

PCSL/SEC/2015-16

October 29, 2015

1. **The National Stock Exchange of India Ltd.,**
Exchange Plaza, 5th Floor, Plot No. C/1, G Block, Bandra Kuria 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 29th October 2015**

We wish to inform you that the Board of Directors of the Company at its meeting held on 29th October, 2015 have approved the following:

1. Approved the financial results for the quarter ended 30th September 2015. 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. Approved the Media Release announcing the financial results of the Company for the quarter ended 30th September 2015 (Copy enclosed).
3. In-principle approval for hiving off the BPO business of the Company and formation of subcommittee for carrying out the same.

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

Sydney • Tokyo • Hong Kong • Singapore • Mumbai • Dubai • London • New York • Toronto

S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

6th & 7th Floor- "A" Block
Tidel Park, (Module 601, 701 & 702)
No. 4, Rajiv Gandhi Salai, Taramani
Chennai-600 113, India
Tel : +91 44 6654 8100
Fax : +91 44 2254 0120

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

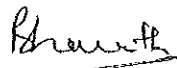
To
Board of Directors of Polaris Consulting & Services Limited,

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:
 - 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 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



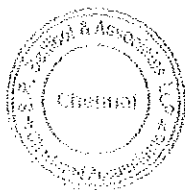
per Bharath N S

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

Particulars	QUARTER ENDED			YEAR ENDED
	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				
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, please contact:

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For Investor related info, please contact:

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Polaris Consulting & Services Limited

Mob: +91 89397 82837

Email: Praveen.malik@polarisFT.com

POLARIS CONSULTING & SERVICES LIMITED (Group)

(Formerly known as Polaris Financial Technology Limited)

CIN:L6593TN1993PLC024142

UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE PERIOD ENDED SEPTEMBER 30, 2015
PREPARED AS PER INDIAN GAAP

PARTICULARS	Rs. In Lakhs					
	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 (AUDITED)
Income						
Income from Operations	517,67.88	495,83.48	476,89.79	1,013,51.36	951,57.37	1,893,34.54
Expenditure						
Employee cost	389,79.93	378,42.30	361,77.30	768,22.24	727,17.06	1,461,29.33
Depreciation and amortisation expenses	6,87.49	6,74.59	6,90.46	13,62.09	14,54.40	27,90.87
Other Expenditure	57,87.56	53,61.78	54,55.28	111,49.32	103,40.82	206,96.44
Total Expenditure	454,54.98	438,78.67	423,23.04	893,33.65	845,12.28	1,696,16.64
Profit from operations before other Income, foreign exchange gain/ (loss), exceptional items & tax	63,12.90	57,04.81	53,66.75	120,17.71	106,45.09	197,17.90
Other Income	1,53.68	4,50.27	16,57.66	6,03.96	21,15.07	29,31.49
Foreign exchange gain / (loss)	2,33.34	(4,45.04)	3,89.74	(2,11.70)	2,27.28	11,82.81
Profit before exceptional items and tax	66,99.92	57,10.04	74,14.15	124,09.97	129,87.44	238,32.20
Exceptional items	-	-	(6,89.25)	-	(6,89.25)	(6,89.25)
Profit before tax	66,99.92	57,10.04	67,24.90	124,09.97	122,98.19	231,42.95
Tax expenses	19,67.23	19,02.95	18,09.67	38,70.17	32,05.57	64,22.28
Net Profit after tax	47,32.69	38,07.09	49,15.23	85,39.80	90,92.62	167,20.67
Minority interest - Share of Loss/ (Profit)	1.74	1.48	-	3.22	-	5.12
Share of profit/(loss) of Associate companies	-	-	-	-	-	1.19
Net Profit for the period	47,34.43	38,08.57	49,15.23	85,43.02	90,92.62	167,26.98
Earning Per Share (EPS) of Rs.5 each (Rs.)						
Basic	4.73	3.81	4.93	8.54	9.12	16.77
Diluted	4.64	3.75	4.85	8.39	8.98	16.39

POLARIS CONSULTING & SERVICES LIMITED

(Formerly known as Polaris Financial Technology Limited)

Regd Office : Carex Centre, 244 (Old no. 713) Anna Salai, Chennai 600 006

AUDITED STANDALONE FINANCIAL RESULTS FOR THE PERIOD ENDED SEPTEMBER 30, 2015 PREPARED AS PER INDIAN GAAP

PARTICULARS	Rs. In Lakhs					
	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						
Income from Operations	473,96.60	446,74.59	417,20.90	920,71.19	825,20.32	1,678,20.54
Expenditure						
Employee cost	380,08.14	349,72.36	322,98.47	729,80.48	648,37.54	1,336,19.69
Depreciation and amortisation expenses	6,41.44	6,29.29	6,65.47	12,70.73	14,04.04	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	41,48.69	49,42.61	48,41.84	90,91.32	85,99.86	153,65.22
Other Income	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	45,15.38	50,58.39	66,61.64	95,73.80	107,18.40	191,32.72
Exceptional items	-	-	(6,89.25)	-	(6,89.25)	(6,89.25)
Profit before tax	45,15.38	50,58.39	59,72.39	95,73.80	100,29.15	184,43.47
Tax expenses	15,23.66	16,77.72	15,82.83	32,01.38	26,79.79	53,71.72
Net Profit after tax	29,91.72	33,80.67	43,89.56	63,72.42	73,49.36	130,71.75
Paid-up Equity share Capital						
Equity shares of Rs 5 each	50,11.47	50,05.41	49,87.20	50,11.47	49,87.20	49,95.73
Reserves excluding revaluation reserves	577,55.36	566,01.36	636,48.99	577,55.36	636,48.99	543,33.08
Earning Per Share (EPS) of Rs.5 each (Rs.)						
Basic	2.99	3.38	4.40	6.37	7.37	13.10
Diluted	2.93	3.33	4.33	6.26	7.26	12.81
Public Shareholding						
Number of shares	7,12,43,664	7,11,22,364	7,07,48,314	7,12,43,664	7,07,48,314	7,09,28,864
Percentage of shareholding	71.08%	71.05%	70.93%	71.08%	70.93%	70.99%
Promoters and Promoter group shareholding						
a) Pledged / encumbered						
- Number of shares	Nil	Nil	Nil	Nil	Nil	Nil
- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	Nil	Nil	Nil	Nil	Nil	Nil
- percentage of shares (as a % of the total share capital of the company)	Nil	Nil	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	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%	100.00%	100.00%
- percentage of shares (as a % of the total share capital of the company)	28.92%	28.95%	29.07%	28.92%	29.07%	29.01%

STATEMENT OF ASSETS AND LIABILITIES	Rs. In Lakhs			
	CONSOLIDATED		STANDALONE	
	September 30, 2015 (UNAUDITED)	March 31, 2015 (AUDITED)	September 30, 2015 (AUDITED)	March 31, 2015 (AUDITED)
EQUITY AND LIABILITIES				
SHAREHOLDERS' FUNDS				
Share capital	50,11.47	49,95.73	5,011.47	49,95.73
Reserves and surplus	857,91.77	800,86.74	57,755.36	543,33.08
	908,03.24	850,82.47	627,66.83	593,28.81
Minority Interest	1,45.01	1,48.23	-	-
NON-CURRENT LIABILITIES				
Deferred tax liabilities (Net)	2,63.29	2,50.63	-	-
Long - term provisions	4,08.85	-	4,08.85	-
CURRENT LIABILITIES				
Trade payables	176,54.07	180,26.95	161,72.90	153,58.42
Other current liabilities	75,47.86	114,94.35	55,64.78	95,68.61
Short-term provisions	33,79.78	145,27.70	21,96.32	137,22.21
TOTAL	1,202,02.10	1,295,30.33	871,09.68	979,78.05
ASSETS				
NON-CURRENT ASSETS				
Fixed assets				
- Tangible assets	231,61.07	229,54.64	200,20.08	198,77.38
- Intangible assets	4,28.04	5,13.12	4,28.04	5,13.12
	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	-	2,44.26	-	2,44.26
CURRENT ASSETS				
Current investments	52,31.35	10,50.40	50,02.72	8,01.94
Trade receivables	264,42.31	238,21.16	164,51.48	156,89.55
Cash and bank balance	187,23.45	191,61.29	43,15.99	79,23.21
Short-term loans and advances	60,15.09	108,83.37	27,51.12	44,97.91
Other current assets	248,00.03	294,77.22	196,54.47	242,23.56
TOTAL	1,202,02.10	1,295,30.33	871,09.68	979,78.05

NOTES:

- The above results were reviewed by the Audit committee and approved by the Board of Directors at its meeting held on October 29, 2015.
- The Stand-alone results for the quarter ended and six months period ended September 30, 2015 were audited by the Statutory Auditors of the Company.
- Tax expenses include current tax, deferred tax and MAT, wherever applicable.
- No. of Complaints pending at the beginning of the quarter Nil
No. of Complaints received during the quarter 18
No. of Complaints disposed off during the quarter 18
No. of Complaints lying unresolved at the end of the quarter Nil
- The Company has allotted 121,300 shares under Associate Stock Option Plan 2003 & 2011 of the Company during the quarter ended September 30, 2015.
- The Company uses foreign exchange contracts to hedge its exposure to movements in foreign currency rates and accounted in accordance with the Accounting Standard - 30 (Financial Instruments: Recognition and Measurement). Income from operations includes foreign exchange gain / (loss) of Rs.1,378.07 lakhs, Rs.1,392.36 lakhs, Rs.15.31 lakhs respectively for the quarters ending September 30, 2015, June 30, 2015, September 30, 2014 and Rs.2,770.42 lakhs, Rs.111.49 lakhs respectively for the period ending September 30, 2015, September 30, 2014 & (Rs. 34.13 lakhs) for the year ended March 31, 2015.
- 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.
- Figures of the earlier period, wherever necessary, have been regrouped to conform with those of the current periods.
- Function wise classification of statement of Profit and Loss for the Group (Unaudited)

PARTICULARS	Rs. In Lakhs					
	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						
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/ (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 & 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 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
Profit after tax	47,32.69	38,07.09	49,15.23	85,39.80	90,92.62	167,20.67
Minority Interest/ Share of profit/(loss) of Associate Companies	1.74	1.48	-	3.22	-	6.31
Profit 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 Consulting & Services Limited

Jitin Goyal
Executive Director

Vaidyanathan N.M
Chief Financial Officer

