## S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

6th & 7th Floor- "A" Block Tidel Park, (Module 601, 701 & 702) No. 4, Rajiv Gandhi Salal, Taramani Chennal-600 113, India

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# 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 September 30, 2015 and the year to date standalone results for the period April 1, 2015 to September 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 as well as the year to date 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 as well as the year to date standalone results:
  - 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 September 30, 2015, as well as year to date results for the period April 1, 2015 to September 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: October 29, 2015



## Polaris' Q2 FY16 revenues up by 9%

**Chennai (India), October 29, 2015:** Polaris Consulting & Services Ltd (NSE and BSE: POLARIS), a leader in digital transformation solutions and services, announced its results for the second quarter of FY16 today.

Polaris Quarter revenues stood at Rs. 517.68 crore, registering 9% YoY growth as compared to Rs. 476.90 crore in the same quarter last year and 4% QoQ growth from Rs. 495.83 crore in Q1 FY 16. In dollar terms, revenues stood at \$77.63 Mn growing sequentially by 2% QoQ as compared to \$75.90Mn in previous quarter.

EBITDA stood at Rs. 70 crore registering 16% YoY growth as compared to Rs. 60.57 crore in the same quarter last year and 10% QoQ growth from Rs. 63.79 crore in Q1 FY 16. Profit After Tax (PAT) grew by 24% QoQ to Rs.47 crore from Rs.38 crore. Cash and cash equivalents stood at Rs. 294 crore at the end of the quarter. Quarter revenues were distributed across all geographies with Americas contributing 52%, Europe 21%, India 8% and Rest of the World 19%.

### **Business Highlights**

- · Continuing the traction on digital-led wins, 4 new clients were added in the last quarter
- Polaris rated as a "Major Contender in Capital Markets AO Delivery Capability" By Everest Group
- Polaris ranked amongst the Global Top 100 vendors by IDC in their Fintech Ranking
- Talent strength of 7648 (Excluding BPO division)
- DSO has further reduced from 85 days to 83 days.

### Management Statement

Jitin Goyal, CEO and Executive Director, Polaris Consulting & Services Limited said, "Our strategic focus on Digital is beginning to pay off with strong digital led wins in this quarter. We continue investing in the core areas of Digital, Data, Payments and Risk & Compliance and we are gaining good traction in the market in these areas, reflected in the steady build-up in the deal pipeline. Revenue and EBITDA are both trending in the right direction, and this is a good sign".

NM Vaidyanathan, Chief Financial Officer, Polaris Consulting & Services Limited, said, "Our focused approach towards growth plans & cost plans has resulted in 9% growth in Revenues and a PAT of Rs 47 Cr. We are balancing the levers of investments in key accounts along with cost optimisation efforts. We expect this momentum to continue"



# Financial Results for the Second Quarter Ended September 30, 2015

POLARIS CONSULTING & SERVICES LIMITED (Formerly known as Polaris Financial Technology Ltd)
Unaudited consolidated financial results for the second quarter ended September 30, 2015 prepared as per Indian GAAP

Rs. Lakhs

		YEAR(ENDED		
Particulars -	September 30, 2015	June 30, 2015	September 30, 2014	March 31, 2015
INCOME				
Income from Software development, Support & BPO services	51,767.88	49,583.48	47,689.79	189,334.54
EXPENDITURE			1	
Software development expenses	36,514.04	35,153.44	35,103.42	139,964.80
Selling & Marketing and General & Administrative expenses	8,253.45	8,050.64	6,529.16	26,860.97
Total Expenditure	44,767.49	43,204.08	41,632.58	166,825.77
Profit before interest, depreciation & amortisation other Income, foreign exchange gain/ (loss), exceptional items & tax	7,000.39	6,379.40	6,057.21	22,508.77
Depreciation and Amortisation expenses	687.49	674.59	690.46	2,790.87
Profit before other Income, foreign exchange gain/ (loss), exceptional items & tax	6,312.90	5,704.81	5,366.75	19,717.90
Foreign exchange gain/ (loss)	233.34	(445.04)	389.74	1,182.81
Other Income including exceptional items	153.68	450.27	968.41	2,242.24
Profit before tax	6,699.92	5,710.04	6,724.90	23,142.95
Provision for taxation	1,967.23	1,902.95	1,809.67	6,422.28
Profit after tax	4,732.69	3,807.09	4,915.23	16,720.67
Minority Interest/ Share of profit/(loss ) of Associate Companies	1.74	1.48	-	6.31
Profit for the period	4,734.43	3,808.57	4,915.23	16,726.98

For Media related info, p	lease contact:	For Investor related info, please contact:
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Mob: ++91 89396 19676		Mob: +91 89397 82837
Email: <u>nachu.nagappan@</u>	polarisFT.com	Email: Praveen.malik@polarisFT.com

POLARIS

## POLARIS CONSULTING & SERVICES LIMITED (Group)

(Formerly known as Polaris Financial Technology Limited)
CINLESS93TH 1939PLC024142
UNAUDITED CONSOLIDATED HANACIAL RESULTS FOR THE PERIOD ENDED SEPTEMBER 30, 2015
PREPARED AS PER INDIAN GARP

						Rs. In Lakh
PARTICULARS	C	QUARTER ENDED			HALF YEAR ENDED	
	September 30, 2015	June 30, 2015	September 30, 2014	September 30, 2015	September 30, 2014	March 31, 2015 (AUDITED)
Income Income from Operations spenditure Employee cost	517,67.88	495,83.48	476,89.79	1,013,51.36	951,57.37	1,893,34.54
Depreciation and amortisation expense: Other Expenditure	389,79.93 6,87.49 57,87.56	378,42.30 6,74.59 53,61.78	361,77.30 6,90.46 54,55.28	768,22.24 13,62.09 111,49.32	727,17.06 14,54.40	1,461,29.33 27,90.87
otal Expenditure ofit from operations before other	454,54.98	438,78.67	423,23.04	893,33.65	103,40.82 845,12.28	206,96.44 1,696,16.64
come, foreign exchange gain/ (loss), coptional items & tax ther income reign exchange gain / (loss) ofit before exceptional items and tax ceptional items	63,12.90 1,53.68 2,33.34 66,99.92	57,04.81 4,50.27 (4,45.04) 57,10.04	53,66.75 16,57.66 3,89.74 74,14.15	120,17.71 6,03.96 (2,11.70) 124,09.97	106,45.09 21,15.07 2,27.28 129,87.44	197,17.90 29,31.49 11,82.81 238,32.20
structuring & Demerger expenses offit before tax  *expenses  *Profit after tax  nonity interest - Share of Loss/ (Profit)  are of profit/(loss) of Associate  npanies  *Profit for the period	66,99.92 19,67.23 47,32.69 1.74	57,10.04 19,02.95 38,07.09 1.48	(6,89.25) 67,24.90 18,09.67 49,15.23	124,09.97 38,70.17 85,39.80 3.22	(6,89.25) 122,98.19 32,05.57 90,92.62	(6,89.25) 231,42.95 64,22.28 167,20.67 5.12
ning Per Share (EPS) of Rs.5 each (Rs.) Basic Diluted	47,34,43 4.73 4.64	38,08.57 3.81 3.75	49,15.23 4.93 4.85	85,43.02 8.54 8.39	90,92.62	167,26.98 16.77

#### POLARIS CONSULTING & SERVICES LIMITED

POLARIS CONSOLLING & SERVICES LIMITLE
[Formerly known as Polaris Financial Technology Limited]
Regd Office: Carex Centre, 244 (Old no. 713) Anna Salai, Chennai 600 006
ONE FINANCIAL RESULTS FOR THE PERIOD ENDED SEPTEMBER 30, 2015 PREPARED AS PER INDIAN GAAP

		QUARTER ENDED		110101000	Rs. In Lakh	
PARTICULARS	September 30, June 30, September 30,		HALF YEAR ENDED September 30. September 30		YEAR ENDED	
	2015	2015	2014	2015	September 30, 2014	March 31,
Income Income from Operations Expenditure	473,96.60	446,74.59	417,20.90	920,71.19	825,20.32	1,678,20.54
Employee cost	380,08.14	349,72,36	322,98.47	729,80.48	648,37.54	4 225 40 44
Depreciation and amortisation expenses	6,41.44	6,29.29	6,65,47	12,70,73	14,04.04	1,336,19.69 26.50.14
Other Expenditure	45,98.33	41,30.33	39,15.12	87,28.66	76,78.88	161,85.49
Total Expenditure	432,47.91	397,31.98	368,79.06	829,79,87	739,20,46	1,524,55.32
Profit from operations before other Income, foreign exchange gain/ (loss), exceptional items & tax Other Income	41,48.69	49,42.61	48,41.84	90,91.32	85,99.86	153,65.22
	1,47.58	4,40.48	15,44.84	5,88.07	19,45.80	32,14.14
Foreign exchange gain / (loss)	2,19.11	(3,24.70)	2,74,96	(1,05.59)	1,72.74	5,53.36
Profit before exceptional items and tax Exceptional items	45,15.38	50,58.39	66,61.64	95,73.80	107,18.40	191,32.72
Restructuring & Demerger expenses	_		(6,89.25)	1		
Profit before tax	45,15.38	50,58.39	59,72.39		(6,89.25)	(6,89.25)
Tax expenses	15,23,66			95,73.80	100,29.15	184,43.47
Net Profit after tax	29,91,72	16,77.72	15,82.83	32,01.38	26,79.79	53,71.72
Paid-up Equity share Capital	29,91.72	33,80.67	43,89.56	63,72.42	73,49.36	130,71.75
Equity shares of Rs 5 each	50,11.47			9		
Reserves excluding revaluation reserves	577,55.36	50,05.41 566,01.36	49,87.20 636,48.99	50,11.47	49,87.20	49,95.73
arning Per Share (EPS) of Rs.5 each (Rs.)	577,55.30	300,01.36	636,48.99	577,55.36	636,48.99	543,33.08
Basic	2.99	3.38	4.40	6.37		
Diluted	2.93	3.33	4.33	6.26	7.37	13.10
Public Shareholding		5.55	4.55	0.26	7.26	12.81
Number of shares Percentage of shareholding romoters and Promoter group hareholding	7,12,43,664 71.08%	7,11,22,364 71.05%	7,07,48,314 70.93%	7,12,43,664 71.08%	7,07,48,314 70.93%	7,09,28,864 70.99%
a) Pledged / encumbered - Number of shares - Percentage of shares (as a % of the total shareholding of promoter and	Nil	Nil	Nil	Nil	Nil	Nil
promoter group) - percentage of shares (as a % of the	Nil	Nil	Nil	Nil	Nil	NII
total share capital of the company) b) Non — encumbered	Nil	Nil	Nil	Nil	Nil	Nil
Number of shares     Percentage of shares (as a % of the total shareholding of promoter and	2,89,85,760	2,89,85,760	2,89,95,760	2,89,85,760	2,89,95,760	2,89,85,760
promoter group) - percentage of shares (as a % of the	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
total share capital of the company)	28.92%	28.95%	29.07%	28.92%	29.07%	29.01%

	CONSOL	Rs. In Laki		
STATEMENT OF ASSETS AND LIABILITIES	September 30, 2015 (UNAUDITED)	March 31, 2015 (AUDITED)	September 30, 2015 (AUDITED)	March 31, 2015 (AUDITED)
EQUITY AND LIABILITIES	(aradames)	(AUDITEU)	(AUDITED)	(AUDITED)
SHAREHOLDERS' FUNDS	1 1			
Share capital	50,11,47	49,95.73	5,011.47	
Reserves and surplus	857,91,77	800,86,74	57,755.36	49,95.7 543,33.0
Minority Interest NON-CURRENT LIABILITIES	908,03.24 1,45.01	850,82.47 1,48.23	627,66.83	593,28.8
Deferred tax liabilities (Net)	2,63.29	2,50,63		
Long - term provisions	4,08.85	2,50.63		
CURRENT LIABILITIES	4,08.83	5 33	4,08.85	
Trade payables	176,54,07	180.26.95	161,72.90	
Other current liabilities	75,47,86	114.94.35	55,64.78	153,58.4
Short-term provisions	33,79,78	145.27.70	21,96,32	95,68.6
TOTAL	1,202,02,10	1,295,30.33		137,22.2
ASSETS	a)monjonizo	4,493,30.33	871,09.68	979,78.0
NON-CURRENT ASSETS				
Fixed assets				
- Tangible assets	231,61.07	229,54,64	200,20,08	400 77 0
Intangible assets	4.28.04	5,13.12	4.28.04	198,77.38 5.13.13
	235,89,11	234,67.76	204,48.12	203,90,50
Non-current investments	57.13.65	114,88,22	93.03.29	148.16.86
Deferred tax assets (net)	10,40.00	8,07.95	7,03.27	4.83.53
Long-term loans and advances	86,47.11	91,28,70	84.79.22	89,06.73
Other non-current assets CURRENT ASSETS		2,44,26		2,44.26
			- 1	2,44.20
Current investments Trade receivables	52,31.35	10,50.40	50,02,72	8,01.94
Cash and bank balance	264,42.31	238,21.16	164,51.48	156,89.55
Short-term loans and advances	187,23.45	191,61.29	43,15,99	79,23,21
Other current assets	60,15.09	108,83.37	27,51.12	44,97,91
OTAL OTAL	248,00.03	294,77.22	196,54.47	242,23,56
IOTES:	1,202,02.10	1,295,30.33	871,09.68	979,78.05

- NOTES:

  1.20,202.10| 1.295,30.38| 871,09.68| 979,78.0

  3] The above results were reviewed by the Audit committee and approved by the Board of Directors at its meeting field on October 29, 2015.

  3] The above results for the quarter ended and six months period ended September 30, 2015 were audited by the Statutory Auditors of the Company.

  1] Tax expenses include current tax, deferred tax and MAT, wherever applicable.

  1] No. of Complaints periodic p

PARTICULARS	QUARTER ENDED			HALF YEAR ENDED		YEAR ENDED	
	September 30, 2015	June 30, 2015	September 30, 2014	September 30, 2015	September 30, 2014	March 31, 2015	
INCOME					2024	2015	
Income from Software development, Support & BPO services	517,67.88	495,83.48	476,89.79	1,013,51.36	951,57.37	1,893,34.54	
EXPENDITURE							
Software development expenses	365,14.04	351,53.44	351,03.42	716,67.48	701,37.52	1,399,64.80	
Selling and marketing & General and							
administrative expenses	82,53.45	80,50.64	65,29.16	163,04.08	129,20.36	268,60,97	
Total Expenditure	447,67.49	432,04.08	416,32.58	879,71.56	830,57,88	1,668,25.77	
Profit before depreciation & amortisation, other income, foreign exchange gain/						77	
(loss), exceptional items & tax	70,00.39	63,79.40	60,57.21	133,79,80	120,99,49	225,08,77	
Depreciation and amortisation expenses	6,87.49	6,74.59	6,90,46	13.62.09	14,54,40	27,90.87	
Profit before other Income, foreign exchange gain/ (loss), exceptional items				/	14,54,40	27,30.67	
& tax	63,12.90	57,04.81	53,66.75	120,17.71	106,45,09	197,17,90	
Foreign exchange gain/ (loss)	2,33.34	(4,45.04)	3,89.74	(2,11.70)	2,27,28	11.82.81	
Other Income including exceptional					2,27.20	11,02.01	
items	1,53.68	4,50.27	9,68.41	6,03,96	14,25.82	22,42,24	
Profit before tax	66,99.92	57,10.04	67,24.90	124,09.97	122.98.19	231.42.95	
Provision for taxation	19,67.23	19,02.95	18,09.67	38,70.17	32,05.57	64,22.28	
rofit after tax	47,32.69	38,07.09	49,15.23	85,39.80	90,92,62	167,20,67	
Alinority Interest/ Share of profit/(loss ) of	100			. 4,00,000	50,52.02	107,20.67	
ssociate Companies	1.74	1.48	-	3.22		6.31	
rofit for the period	47,34.43	38,08.57	49,15.23	85,43.02	90.92.62	167.26.98	

Place : Chennai Date : October 29, 2015

For Polaris Consult Valdyanathan N.M Chief Financial Officer

