

B S R & Co. LLP

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Limited Review Report to the Board of Directors of Polaris Consulting & Services Limited

We have reviewed the accompanying statement of unaudited standalone financial results (the 'Statement') of Polaris Consulting & Services Limited ('the Company') for the quarter and nine months ended December 31, 2017, attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Regulations').

This Statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.

We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement prepared in accordance with applicable accounting standards i.e. Indian Accounting Standards ('Ind AS') prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other recognized accounting practices and policies, has not disclosed the information required to be disclosed in terms of SEBI Regulations and SEBI Circular dated July 5, 2016 including the manner in which it is to be disclosed, or that it contains any material misstatement.

for B S R & Co. LLP
Chartered Accountants
ICAI Firm registration No. 101248W/W-100022



K Raghuram
Partner
Membership No. 211171

Place: Chennai
Date: February 7, 2018

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Limited Review Report to the Board of Directors of Polaris Consulting & Services Limited

We have reviewed the accompanying statement of unaudited consolidated financial results (the 'Statement') of Polaris Consulting & Services Limited ('the Company'), its subsidiaries and a joint venture (collectively referred to as 'the Group') (Refer to note 'c' of the Statement) for the quarter and nine months ended December 31, 2017, attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Regulations').

This Statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.

We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

We did not review the unaudited financial results of twelve subsidiaries and a joint venture included in the consolidated financial results of the Group. These subsidiaries account for revenue from operations of Rs. 6,135.32 lakhs and Rs. 17,334.51 lakhs for the quarter and nine months ended December 31, 2017 respectively and net profit of Rs. 401.90 lakhs and Rs. 1,243.94 lakhs for the quarter and nine months ended December 31, 2017 respectively. The financial results also include the Group's share of net loss of Rs. 31.31 lakhs and Rs. 57.54 lakhs for the quarter and nine months ended December 31, 2017 respectively in respect of such joint venture. The unaudited financial results of these subsidiaries and a joint venture have been reviewed by other auditors, whose reports have been furnished to us. Our opinion on the unaudited consolidated financial results, in so far as it relates to these subsidiaries and a joint venture, is based on the aforesaid review reports of the other auditors.

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement prepared in accordance with applicable accounting standards i.e. Indian Accounting Standards ('Ind AS') prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other recognized accounting practices and policies, has not disclosed the information required to be disclosed in terms of SEBI Regulations and SEBI Circular dated July 5, 2016 including the manner in which it is to be disclosed, or that it contains any material misstatement.

for B S R & Co. LLP

Chartered Accountants

ICAI Firm registration No. 101248W/W-100022



K Raghuram

Partner

Membership No. 211171

Place: Chennai

Date: February 7, 2018

POLARIS CONSULTING & SERVICES LIMITED
CIN:L65993TN1993PLC024142
Regd Office : No 34, IT Highway, Navallur, Chennai - 600 130

Statement of Unaudited consolidated financial results for the quarter and nine months ended December 31, 2017

(Rs. in Lakhs, except per equity share data)

S. No	Particulars	Quarter ended			Nine months ended		Year ended
		December 31, 2017	September 30, 2017	December 31, 2016	December 31, 2017	December 31, 2016	March 31, 2017
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	Revenue from operations	68,006.53	67,151.20	51,894.90	190,652.71	152,641.95	209,498.66
2	Other income	414.23	394.30	1,659.77	1,102.20	2,987.68	2,086.61
3	Total income (1+2)	68,420.76	67,545.50	53,554.67	191,754.91	155,629.63	211,585.27
4	Expenses						
	(a) Employee benefits expenses	44,213.72	41,827.76	33,937.93	124,291.62	101,832.32	139,482.72
	(b) Subcontracting expenses	8,446.69	8,154.03	6,461.93	23,655.72	16,812.69	23,436.15
	(c) Depreciation and amortisation expense	695.01	592.02	697.39	1,840.41	1,879.07	2,383.67
	(d) Other expenses	6,755.78	6,289.96	5,580.19	18,611.08	15,996.77	22,594.25
	Total Expenses	60,111.20	56,863.77	46,677.44	168,398.83	136,520.85	187,896.79
5	Profit before share of loss of joint venture and tax(3-4)	8,309.56	10,681.73	6,877.23	23,356.08	19,108.78	23,688.48
6	Share of loss of joint venture	(31.31)	(25.97)	(2.78)	(57.54)	(34.58)	(62.60)
7	Profit before tax (5+6)	8,278.25	10,655.76	6,874.45	23,298.54	19,074.20	23,625.88
8	Tax expenses						
	Current tax	2,796.73	3,468.00	2,005.99	7,980.88	5,536.82	6,690.17
	Deferred tax	(41.55)	(42.26)	51.49	(456.52)	605.86	691.06
9	Net profit for the period / year (7-8)	5,523.07	7,230.02	4,816.97	15,774.18	12,931.52	16,244.65
10	Other comprehensive income						
	(i) Items that will not be reclassified to profit or loss						
	Equity investments through other comprehensive income - net change in fair value	27.98	(3.90)	-	31.92	-	(121.31)
	Others	2.61	-	0.86	2.61	3.12	7.03
	(ii) Items that will be reclassified to profit or loss						
	Exchange differences in translating financial statements of foreign operations	(872.96)	1,242.56	(1,186.48)	1,265.51	(1,660.22)	(2,918.51)
	Effective portion of gains (losses) on hedging instruments in cash flow hedges	(645.58)	(1,528.62)	(362.19)	(3,004.76)	924.63	2,854.41
	Others	-	-	0.23	-	40.84	37.88
	Income tax relating to items that will be reclassified to profit or loss	223.42	529.03	125.83	1,039.89	(328.73)	(996.59)
	Other comprehensive income (net of taxes)	(1,264.53)	239.07	(1,421.73)	(664.83)	(1,020.36)	(1,137.09)
11	Total comprehensive income (9+10)	4,258.54	7,469.09	3,395.22	15,109.35	11,911.16	15,107.56
12	Paid-up Equity share Capital (Face value of Rs. 5 each)	5,125.04	5,111.54	5,079.62	5,125.04	5,079.62	5,106.04
13	Reserves i.e. Other equity						104,342.64
14	Earning Per Share of Rs.5 each (Rs.)	(not annualised)	(not annualised)	(not annualised)	(not annualised)	(not annualised)	
	(a) Basic	5.40	7.07	4.74	15.43	12.74	15.99
	(b) Diluted	5.36	7.02	4.71	15.34	12.62	15.89

POLARIS CONSULTING & SERVICES LIMITED
CIN:L65993TN1993PLC024142
Regd Office : No 34, IT Highway, Navallur, Chennai - 600 130

Statement of Unaudited standalone financial results for the quarter and nine months ended December 31, 2017

(Rs. in Lakhs, except per equity share data)

S. No	Particulars	Quarter ended			Nine months ended		Year ended
		December 31, 2017	September 30, 2017	December 31, 2016	December 31, 2017	December 31, 2016	March 31, 2017
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	Revenue from operations	46,705.82	47,604.48	37,358.70	133,267.28	110,971.07	151,097.91
2	Other income	350.31	524.78	963.60	966.46	2,350.79	1,973.21
3	Total income (1+2)	47,056.13	48,129.26	38,322.30	134,233.74	113,321.86	153,071.12
4	Expenses						
	(a) Employee benefits expenses	33,843.25	32,525.07	26,973.25	96,578.48	79,878.45	109,791.41
	(b) Subcontracting expenses	1,318.26	1,356.37	1,425.84	3,950.65	5,631.73	7,166.54
	(c) Depreciation and amortisation expense	678.11	550.09	634.26	1,756.09	1,748.06	2,227.63
	(d) Other expenses	5,179.69	5,208.92	4,571.38	14,709.02	12,711.41	18,048.57
	Total Expenses	41,019.31	39,640.45	33,604.73	116,994.24	99,969.65	137,234.15
5	Profit before tax (3-4)	6,036.82	8,488.81	4,717.57	17,239.50	13,352.21	15,836.97
6	Tax expenses						
	Current tax	2,232.57	3,167.39	1,708.31	6,609.66	4,387.51	5,239.43
	Deferred tax	172.63	(163.64)	(18.57)	(180.31)	409.12	663.78
7	Net profit for the period / year (5-6)	3,631.62	5,485.06	3,027.83	10,810.15	8,555.58	9,933.76
8	Other comprehensive income						
	(i) Items that will not be reclassified to profit or loss						
	Equity investments through other comprehensive income - net change in fair value	27.98	(3.90)	-	31.92	-	(121.31)
	Others	2.61	-	0.86	2.61	3.12	7.03
	(ii) Items that will be reclassified to profit or loss						
	Exchange differences in translating financial statements of foreign operations	(192.95)	87.67	512.13	(107.37)	584.58	(230.88)
	Effective portion of gains (losses) on hedging instruments in cash flow hedges	(645.58)	(1,528.62)	(362.19)	(3,004.76)	924.63	2,854.41
	Others	-	-	0.23	-	40.84	37.88
	Income tax relating to items that will be reclassified to profit or loss	223.42	529.03	125.83	1,039.89	(328.73)	(996.59)
	Other comprehensive income (net of taxes)	(584.52)	(915.82)	276.86	(2,037.71)	1,224.44	1,550.54
9	Total comprehensive income for the period / year (7+8)	3,047.10	4,569.24	3,304.69	8,772.44	9,780.02	11,484.30
10	Paid-up Equity share Capital (Face value of Rs. 5 each)	5,125.04	5,111.54	5,079.62	5,125.04	5,079.62	5,106.04
11	Reserves i.e. Other equity						70,882.88
12	Earning Per Share of Rs.5 each (Rs.)	(not annualised)	(not annualised)	(not annualised)	(not annualised)	(not annualised)	
	(a) Basic	3.55	5.37	2.98	10.57	8.43	9.78
	(b) Diluted	3.53	5.33	2.96	10.51	8.35	9.71

NOTES :

a The unaudited standalone and consolidated financial results for the quarter and nine months ended December 31, 2017 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 February 7, 2018. The above results have been subjected to limited review 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 the 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 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 Limited
- Polaris Consulting & Services Pte 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, the consolidated 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'.

d The Company has allotted 2,70,040 shares under its stock option plans during the quarter ended December 31, 2017 and 3,80,040 shares during the nine months ended December 31, 2017.

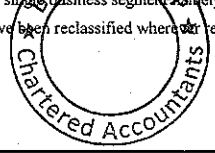
e The Board of Directors of Polaris Consulting & Services Pte. Ltd. ('Polaris Singapore'), a wholly owned subsidiary of the Company, in their meeting held on March 10, 2017, approved the acquisition of Virtusa Malaysia SDN.BHD., ('Virtusa Malaysia'), a step down subsidiary of Virtusa Corporation, U.S. 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.

f Virtusa Consulting Services Private Limited ('Virtusa'), the parent entity, through letter dated October 26, 2017 made a 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 ('Delisting proposal'). 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 the last date of announcement of exit price as laid out in the letter of offer is February 12, 2018.

g 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 Software and Consulting services.

h Prior period / year figures have been reclassified wherever required to conform to the classification of the current period / year.

Place : Chennai
Date : February 7, 2018



Rama Sivaraman
Director

Vaidyanathan N.M
Chief Financial Officer