



Polaris Consulting & Services Limited

(formerly Polaris Financial Technology Ltd)



Earnings Announcement – Third Quarter FY 14-15

January 22, 2015



Safe Harbor Statement

Certain statements in this release concerning our future prospects are forward-looking statements. Forward-looking statements by their nature involve a number of risks and uncertainties that could cause actual results to differ materially from market expectations. These risks and uncertainties include, but are not limited to our ability to manage growth, intense competition among Indian and overseas IT companies, various factors which may affect our cost advantage, such as wage increases or an appreciating Rupee, our ability to attract and retain highly skilled professionals, time and cost overruns on fixed-price, fixed-time frame contracts, client concentration, restrictions on immigration, our ability to manage our international operations, reduced demand for technology in our key focus areas, disruptions in telecommunication networks, our ability to successfully complete and integrate potential acquisitions, liability for damages on our service contracts, the success of the companies in which Polaris has made strategic investments, withdrawal of governmental fiscal incentives, political instability, legal restrictions on raising capital or acquiring companies outside India, unauthorized use of our intellectual property and general economic conditions affecting our industry. Polaris may, from time to time, make additional written and oral forward-looking statements, including our reports to shareholders. These forward-looking statements represent only the Company's current intentions, beliefs or expectations, and any forward-looking statement speaks only as of the date on which it was made. The Company assumes no obligation to revise or update any forward-looking statements.

Key Financial Highlights-Q3 FY 15



- In USD terms :
 - Quarter revenue stood at USD 77Mn
- In Rupee terms :
 - Quarter revenue stood at Rs 476 crore
 - EBITA for the quarter stood at Rs 55 crore
 - Profit After Tax(PAT) stood at Rs 39 crore
 - Q3 EPS @ 3.83 and YTD @12.72
- DSO stands at 52 days



Other Highlights Q3 FY 15

Clients

- 152 Active clients as of December 31, 2014
- 5 new clients added in Q3 FY15
- 3 consolidation/preferred supplier wins in tier 1 clients
- 1 consolidation loss in a tier 1 client

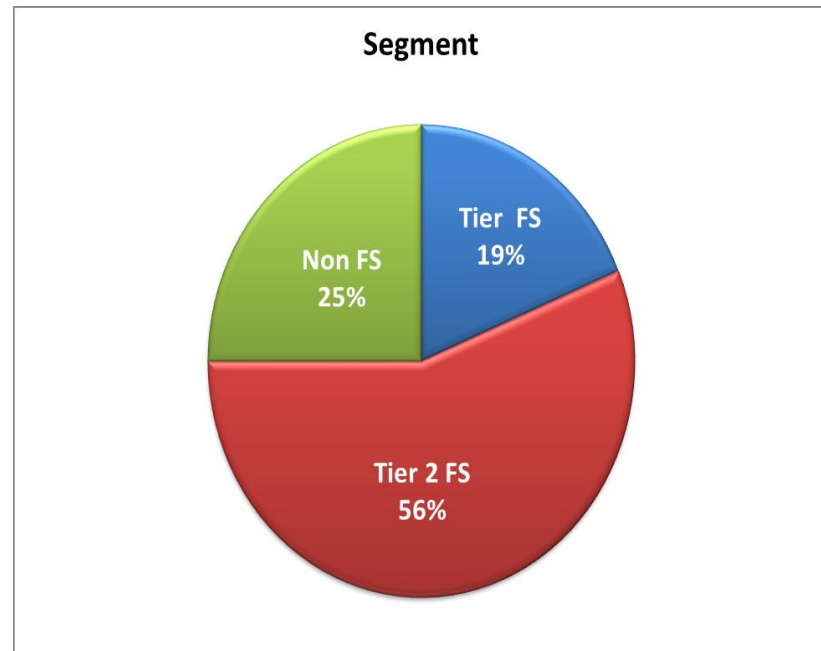
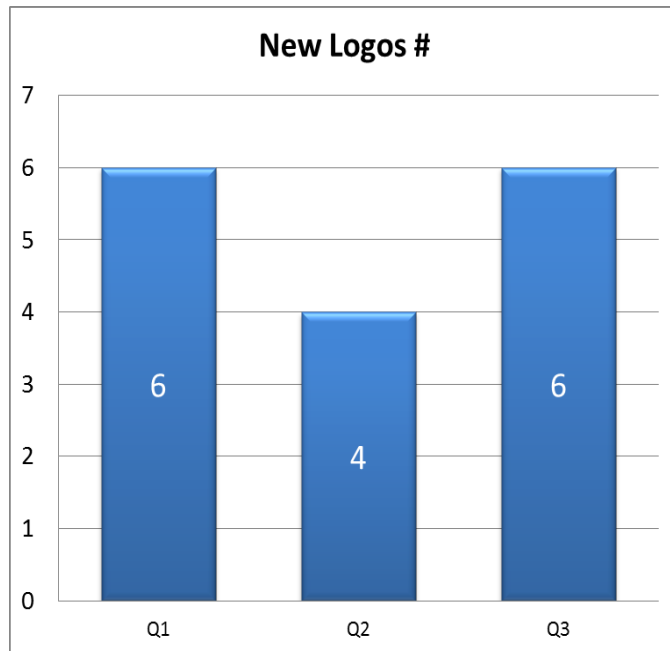
Employees

- Total head count as of Q3 FY15 is 8640 including 1277 associates in BPO
- Attrition rate stood at 18.1%



Awards and Recognitions

- Polaris featured amongst Top IT Services Vendors in Celent report on Banking in North America for 2014
- Polaris featured amongst Top IT Services Vendors in Asia Pacific in the Celent report - IT Services Vendor Landscape for Banking
- Polaris Ranked 36th at Fintech Forward Ranking 2014. Fintech forward is a collaboration of American Banker and BAI.
- Polaris ranked 52 in 2015 Risk Tech 100. Polaris has been named as the 2nd biggest rising firm by moving 22 places in the ranking chart
- Polaris rated as the 'Major Contender' in Everest Group -- IT Outsourcing in Capital Markets -- Service Provider Landscape with PEAK Matrix Assessment 2014



Expected Revenue from New Logos

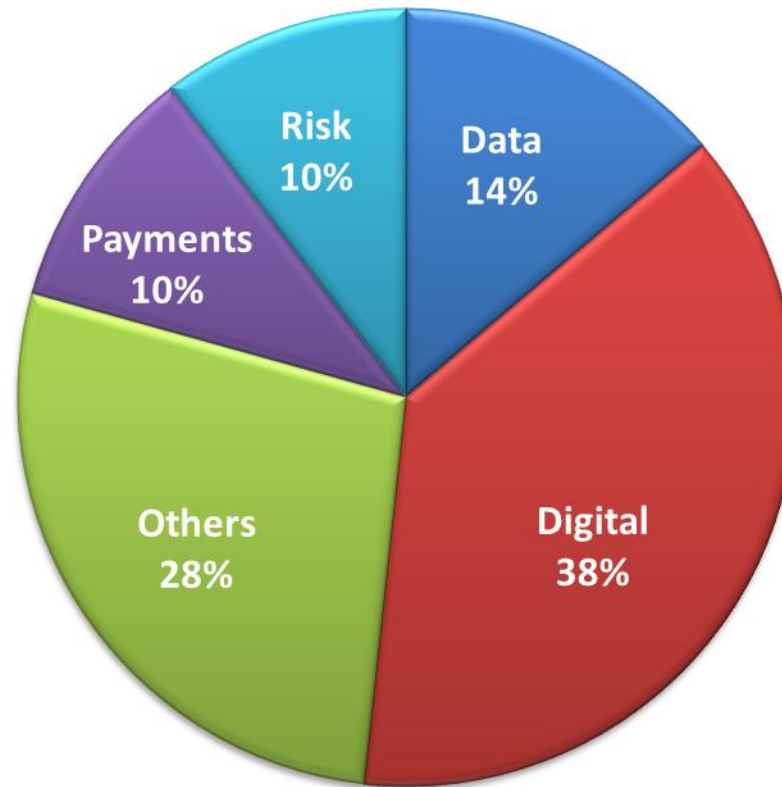
3% in FY15
7-9% in FY16

Preferred Supplier status achieved

Existing Accounts	3
New Logos	3

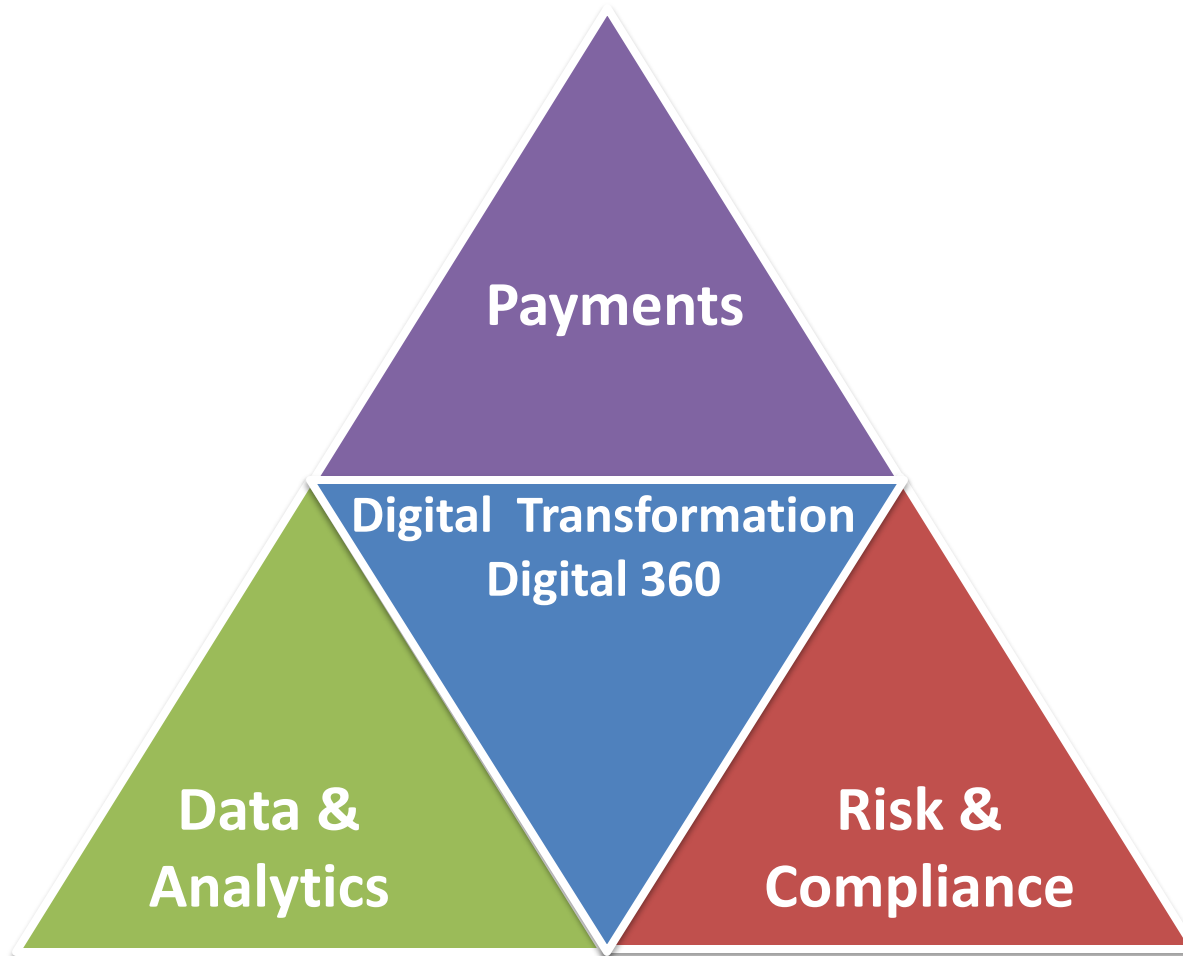


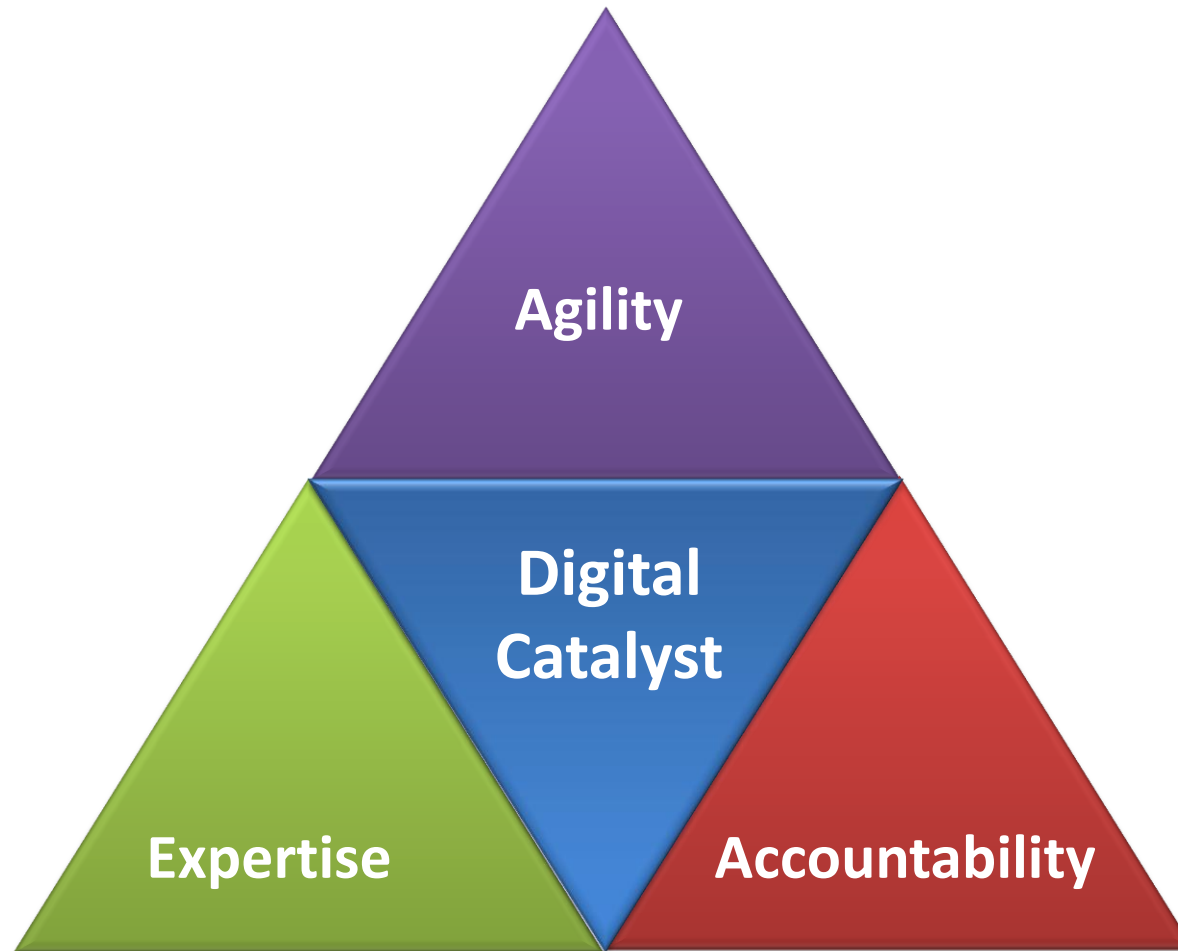
Q3 15 Key Engagement breakdown



Area	#
Data	4
Digital	11
Others	8
Payments	3
Risk	3
Total	29

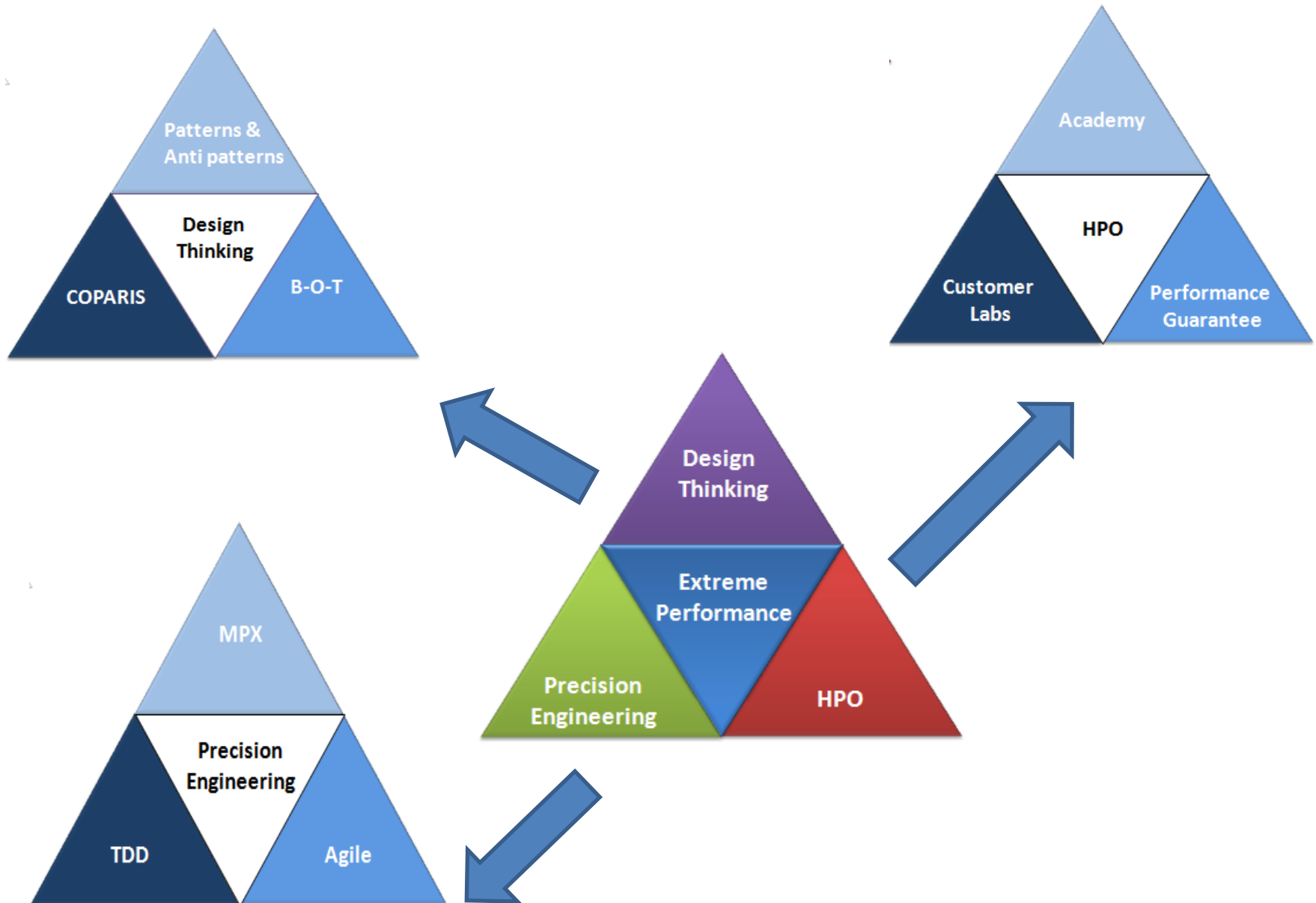








How | Our tools of trade (differentiators)





ANNEXURE

ANALYST DATA

Q3 FY 15



CLARIFICATION NOTE

With respect to the financial results for the Third quarter ended December 31, 2014 (Q3 FY15) for Polaris Consulting & Services Ltd (formerly known as Polaris Financial Technology Limited), please note that the current year financials are not comparable with the previous year financials, consequent to the demerger of the Product business during the current year.

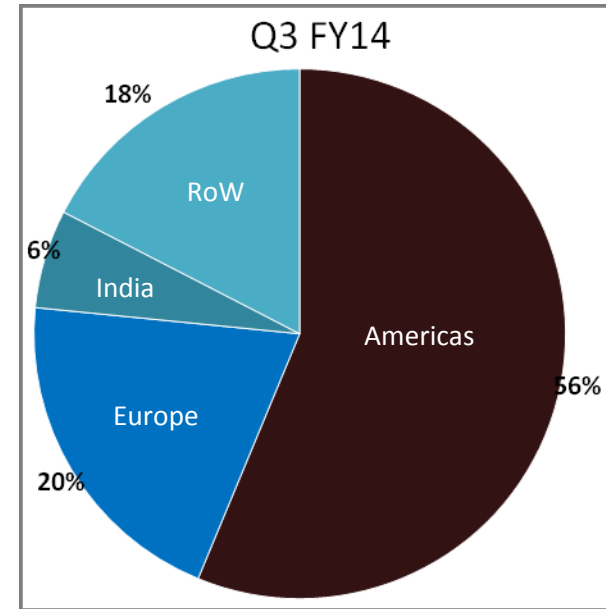
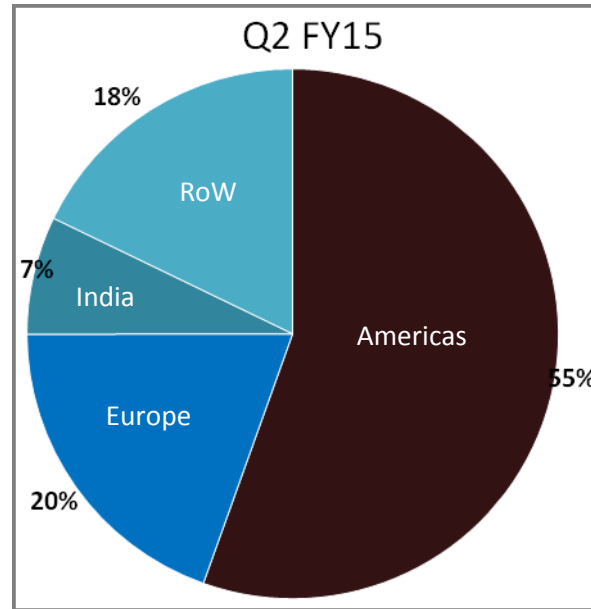
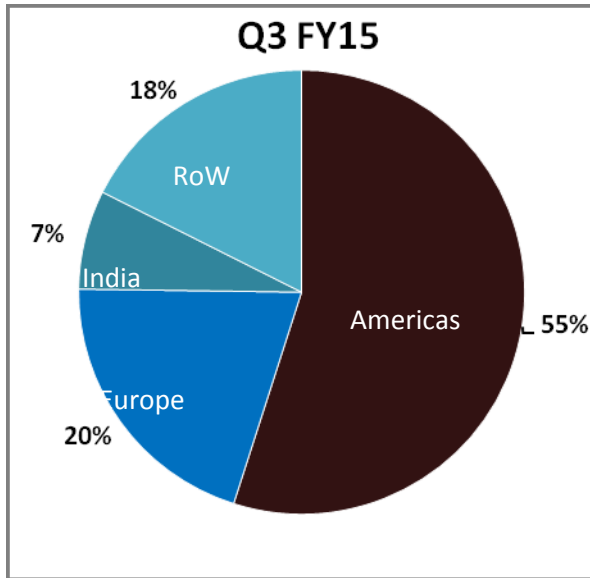
Q3 FY 15 Business Financials .



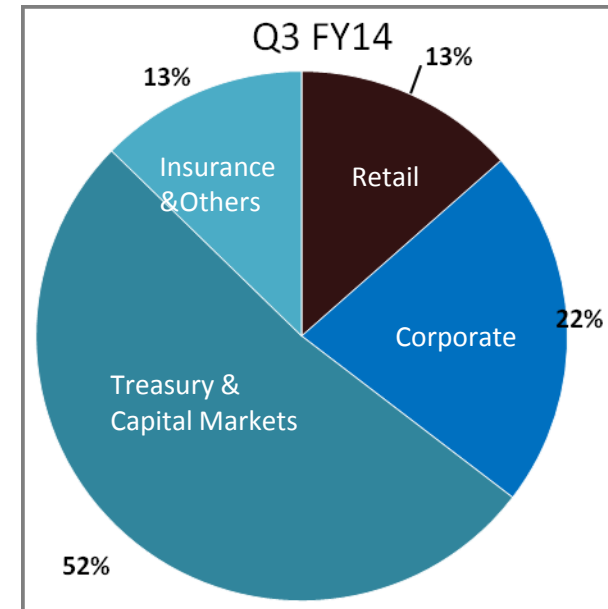
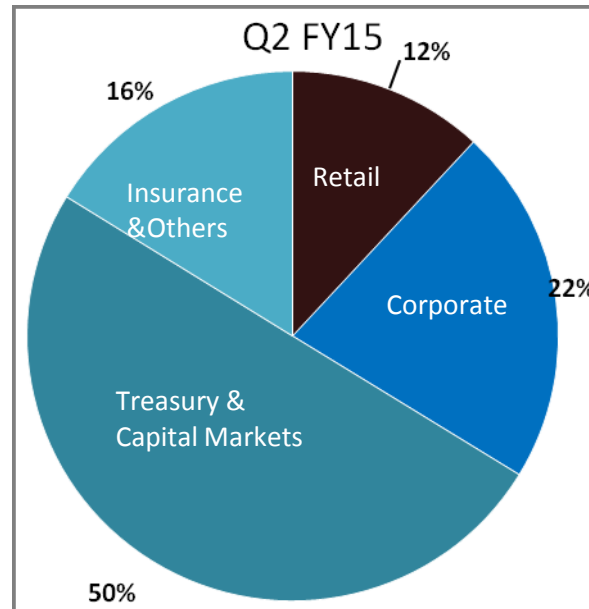
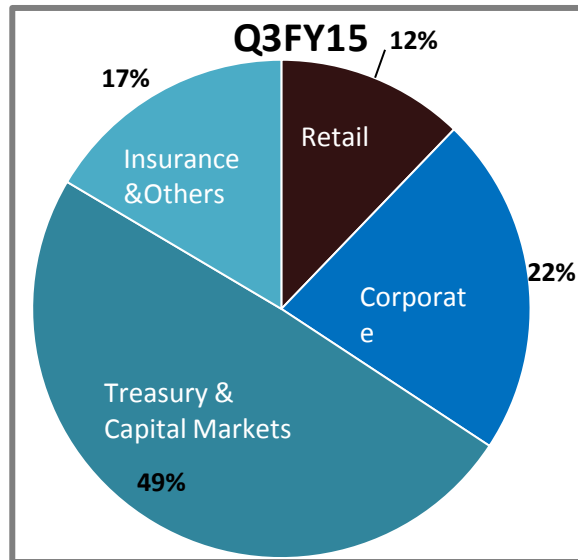
Particulars	QUARTER ENDED			YEAR ENDED
	December 31, 2014	September 30, 2014	December 31, 2013***	March 31, 2014***
INCOME				
Gross Income from software services and Business Process Management	47,556.41	47,674.48	64,339.96	249,906.65
Income from Operations	47,556.41	47,674.48	64,339.96	249,906.65
EXPENDITURE				
Software development expenses	35,135.67	35,103.42	40,602.30	159,088.85
Selling & Marketing and General & Administrative expenses	6,958.80	6,529.15	11,714.05	47,142.13
Total Expenditure	42,094.47	41,632.57	52,316.35	206,230.98
Profit before interest, depreciation & amortisation	5,461.94	6,041.91	12,023.61	43,675.67
Research & Development expenses	-	-	2,206.40	8,702.70
Depreciation/ Amortisation	665.82	690.46	1,306.26	5,292.18
Finance Charges	-	-	27.96	123.85
Profit after interest, depreciation & amortisation	4,796.12	5,351.45	8,482.99	29,556.94
Forex impact on Hedge accounting (AS30)	(80.80)	15.31	(2,915.84)	(10,439.89)
Other Income including exceptional items	897.12	1,358.14	955.28	4,759.38
Minority Interest/ Share of profit/(loss) of Associate Companies	-	-	(24.83)	11.55
Profit before tax	5,612.44	6,724.90	6,497.60	23,887.98
Provision for taxation	1,686.58	1,809.67	1,422.09	3,968.78
Profit after tax	3,925.86	4,915.23	5,075.51	19,919.20

***The function wise classification results for the year 2013-14 are not comparable with the audited Consolidated financial results for the year ended March 31, 2014 as the net impact of the financial results of IdenTrust Inc. up to the date of divestment and the profit on divestment of the IdenTrust business had been disclosed under "Other income including exceptional items" in the above functionwise results.

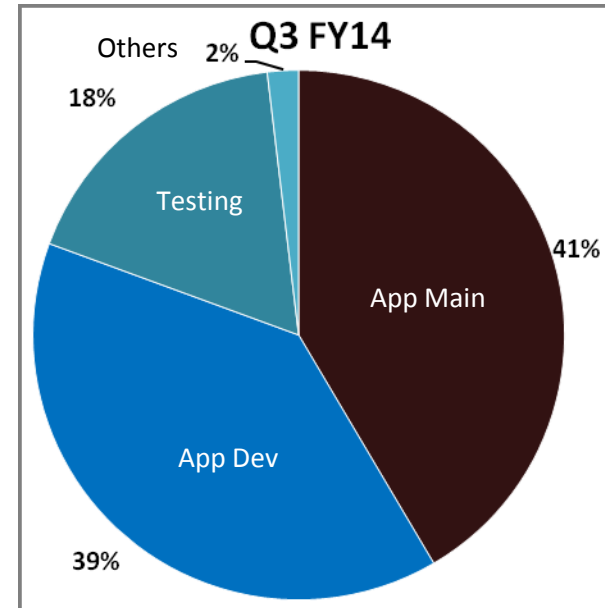
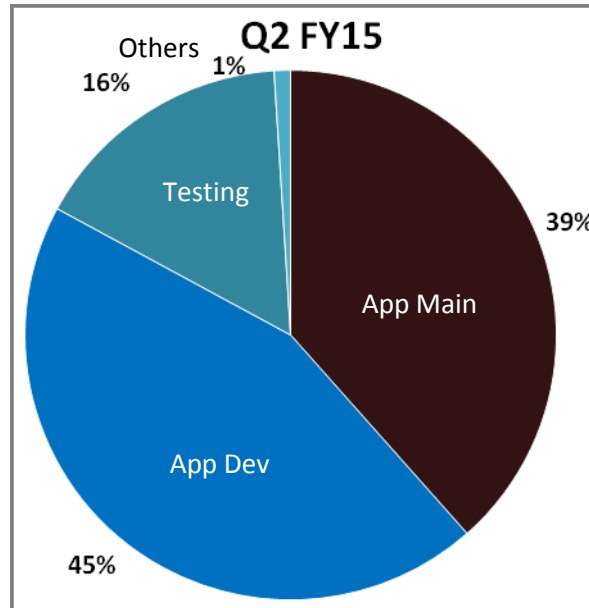
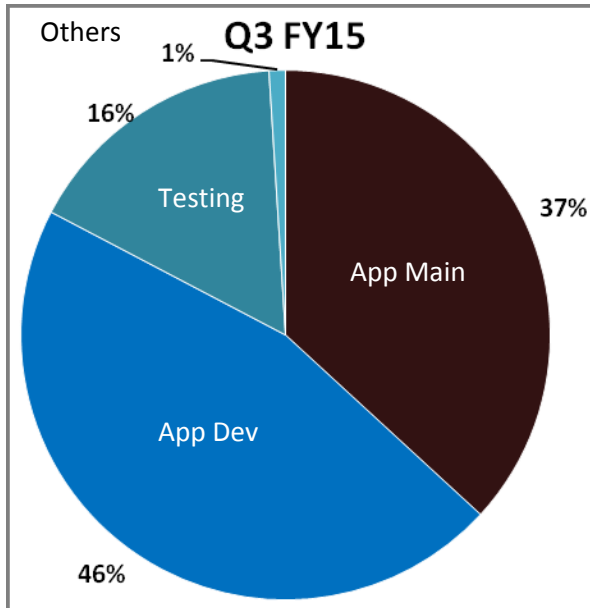
Geographic Distribution



Vertical Split



Revenue Distribution



Revenue Distribution



Revenue by	Q3 FY15	Q2 FY15	Q3 FY14
Fixed Bid	39.6%	38.7%	34.1%
Time & Material	60.4%	61.3%	65.9%

Onsite Offshore Ratio - By Efforts	Q3 FY15	Q2FY15	Q3 FY14
Onsite	22%	22%	21%
Offshore	78%	78%	79%

DSO Days	Billed	52	46	61
	Unbilled	41	43	40
	Total	93	89	101

Capacity Utilization	79.8%	81%	81.6%
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Q3 FY15 Client Matrix

Client Concentration	Q3 FY15	Q2 FY15
Top 5	47.5%	45.4%
Top 10	62.7%	61.7%

US\$ 1+ Mn accounts	26	27
US\$ 3+ Mn accounts	6	4
US\$ 5+ Mn accounts	6	7
US\$ 10+ Mn accounts	7	6
US\$ 25+ Mn accounts	2	2



Q3 FY Financial Matrix

	Q3 FY15	Q2 FY15
Cash & Cash Eqv (INR Cr)	273	339
Major Cash Outflow Items	Capex : 32.35 Cr	•Div & div tax payout : 71 Cr •Capex : 3.76 Cr

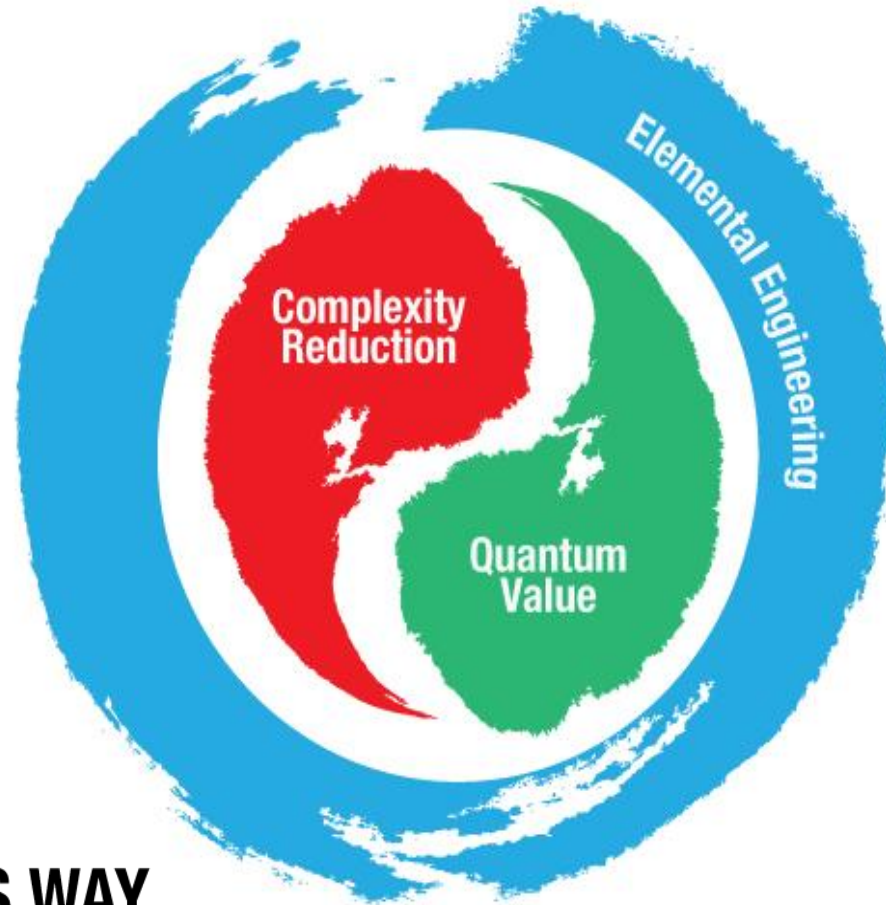
USD INR Rate	Q3 FY15	Q2 FY15	Q3 FY14
Average Rate	62.00	60.57	61.99
Closing Rate	63.04	61.75	61.81



Q3 FY 15 Management view

Jitin Goyal, CEO and Executive Director, said:

We continue our focus on becoming a digital transformation partner of choice for our clients. Bulk of our new engagements has come from the 4 big bets, Digital, Payments, Risk and Analytics. We are successfully executing our strategy of acquiring new logos with a focus on tier 2 banks & corporates with 2 such marquee clients selecting us as their partner of choice for digital transformation



THE POLARIS WAY... High Performance FT

Thank You

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