

POLARIS CONSULTING & SERVICES LIMITED ( Group ) (Formerly known as Polaris Financial Technology Limited) CIN:L65993TN1993PLC024142 AUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2016 PREPARED AS PER INDIAN GAAP					
Rs. In Lakhs					
Particulars	QUARTER ENDED			YEAR ENDED	
	March 31, 2016	December 31, 2015 (Unaudited)	March 31, 2015	March 31, 2016	March 31, 2015
<b>Income</b>					
Income from Operations	50,604.87	51,758.73	46,701.57	203,714.97	189,334.54
<b>Expenditure</b>					
Employee cost	40,711.83	39,231.86	36,601.56	156,765.93	146,129.33
Depreciation and amortisation expense	647.62	645.70	670.65	2,655.40	2,790.87
Other expenditure	5,172.97	5,368.75	5,071.87	21,691.06	20,696.44
<b>Total</b>	<b>46,532.42</b>	<b>45,246.31</b>	<b>42,344.08</b>	<b>181,112.39</b>	<b>169,616.64</b>
<b>Profit from operations before other Income, foreign exchange gain/ (loss), exceptional items &amp; tax</b>	<b>4,072.45</b>	<b>6,512.42</b>	<b>4,357.49</b>	<b>22,602.58</b>	<b>19,717.90</b>
Other Income	758.19	181.88	438.31	1,544.02	2,931.49
Foreign exchange gain / (loss)	80.94	131.47	436.52	0.71	1,182.81
<b>Profit before exceptional items and tax</b>	<b>4,911.58</b>	<b>6,825.77</b>	<b>5,232.32</b>	<b>24,147.31</b>	<b>23,832.20</b>
<b>Exceptional items</b>					
Restructuring & Demerger expenses	-	-	-	-	(689.25)
Loss on BPO business assets held for sale- refer note (h)	(666.03)	-	-	(666.03)	-
Others - refer note (a)	(457.55)	(1,060.00)	-	(1,517.55)	-
<b>Profit before tax</b>	<b>3,788.00</b>	<b>5,765.77</b>	<b>5,232.32</b>	<b>21,963.72</b>	<b>23,142.95</b>
Tax expenses- refer note (i)	3,277.65	2,113.80	1,530.12	9,261.62	6,422.28
<b>Net Profit after tax</b>	<b>510.35</b>	<b>3,651.97</b>	<b>3,702.20</b>	<b>12,702.10</b>	<b>16,720.67</b>
Minority interest - Share of Loss / (Profit)	-	2.10	5.12	5.32	5.12
Share of profit/(loss) of Associate companies	-	-	1.19	-	1.19
<b>Net Profit for the period after taxes, minority interest and share of profit/(loss) of Associate Companies</b>	<b>510.35</b>	<b>3,654.07</b>	<b>3,708.51</b>	<b>12,707.42</b>	<b>16,726.98</b>
<b>Paid-up Equity share Capital</b>					
Equity shares of Rs 5 each	5,068.34	5,013.33	4,995.73	5,068.34	4,995.73
Reserves excluding revaluation reserves				91,179.26	80,086.74
<b>Earning Per Share (EPS) of Rs.5 each (Rs.)</b>					
Basic	0.51	3.65	3.71	12.68	16.77
Diluted	0.50	3.57	3.63	12.48	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 QUARTER AND YEAR ENDED MARCH 31, 2016 PREPARED AS PER INDIAN GAAP					
Particulars	QUARTER ENDED			YEAR ENDED	
	March 31, 2016	December 31, 2015	March 31, 2015	March 31, 2016	March 31, 2015
<b>Income</b>					
Income from Operations	44,052.30	46,447.35	42,910.35	182,570.84	167,820.54
<b>Expenditure</b>					
Employee cost	37,078.40	36,844.70	34,441.83	146,903.56	133,619.69
Depreciation and amortisation expense	618.27	604.72	617.82	2,493.71	2,650.14
Other Expenditure	4,034.46	4,075.24	4,404.39	16,838.37	16,185.49
<b>Total</b>	<b>41,731.13</b>	<b>41,524.66</b>	<b>39,464.04</b>	<b>166,235.64</b>	<b>152,455.32</b>
<b>Profit from operations before other Income, foreign exchange gain/ (loss), exceptional items &amp; tax</b>	<b>2,321.17</b>	<b>4,922.69</b>	<b>3,446.31</b>	<b>16,335.20</b>	<b>15,365.22</b>
Other Income	1,546.37	185.03	1,096.17	2,319.47	3,214.14
Foreign exchange gain / (loss)	451.23	247.96	18.85	593.60	553.36
<b>Profit before exceptional items and tax</b>	<b>4,318.77</b>	<b>5,355.68</b>	<b>4,561.33</b>	<b>19,248.27</b>	<b>19,132.72</b>
<b>Exceptional items</b>					
Restructuring & Demerger expenses	-	-	-	-	(689.25)
Loss on BPO business assets held for sale- refer note (h)	(666.03)	-	-	(666.03)	-
Others - refer note (a)	(457.55)	(1,060.00)	-	(1,517.55)	-
<b>Profit before tax</b>	<b>3,195.19</b>	<b>4,295.68</b>	<b>4,561.33</b>	<b>17,064.69</b>	<b>18,443.47</b>
Tax expenses- refer note (i)	2,981.33	1,906.13	1,372.25	8,088.84	5,371.72
<b>Net Profit for the period after taxes</b>	<b>213.86</b>	<b>2,389.55</b>	<b>3,189.08</b>	<b>8,975.85</b>	<b>13,071.75</b>
<b>Paid-up Equity share Capital</b>					
Equity shares of Rs 5 each	5,068.34	5,013.33	4,995.73	5,068.34	4,995.73
Reserves excluding revaluation reserves				60,327.55	54,333.08
<b>Earning Per Share (EPS) of Rs.5 each (Rs.)</b>					
Basic	0.21	2.38	3.19	8.95	13.10
Diluted	0.21	2.34	3.12	8.81	12.81

STATEMENT OF ASSETS AND LIABILITIES (AUDITED)				
	STANDALONE		CONSOLIDATED	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
<b>EQUITY AND LIABILITIES</b>				
<b>SHAREHOLDERS' FUNDS</b>				
Share capital	5,068.34	4,995.73	5,068.34	4,995.73
Reserves and surplus	60,327.55	54,333.08	91,179.26	80,086.74
	<b>65,395.89</b>	<b>59,328.81</b>	<b>96,247.60</b>	<b>85,082.47</b>
<b>MINORITY INTEREST</b>				
Deferred tax liabilities (Net)	-	-	148.39	250.63
<b>NON-CURRENT LIABILITIES</b>				
Trade payables	28,857.42	25,102.20	21,185.07	18,026.95
Other current liabilities	5,601.62	9,568.61	7,440.37	11,494.35
Short-term provisions	2,845.55	13,722.21	3,879.11	14,527.70
<b>TOTAL</b>	<b>102,700.48</b>	<b>107,721.83</b>	<b>128,900.54</b>	<b>129,530.33</b>
<b>ASSETS</b>				
<b>NON-CURRENT ASSETS</b>				
<b>Fixed assets</b>				
- Tangible assets	20,839.65	19,877.38	22,582.54	22,954.64
- Intangible assets	275.66	513.12	275.66	513.12
	<b>21,115.31</b>	<b>20,390.50</b>	<b>22,858.20</b>	<b>23,467.76</b>
Non-current investments	8,608.45	14,816.86	5,711.97	11,488.22
Deferred tax assets (net)	689.15	483.53	963.64	807.95
Long-term loans and advances	7,561.38	8,906.73	7,785.75	9,128.70
Other non-current assets	554.62	244.26	554.62	244.26
<b>CURRENT ASSETS</b>				
Current investments	10,545.91	801.94	10,790.42	1,050.40
Trade receivables	27,388.38	25,433.33	25,587.16	23,821.16
Cash and bank balance	3,615.84	7,923.21	26,405.97	19,161.29
Short-term loans and advances	6,790.71	4,497.91	7,593.53	10,883.37
Other current assets	15,830.73	24,223.56	20,649.28	29,477.22
<b>TOTAL</b>	<b>102,700.48</b>	<b>107,721.83</b>	<b>128,900.54</b>	<b>129,530.33</b>

**NOTES :**

a) The above results were reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on May 12, 2016.

b) The Stand-alone results for the quarter ended and year ended March 31, 2016 were audited by the Statutory Auditors of the Company.

c) The figures of the last quarter ended March 31, 2016 of the consolidated financial results are the balancing figures between the audited figures in respect of the year ended March 31, 2016 years and the published year to date figures upto December 31, 2015 which was subjected to limited review by the statutory auditors of the Company.

d) No. of Complaints pending at the beginning of the quarter Nil  
No. of Complaints received during the quarter 6  
No. of Complaints disposed off during the quarter 6  
No. of Complaints lying unresolved at the end of the quarter Nil

e) The Company has allotted 11,00,350 shares under Associate Stock Option Plan 2003, 2011 & 2015 of the Company during the quarter ended March 31, 2016 .

f) The Company uses foreign exchange contracts to hedge its exposure to movements in foreign currency rates and accounted in accordance with the Accounting Standards - 30 (Financial Instruments: Recognition and Measurement). Income from operations includes foreign exchange gain / (loss) of Rs. 1,207.10 lakhs, 1,320.25 lakhs, (Rs. 64.30 lakhs) respectively for the quarters ended March 31, 2016, December 31, 2015, March 31, 2015 and Rs. 5297.78 lakhs, (Rs.34.13 lakhs) respectively for the period ended March 31, 2016 and March 31, 2015.

g) On March 3, 2016, Virtusa Consulting Services Private Limited ("Virtusa India"), a subsidiary of Virtusa Corporation ("Virtusa"), completed the acquisition of 52.9% of the outstanding share capital of Polaris Consulting & Services Limited ("Polaris") from certain shareholders of the Company for approximately Rs. 1,136.4 Crore (\$174 million) in cash (the "Polaris SPA Transaction"). In addition, under applicable Securities and Exchange Board of India (Substantial acquisition and take over regulations) 2015, Virtusa India made an unconditional mandatory offer to the public shareholders of the Company to purchase up to an additional 26.0% of the outstanding shares of the Company. Virtusa India accepted the purchase of 26,719,942 shares of Polaris common stock for Rs. 220.73 per share (\$3.25 per share) for an aggregate purchase price of Rs. 589.8 Crore (\$86.8 million). The mandatory open offer began on March 11, 2016 and closed on March 28, 2016 and was fully subscribed. As a result, Virtusa India now holds approximately 79% of the total outstanding share capital of Polaris. In connection with this transaction, Polaris incurred a costs of Rs.457.55 lakhs, Rs.1,060 lakhs, respectively for the quarters ended March 31, 2016 , December 31, 2015 and Rs.1,517.55 lakhs for the year ended March 31, 2016 and the same is disclosed under exceptional items-others, being significant and non-recurring.

h) The Company entered into a Business Transfer Agreement with M/s Gamma Process Hub India Limited on February 25, 2016 to transfer all its legal and beneficial ownership in the BPO business as a going concern for a consideration of Rs 200 Lakhs. The Company has recognised an impairment loss of Rs. 666 Lakhs during the quarter ended March 31, 2016, which included a commitment to infuse working capital in cash prior to transfer amounting to Rs. 400 Lakhs pursuant to the terms of the Business Transfer Agreement. The below results of the BPO business are included in the consolidated and standalone results of the Company:

Particulars	QUARTER ENDED			YEAR ENDED	
	March 31, 2016	December 31, 2015	March 31, 2015	March 31, 2016	March 31, 2015
Revenue	417	478	495	1,926	1,741
Pre-tax Losses	(131)	(124)	(107)	(447)	(446)

i) The tax expenses includes of Rs.1789.36 lakhs and Rs.1832.45 lakhs, respectively for the quarter ended March 31, 2016 and year ended March 31, 2016 related to earlier years

j) 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.

k) Figures of the earlier period, wherever necessary, have been regrouped to conform with those of the current periods.

l) Function wise classification of statement of Profit and Loss for the Group (Unaudited)

Particulars	QUARTER ENDED			YEAR ENDED	
	March 31, 2016	December 31, 2015	March 31, 2015	March 31, 2016	March 31, 2015
<b>INCOME</b>					
Income from Software development, Support & BPO services	50,604.87	51,758.73	46,701.57	203,714.97	189,334.54
<b>EXPENDITURE</b>					
Software development expenses	37,756.23	36,491.62	34,691.61	145,915.35	139,964.80
Selling and marketing & General and administrative expenses	8,128.57	8,108.99	6,981.82	32,541.64	26,860.97
<b>Total Expenditure</b>	<b>45,884.80</b>	<b>44,600.61</b>	<b>41,673.43</b>	<b>178,456.99</b>	<b>166,825.77</b>
<b>Profit before depreciation &amp; amortisation, other Income, foreign exchange gain/ (loss), exceptional items &amp; tax</b>	<b>4,720.07</b>	<b>7,158.12</b>	<b>5,028.14</b>	<b>25,257.98</b>	<b>22,508.77</b>
Depreciation and amortisation expenses	647.62	645.70	670.65	2,655.40	2,790.87
<b>Profit before other Income, foreign exchange gain/ (loss), exceptional items &amp; tax</b>	<b>4,072.45</b>	<b>6,512.42</b>	<b>4,357.49</b>	<b>22,602.58</b>	<b>19,717.90</b>
Other Income	758.19	181.88	438.31	1,544.02	2,931.49
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Exceptional items	(1,123.58)	(1,060.00)	-	(2,183.59)	(689.25)
<b>Profit before tax</b>	<b>3,788.00</b>	<b>5,765.77</b>	<b>5,232.32</b>	<b>21,963.72</b>	<b>23,142.95</b>
Provision for taxation	3,277.65	2,113.80	1,530.12	9,261.62	6,422.28
<b>Net Profit after tax</b>	<b>510.35</b>	<b>3,651.97</b>	<b>3,702.20</b>	<b>12,702.10</b>	<b>16,720.67</b>
Minority Interest/ Share of profit/(loss) of Associate Companies	-	2.10	6.31	5.32	6.31
<b>Net Profit for the period after taxes, minority interest and share of profit/(loss) of Associate Companies</b>	<b>510.35</b>	<b>3,654.07</b>	<b>3,708.51</b>	<b>12,707.42</b>	<b>16,726.98</b>

For Polaris Consulting & Services Limited

Place : Chennai  
Date : May 12, 2016

Jitin Goyal  
Executive Director

Vaidyanathan N.M  
Chief Financial Officer