims to ensure transparency in the transactions and dealings between the related parties of the Company. The provisions of Section 188(1) of the Companies Act, 2013 that govern the Related Party Transactions, requires that for entering into any contract or arrangement as mentioned herein below with the related party, the Company must obtain prior approval of the Board of Directors and in case of the Company having a paid up share capital of rupees Ten crore or more, prior approval of the shareholders by way of an Ordinary Resolution must be obtained:

1. Sale, purchase or supply of any goods or materials;
2. Selling or otherwise disposing of, or buying, property of any kind;
3. Leasing of property of any kind;
4. Availing or rendering of any services;
5. Appointment of any agent for purchase or sale of goods, materials, services or property
6. Such related party's appointment to any office or place of profit in the company, its subsidiary company or associate company and
7. Underwriting the subscription of any securities or derivatives thereof, of the Company.

The Board of Directors of the Company is of the opinion that the Company by being in existence for last three decades in the software industry with efficient systems, stringent operational control processes and also a subsidiary of Virtusa Consulting Services Private Limited can extend/avail the services to/from its Parent Company and its associate Companies.

The provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR Regulations) consider a transaction with a related party material if the transaction/transactions to be entered into individually or taken together with previous transactions during a financial year, exceeds ten percent of the annual consolidated turnover of the company as per the last audited financial statements of the company. Further, the SEBI LODR Regulations requires all material related party transactions to be approved by the shareholders through an ordinary resolution and the related parties shall abstain from voting on such resolutions.

The company envisages that the transaction(s) entered into with its related parties whether individually and/or in aggregate would exceed the stipulated threshold of ten percent of the annual consolidated turnover of the Company as per the last audited and financial statements of the Company during a financial year of the Company. The Company therefore required approval of the shareholders through an ordinary resolution for entering into contract(s)/arrangement(s)/transaction(s) with related parties upto a maximum amount as mentioned in the resolution from the financial year 2017-2018 and onwards.

All related parties shall abstain from voting on these resolutions.

The particulars of the transaction pursuant to the provision of Section 188 and the Companies (Meeting of Board and its Powers) Rules, 2014 are as under:

- (1) Name of the Related Party, Name of the Director or Key Managerial Personnel who is related, if any and Nature of Relationship

Name of the Related Party	Name of the Director/KMP who is related and their nature of relationship
Virtusa Corporation, USA and its subsidiaries including but not limited to	Krishan Aruna Canekeratne and Anuranjan Krishan Kalia, Common Directors
Virtusa Securities Corporation U.S	
Insoucre, LLC (United states)	Anuranjan Krishan Kalia, Common Director
Virtusa Consulting Services Private Limited	Hariraju Mahadevu, Common Director
Virtusa Canada, INC	Krishan Aruna Canekeratne and Anuranjan Krishan Kalia, Common Directors
Virtusa Austria GMBH	
Virtusa AB (Sweden)	
Virtusa Singapore Private Limited	
Virtusa Software Services Private Limited	
Virtusa Private Limited	Krishan Aruna Canekeratne, Common Director
Virtusa UK Limited	
Virtusa Germany Gmbh	
Virtusa Malaysia SDN BHD	
Virtusa Hungary KFT	
Virtusa Switzerland GmbH	
Virtusa Technologies India Pvt Ltd	
Virtusa Netherlands Cooperatief U.A.	
Virtusa International B.V (Netherlands)	
Virtusa Philippines, INC	

- (2) Nature and Material Terms/Particulars of the contract or arrangement and maximum value of transaction per annum:

The details are as mentioned below:

LIST OF SERVICES (NATURE OF SERVICES)

- I. Premises (this includes both office space and Guesthouse space and includes within them other services like Utilities, security, canteen etc.,
- II. Technology services which includes providing Network, Software, Servers/Hardware and other allied services.
- III. Business/Professional Services which includes contract services, technical services, staff augmentation and other Allied professional services (full time/part time/advisory)

IV. Corporate Services:

- a) Brand/Marketing/Strategy/ Risk/Legal/Purchase/ Investor Relation
- b) Insurance
- c) Intellectual Property Services
- d) Reimbursement of other costs including employee related perquisites/benefits

PARTICULARS OF THE CONTRACT OR ARRANGEMENTS:

All contracts/arrangements to be entered into will be in accordance with the company policies and shall be in adherence with the regulatory requirements and at arm's length.

MAXIMUM VALUE OF TRANSACTION PER ANNUM:

The maximum consolidated value of all Inter Company transactions shall be Rs. 600 Crores per annum (Financial Year).

- (3) Any other information relevant or important for the Board/Members to take a decision: The support and services being extended by/availed by the Company to/from its Parent and its subsidiaries associate Companies in relation to business enhancement and for building up robust practices and processes are towards the benefit of all the Companies. The respective agreements are entered on arm's length basis and all factors relevant to the respective contracts have been considered by the Board. The copies of the above mentioned existing agreements shall be available for inspection by the members at the Registered Office of the Company during the normal business hours 11 A.M upto 3 P.M on all working days (except Saturdays) upto the date of Annual General Meeting of the Company. The transactions with related parties not included above are in respect of the wholly owned subsidiary companies of the Company whose accounts are consolidated on a yearly basis as exempted under the applicable regulations/sections of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Companies Act, 2013.

The Board, therefore, recommends the proposed Ordinary resolution to the members of the company for their consideration and approval.

None of the directors of the company and Key Managerial Personnel are concerned or interested in the proposed resolution except to the extent stated above.

By order of the Board of Directors
Polaris Consulting & Services Limited

Place: Chennai
Date: 10th February 2017

Christina Pauline Beulah
Company Secretary & Compliance Officer

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