

PCSL/SEC/2014-15

January 22, 2015

1. **The National Stock Exchange of India Ltd.,**
Exchange Plaza, 5th Floor, Plot No. C/1, G Block, Bandra Kurla Complex,
Bandra (E), Mumbai – 400 051.
2. **The Bombay Stock Exchange Ltd.**
1st Floor, New Trade Ring, Rotunda Building, PJ Towers,
Dalal Street, Fort, Mumbai – 400 001.

Dear Sirs,

Sub: **Outcome of the Board Meeting held on 22nd January 2015**

We wish to inform you that the Board of Directors of the Company at its meeting held on 22nd January, 2015 have approved the following:

1. The financial results for the quarter ended 31st December 2014. A signed copy of the Financials as per the format prescribed under Clause 41 of the Listing Agreement and the Auditors' Report are enclosed herewith.
2. Appointment of Mr. Jonathan Eric Beyman as Director – Business Strategy

We are enclosing herewith the proposed Media Release announcing the financial results of the Company for the quarter ended 31st December 2014.

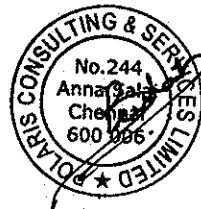
Kindly take the above information on record and confirm compliance.

Thanking you,

Yours truly,
for **Polaris Consulting & Services Limited**
(formerly known as *Polaris Financial Technology Limited*)


Christina Pauline Beulah
Company Secretary and Compliance Officer

Encl : as above.



Polaris Consulting & Services Limited

Registered Office: Polaris House, 244 Anna Salai, Chennai - 600 006, India | Ph: +91-44-3987 4000, 3984 3400 | Fax: +91-44-2852 3280
Corporate Headquarters: Foundation, 34 IT Highway, Chennai - 603 103, India | Ph: +91-44-2743 5001, 3987 3000 | Fax: +91-44-2743 5166

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**Auditor's Report on Quarterly Financial Results of the
Company Pursuant to the Clause 41 of the Listing Agreement**

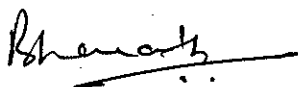
To
Board of Directors of Polaris Consulting & Services Limited

1. We have audited the quarterly standalone financial results of Polaris Consulting & Services Limited ('Formerly known as Polaris Financial Technology Limited') ('the Company') for the quarter ended December 31, 2014 and the year to date results for the period from April 1, 2014 to December 31, 2014, 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 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, which have been prepared in accordance with the recognition and measurement principles laid down in Accounting Standard (AS) 25, Interim Financial Reporting, specified under the Companies Act, 1956 (which are deemed to be applicable as per 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 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 December 31, 2014 as well as the year to date results for the period from April 1, 2014 to December 31, 2014.

For S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

ICAI Firm registration number: 101049W

**per Bharath N S**

Partner

Membership No.: 210934

Place: Chennai

Date: January 22, 2015



Polaris' Q3 FY 15 revenues at Rs. 476 Cr

Chennai (India), January 22, 2015: Polaris Consulting & Services Ltd (formerly known as Polaris Financial Technology Limited), a leader in solutions and services that enable unprecedented operational productivity for the global Financial Services industry, announced today its results for the third quarter of FY15.

"We continue our focus on becoming a digital transformation partner of choice for our clients. Bulk of our new engagements in the quarter have come from the 4 big bets, Digital, Payments, Risk and Analytics. We are successfully executing our strategy of acquiring new logos with a focus on tier 2 banks & corporates with 2 such marquee clients selecting us as their partner of choice for digital transformation in Q3." said, **Jitin Goyal, CEO and Executive Director, Polaris Consulting & Services Limited**

Key Financial Highlights

- **In USD terms:**
 - Quarter revenue stood at USD 77 Mn
- **In Rupee terms:**
 - Quarter revenues stood at Rs. 476 crore
 - EBITDA for the Quarter stood at Rs. 55 crore
 - Profit After Tax (PAT) stood at Rs. 39 crore
 - Revenues were distributed across all geographies with the Americas contributing 55%, Europe 20%, India 7% and Rest of the World 18%
 - DSO stands at 52 days

Clients

- 152 active clients as of December 31, 2014
- 5 New clients added in Q3FY15
- 3 consolidation/preferred supplier wins in tier 1 clients
- 1 consolidation loss in a tier 1 client

Employees

- Total headcount as of Q3 FY 15 is 8640. This includes 1277 associates in BPO
- Attrition rate stood at 18.1%

Awards and Recognitions

- Polaris Ranked 36th at Fintech Forward Ranking 2014. FinTech Forward is a collaboration of American Banker & BAI.
- Polaris ranked 52 in 2015 Risk Tech 100. Polaris has been named as the 2nd biggest rising firm by moving 22 places in the ranking chart.
- Polaris featured amongst Top IT Services Vendors in Asia Pacific in the Celent report - IT Services Vendor Landscape for Banking
- Polaris featured amongst Top IT Services Vendors in Celent report on Banking in North America for 2014
- Polaris rated as the 'Major Contender' in Everest Group -- IT Outsourcing in Capital Markets -- Service Provider Landscape with PEAK Matrix Assessment 2014

About Polaris Consulting and Services Ltd

Polaris Consulting & Services Ltd. is a leader in solutions and services that enable unprecedented operational productivity for the global Financial Services industry. With a strong strategic consulting focus backed with high performance delivery in Digital Enterprise, Payments, Risk & Compliance and Data & Analytics, Polaris' services are strongly differentiated, with a formidable reputation in Global Consumer Banking, Treasury & Capital Markets, Global Transaction Banking, Insurance and Enterprise Commerce.

The company's services include process engineering, solution consulting, system integration, ADM, production support, testing, infrastructure management and BPO. To deliver these services, the company has invested heavily in building deep functional & domain-specific models, tools and accelerators, which enable it to deliver higher productivity and better quality to its discerning and demanding BFSI clientele.

The High Performance Outsourcing (HPO) model with aggressive performance-based outcome metrics also leverages highly domain specialized horizontal practices like High Performance Testing, Infrastructure Management, Mainframe Practice, CRM Practice and Business Process Outsourcing. Digital enterprise solutions extend across retail, logistics, manufacturing and enterprise commerce. With six client-centric units and multiple solution-centric units across the world, Polaris Consulting & Services is represented by over 8,600 solution architects, domain and technology experts. For more details, please visit www.polarisft.com

Financial Results for the Third Quarter Ended December 31, 2014

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

Unaudited consolidated financial results for the third quarter ended December 31, 2014 prepared as per Indian GAAP

**Previous year financials are not comparable with the current year financials consequent to demerger of Product business during the current year.

Rs. Lakhs

Particulars	QUARTER ENDED		YEAR ENDED	
	December 31, 2014	September 30, 2014	December 31, 2013**	March 31, 2014**
INCOME				
Gross Income from software services and Business Process Management	47,556.41	47,674.48	64,339.96	249,906.65
Income from Operations	47,556.41	47,674.48	64,339.96	249,906.65
EXPENDITURE				
Software development expenses	35,135.67	35,103.42	40,602.30	159,088.85
Selling & Marketing and General & Administrative expenses	6,958.80	6,529.15	11,714.05	47,142.13
Total Expenditure	42,094.47	41,632.57	52,316.35	206,230.98
Profit before interest, depreciation & amortisation	5,461.94	6,041.91	12,023.61	43,675.67
Research & Development expenses	-	-	2,206.40	8,702.70
Depreciation/ Amortisation	665.82	690.46	1,306.26	5,292.18
Finance Charges	-	-	27.96	123.85
Profit after interest, depreciation & amortisation	4,796.12	5,351.45	8,482.99	29,556.94
Forex impact on Hedge accounting (AS30)	(80.80)	15.31	(2,915.84)	(10,439.89)
Other Income including exceptional items	897.12	1,358.14	955.28	4,759.38
Minority Interest/ Share of profit/(loss) of Associate Companies	-	-	(24.83)	11.55
Profit before tax	5,612.44	6,724.90	6,497.60	23,887.98
Provision for taxation	1,686.58	1,809.67	1,422.09	3,968.78
Profit after tax	3,925.86	4,915.23	5,075.51	19,919.20

The function wise classification results for the year 2013-14 are not comparable with the audited Consolidated financial results for the year ended March 31, 2014 as the net impact of the financial results of IdenTrust Inc. up to the date of divestment and the profit on divestment of the IdenTrust business had been disclosed under "Other income including exceptional items" in the above functionwise results.

Q3 Results FY 2014-2015
INR



Investor Conference Call

The Board of Directors of Polaris Consulting & Services Limited met on **22nd January 2015**, to take on record the financial results of the company for the Third Quarter ended December 31, 2014.

Polaris Consulting & Services Ltd. will host an Investors Conference Call on **22nd January 2015**, where the Senior Management of Polaris will comment on the company's performance during the Third Quarter ended December 31, 2014 and respond to questions from participants. **The conference call will take place at 17:00 Hrs IST on Thursday, 22nd January 2015.**

The dial-in numbers to join the conference call:

Conference Name	:	Polaris Investor Earnings call for Q3 FY 2014-15
Date	:	22nd January 2015
Time	:	17:00 HRS IST
Conference ID	:	70775709

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

For Media related info, please contact:

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PARTICULARS	QUARTERS ENDED		NINE MONTHS ENDED		YEAR ENDED	
	December 31, 2014	September 30, 2014	December 31, 2014	December 31, 2013	March 31, 2014	March 31, 2013
Income						
Gross Income from Operations	475,556.41	476,744.48	643,39.96	1,426,07.28	1,853,57.43	2,528,09.54
Less: Impact on derivative accounting	(80.26)	15.31	(23.15,84)	30.69	(78.30,09)	104.38,99
Income before operations	474,715.61	476,819.19	614,242.12	1,426,32.97	1,775,27.34	2,423,69.65
Employees cost	358,10.68	361,77.30	463,67.44	1,095,27.72	1,341,63.68	1,842,76.22
Depreciation / Amortization	6,658.82	6,900.46	13,006.26	21,720.72	24,851.04	34,471.03
Other Expense	52,483.78	54,525.28	81,555.31	155,245.56	165,081.41	245,671.76
Total	407,620.19	433,234.04	588,290.01	1,232,750.54	1,636,61.04	2,236,677.76
Less: Profit/(loss) on Operations before Other Income, Interest & Tax	47,153.32	53,666.75	55,951.51	133,604.93	148,666.30	187,010.30
Other Income	8,971.12	20,470.40	9,555.28	32,394.97	23,494.03	32,325.34
Profit before Interest and Tax	56,124.44	74,141.15	65,500.39	185,990.90	178,155.33	219,371.13
Less: Finance cost	56,124.44	74,141.15	27.96	185,990.90	1,038.32	1,972.72
Profit/(loss) after finance cost but before exceptional items			65,522.43		177,07.01	217,399.41
Exceptional Items						
Profit/(loss) on investment of discounting operations—refer note (6)(i)						
Less: Accruing & Contingent expenses						
Less: Income tax expense						
Less: Profit after tax						
Less: Profit/(loss) of Associate companies						
Less: Minority interest - (Share of loss)						
Profit/(loss) after all adjustments						
Profit for the period	39,258.66	49,125.23	50,755.51	130,184.49	153,77.34	199,19.20
Attributable Per Share (EPS) of Rs.5 (each)						
Basic	3.93	4.93	5.10	13.05	15.46	20.01
Diluted	3.83	4.83	5.09	12.72	15.43	19.97

(Formerly known as Polaris Financial Technology Limited)
Regd. Office : Carex Centre, 244 (Old No. 713) Anna Salai, Chennai-600 006

PARTICULARS	December 31, 2014	September 30, 2014	December 31, 2013	December 31, 2014	March 31, 2014 (audited)
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Income	424,70.66	532,87.16	1,248.79.50	1,554.99.63	2,109.65.51
Gross Income from Operations	(69.89)	(29.75.84)	39.69	178.30.89	104.39.89
Depreciation/Amortization	421,89.86	500,77.132	1,249.10.119	1,486.89.54	2,005.35.26
Net Income	341,40.47	322,98.47	991,77.87	1,179.09.55	1,808.04.51
Employee Cost	6,28.28	6,65.47	20,73.33	36,11.04	47,97.20
Depreciation / Amortisation	4,02.20	35,15.12	117,81.08	185,89.72	245,74.28
Other Expenditure	390,70.80	349,79.05	1,119,91.50	1,401.94.41	1,900.52.99
total	33,19.06	48,41.84	119,18.50	84,75.13	104,72.27
Interest & Tax	5,33.92	15,19.80	26,52.48	30,84.58	30,06.21
Profit before Interest & Tax	38,52.98	66,63.64	145,71.38	115,99.71	134,78.06
Income Cost	38,52.98	66,63.64	145,71.38	115,99.71	134,78.06
Exceptional Items				96.57	1,04.10
Loss on divestment of discontinued business - Refer to note 18(iii)				114,63.14	133,74.38
Loss on divestment of discontinued business - Refer to note 18(iii)				(26,16.76)	(20,59.21)
structuring & Demerger expenses				(12,68.48)	(12,68.48)
Profit before Tax	38,52.98	57,72.39	138,82.13	88,46.38	110,46.68
as expenses	13,19.68	10,41.78	39,59.48	26,80.02	26,50.09
Profit after tax	25,33.30	43,89.55	98,82.65	61,66.36	83,96.59
at all Equity share Capital					
Equity shares of Rs. 5 each	49,92.45	49,77.31	49,92.45	49,77.31	49,77.51
Reserves including evaluation reserves	68,43.65	1,095.46.29	688.63.65	1,095.46.23	1,175.82.81
Per Share (Rs. 5 each) (Rs.)					
Basic	3.54	2.67	9.91	6.20	8.44
Diluted	2.47	2.67	9.66	6.19	8.42
Shareholding					
Number of shares	708,537.64	705,504.14	708,537.64	705,504.14	705,545.14
Percentage of shareholding	70.95%	70.97%	70.96%	70.97%	70.97%
Parameters and Promoter group shareholding					
(i) Plotted / encumbered					
- Number of shares					
- Percentage of shares (as % of the total shareholding of promoter and promoter group)					
- Percentage of shares (as % of the total shareholding of promoter and promoter group)					
- Percentage of shares (as % of the total shareholding of promoter and promoter group)					
- Capital of the company					
(ii) Number of shares					
- Percentage of shares (as % of the total shareholding of promoter and promoter group)					
- Percentage of shares (as % of the total shareholding of promoter and promoter group)					
- Percentage of shares (as % of the total shareholding of promoter and promoter group)					
- Capital of the company					

Percentage of shares (as a % of the total shareholding of promoter and promoter group)	Nil	Nil	Nil	Nil	Nil
are not comparable with the corresponding figures disclosed for quarter and nine months ended December 31, 2013.	Nil	Nil	Nil	Nil	Nil

Percentage of shares (as a % of the total share capital of the company)	Nil	Nil	Nil	Nil
Non-encumbered	Nil	Nil	Nil	Nil

- Number of shares	289,957,60	289,957,60	289,957,60	289,957,60	289,957,60
- Percentage of shares (as a % of the total non-affiliated)	289,957,60	289,957,60	289,957,60	289,957,60	289,957,60

For Polaris Consulting & Services Unit only

	shareholding of promoter and promoter group)	Percentage of shares) as a % of the total share	100.00%	100.00%	100.00%	100.00%	Place : Chennai	100.00%	Arun Jain Arun Goyal
			100.00%	100.00%	100.00%	100.00%			

capital of the company)	29.04%	29.07%	29.13%	29.04%	29.13%	29.13%
Date : January 22, 2015 Chairman Executive Director						

