

PCSL/SEC/2018-19

14th May 2018

1. The National Stock Exchange of India Ltd.,
Exchange Plaza, 5th Floor, Plot No. C/1, G Block, Bandar Karla Complex,
Bandar (E), Mumbai – 400 051

2. The Bombay Stock Exchange Ltd.,
1st Floor, New Trade Ring, Rotunda Building, PJ Towers,
Dalai Street, Fort, Mumbai – 400 001.

Dear Sirs,

Sub : Outcome of the Board Meeting
Ref : ISIN INE763A01023

We wish to inform you that the Board of Directors of the Company at its meeting held on 14th May 2018, have approved the following:

Financial Results:

Audited Standalone and Consolidated Financial results for the quarter and year ended 31st March 2018, prepared as per Indian Accounting Standards ("IND AS") and a signed copy of the financials as per the format prescribed under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 and the auditors Reports are enclosed.

The declaration as required under Regulation 33 (3) (d) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is also enclosed.

Media Release announcing the financial results of the Company for the quarter and year ended 31st March 2018 is enclosed.

Investor Presentation under Regulation 30(6) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 for the quarter ended 31st March 2018

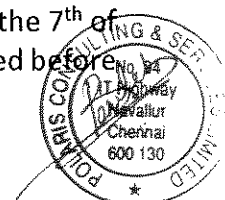
We have also uploaded the financial results on the Stock Exchange Websites at <http://www.nseindia.com> & <http://www.bseindia.com> and on the Company's website at www.polarisft.com/investors/intimation.

Other Items:

The Board had, at its meeting of March 23, 2018 approved the sale of Optimus Global Services Limited by the 30th of April 2018. However due to operational difficulties and requirement for closure of certain liabilities the said sale could not be completed by then, therefore on the 7th of May 2018 we informed the stock exchanges that the sale transaction would be completed before 31st of August 2018.

Polaris Consulting & Services Limited

Registered Office: No.34, IT Highway, Navallur, Chennai-600 130, Tamil Nadu, India | T: +91 44 3987 3000 | F: +91 44 2743 5128
www.polarisft.com | CIN: L65993TIN1993PLC024142



In order to raise capital for the closure of liabilities and to meet the related transaction expenses Optimus Global Services Limited proposed to undertake a Rights Issue. The said rights issue document was received by Polaris Consulting & Services Limited by virtue of we being the shareholder. The Board of Polaris provided its approval for participation in the Rights issue to the extent of its right entitlement.

The Board Meeting commenced at 14:00 hours and concluded at 17:00 hours.

We request you to kindly take the above information on record and ensure compliance.

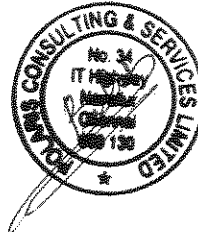
Thanking you,

Yours sincerely,

For Polaris Consulting & Services Limited


Christina Pauline Beulah
Company Secretary

Encl: as above



Date: 14th May 2018

To,

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
Symbol: POLARIS Series: EQ

The Bombay Stock Exchange Ltd

1st Floor, New trade Ring, Rotunda Building, PJ Towers
Dalal street, Fort, Mumbai – 400 001
Security ID: POLARIS Scrip Code: 532254

Dear Sir/Madam,

Sub: Declaration pursuant to Regulation 33(3)(d) of the Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2016.

I, Vaidyanathan N M, Chief Financial Officer of Polaris Consulting & Services Limited (CIN: L65993TN1993PLC024142) having its Registered office at No.34, IT Highway, Navallur, Chennai-600130 hereby declare that, the statutory auditors of the company, B S R & Co. LLP (FRN:101248W/W-100022) have issued an Audit Report with unmodified opinion on the annual audited Financial Results of the Company (Standalone & Consolidated) for the year ended on March 31, 2018.

This Declaration is given in compliance to Regulation 33(3)(d) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended by the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2016, vide notification No. SEBI/LAD-NRO/GN/2016-17/001 dated May 25, 2016 and Circular No. CIR/CFD/CMD/56/2016 dated May 27, 2016.

Kindly take this declaration in your records

Thanking you

Yours sincerely

For Polaris Consulting & Services Limited



Vaidyanathan N M

Chief Financial Officer



B S R & Co. LLP

Chartered Accountants

KRM Tower, 1st & 2nd Floor,
No 1, Harrington Road, Chetpet,
Chennai - 600 031, India.

Telephone : +91 44 4608 3100
Fax : +91 44 4608 3199

Auditors' Report on Annual Standalone Financial Results of Polaris Consulting & Services Limited pursuant to the Regulation 33 of the Securities and Exchange Board of India ('SEBI') (Listing Obligations and Disclosure Requirements) Regulations, 2015

To
The Board of Directors of Polaris Consulting & Services Limited

We have audited the accompanying annual standalone financial results of Polaris Consulting & Services Limited ('the Company') for the year ended March 31, 2018 ('standalone financial results'), attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified ('Listing Regulations'). Attention is drawn to the fact that the figures for the quarter ended March 31, 2018 and the corresponding quarter ended in the previous year as reported in these standalone financial results are the balancing figures between audited figures in respect of the full financial year and the published unaudited year to date figures upto the end of the third quarter of the relevant financial year. Also the figures up to the end of the third quarter of the respective financial year had only been reviewed and not subjected to audit.

These standalone financial results have been prepared on the basis of the annual standalone financial statements and reviewed quarterly standalone financial results upto the end of the third quarter which are the responsibility of the Company's management. Our responsibility is to express an opinion on these standalone financial results based on our audit of the annual standalone financial statements which have been prepared in accordance with the recognition and measurement principles laid down in the Companies (Indian Accounting Standards) Rules, 2015 as per Section 133 of the Companies Act, 2013 and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations.

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 standalone financial results are free of material misstatements. 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.

Auditors' Report on Annual Standalone Financial Results of Polaris Consulting & Services Limited pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (continued)

In our opinion and to the best of our information and according to the explanations given to us these standalone financial results:

- (i) are presented in accordance with the requirements of Regulation 33 of the Listing Regulations and SEBI circular dated July 5, 2016 in this regard; and
- (ii) give a true and fair view of the standalone net profit, other comprehensive income and other financial information for the year ended March 31, 2018.

for B S R & Co. LLP

Chartered Accountants

ICAI Firm Registration No.101248W/W-100022



K Raghuram

Partner

Membership No. 211171

Place: Chennai

Date: May 14, 2018

B S R & Co. LLP

Chartered Accountants

KRM Tower, 1st & 2nd Floor,
No 1, Harrington Road, Chetpet,
Chennai - 600 031, India.

Telephone : +91 44 4608 3100
Fax : +91 44 4608 3199

Auditors' Report on Annual Consolidated Financial Results of Polaris Consulting & Services Limited pursuant to the Regulation 33 of the Securities and Exchange Board of India ('SEBI') (Listing Obligations and Disclosure Requirements) Regulations, 2015

To
The Board of Directors of Polaris Consulting & Services Limited

We have audited the annual consolidated financial results of Polaris Consulting & Services Limited ('the Company') its subsidiaries and a joint venture (collectively referred to as 'the Group') for the year ended March 31, 2018 ('consolidated financial results'), attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified ('Listing Regulations'). Attention is drawn to the fact that the figures for the quarter ended March 31, 2018 and the corresponding quarter ended in the previous year as reported in these consolidated financial results are the balancing figures between consolidated audited figures in respect of the full financial year and the published unaudited year to date consolidated figures upto the end of the third quarter of the relevant financial year. Also the figures up to the end of the third quarter of the respective financial year had only been reviewed and not subjected to audit.

These consolidated financial results have been prepared from annual consolidated financial statements and reviewed quarterly consolidated financial results upto the end of the third quarter which are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial results based on our audit of such annual consolidated financial statements, which have been prepared in accordance with the recognition and measurement principles laid down in the Companies (Indian Accounting Standards) Rules, 2015 as per Section 133 of the Companies Act, 2013 and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations.

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 consolidated financial results are free of material misstatements. 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.

We did not audit the financial statements of twelve subsidiaries and a joint venture included in the annual consolidated financial results, whose annual financial statements reflect total assets of INR 19,550.91 lakhs as at March 31, 2018, total revenue from operations of INR 6,324.56 lakhs and INR 23,659.07 lakhs for the quarter and year ended March 31, 2018 respectively and net profit of INR 16.45 lakhs and INR 1,260.39 lakhs for the quarter and year ended March 31, 2018 respectively. The consolidated financial results also include the Group's share of net loss of INR 18.20 lakhs and INR 75.74 lakhs for the quarter and year ended March 31, 2018 respectively in respect of such joint venture. These annual financial statements and other financial information have been audited by other auditors whose reports have been furnished to us, and our opinion on the annual financial results, to the extent they have been derived from such annual financial statements is based solely on the report of such other auditors. Our opinion is not modified in respect of this matter.

Auditors' Report on Annual Consolidated Financial Results of Polaris Consulting & Services Limited pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (continued)

In our opinion and to the best of our information and according to the explanations given to us and based on consideration of reports of other auditors on separate financial statements and on other information of the subsidiaries and joint venture as aforesaid, these consolidated financial results:

- (i) include the annual financial results of the entities mentioned in note "d" of consolidated financial results;
- (ii) have been presented in accordance with the requirements of Regulation 33 of the Listing Regulations and SEBI circular dated July 5, 2016 in this regard; and
- (iii) give a true and fair view of the consolidated net profit, other comprehensive income and other financial information for the year ended March 31, 2018.

for B S R & Co. LLP

Chartered Accountants

ICAI Firm Registration No.101248W/W-100022



K Raghuram

Partner

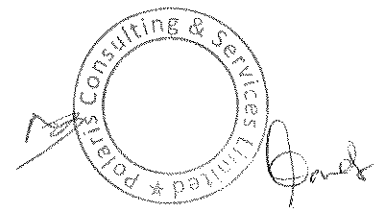
Membership No. 211171

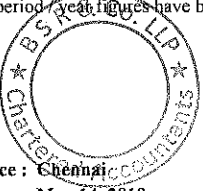
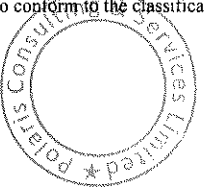
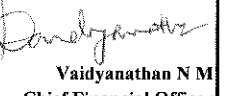
Place: Chennai

Date: May 14, 2018

POLARIS CONSULTING & SERVICES LIMITED					
CIN:L65993TN1993PLC024142					
Regd Office : No 34, IT Highway, Navallur, Chennai - 600 130					
Statement of Audited Consolidated Financial Results for the Quarter and Year ended March 31, 2018					
(Rs. in Lakhs, except per equity share data)					
S. No	Particulars	Quarter ended		Year ended	
		March 31, 2018	December 31, 2017	March 31, 2018	March 31, 2017
		(Audited - refer note c)	(Unaudited)	(Audited - refer note c)	(Audited)
1	Revenue from operations	72,134.46	68,006.53	56,856.71	262,787.17
2	Other income	692.46	414.23	570.94	1,513.26
3	Total income (1+2)	72,826.92	68,420.76	57,427.65	264,300.43
4	Expenses				
(a)	Employee benefits expense	46,307.15	44,213.72	37,650.40	170,598.77
(b)	Subcontracting expenses	8,938.05	8,446.69	6,623.46	32,593.77
(c)	Depreciation and amortisation expense	676.37	695.01	504.60	2,516.78
(d)	Other expenses	6,503.97	6,755.78	8,069.50	24,833.65
	Total Expenses	62,425.54	60,111.20	52,847.96	230,542.97
5	Profit before share of loss of joint venture and tax(3-4)	10,401.38	8,309.56	4,579.69	33,757.46
6	Share of loss of joint venture	(18.20)	(31.31)	(28.02)	(75.74)
7	Profit before tax (5+6)	10,383.18	8,278.25	4,551.67	33,681.72
8	Tax expenses				
	Current tax	3,354.75	2,796.73	1,153.35	11,335.63
	Deferred tax	167.56	(41.55)	85.20	(288.96)
9	Net profit for the period / year (7-8)	6,860.87	5,523.07	3,313.12	22,635.05
10	Other comprehensive income				
(i)	<i>Items that will not be reclassified to profit or loss</i>				
	Equity investments through other comprehensive income - net change in fair value	(1.38)	27.98	(121.31)	30.54
	Others	157.45	2.61	5.97	160.06
	Income tax relating to items that will not be reclassified to profit or loss	(54.89)	-	(2.06)	(54.89)
(ii)	<i>Items that will be reclassified to profit or loss</i>				
	Exchange differences in translating financial statements of foreign operations	1,444.19	(872.96)	(1,258.29)	2,709.70
	Effective portion of gains (losses) on hedging instruments in cash flow hedges	(691.65)	(645.58)	1,929.78	(3,696.41)
	Others	-	-	(2.96)	-
	Income tax relating to items that will be reclassified to profit or loss	238.60	223.42	(667.86)	1,278.49
	Other comprehensive income (net of taxes)	1,092.32	(1,264.53)	(116.73)	427.49
11	Total comprehensive income (9+10)	7,953.19	4,258.54	3,196.39	23,062.54
12	Paid-up Equity share Capital (Face value of Rs. 5 each)	5,147.06	5,125.04	5,106.04	5,147.06
13	Reserves i.e. Other equity			128,020.55	104,342.64
14	Earning Per Share of Rs.5 each (Rs.)				
(a)	Basic	6.68	5.40	3.26	22.11
(b)	Diluted	6.65	5.36	3.24	22.03
	See accompanying notes to the financial results	(not annualised)	(not annualised)	(not annualised)	

POLARIS CONSULTING & SERVICES LIMITED					
CIN:L65993TN1993PLC024142					
Regd Office : No 34, IT Highway, Navallur, Chennai - 600 130					
Statement of Audited Standalone Financial Results for the Quarter and Year ended March 31, 2018					
(Rs. in Lakhs, except per equity share data)					
S. No	Particulars	Quarter ended		Year ended	
		March 31, 2018	December 31, 2017	March 31, 2018	March 31, 2017
		(Audited - refer note c)	(Unaudited)	(Audited)	(Audited)
1	Revenue from operations	48,463.59	46,705.82	40,126.84	181,730.87
2	Other income	2,435.67	350.31	544.87	2,837.31
3	Total income (1+2)	50,899.26	47,056.13	40,671.71	184,568.18
4	Expenses				
(a)	Employee benefits expense	33,215.25	33,843.25	29,912.96	129,793.73
(b)	Subcontracting expenses	1,351.45	1,318.26	1,534.81	5,302.10
(c)	Depreciation and amortisation expense	616.24	678.11	479.57	2,372.33
(d)	Other expenses	5,313.95	5,179.69	6,259.61	19,458.16
	Total Expenses	40,496.89	41,019.31	38,186.95	156,926.32
5	Profit before tax (3-4)	10,402.37	6,036.82	2,484.76	27,641.86
6	Tax expenses				
	Current tax	3,203.87	2,232.57	851.92	9,813.53
	Deferred tax	(73.44)	172.63	254.66	(253.75)
7	Net profit for the period / year (5-6)	7,271.94	3,631.62	1,378.18	18,082.08
8	Other comprehensive income				
(i)	<i>Items that will not be reclassified to profit or loss</i>				
	Equity investments through other comprehensive income - net change in fair value	(1.38)	27.98	(121.31)	30.54
	Others	157.45	2.61	5.97	160.06
	Income tax relating to items that will not be reclassified to profit or loss	(54.89)	-	(2.06)	(54.89)
(ii)	<i>Items that will be reclassified to profit or loss</i>				
	Exchange differences in translating financial statements of foreign operations	111.70	(192.95)	(815.46)	4.33
	Effective portion of gains (losses) on hedging instruments in cash flow hedges	(691.65)	(645.58)	1,929.78	(3,696.41)
	Others	-	-	(2.96)	-
	Income tax relating to items that will be reclassified to profit or loss	238.60	223.42	(667.86)	1,278.49
	Other comprehensive income (net of taxes)	(240.17)	(584.52)	326.10	(996.59)
9	Total comprehensive income for the period / year (7+8)	7,031.77	3,047.10	1,704.28	15,804.20
10	Paid-up Equity share Capital (Face value of Rs. 5 each)	5,147.06	5,125.04	5,106.04	5,147.06
11	Reserves i.e. Other equity			87,906.05	70,882.88
12	Earning Per Share of Rs.5 each (Rs.)				
(a)	Basic	7.08	3.55	1.36	17.67
(b)	Diluted	7.05	3.53	1.35	17.60
	See accompanying notes to the financial results	(not annualised)	(not annualised)	(not annualised)	



STATEMENT OF ASSETS AND LIABILITIES						(Rs. in Lakhs, except per equity share data)			
S. No	Particulars	CONSOLIDATED		STANDALONE		As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
		As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017				
		(Audited)	(Audited)	(Audited)	(Audited)				
A	ASSETS								
1	Non-current assets								
	(a) Property, plant and equipment	15,562.51	14,482.86	15,259.02	14,157.42				
	(b) Capital work in progress	194.66	-	194.66	-				
	(c) Investment property	5,324.54	5,309.09	5,324.54	5,309.09				
	(d) Other intangible assets	786.10	203.85	786.10	203.85				
	(e) Intangibles under development	-	277.41	-	277.41				
	(f) Equity accounted investee	1,025.00	1,470.69	-	-				
	(g) Financial assets								
	Investments	1,214.27	1,229.26	3,989.01	4,381.09				
	Loans	-	103.07	-	103.08				
	Others financial assets	928.70	1,250.91	578.92	831.04				
	(h) Income tax assets (net)	8,215.60	7,846.96	7,621.57	7,425.72				
	(i) Deferred tax assets (net)	1,610.20	136.70	1,409.40	8.89				
	(j) Other non-current assets	1,094.93	113.27	193.47	113.27				
	Total non-current assets	35,956.51	32,424.07	35,356.69	32,810.86				
2	Current assets								
	(a) Financial Assets								
	Investments	1,007.40	12,871.98	1,007.40	12,871.98				
	Trade receivables	28,932.21	32,005.29	22,155.61	22,891.98				
	Unbilled revenue	35,491.60	21,679.36	20,865.22	13,875.30				
	Cash and cash equivalents	65,805.59	32,405.51	37,300.19	16,178.87				
	Other bank balances	4,229.66	7,530.45	130.33	486.85				
	Derivatives	226.60	3,923.01	226.60	3,923.01				
	Loans	333.82	528.53	222.93	405.65				
	Others financial assets	491.85	319.71	454.81	122.83				
	(b) Other current assets	5,006.66	1,977.10	4,109.99	1,516.81				
	Total current assets	141,525.39	113,240.94	86,473.08	72,273.28				
	Total Assets (1 + 2)	177,481.90	145,665.01	121,829.77	105,084.14				
B	EQUITY AND LIABILITIES								
1	Equity								
	(a) Equity share capital	5,147.06	5,106.04	5,147.06	5,106.04				
	(b) Other equity	128,020.55	104,342.64	87,906.05	70,882.88				
	Total Equity	133,167.61	109,448.68	93,053.11	75,988.92				
	Liabilities								
2	Non-current liabilities								
	(a) Deferred tax liabilities (net)	72.86	134.98	58.36	134.98				
	Total non-current liabilities	72.86	134.98	58.36	134.98				
3	Current liabilities								
	(a) Financial liabilities								
	Trade payables	20,597.83	17,353.04	13,445.17	15,548.93				
	Other financial liabilities	9,574.50	6,970.64	6,611.63	5,250.08				
	(b) Provisions	4,929.18	3,947.56	2,920.82	3,041.50				
	(c) Current tax liabilities (net)	2,162.93	622.38	1,807.22	568.36				
	(d) Other current liabilities	6,976.99	7,187.73	3,933.46	4,551.37				
	Total current liabilities	44,241.43	36,081.35	28,718.30	28,960.24				
	Total Equity and Liabilities (1 + 2 + 3)	177,481.90	145,665.01	121,829.77	105,084.14				
NOTES :									
a	The audited standalone and consolidated financial results for the quarter and year ended March 31, 2018 in respect of Polaris Consulting & Services Limited ('the Company') have been reviewed by the Audit Committee and approved by the Board of Directors of the Company at their respective meetings held on May 14, 2018. The above results have been subjected to audit by statutory auditors of the Company. The reports of the statutory auditors are unqualified.								
b	These financial results have been prepared in accordance with Indian Accounting Standards ('Ind AS') prescribed under Section 133 of the Companies Act, 2013 read with relevant rules thereunder and in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI Circular dated July 5, 2016.								
c	The figures for the quarters ended March 31, 2018 and March 31, 2017 are the balancing figures between audited figures in respect of the full financial years and published unaudited year to date figures upto the end of the third quarter of the relevant financial year, which were subjected to limited review.								
d	The consolidated financial results include the financial results of the parent company Polaris Consulting & Services Limited, and the financial results of the following subsidiaries: • Optimus Global Services Pte Ltd • Polaris Consulting & Services Ltd • Polaris Consulting and Services Japan K K • Polaris Software Consulting & Services SDN.BHD. • Polaris Software (Shanghai) Company Limited • Polaris Consulting & Services Pty Ltd • Polaris Consulting & Services Limited, UK • Polaris Consulting & Services Inc. • Polaris Consulting & Services GmbH • Polaris Consulting & Services Ireland Ltd • Polaris Consulting & Services B.V. • Polaris Consulting & Services Kft. • Polaris Consulting & Services SA • Polaris Consulting and Services FZ-LLC • Virtusa Malaysia SDN.BHD. In addition to the above, these financial results also include the financial results in respect of Associate Stock Option Plan (ASOP) Trust and Orbitech Employee Welfare Trust (OEWT). The Company has also accounted for its share of interest in the joint venture Intellect Polaris Design LLC, USA under the equity method. Polaris Consulting & Services Limited, its subsidiaries and a joint venture are collectively referred to as 'the Group'.								
e	The Company has allotted 440,335 shares under its stock option plans during the quarter ended March 31, 2018 and 820,375 shares during the year ended March 31, 2018.								
f	Virtusa Consulting Services Private Limited ('Virtusa'), the parent entity, through letter dated October 26, 2017 made a proposal ('Delisting proposal') to the Board of Directors of the Company ('the Board') to voluntarily delist the equity shares of the Company in accordance with the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 by purchasing the shares held by the Company's public shareholders. This Delisting proposal was approved by the Board on November 14, 2017 and subsequently by the shareholders of the Company on December 27, 2017. Virtusa has made a public announcement and letter of offer to the public shareholders on January 24, 2018 subsequent to obtaining in-principle approval from the stock exchanges. The bidding for the tendering of shares closed on February 5, 2018 and Virtusa has acquired further stake of 18.77% on February 12, 2018 at a price of Rs. 480 per share, increasing its shareholding to 92.80%. The Company is in the process of obtaining final approval for delisting from stock exchanges.								
g	The Board of Directors of Polaris Consulting & Services Pte. Ltd. ('Polaris Singapore'), a wholly owned subsidiary of the Company in their meeting held on March 10, 2017, approved the acquisition of Virtusa Malaysia SDN.BHD., ('Virtusa Malaysia'), a step down subsidiary of Virtusa Corporation, U.S. Pursuant to the requirements of Ind AS 103 - Business Combinations, the Company has accounted this business combination involving entities under common control using the pooling of interests method in the consolidated financial results. Accordingly, the financial information presented for prior period / year have been restated as if the combination had occurred from beginning of April 1, 2016.								
h	Segment Reporting in Consolidated and Standalone financial results: Based on the "management approach" as defined in Ind AS 108-Operating Segments, the Chief Operating Decision Maker evaluates the Group's performance as a single business segment namely Consultancy Services.								
i	Prior period / year figures have been regrouped wherever required to conform to the classification of the current period / year.								
 Place : Chennai Date : May 14, 2018		 For Polaris Consulting & Services Limited  Hari Raju Mahadevu Director		 Vaidyanathan N M Chief Financial Officer					

Polaris Consulting & Services Limited

(BSE: 532254; NSE: POLARIS)

Q4 and Full Year FY2018 Earnings Presentation
May 14, 2018

Performance Highlights

Q4 FY2018 Net Revenue

Rs. 7,213 mn

+26.9% y-o-y

FY2018 Net Revenue

Rs. 26,279 mn

+25.4% y-o-y

DSO

75 Days

(73 Days: Q3 FY2018)

Q4 FY2018 EBITDA

Rs. 1,039 mn

Margin: 14.4%

FY2018 EBITDA

Rs. 3,476 mn

Margin: 13.2%

Headcount

7,782

Attrition: 12.7%

Q4 FY2018 PAT

Rs. 686 mn

Margin: 9.5%

FY2018 PAT

Rs. 2,264 mn

Margin: 8.6%

CCE and Investments

Rs. 7,225 mn

(Rs. 6,804 mn: Q3 FY2018)

Management Perspectives

Commenting on results and developments **Mr. Kris Canekeratne, Chairman and CEO** said:

The demand for our services continues to be strong which is reflected in the growth in revenues and margins for the fiscal year 2018 as well as the quarter. We remain focused on building differentiated, market leading digital transformation capabilities and delivering service excellence in order to strengthen our position with our global banking clients. During the quarter we successfully completed the delisting offer and are currently awaiting final delisting approvals from the stock exchanges.

Commenting on results **Mr. NM Vaidyanathan, Chief Financial Officer** said:

Overall, we had a pleasing fiscal year with all round improvement in all major metrics. Our revenue grew by 25.4% primarily driven by higher contribution from our key customers, our EBITDA, PAT and margins grew and we were also able to record improvement in other metrics like utilization, DSO etc. We remain hopeful of continuing the momentum which we have built in Fiscal year 2018 into the next fiscal year.

Performance Overview

(Rs. million, unless stated)

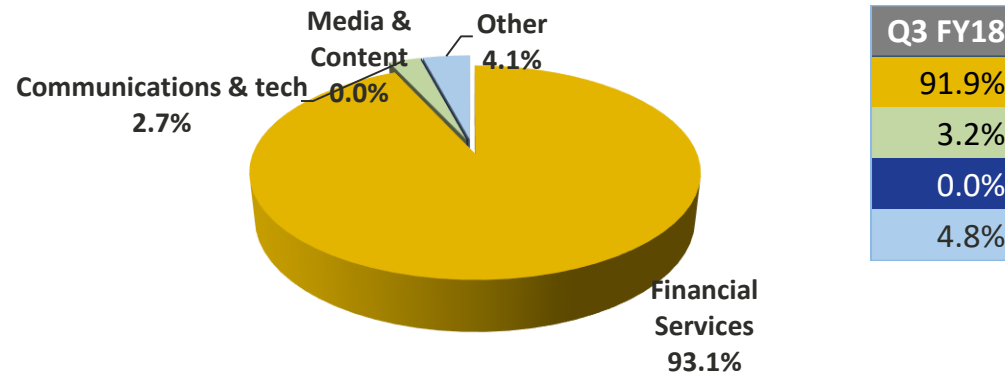
Particulars (Rs. Million)	Q4		Y-o-Y Growth (%)	Q3		Q-o-Q Growth (%)	Full Year		Y-o-Y Growth (%)
	FY2018	FY2017		FY2018	FY2017				
Net Revenue	7,213	5,686	26.9%	6,801	6.1%		26,279	20,950	25.4%
EBITDA	1,039	451	130.1%	859	20.9%		3,476	2,399	44.9%
Margin (%)	14.4%	7.9%		12.6%			13.2%	11.4%	
PAT	686	331	107.1%	552	24.2%		2,264	1,624	39.3%
Margin (%)	9.5%	5.8%		8.1%			8.6%	7.8%	
Basic EPS (Rs.)	6.68	3.26	104.9%	5.40	23.7%		22.11	15.99	38.2%

Performance Discussion

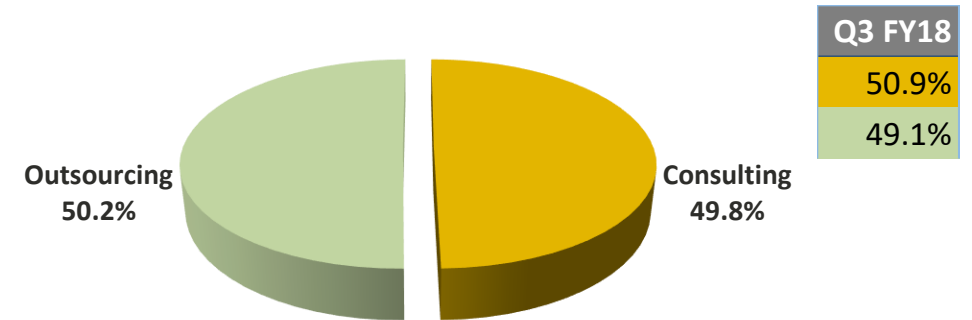
- On a constant currency basis, revenue increased by 31.6% y-o-y and 6.0% q-o-q. On full year basis revenue increased by 31.2% compared to FY17. This improvement was primarily driven by higher contribution by our key customers
- EBITDA margin improved by 646 basis points compared to Q4 FY17 and 177 basis points compared to Q3 FY18. Full year EBITDA margins improved by 178 basis points
- DSO stood at 75 days compared to 81 days in Q4 FY17 and 73 days in Q3 FY17
- Utilization for the quarter was 87.7% compared to 82.1% in Q4 FY17 and 85.8% in Q3 FY18

Q4 FY2018 Revenue Break-up

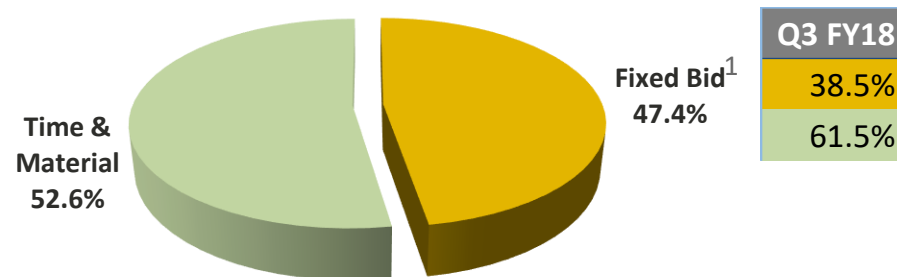
Revenue by Vertical



Revenue by Service Offering



Revenue by Vertical

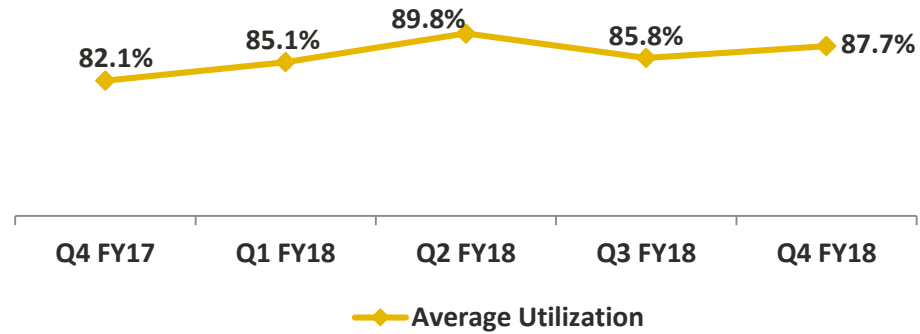


Note:

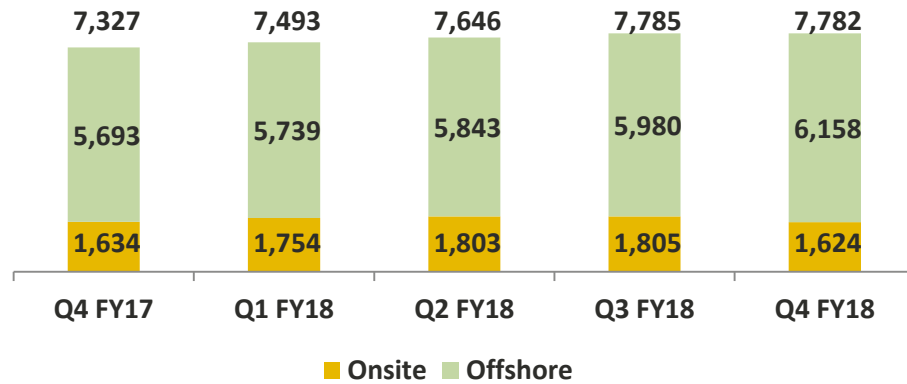
1. Fixed bid includes Fixed price

Operational Metrics

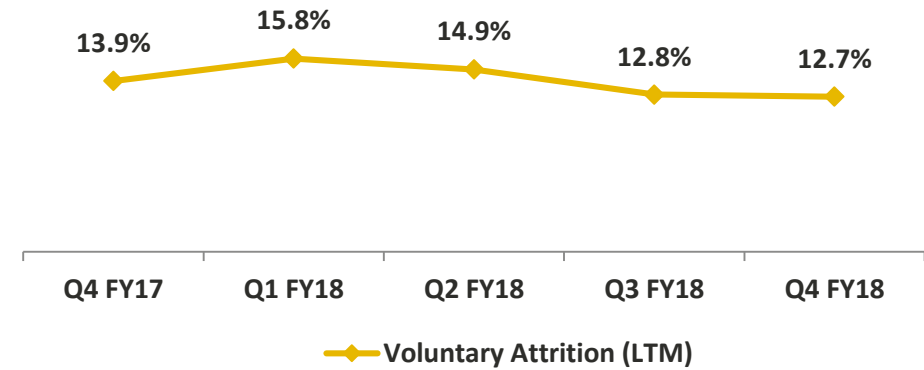
Utilization



Headcount

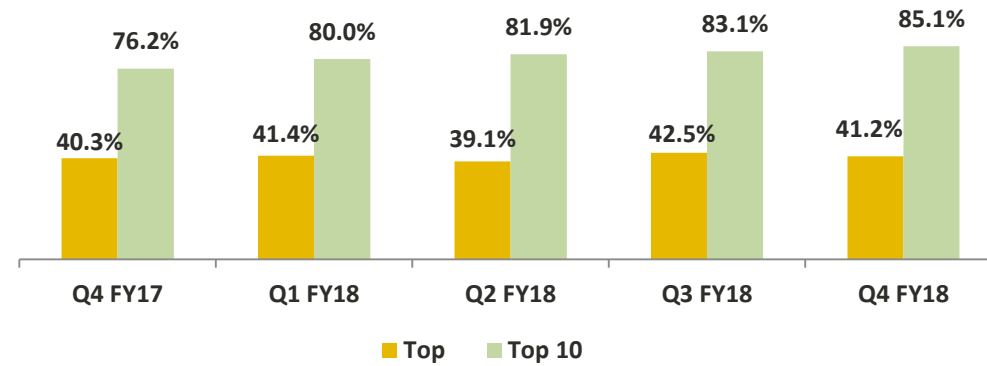


Attrition

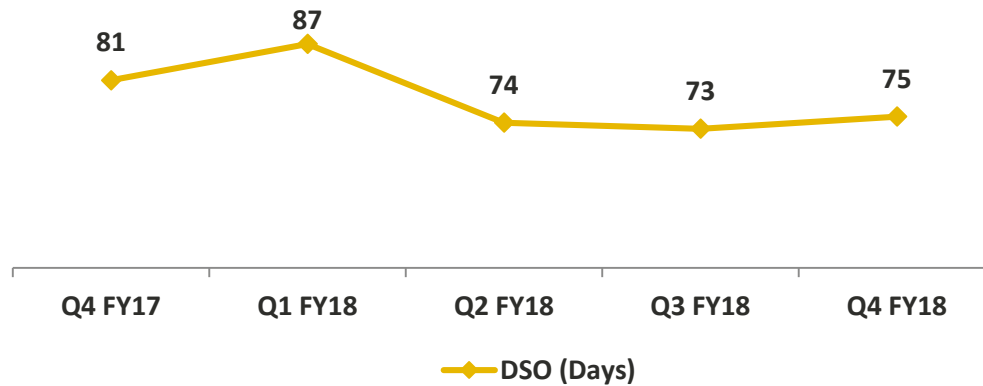


Operational Metrics

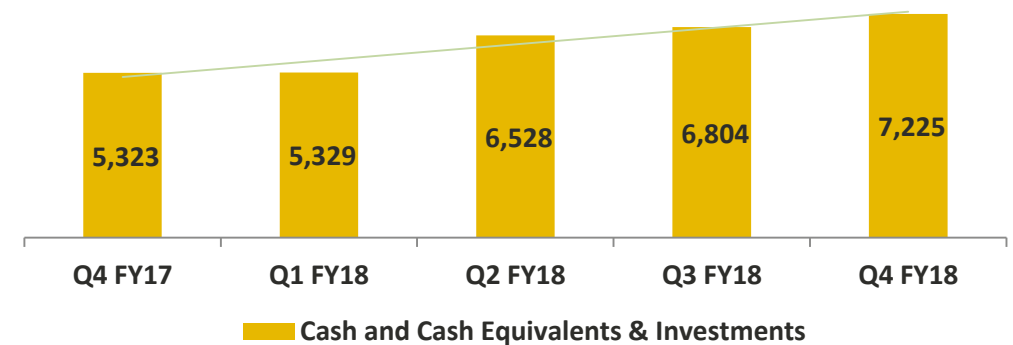
Contribution by top Clients



DSO



Cash & Cash Equivalent and Investments (Rs. mn)



Factsheet

Factsheet

Detailed Profit & Loss Statement

Profit & Loss Statement (Rs. mn)	Q4		Y-o-Y Growth (%)	Q3 FY18	Q-o-Q Growth (%)	Twelve Months		Y-o-Y Growth (%)
	FY18	FY17				FY18	FY17	
Income from operations	7,213	5,686	26.9%	6,801	6.1%	26,279	20,950	25.4%
Employee Cost	(4,631)	(3,765)	23.0%	(4,421)	4.7%	(17,060)	(13,948)	22.3%
<i>% of Sales</i>	<i>64.2%</i>	<i>66.2%</i>		<i>65.0%</i>		<i>64.9%</i>	<i>66.6%</i>	
Subcontracting expenses	(894)	(662)		(845)		(3,259)	(2,344)	
Other Expenditures	(650)	(807)		(676)		(2,483)	(2,259)	
EBITDA	1,039	451	130.1%	859	20.9%	3,476	2,399	44.9%
EBITDA Margin (%)	14.4%	7.9%		12.6%		13.2%	11.4%	
Depreciation and Amortisation	(68)	(50)		(70)		(252)	(238)	
<i>% of Sales</i>	<i>0.9%</i>	<i>0.9%</i>		<i>1.0%</i>		<i>1.0%</i>	<i>1.1%</i>	
EBIT	971	401	142.2%	790	23.0%	3,224	2,160	49.3%
EBIT Margin (%)	13.5%	7.1%		11.6%		12.3%	10.3%	
Other Income	69	57		41		151	209	
Share of (profit)/loss of associates	(2)	(3)		(3)		(8)	(6)	
PBT	1,038	455	128.1%	828	25.4%	3,368	2,363	42.6%
PBT Margin (%)	14.4%	8.0%		12.2%		12.8%	11.3%	
Tax Expenses	(352)	(124)		(276)		(1,105)	(738)	
PAT	686	331	107.1%	552	24.2%	2,264	1,624	39.3%
PAT Margin (%)	9.5%	5.8%		8.1%		8.6%	7.8%	
EPS:								
Basic EPS (Rs.)	6.68	3.26	104.9%	5.40	23.7%	22.11	15.99	38.2%
Diluted EPS (Rs.)	6.65	3.24	105.2%	5.36	24.1%	22.03	15.89	38.7%

Factsheet

	Q4 FY17	Q1 FY18	Q2 FY18	Q3 FY18	Q4 FY18
Revenue By Vertical					
Financial Services	91%	91%	92%	92%	93%
Communications & Technology	3%	3%	2%	3%	3%
Media & Content	0%	0%	0%	0%	0%
Others	6%	6%	5%	5%	4%
Revenue by Service Offering:					
Consulting	47%	50%	50%	51%	50%
Outsourcing	53%	50%	50%	49%	50%
Revenue by Product Type:					
Fixed Bid	41%	28%	36%	38%	47%
Time & Material	59%	72%	64%	62%	53%
Effort Mix:					
Offshore effort	75%	73%	74%	72%	73%
Onsite effort	25%	27%	26%	28%	27%
Utilization:					
Average Utilization	82%	85%	90%	86%	88%

	Q4 FY17	Q1 FY18	Q2 FY18	Q3 FY18	Q4 FY18
Clients:					
Active clients	97	97	94	90	83
Number of New clients	-	2	1	1	-
Number of 10% clients	2	2	2	2	2
Revenue from repeat clients >12 months	99%	99%	99%	99%	99%
Top client	40%	41%	39%	42%	41%
Top 10 clients	76%	80%	82%	83%	85%
Headcount:					
IT professionals	6,852	7,023	7,176	7,785	7,295
Non IT professionals	475	470	470	500	487
Total Headcount	7,327	7,493	7,646	7,285	7,782
Net addition	218	166	153	139	(3)
Voluntary Attrition (LTM)	14%	16%	15%	13%	13%
Cash:					
Cash, Cash Equivalents & Investments (Rs. Mn)	5,323	5,329	6,528	6,804	7,225
DSO (days)	81	87	74	73	75

Polaris at Glance



About Polaris Consulting & Services Ltd. (“Polaris”)

- Founded in 1993; Listed on NSE and BSE, Polaris has a market capitalization of around Rs. 4,850 Cr.
- As on March 31, 2018, the Company had 7,782 employees
- Strong balance sheet with zero debt



Specialization

- Polaris is a niche and leading player in the financial technology space
- Major customers include Citibank, Bank of Montreal, JPMC, Lloyds, M&T Bank, RBS, Morgan Stanley and Credit Suisse
- Consistently awarded CMMI Level 5 certification starting from 2001



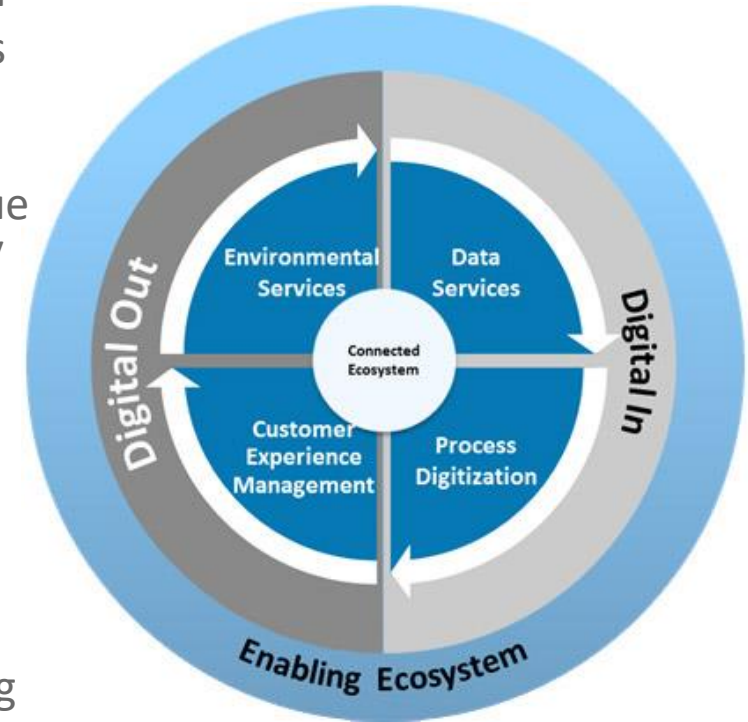
Recent Developments

- In October 2017, Virtusa proposed for delisting of Polaris, which was approved by shareholders in December 2017
- Successfully completed the delisting offer taking the Virtusa’s shareholding to 92.6%

Business Model

Digital Transformation: Transform to be a Digital 360 Enterprise

- Polaris' Digital Enterprise 360 approach is an '**Assess–Adopt–Grow**' strategy with roadmaps to transform Customer Experience, Operation & Technology Processes and build disruptive Business Models through a continuous innovation culture
- **Digital OUT:** This focuses on customer experience transformation and brand value creation, via all customer touchpoints across organization channel, LOB, brands / product and services. It helps organizations maintain a Unified Digital Channel Experience for all its products and services across brands
- **Digital IN:** This focuses on maintaining a balancing act between Operational Efficiency and Technology adoption essential for achieving Superior Customer Experience
- **Connected Ecosystem:** A key technology area essential in building the connecting link between Business and Operations for seamless collaboration
- **Enabling Ecosystem:** This focuses on enabling Rapid Transformation through continuous Innovation, ready-to-use technology accelerators and strong Agile program governance with Development operations



Safe Harbor Statement

Certain statements in this presentation concerning our future prospects are forward-looking statements. Forward-looking statements by their nature involve a number of risks and uncertainties that could cause actual results to differ materially from market expectations. These risks and uncertainties include, but are not limited to our ability to manage growth, intense competition among Indian and overseas IT companies, various factors which may affect our cost advantage, such as wage increases or an appreciating Rupee, our ability to attract and retain highly skilled professionals, time and cost overruns on fixed-price, fixed-time frame contracts, client concentration, restrictions on immigration, our ability to manage our international operations, reduced demand for technology in our key focus areas, disruptions in telecommunication networks, our ability to successfully complete and integrate potential acquisitions, liability for damages on our service contracts, the success of the companies in which Polaris has made strategic investments, withdrawal of governmental fiscal incentives, political instability, legal restrictions on raising capital or acquiring companies outside India, unauthorized use of our intellectual property and general economic conditions affecting our industry. Polaris may, from time to time, make additional written and oral forward-looking statements, including our reports to shareholders. These forward-looking statements represent only the Company's current intentions, beliefs or expectations, and any forward-looking statement speaks only as of the date on which it was made. The Company assumes no obligation to revise or update any forward-looking statements.

Thank you

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Q4 and Full Year FY2018 Results

Polaris' Announces Q4 and Full Year FY18 Results

Chennai (India), May 14, 2018: Polaris Consulting & Services Ltd (NSE and BSE: POLARIS), a leader in digital transformation solutions and services, announced its results for the Fourth Quarter and Twelve Months of FY18 today.

Business Highlights

- Revenues stood at Rs. 2,627.9 crore, an increase of 25.4% compared to FY17. In dollar terms, revenues stood at \$407.0 Mn, a growth of 31.2% over previous year. Revenue for the quarter was Rs. 721.3 crore, up 26.9% y-o-y and 6.1% sequentially
- EBITDA at Rs. 347.6 crore with a margin of 13.2% compared to 11.4% in FY17. EBITDA for the quarter was Rs. 103.9 crore with margin of 14.4%, a growth of 20.9% sequentially
- Profit after Tax (PAT) stood at Rs. 226.4 crore, an increase of 39.3% compared to the same period last year. PAT margin for the year was 8.6% compared to 7.8% in FY17. PAT for the quarter was Rs. 68.6 crore with margin of 9.5%, a growth of 24.2% sequentially
- As on 31st March 2018, Cash, Cash equivalents and Investments stood at Rs. 723 Crores compared to Rs. 680 Crores as on 31st December 2017
- DSO stood at 75 Days compared to 81 days in Q4 FY17 and 73 days in Q3 FY18
- Utilization for the quarter was 87.7% compared to 82.1% in Q4 FY17 and 85.8% in Q3 FY18
- Talent strength of 7,782 as of 31st March, 2018

Management Statement

Mr. Kris Canekeratne, Chairman, Polaris Consulting & Services Limited said, "The demand for our services continues to be strong which is reflected in the growth in revenues and margins for the fiscal year 2018 as well as the quarter. We remain focused on building differentiated, market leading digital transformation capabilities and delivering service excellence in order to strengthen our position with our global banking clients. During the quarter we successfully completed the delisting offer and are currently awaiting final delisting approvals from the stock exchanges."

N M Vaidyanathan, Chief Financial Officer, Polaris Consulting & Services Limited, said, "Overall, we had a pleasing fiscal year with all round improvement in all major metrics. Our revenue grew by 25.4% primarily driven by higher contribution from our key customers, our EBITDA, PAT and margins grew and we were also able to record improvement in other metrics like utilization, DSO etc. We remain hopeful of continuing the momentum which we have built in fiscal year 2018 into the next Fiscal year."

Q4 and Full Year FY2018 Results

About Polaris

Polaris Consulting & Services Ltd. is a leader in solutions and services that enable operational productivity for the global financial services industry. Polaris' services include process engineering, solution consulting, system integration, application development and maintenance, production support, testing, and infrastructure management. To deliver these services, Polaris has invested heavily in building deep functional and domain-specific models, tools and accelerators, which enable it to deliver higher productivity and better quality to its BFSI clientele.

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Financial Results for the Fourth Quarter and Twelve Months Ended March 31, 2018

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

Consolidated financial results for the Fourth Quarter and Twelve Months Ended March 31, 2018

	Quarter Ended			Year Ended (Audited)	
	31-Mar-18	31-Dec-17	31-Mar-17	31-Mar-18	31-Mar-17
	(Audited)	(Unaudited)	(Audited)	(Audited)	(Audited)
Revenue from operations	72,134.46	68,006.53	56,856.71	262,787.17	209,498.66
Other income	692.46	414.23	570.94	1,513.26	2,086.61
Total Income	72,826.92	68,420.76	57,427.65	264,300.43	211,585.27
Expenses					
(a) Employee benefits expenses	46,307.15	44,213.72	37,650.40	170,598.77	139,482.72
(b) Subcontracting expenses	8,938.05	8,446.69	6,623.46	32,593.77	23,436.15
(c) Depreciation and amortisation expense	676.37	695.01	504.60	2,516.78	2,383.67
(d) Other expenses	6,503.97	6,755.78	8,069.50	24,833.65	22,594.25
Total expenses	62,425.54	60,111.20	52,847.96	230,542.97	187,896.79
Profit before share of loss of equity accounted investees and tax	10,401.38	8,309.56	4,579.69	33,757.46	23,688.48
Share of loss of joint venture	(18.20)	(31.31)	(28.02)	(75.74)	(62.60)
Profit before tax	10,383.18	8,278.25	4,551.67	33,681.72	23,625.88
Tax expenses					
Current tax	3,354.75	2,796.73	1,153.35	11,335.63	6,690.17
Deferred tax	167.56	(41.55)	85.20	(288.96)	691.06
Net profit / (loss) for the period / year	6,860.87	5,523.07	3,313.12	22,635.05	16,244.65
Other comprehensive income	1,092.32	(1,264.53)	(116.73)	427.49	(1,137.09)
Total comprehensive income	7,953.19	4,258.54	3,196.39	23,062.54	15,107.56
Earning Per Share of Rs.5 each (Rs.)					
(a) Basic	6.68	5.40	3.26	22.11	15.99
(b) Diluted	6.65	5.36	3.24	22.03	15.89