

US-based iGate to delist Indian unit Patni

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US-based company iGate said Wednesday it plans to delist its unit Patni Computer Systems from stock exchanges by buying shares from the Indian company's public shareholders.

In a move to gain full ownership of Patni, iGate plans to buy the shares at a minimum price of 356.74 rupees (\$6.99) a [share](#), it said in a statement to stock exchanges.

The delisting process is expected to be completed by mid-2012.

iGate controlled 67.08 percent of Patni shares at the end of September.

The delisting offer, subject to approvals from Patni shareholders and regulators, will be done through the reverse book-building process, the statement said.

Patni's American Depositary Shares may also be delisted from the [New York stock exchange](#), the statement said.

The consortium of Pittsburg-based iGate and [private equity firm](#) Apax Partners had acquired a majority stake in Patni in January this year, for \$1.2 billion, in one of the largest deals in India's technology sector.

"Given the low liquidity of Patni's equity shares, the delisting offer would provide the public investors of Patni with the ability to exit fully from the shares of the company," Phaneesh Murthy, iGate chief executive, said in the statement.

iGate said it has the right not to purchase the offered shares if it considers the final price unacceptable.

Patni, one of India's oldest [software firms](#) set up in 1978, failed to capitalise on its dominant market position when India's economy was liberalised in the early 1990s and overseas companies began outsourcing work to India.

That led to newer outfits like [Infosys](#) Ltd and TCS gaining a foothold and going on to dominate the market.

iGate, which has business data processing and IT consulting operations, will continue to be listed at the Nasdaq stock exchange.

Patni shares closed up 3.74 percent at 388.65 rupees at the [Bombay Stock Exchange](#) on Wednesday.

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