



Q2 Results FY2017 INR

Polaris' Q2 FY17 PAT up by 3.6% Q-o-Q

Chennai (India), November 9, 2016: Polaris Consulting & Services Ltd (NSE and BSE: POLARIS), a leader in digital transformation solutions and services, announced its results for the second quarter and half year results of FY17 today.

Polaris' second Quarter revenues stood at Rs. 506.72 crore, registering 2.3% growth as compared to Rs. 495.50 crore in Q1 FY17. In dollar terms, revenues stood at \$75.7 Mn as against \$73.3 Mn in Q1 FY17. EBITDA stood at Rs. 61.45 crore, registering a 4.7% growth as compared to Rs. 58.72 crore in Q1 FY17. Profit after Tax (PAT) grew by 3.6% Q-o-Q to Rs. 41.15 crore from Rs. 39.72 crore.

Business Highlights

- Average utilization in Q2 FY17 was 77.0% compared to 71.7% during Q1 FY17
- Talent strength of 7,056 as of September 30, 2016
- DSO stood at 86 Days compared to 89 days in Q1 FY17
- Cash, Cash equivalents and Investments stood at Rs.479.2 Crores at the end of the quarter compared to Rs.352.8 Crores at the end of Q1 FY17

Management Statement

Kris Canekeratne, Chairman, Polaris Consulting & Services Limited said, "We are pleased with our Q2 performance. Our Q-2 revenue and EBITDA grew sequentially by 2.3% and 4.7% respectively. The growth was driven largely by growth in our principal business segment, Banking and Financial services which grew by 8.1%. I would like to take this opportunity to thank all of the Polaris team members for their hard work and dedication towards executing against our strategic goals."

Canekeratne continued, "I would also like to inform the shareholders that Mr. Jitin Goyal, CEO of the Company has resigned to pursue other interests. I would like to thank Jitin for his many contributions, and also for building a strong platform that will allow Polaris to grow and scale in the banking and financial services industry. We wish Jitin the very best."

N M Vaidyanathan, Chief Financial Officer, Polaris Consulting & Services Limited, said, "In \$ terms our top-line improved by 2.3% on a sequential basis during the quarter. Our PAT improved by 3.6% compared to Q1 FY2017. This improvement in the profitability was primarily driven by higher revenues and higher utilization levels coupled with cost rationalization initiatives. We will stay focused on driving the business forward, and we expect higher one-time integration related costs to impact us in the second half of the year. Our continued execution on improving collections is evident from considerable growth in cash and cash equivalents & investments during the quarter. Proceeds from the sale of property also contributed to the growth in cash balance."

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 Second Quarter and Half Year Ended September 30, 2016

POLARIS CONSULTING & SERVICES LIMITED (Formerly known as Polaris Financial Technology Ltd)
Unaudited consolidated financial results for the second quarter and half year ended September 30, 2016 prepared as per IND AS

Particulars	(Rs. Lakhs)					
	For the quarter ended			For the period ended		
	30-Sep-16	30-Jun-16	30-Sep-15	30-Sep-16	30-Sep-15	
Revenue from operations	50,672.12	49,550.28	54,249.94	100,222.39	103,530.98	
Other income	586.65	748.24	173.46	1,334.89	688.63	
Total Income	51,258.76	50,298.51	54,423.41	101,557.28	104,219.61	
Expenses						
Employee benefits expense	39,476.32	38,373.86	39,935.39	77,850.18	77,964.19	
Depreciation and amortisation expense	578.93	574.97	687.49	1,153.90	1,362.09	
Other expenses	5,050.87	5,304.87	5,203.18	10,355.74	10,716.49	
Total expenses	45,106.12	44,253.70	45,826.06	89,359.82	90,042.77	
Profit/(loss) before exceptional items and tax	6,152.64	6,044.82	8,597.35	12,197.46	14,176.84	
Profit/(loss) before tax	6,152.64	6,044.82	8,597.35	12,197.46	14,176.84	
Tax expense						
a) Current tax	1,810.66	1,413.11	2,279.01	3,223.76	4,160.05	
b) Provision for taxes relating to earlier years	294.55	6.03	-	300.59	-	
c) Deferred tax	(81.98)	636.34	614.39	554.37	643.14	
Profit after tax before share of results of associates	4,129.41	3,989.33	5,703.94	8,118.75	9,373.65	
Add: Share of profit from Joint Venture	(14.90)	(16.89)	-	(31.80)	-	
Profit/(loss) for the period	4,114.51	3,972.44	5,703.94	8,086.95	9,373.65	
Attributable to:						
Owners of the parent	4,114.51	3,972.44	5,705.42	8,086.95	9,376.87	
Non-controlling interest	-	-	(1.48)	-	(3.22)	
Other comprehensive income	571.13	(210.25)	(1,436.27)	403.12	(1,819.39)	
Total comprehensive income	4,685.64	3,762.19	4,269.16	8,490.07	7,557.48	
<i>(Comprising Profit/(Loss) and Other Comprehensive Income for the period)</i>						