

**Auditor's Report on Quarterly Standalone Financial Results of the  
Company Pursuant to the Clause 41 of the Listing Agreement****To****Board of Directors of Polaris Consulting & Services Limited,**

1. We have audited the quarterly standalone financial results of Polaris Consulting & Services Limited ('the Company') for the quarter ended June 30, 2015, attached herewith, being submitted by the company pursuant to the requirement of clause 41 of the Listing Agreement, except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the management and have not been audited by us. These quarterly standalone financial results have been prepared on the basis of the interim financial statements, which are the responsibility of the company's management and have been approved by the Board of Directors. Our responsibility is to express an opinion on these standalone financial results based on our audit of such interim financial statements, prepared in accordance with recognition and measurement principles laid down in Accounting Standard 25 "Interim Financial Reporting", specified under section 133 of the Companies Act, 2013, read with rule 7 of the Companies (Accounts) Rules, 2014) and other accounting principles generally accepted in India.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.
3. In our opinion and to the best of our information and according to the explanations given to us, these quarterly standalone financial results:
  - i. are presented in accordance with the requirements of clause 41 of the Listing Agreement in this regard; and
  - ii. give a true and fair view of the net profit and other financial information for the quarter ended June 30, 2015.

**For S.R. BATLIBOI & ASSOCIATES LLP**

Chartered Accountants

ICAI Firm registration number: 101049W

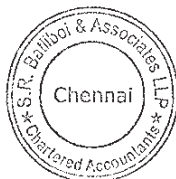
**per Bharath N S**

Partner

Membership No.: 210934

Place: Chennai

Date: August 06, 2015



<b>POLARIS CONSULTING &amp; SERVICES LIMITED (Group)</b> (Formerly known as Polaris Financial Technology Limited) CIN: L65933TN1993PLC024142 UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2015 PREPARED AS PER INDIAN GAAP				
Rs. In Lakhs				
PARTICULARS	QUARTER ENDED			YEAR ENDED
	June 30, 2015	March 31, 2015	June 30, 2014 (Refer Note(f))	March 31, 2015 (Audited)
Income				
Income from Operations	495,83.48	467,01.57	474,67.58	1,893,34.54
Expenditure				
Employee cost	378,42.30	366,01.56	365,39.76	1,461,29.33
Depreciation and amortisation expense	6,74.59	6,70.65	7,63.94	27,90.87
Other Expenditure	53,61.78	50,71.87	48,85.54	206,96.44
Total	438,78.67	423,44.08	421,89.24	1,696,16.64
Profit from operations before other income, foreign exchange gain/ (loss), exceptional items & tax	57,04.81	43,57.49	52,78.34	197,17.90
Other Income	4,50.27	4,38.31	4,57.41	23,14.49
Foreign exchange gain / (loss)	(4,45.04)	4,36.52	(1,62.46)	11,82.81
Profit before exceptional items and tax	57,10.04	52,32.32	55,73.29	238,32.20
Exceptional Items	-	-	-	(6,89.25)
Restructuring & Demerger expenses	-	-	-	231,42.95
Profit before tax	57,10.04	52,32.32	55,73.29	231,42.95
Tax expenses	19,02.95	15,30.12	13,95.80	64,22.28
Net Profit after tax	38,07.09	37,02.20	41,77.39	167,20.67
Minority Interest - Share of Profit/(Loss)	1.48	5.12	-	5.12
Share of profit/(loss) of Associate companies	-	1.19	-	1.19
Net Profit for the period	38,08.57	37,08.51	41,77.39	167,28.98
Earning Per Share (EPS) of Rs.5 each (Rs.)				
Basic	3.81	3.71	4.19	16.77
Diluted	3.75	3.63	4.15	16.39

<b>POLARIS CONSULTING &amp; SERVICES LIMITED</b> (Formerly known as Polaris Financial Technology Limited) Regd Office : Carex Centre, 244 (Old No. 733) Anna Salai, Chennai 600 006 AUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2015 PREPARED AS PER INDIAN GAAP				
Rs. In Lakhs				
PARTICULARS	QUARTER ENDED			YEAR ENDED
	June 30, 2015	March 31, 2015	June 30, 2014 (Refer Note(f))	March 31, 2015
Income				
Income from Operations	446,74.59	429,10.35	407,99.42	1,678,20.54
Expenditure				
Employee cost	349,72.36	344,41.81	325,39.07	1,336,19.69
Depreciation and amortisation expense	6,29.29	6,17.81	7,38.57	26,50.14
Other Expenditure	41,30.33	45,04.39	37,63.78	161,35.49
Total	397,31.98	394,64.04	370,41.42	1,524,55.32
Profit from operations before other income, foreign exchange gain/ (loss), exceptional items & tax	49,42.61	34,68.54	37,58.00	153,65.22
Other Income	4,40.48	10,96.17	4,00.97	32,14.14
Foreign exchange gain / (loss)	(3,24.70)	18.85	(1,02.21)	5,53.36
Profit before exceptional items and tax	50,58.39	45,61.33	40,56.76	191,32.72
Exceptional Items	-	-	-	(6,89.25)
Restructuring & Demerger expenses	-	-	-	184,43.47
Profit before Tax	50,58.39	45,61.33	40,56.76	184,43.47
Tax expenses	16,77.72	13,72.25	10,96.96	53,71.72
Net Profit after tax	33,80.67	31,89.08	29,59.80	130,71.75
Paid-up Equity share Capital				
Equity shares of Rs 5 each	50,05.41	49,95.73	49,83.47	49,95.73
Reserves excluding revaluation reserves	566,01.36	663,57.76	589,51.22	663,57.76
Earning Per Share (EPS) of Rs.5 each (Rs.)				
Basic	3.38	3.19	2.97	13.10
Diluted	3.33	3.12	2.94	12.81
Public Shareholding				
Number of shares	7,11,22,364	7,09,28,864	7,06,78,614	7,09,28,864
Percentage of shareholding	71.05%	70.99%	70.91%	70.99%
Promoters and Promoter group shareholding				
a) Pledged / encumbered				
- Number of shares	Nil	Nil	Nil	Nil
- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	Nil	Nil	Nil	Nil
- percentage of shares (as a % of the total share capital of the company)	Nil	Nil	Nil	Nil
b) Non - encumbered				
- Number of shares	2,89,85,760	2,89,85,760	2,89,95,760	2,89,85,760
- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	100.00%	100.00%	100.00%	100.00%
- percentage of shares (as a % of the total share capital of the company)	28.95%	29.01%	29.09%	29.01%

**NOTES:**

a) The above results were reviewed by the Audit committee and approved by the Board of Directors at its meeting held on August 6, 2015.

b) The Stand-alone results for the quarter ended June 30, 2015 were audited by the Statutory Auditors of the Company.

c) Tax expenses includes current tax, deferred tax and MAT, wherever applicable.

d) No. of Complaints pending at the beginning of the quarter Nil  
 No. of Complaints received during the quarter 9  
 No. of Complaints disposed off during the quarter 9  
 No. of Complaints lying unresolved at the end of the quarter Nil

e) The Company has allotted 193,500 shares under Associate Stock Option Plan 2003 & 2011 of the Company during the quarter ended June 30, 2015.

f) The Board of Directors of the Company at its meeting held on March 18, 2014 had approved a Scheme of Arrangement between Polaris Financial Technology Limited and Intellect Design Arena Limited (Intellect) (formerly known as Fia Tech Grid Limited), a wholly owned subsidiary of the Company and their respective shareholders which inter alia envisaged demerger of the Product business undertaking along with related assets and liabilities into Intellect with effect from April 1, 2014 in accordance with the provisions of the Companies Act, 1956 read with relevant provisions of Companies Act, 2013. The above scheme has received the approval from the Madras High court on September 15, 2014. Consequently, the assets and liabilities which vest with Intellect Design Arena Limited, have been excluded from the statement of assets and liabilities of the company. Similarly, the financial results for the twelve months and quarters ended March 31, 2015 & June 30, 2014 (restated) does not include the results of the product business undertaking. Net assets of Rs 73,171 lakhs (contained in the Consolidated financial results) and Rs 58,681 lakhs (contained in the Standalone financial results) relating to the product division as determined by management in accordance with the scheme of arrangement have been transferred into Intellect Design Arena Limited with effect from 21st April 2014 and the same has been adjusted in Reserves and surplus (in share premium account, general reserve and the Surplus in profit and loss account) of the Company.

g) The Company uses foreign exchange contracts to hedge its exposure to movements in foreign currency rates and accounted in accordance with the Accounting Standards - 30 (Financial Instruments: Recognition and Measurement). Income from operations includes foreign exchange gain / (loss) of Rs.197,36 lakhs, (Rs. 64.30 lakhs), Rs.98.18 lakhs respectively for the quarters ending June 30, 2015, March 31, 2015, June 30, 2014 and (Rs. 24.13 lakhs) for the year ended March 31, 2015.

h) The business of the Company falls under a single primary segment i.e. "Software development, Support & BPO services" for the purpose of Accounting Standard - 17.

i) Figures of the earlier period, wherever necessary, have been regrouped to conform with those of the current periods.

j) Function wise classification of statement of Profit and Loss for the Group (Unaudited)

Particulars	QUARTER ENDED			YEAR ENDED
	June 30, 2015	March 31, 2015	June 30, 2014	March 31, 2015
INCOME				
Income from Software development, Support & BPO services	495,83.48	467,01.57	474,67.58	1,893,34.54
EXPENDITURE				
Software development expenses	351,53.44	346,91.61	350,34.10	1,399,64.80
Selling and marketing & General and administrative expenses	80,50.64	69,81.82	63,91.20	268,60.97
Total Expenditure	432,04.08	416,73.43	414,25.30	1,668,25.77
Profit before depreciation & amortisation, other income, foreign exchange gain/ (loss), exceptional items & tax	63,79.40	50,28.14	60,42.28	225,08.77
Depreciation and amortisation expense	6,74.59	6,70.65	7,63.94	27,90.87
Profit before other income, foreign exchange gain/ (loss), exceptional items & tax	57,04.81	43,57.49	52,78.34	197,17.90
Foreign exchange gain/ (loss)	(4,45.04)	4,36.52	(1,62.46)	11,82.81
Other Income including exceptional items	4,50.27	4,38.31	4,57.41	22,42.24
Profit before tax	57,10.04	52,32.32	55,73.29	231,42.95
Provision for taxation	19,02.95	15,30.12	13,95.80	64,22.28
Profit after tax	38,07.09	37,02.20	41,77.39	167,20.67
Minority Interest/ Share of profit/(loss) of Associate Companies	1.48	5.12	-	5.12
Profit for the period	38,08.57	37,08.51	41,77.39	167,28.98

Place : Chennai  
 Date : August 6, 2015

For Polaris Consulting & Services Limited  
 Jitli Goyal  
 Executive Director

For Polaris Consulting & Services Limited  
 V. Narasimhan N.M.  
 Chief Financial Officer



## **Polaris' Q1 FY16 revenues up by 6%**

**Chennai (India), August 6, 2015:** Polaris Consulting & Services Ltd (NSE and BSE: POLARIS), a leader in digital transformation solutions and services, announced its results for the first quarter of FY16 today.

"We remain focused on our three-pronged strategy of investing in Digital solutions, deepening our footprints in key accounts and acquiring new clients in the Tier-2 space. Internally our focus on cost optimization and process simplification is beginning to show results." said **Jitin Goyal, CEO and Executive Director, Polaris Consulting & Services Limited**

### **Key Financial Highlights**

**For the quarter ended 30 June, 2015:**

- Revenues at Rs. 496 crore registering 6% QoQ growth; 4% YoY growth
- In dollar terms, revenues stood at \$76 Mn
- EBITDA at Rs. 64 crore registering 27% QoQ growth; 6% YoY growth
- Profit After Tax (PAT) stood at Rs. 38 crore registering 3% QoQ growth
- Cash and Cash equivalent stood at Rs. 318 crore
- Revenues were distributed across all geographies with the Americas contributing 53%, Europe 20%, India 8% and Rest of the World 19%

### **Business Highlights**

- 4 New clients were added in Q1FY16 reflecting client confidence in our digital offerings
- Active clients were 159 against 157 in the last quarter.
- Polaris rated as a "Major Contender" By Everest Group in their report titled "IT Outsourcing in Banking with PEAK Matrix Assessment"
- Talent strength of 7305 ( Excl. BPO division)

"With Q1 revenue up by 6% QoQ, and PAT of Rs 38 Cr, we are on track in terms of our growth path. We have initiated cost optimisation efforts, the benefits of which will be fully realised in Q4 of FY16. We are looking at growth led by our digital transformation capabilities in FY16," said, **NM Vaidyanathan, Chief Financial Officer, Polaris Consulting & Services Limited**

## Financial Results for the First Quarter Ended June 30, 2015

**POLARIS CONSULTING & SERVICES LIMITED (Formerly known as Polaris Financial Technology Ltd)**

**Unaudited consolidated financial results for the first quarter ended June 30, 2015 prepared as per Indian GAAP**

**Rs. Lakhs**

Particulars	QUARTER ENDED			YEAR ENDED
	June 30, 2015	March 31, 2015	June 30, 2014	March 31, 2015
<b>INCOME</b>				
Income from Software development, Support & BPO services	49,583.48	46,701.57	47,467.58	189,334.54
<b>EXPENDITURE</b>				
Software development expenses	35,153.44	34,691.61	35,034.10	139,964.80
Selling & Marketing and General & Administrative expenses	8,050.64	6,981.82	6,391.20	26,860.97
<b>Total Expenditure</b>	<b>43,204.08</b>	<b>41,673.43</b>	<b>41,425.30</b>	<b>166,825.77</b>
<b>Profit before interest, depreciation &amp; amortisation other Income, foreign exchange gain/ (loss), exceptional items &amp; tax</b>	<b>6,379.40</b>	<b>5,028.14</b>	<b>6,042.28</b>	<b>22,508.77</b>
Depreciation and Amortisation expenses	674.59	670.65	763.94	2,790.87
<b>Profit before other Income, foreign exchange gain/ (loss), exceptional items &amp; tax</b>	<b>5,704.81</b>	<b>4,357.49</b>	<b>5,278.34</b>	<b>19,717.90</b>
Foreign exchange gain/ (loss)	(445.04)	436.52	(162.46)	1,182.81
Other Income including exceptional items	450.27	438.31	457.41	2,242.24
<b>Profit before tax</b>	<b>5,710.04</b>	<b>5,232.32</b>	<b>5,573.29</b>	<b>23,142.95</b>
Provision for taxation	1,902.95	1,530.12	1,395.90	6,422.28
<b>Profit after tax</b>	<b>3,807.09</b>	<b>3,702.20</b>	<b>4,177.39</b>	<b>16,720.67</b>
Minority Interest/ Share of profit/(loss ) of Associate Companies	1.48	6.31	-	6.31
<b>Profit for the period</b>	<b>3,808.57</b>	<b>3,708.51</b>	<b>4,177.39</b>	<b>16,726.98</b>

**Investor Conference Call**

The Board of Directors of Polaris Consulting & Services Limited met on 6th August 2015, to take on record the financial results of the company for the First quarter ended June 30, 2015.

Polaris Consulting & Services Ltd. will host an Investors Conference Call on 6th August 2015, where the Senior Management of Polaris will comment on the company's performance during the First quarter ended June 30, 2015 and respond to questions from participants. The conference call will take place at 17:00 Hrs IST on Thursday, 6th August 2015.

**The dial-in numbers to join the conference call:**

**Conference Name** : **Q1 FY16 Investors earnings call**  
**Date** : **6th August 2015**  
**Time** : **17:00 HRS IST**  
**Conference ID** : **3583513**

**ACCESS NUMBERS**

MUMBAI	:	Primary Access Toll Number	:	02230360400
BANGALORE	:	Primary Access Toll Number	:	08030360400
DELHI	:	Primary Access Toll Number	:	01130360400
CHENNAI	:	Primary Access Toll Number	:	04430360400
INDIA	:	Primary Access Toll free Number	:	180030131313
HONG KONG	:	Primary Access Toll free Number	:	800901420
SINGAPORE	:	Primary Access Toll free Number	:	8001011906
US and Canada	:	Primary Access Toll free Number	:	18663944523
UK	:	Primary Access Toll free Number	:	08081681758
UAE	:	Primary Access Toll free Number	:	8000174397

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