

B S R & Co. LLP

Chartered Accountants

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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 ended 30 June 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 of unaudited standalone financial results for the quarter ended 30 June 2017 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 5 July 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: 07 August 2017

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 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 'd' of the Statement) for the quarter ended 30 June 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 Rs. 5,418 lakhs of revenues from operations for the quarter ended 30 June 2017. The financial results also include the Group's share of net loss of Rs.26 thousand for the quarter ended 30 June 2017 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 of unaudited consolidated financial results for the quarter ended 30 June 2017 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 5 July 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: 07 August 2017

POLARIS CONSULTING & SERVICES LIMITED
 CIN: L65993TM1993PLC024142
 Regd Office : No 34, IT Highway, Navalur, Chennai - 603 103
 Statement of Unaudited consolidated financial results for the quarter ended June 30, 2017
(Rs. In Lakhs, except per equity share data)

S. No	Particulars	THREE MONTHS ENDED			YEAR ENDED	
		June 30, 2017 (Unaudited)	March 31, 2017 (Audited - refer note c)	June 30, 2016 (Unaudited)	March 31, 2017 (Audited)	
1.	Revenue from operations	55,494.98	56,856.71	49,798.22	209,498.66	
2.	Other income	325.90	570.94	392.23	2,086.61	
	Total income	55,820.88	57,427.65	50,190.45	211,585.27	
3.	Expenses					
	(a) Employee benefits expenses	38,250.14	37,650.40	34,128.58	139,482.72	
	(b) Subcontracting expenses	7,055.00	6,623.46	4,436.69	23,436.15	
	(c) Depreciation and amortisation expense	553.38	504.61	589.00	2,383.67	
	(d) Foreign exchange loss / (gain)	229.81	1,721.19	(361.74)	249.17	
	(e) Other expenses	5,367.76	6,948.30	5,336.99	22,345.08	
	Total Expenses	51,456.09	52,847.96	44,129.62	187,896.79	
4.	Profit before share of loss of joint venture and tax (1+2-3)	4,364.79	4,579.69	6,060.93	23,688.48	
5.	Share of loss of joint venture	(0.26)	(28.02)	(16.69)	(62.60)	
6.	Profit before tax (4+5)	4,364.53	4,551.67	6,044.04	23,625.88	
7.	Tax expenses	1,716.15	1,159.82	1,422.20	6,690.17	
	Current tax	(372.70)	85.20	636.34	691.06	
	Deferred tax					
8.	Net profit / (loss) for the period / year (6-7)	3,021.08	3,306.65	3,995.50	16,244.65	
9.	Other comprehensive income					
	(i) Items that will not be reclassified to profit or loss	7.84	(121.31)	-	(121.31)	
	Equity investments through other comprehensive income - net change in fair value					
	Others	-	3.91	-	7.03	
	(ii) Items that will be reclassified to profit or loss					
	Exchange differences in translating financial statements of foreign operations	895.91	(1,266.52)	(18.83)	(2,918.51)	
	Effective portion of gains (losses) on hedging instruments in cash flow hedges	(830.55)	1,929.78	(423.88)	2,854.41	
	Others	-	(2.96)	124.14	37.88	
	Income tax relating to items that will be reclassified to profit or loss	287.44	(667.86)	106.59	(996.59)	
10.	Other comprehensive income (net of taxes)	360.64	(114.96)	(211.98)	(1,137.09)	
	Total comprehensive income (8+9)	3,381.72	3,191.69	3,773.52	15,107.56	
11.	Paid-up Equity share Capital (Face value of Rs. 5 each)				5,106.04	
12.	Reserves i.e. Other equity				104,124.39	
13.	Earning Per Share of Rs.5 each (Rs.)	(not annualised)	(not annualised)	(not annualised)		
	(a) Basic	2.96	3.25	3.93	15.99	
	(b) Diluted	2.94	3.23	3.89	15.89	
	See accompanying notes to the financial results					

POLARIS CONSULTING & SERVICES LIMITED
 Regd Office : No 34, IT Highway, Navalur, Chennai - 603 103
 Statement of Unaudited standalone financial results for the quarter ended June 30, 2017
(Rs. In Lakhs, except per equity share data)

S. No	Particulars	THREE MONTHS ENDED			YEAR ENDED	
		June 30, 2017 (Unaudited)	March 31, 2017 (Audited - refer note c)	June 30, 2016 (Unaudited)	March 31, 2017 (Audited)	
1.	Revenue from operations	38,956.97	40,126.84	36,818.30	151,097.91	
2.	Other income	280.05	544.87	405.72	1,973.21	
	Total income	39,237.02	40,671.71	37,224.02	153,071.12	
3.	Expenses					
	(a) Employee benefits expenses	30,210.16	29,912.86	26,632.57	109,791.41	
	(b) Subcontracting expenses	1,275.03	1,534.81	1,960.78	7,166.54	
	(c) Depreciation and amortisation expense	527.89	479.57	554.59	2,227.63	
	(d) Foreign exchange loss / (gain)	147.22	1,307.70	(462.96)	385.25	
	(e) Other expenses	4,361.88	4,951.91	4,251.20	17,663.32	
	Total Expenses	36,523.18	38,186.95	32,956.18	137,234.15	
4.	Profit before exceptional items and tax (1+2-3)	2,713.84	2,484.76	4,287.84	15,836.97	
5.	Tax expenses	1,209.70	851.92	1,065.55	5,239.43	
	Current tax	(189.30)	254.66	536.54	663.78	
	Deferred tax					
6.	Net profit / (loss) for the period / year (4-5)	1,504.14	1,632.84	3,222.29	10,597.54	
7.	Other comprehensive income					
	(i) Items that will not be reclassified to profit or loss	7.84	(121.31)	-	(121.31)	
	Equity investments through other comprehensive income - net change in fair value					
	Others	-	3.91	-	7.03	
	(ii) Items that will be reclassified to profit or loss					
	Exchange differences in translating financial statements of foreign operations	(2.09)	(815.46)	212.94	(230.68)	
	Effective portion of gains (losses) on hedging instruments in cash flow hedges	(830.55)	1,929.78	(423.88)	2,854.41	
	Others	-	(2.96)	124.14	37.88	
	Income tax relating to items that will be reclassified to profit or loss	287.44	(667.86)	106.59	(996.59)	
8.	Other comprehensive income (net of taxes)	(537.36)	326.10	19.79	1,560.64	
9.	Total comprehensive income for the period / year (8+9)	1,156.08	1,704.28	2,705.54	11,484.30	
10.	Paid-up Equity share Capital (Face value of Rs. 5 each)				5,106.04	
11.	Reserves i.e. Other equity				70,882.88	
11.	Earning Per Share of Rs.5 each (Rs.)	(not annualised)	(not annualised)	(not annualised)		
	(a) Basic	1.66	1.36	2.65	9.78	
	(b) Diluted	1.65	1.35	2.62	9.71	
	See accompanying notes to the financial results					

NOTES:

a The unaudited standalone and consolidated financial results for the three months ended June 30, 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 August 7, 2017. The above results have been subjected to limited review by statutory auditors of the Company. The reports of the statutory auditors are unqualified. 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.

b The figures for the three months ended March 31, 2017 are the balancing figures between audited figures in respect of the full financial year and the published year to date figures upto the end of the nine months period of the relevant financial year, which were subjected to limited review.

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 Ltd, UK
- Polaris Consulting & Services Inc.
- Polaris Consulting & Services GmbH
- Polaris Consulting & Services Ireland Ltd
- Polaris Consulting & Services B V
- Polaris Consulting & Services KIL
- Polaris Consulting & Services SA
- Polaris Consulting & Services FZ-LLC
- Virusa Malaysia SDN BHD.

d In addition to the above, the consolidated financial results also include the financial results in respect of Associate Stock Option Plan (ASOP) Trust and Oriolech Employee Welfare Trust (OEWL). The Company has also accounted for its share of interest in the joint venture Intellect Polaris Design LLC 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 89,880 shares under its stock option plans during the three months ended June 30, 2017.

f 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 Virusa Malaysia SDN BHD, ('Virusa Malaysia'), a step down subsidiary of Virusa 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.

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 Consultancy Services.

h Prod period / year figures have been restated to conform to the classification of the current period / year.

Place : Chennai
 Date : August 07, 2017



Rama Sivaraman
 Director

Vaidyanathan N.M.
 Chief Financial Officer

