



## **CHAIRMAN'S ADDRESS AT THE TWENTY SECOND ANNUAL GENERAL MEETING OF THE COMPANY**

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On behalf of Polaris Consulting & Services Limited, I extend to you a warm welcome to the 22<sup>nd</sup> Annual General Meeting.

### **1. Decisive step to prepare Polaris for the next decade of opportunities**

Let me take this opportunity to step back a little and draw your attention to the agenda we had set for ourselves last year. I had mentioned at our Annual General Meeting last year about the Board's proposal to demerge the products business of Polaris into a separate entity. Indeed this was a decisive step towards unlocking the potential of your company to emerging opportunities in financial technologies in the coming decade.

You had unequivocally endorsed this decision and subsequent to the approval of the Hon'ble High Court of Madras, the Products Business was de-merged from your company on September 25, 2014 and Intellect Design Arena went public in December 18, 2014. Each shareholder of your company received additional shares from Intellect, with an opportunity to participate in a new horizon business.

Your company was renamed as Polaris Consulting & Services Limited. Our engagement with customers has been based on deep domain expertise, built over two decades of working with Global Leaders in the Financial Services business. During this journey, your company has moved from a pure services player to a solutions specialist, participating in transformational programs in customer organisations. The name change is thus a reflection of the company's growing reputation as a high-end, business outcome driven, consulting and solutions company. The Markets have re-affirmed their faith towards this direction, resulting in greater value for our shareholders.

### **2. Expanding Leadership Bandwidth**

With the objective of taking aboard Leaders who would bring the Customers' perspective and Industry knowledge, your company has inducted Mr. Jonathan Eric

Beyman, former Head of Operations & Technology at Citibank's Institutional Clients Group, Dr. Theodore Roosevelt Malloch, Professor at the Said Business School, Oxford University, UK and Ms. Uma Ratnam Krishnan, who has held senior positions in ANZ Grindlays Bank, HDFC Bank and Royal Bank of Scotland (RBS), to our Board. In addition, Jitin Goyal, Chief Executive Officer of Polaris also joined the Board, as Executive Director. As your company continues its transformation process into a world-class consulting-led Digital transformation company, we will benefit from the guidance and direction that these new board members will provide us.

Your company has also strengthened the corporate leadership team with experienced executives who will meticulously implement our strategic plans. Over the past year, we have added N.M. Vaidyanathan, a seasoned finance and operations leader with more than 20 years of experience across several industry sectors, as Chief Financial Officer, Sanjay Vatsa, formerly Global Head of Transformation, Data & Operations Strategy at SFS in Citigroup, as Chief Strategy Officer and George Ravich, former Head of Global Marketing for Computer Science Corp's Consulting Division as Chief Marketing Officer.

Our expanded leadership team brings new skills and fresh perspectives to the organisation and will ensure that we are developing our operating strategies with best practices from across the globe.

Last year was a unique professional as well as a personal milestone for me, as I relinquished my position as Managing Director and moved to the role of Chairman & Mentor. I felt the time was right ! I am deeply grateful for the opportunity to have built an established and mature Services business and at this stage, it seemed to be the right point in the journey to handover the company to Professional Management. I deeply value and cherish my association with clients, employees, partners and shareholders who stood by Polaris and me and have enabled my own transition from a young entrepreneur then, to a Mentor today.

At this juncture, I would like to invite Jitin Goyal, CEO of Polaris to address you and highlight the opportunities and excitement in the coming decade.



## **CEO'S ADDRESS AT THE TWENTY SECOND ANNUAL GENERAL MEETING OF THE COMPANY**

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Thank you, Arun. Good Evening to all of you. I am honoured to lead and represent Polaris as we gear up for the next level of growth and value creation. Let me first start with the market landscape, that is moving to an era of Digital-Everything !

### **1. Market Opportunities and the Digital Era**

Last year, at the same venue, Arun had also briefly touched upon the transformational wave that is sweeping the Financial Services and other domains alike – the Digital wave! The year since has reinforced how pervasive 'digital' has become in the global business landscape.

Social Media and Mobile devices have migrated customers away from traditional interaction spaces such as physical offices, Call Centers or perhaps even websites. Self-service models are re-defining conventional assisted process models. The focus, as I personally see it, has moved from Processes to Products and finally to the Customer. Customer-centric business models are evolving with greater focus on knowing more about the Customer to tailor and sharpen offerings around his or her needs.

The Analysts are quoting a figure of over \$50 Billion spend on Digital transformation by the Banks this year alone. Gartner has forecast that by 2015, 25% of businesses will employ a Chief Digital Officer. It has gone on to predict that 20% of CIOs have already begun to take the role of a Chief Digital Officer. Thus, the digital wave would be the largest disruptor ( or should I say, opportunity ) in the financial spectrum.

Your organisation had identified four areas of focus last year, what we call as our '4 Big Bets'. These four areas (Digital Banking, Payments, Data & Analytics, and Risk & Compliance) are expected to receive over 80% of the banking industry's technology investment spend over the next four years because they are incredibly central to our client's digital transformation strategy.

As businesses invest in re-aligning themselves to this new era, we have approached Digital Transformation in a holistic manner, Digital 360 as we term it, that addresses both halves of the Digital space:

1. **Digital OUT**, for customer engagement : Providing the Customer a seamless experience across all touch points of interaction and
2. **Digital IN**, for operational excellence :Enabling the organisation to run lean and agile operations

Our unique proposition for digital transformation initiatives comes from a holistic Digital 360 framework, proprietary digital technologies for Digital OUT and Digital IN as well as deep domain expertise to accelerate Digitalisation initiatives. With this unbeatable combination, your company has prepared itself in a systematic manner to drive digital outcomes vis-à-vis piecemeal digital initiatives.

## **2. The Oxford Polaris Digital Academy - Grooming Digital-ready talent !**

Your company in collaboration with Saïd Business School, Oxford, launched Oxford Polaris Digital Academy Executive Education Program. The collaboration will educate executives across industries on how to thrive in today's complex world of digital transformation. Saïd Business School will help assess, discuss and debate key challenges leaders are facing and the impact this will have on international business.

Besides, the Saïd Academy, your company has invested into creating High Performance Outsourcing Labs (HPO Labs) with a clear roadmap to groom our executives to become true partners to our clients and drive outcome-based engagements.

## **3. Focus. Focus. Focus.**

To build a strong platform for the next major growth era, your company took firm steps in making difficult, but strategic choices.

- Demerge the Product business to sharpen leadership focus in the emerging landscape of opportunities.
- Identify and invest in chosen growth engines namely Digital, Payments, Risk & Compliance, Data & Analytics.
- Make the right set of Investments in grooming digital-ready talent
- Rationalise our portfolio of client accounts and therefore focus management, sales efforts, and solutioning on those accounts that we believe have the potential for high growth or significant cross-sell expansion. Implicit in this

strategy is to jettison accounts that we deem to be of low potential for growth or profitability.

- Expand Tier-2 clients, where, as a Right-sized partner, your company can be a better strategic fit and thus become their Primary strategic partner. We have already seen good success with this strategy with some of the newly acquired accounts.

#### **4. A spirit of resurgence!**

Yes, your company has successfully navigated through major changes in the past year. We were able to maintain our revenues and sustain margin levels despite FY 15 being the year of restructuring and demerger. I must congratulate and thank my leadership team and our committed talent for conviction in our vision for the Digital Era. We were able to add 24 new clients and this has energised the organisation and validated our core digital strategy.

Our strategy also received a major fillip with leading industry analysts and research firms recognising Polaris' capability and potential in the chosen areas of expertise. For instance, Polaris Consulting has been featured prominently amongst top global IT services vendors in Celent's reports on both Banking as well as IT Services Report in Advanced Markets, such as North America and Europe.

However, the big achievement of 24 client acquisitions in a difficult year has been shadowed by the erosion of business in a few accounts owing to both vendor consolidation initiatives as well as our own decision to exit non-strategic, non-profitable relationships. Adverse movements in FX also impacted our earnings in geographies such as Canada, Europe and Australia. We completed the year with revenues of Rs. 1894 Cr. EBITDA stood at Rs. 225 Cr. and Profit after Tax was Rs. 167 Cr. Your company has adequate reserves giving a clear edge for making any investment that our growth strategy may demand.

The foundation for high growth and profitability has been built. The green shoots of growth are now clearly visible. The spirit of resurgence is now palpable in every corner of the organisation. In a defining year in the history of Polaris, we have taken big bold steps that would help Polaris take its rightful place of Leadership in the Digital world.

I want to express my sincere thanks to all investors for your unstinted support. My leadership team & I share your optimism about your company's future in the digital era.

Think Digital. Think Polaris.