

THINK DIGITAL. THINK POLARIS.

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www.polarisft.com

THINK DIGITAL. THINK POLARIS.

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NUMERIC SNAPSHOT

Total Revenue

1,893.35 Crores

Net Worth of the Company

850.82 Crores

Cash & Cash Equivalents

314.43 Crores

Earnings Per Share (EPS)

16.77

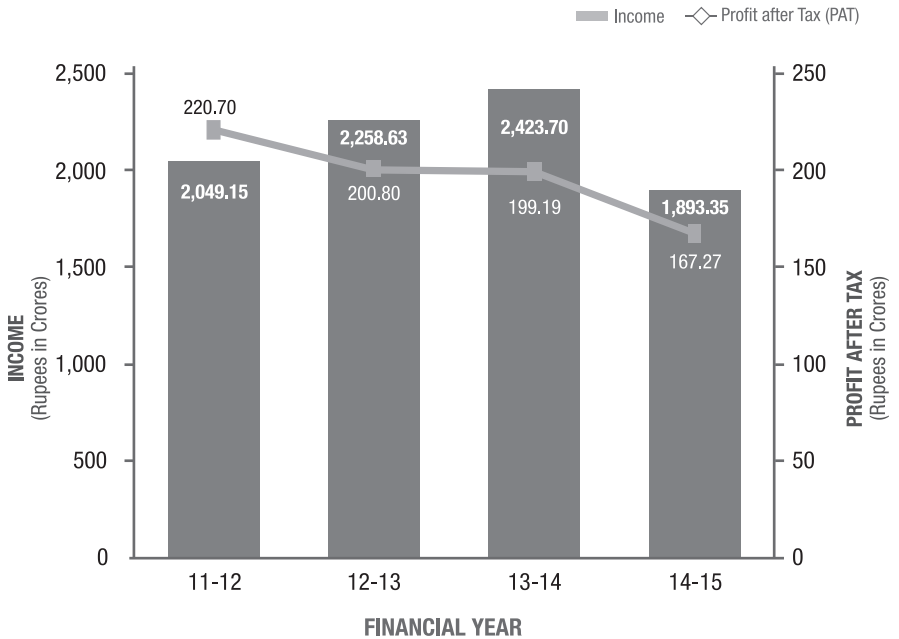
Total Employee Strength

8,485



FINANCIAL HIGHLIGHTS

as on March 31, 2015



Rupees in crores except per share data

Financial year	2011-12	2012-13	2013-14	2014-15*
Income (Excluding other Income)	2,049.15	2,258.63	2,423.70	1,893.35
Profit After Tax (PAT)	220.70	200.80	199.19	167.27
At the Year end				
Fixed Assets	383.13	400.69	378.73	234.68
Cash and Cash Equivalents	390.23	489.76	691.24	314.43
Shareholders' Equity (Net Worth)	1,215.31	1,342.72	1,561.97	850.82
Earnings Per Share - Basic	22.22	20.19	20.01	16.77
Dividend Paid (%)	100%	100%	125%	300%

* Consequent to the demerger of Product Business Undertaking effective from April 1, 2014, the figures for the year ended March 31, 2015 are not comparable with the corresponding figures disclosed under previous years.

Chairman's Letter to Shareholders



Arun Jain
Chairman

Dear Shareholders,

As I look back, FY 2014-15 marked yet another eventful year in the Polaris Journey – an year where the organisation made decisive calls and took firm steps to consolidate and prepare itself for the next phase of growth.

The De-merger and a New Identity

Around this time last year, I had written to you about the Board's proposal to de-merge the Products Business of Polaris into a separate entity – a logical conclusion to the process of creating separate Business units for Services and Products. You had unequivocally endorsed this decision and post the approval of the Hon'ble High Court of Madras, the Products Business de-merged into Intellect Design Arena Ltd – effective September 25, 2014. Each member of Polaris received a share in Intellect Design Arena, with an opportunity to participate in the growth of that organisation as well. Effective October 9, 2014, the shares of Polaris started trading ex-demerger as a separate entity. The Markets have since re-affirmed their faith in this decision, resulting in greater value for our shareholders.

We also took this opportunity to rename the organisation as Polaris Consulting & Services Limited. Our engagement with our Customers was based on deep expertise, built over two decades of working with Global Leaders in the Financial Services business. We leveraged this expertise in connecting the dots between Business, Operations and Technology in addressing the pain points of our Customers, with Design Thinking being the cornerstone and differentiator of our approach in delivering greater value. Such a deep engagement often was led by and

interspersed with Consulting, apart from impeccable Execution. We were also successful in demonstrating this model outside the Financial Services domain in the larger context of Commerce, which stimulated us to effect this name change.

Expanding the Board

As an organisation, we have benefited from the oversight and guidance of a rich and diverse Board of Directors, comprising of stalwarts who bring deep expertise that we, as an institution, stand for. With the objective of taking aboard Leaders who would bring the Customers' perspective and Industry knowledge, we have inducted Mr. Jonathan Eric Beyman, Dr. Theodore Roosevelt Malloch and Ms. Uma Ratnam Krishnan to our Board. In addition, Jitin Goyal, Chief Executive Officer of PCSL also joined the Board as Executive Director.

Mr. Jon Beyman was Head of Operations & Technology at Citibank's Institutional Clients Group. He was also on the Board of Deposit Trust & Clearing Corporation (DTCC) and held senior roles in Credit Suisse and Lehman Brothers.

Dr. Theodore Roosevelt Malloch is a Professor at the Said Business School, Oxford University, UK. He has held senior positions including being on the Board of several global forums such as the World Economic Forum, United Nations, US State Department and US Senate. He is the CEO of The Roosevelt Group, a Global Strategic Consulting and Thought Leadership organisation. Dr. Malloch has also served on the Boards of several other Boards of financial as well as not-for-profit institutions.

Ms. Uma Ratnam Krishnan has held senior positions in ANZ Grindlays Bank, HDFC Bank and Royal Bank of Scotland (RBS) across the verticals of Retail and Corporate Banking and across the functions of Operations, Technology and Business Development in India and Europe. She is also on the Board of Take Solutions Ltd.

We have approached Digital Transformation in a holistic manner – Digital 360 as we term it – that addresses both the halves of the Digital space

The Digital Era

Last year, I had also briefly touched upon the transformational wave that is sweeping the Financial Services and other domains alike – the Digital wave, which also forms the theme of this report.

Across the globe, institutions and organisations are re-inventing themselves to adapt to new generations and segments of Customers and leverage opportunities that new channels of engagement are providing. Social Media and Mobile devices have migrated customers away from traditional interaction spaces such as physical offices, Call Centres or perhaps even websites. Self Service Models are re-defining conventional assisted process models. The focus, as I personally see it, has moved from Processes to Products and finally to the Customer. Customer-centric business models are evolving with greater focus on knowing more about the Customer to tailor and sharpen offerings around his or her needs.

As businesses invest in re-aligning themselves to this reality, we have approached Digital Transformation in a holistic manner – Digital 360 as we term it – that addresses both the halves of the Digital space:

Digital Out – Providing the Customer a seamless experience across all touchpoints of interaction

Digital In – Enabling the organisation to run 'lean' and 'agile' processes

We believe both of these are equally important for organisations to succeed in their Digital strategy – that would help them

effectively engage with their Customers, address the requirements of each of their customer segments, innovate and get to the market faster and run smart operations that are cost effective, configurable and can re-align quickly to changing market needs.

The greater challenge for global organisations is to navigate the multitudes of technology generations, geographic and regulatory disparities and align the several moving parts that have been set in motion due to successive attempts to innovate.

The Changing Financial Landscape

Let me also quickly look at couple of other developments in the ecosystem where our core Customers operate. The financial system has been witnessing unprecedented changes in the last few years. Technology has enabled disruptive innovations that challenge the conventional banking and financial services models. Banks and Financial Institutions now face competition, not only from their peers, but from technology giants and startups alike. Smart ideas backed by technology and venture funding have given rise to nimble outfits that threaten to take away chunks of business from the traditional channels. Payments is a case in point, where such ventures have effectively set up parallel banking systems, enabling faster and

Applying our expertise outside the Financial Services domain, we emerged as a strategic partner to customers in other verticals, winning engagements with them in the Digital space. We further consolidated our position in many of the current engagements, identified as 'Growth Accounts'.

secure movement of money at lower costs. Combined with e-commerce, the possibilities opened up are mind boggling! Similar attempts to 'connect the dots' are taking place in other niche segments such as Lending, Cards, Trade, Treasury, etc.

While all this happens, Banks and FIs are also under pressure to step up the vigil on Risk monitoring and compliance. Every innovation, every change, every venture to a new market or segment brings associated risks. Regulations are tightening and compliance deadlines are constantly on the horizon, putting these organisations constantly on the treadmill to catch up with evolving requirements.

Our Opportunity Canvas

Your organisation had identified four areas of focus last year – the 4 'Big Bets' viz.

- Digital
- Payments
- Risk & Compliance and
- Data & Analytics

These perfectly fall under the 'Market Opportunity – Capability' matrix. I have presented a snapshot of the compelling Market need for these services in the preceding paragraphs – how these match the Customer's immediate pain areas. More is elaborated later in this report. We have proven capabilities in handling engagements in these specialist spheres of domain with global leaders, with case studies of success stories. We have augmented these through constant investment in our Leadership, Practices, Domain, Technology and Operations. In the past year, we have won engagements, executed projects and proven concepts at a pilot stage to several clients in these areas, reinforcing our capabilities to deliver value to our Customers. We are further encouraged by the accolades that we have received from analysts placing us amongst the elite. These include figuring in case studies and ratings from leading analyst

Our High Performance Outsourcing HPO model backed by investments in HPO Labs, Academy and with committed Performance Guarantee graduate us as true partners to our Customers moving to our outcome based engagements from pure 'order taking'.

firms such as Celent, Everest and Forrester that offered top of the line ratings to Polaris across verticals. Our differentiator is in delivering wholesome Digital outcomes to our Customers as opposed to executing piecemeal Digital initiatives.

The Year that Went Past and the Road Ahead

In a year of continued re-structuring, we have achieved quite a bit, preparing ourselves for these and more opportunities that the future would present us with. Applying our expertise outside the Financial Services domain, we emerged as a strategic partner to customers in other verticals, winning engagements with them in the Digital space. We further consolidated our position in many of the current engagements, identified as 'Growth Accounts'. These are set for further acceleration in the ensuing periods. Some of these achievements have been shadowed due to the erosion in select Accounts owing to vendor consolidation and our own decision to exit non-strategic, non-profitable relationships. Adverse movements in FX also

impacted our earnings in geographies such as Canada, Australia and Europe. Our investments to further strengthen Agility, Expertise and Delivery Excellence have impacted current year margins. Nevertheless, we are back on the offensive, launching an aggressive multi-faceted margin recovery programme that would put EBIDTA on track. Our High Performance Outsourcing HPO model backed by investments in HPO Labs, Academy and with committed Performance Guarantee graduate us as true partners to our Customers moving to outcome based engagements from pure 'order taking'. Lastly, our solid financial position equips us for any investment that the growth agenda would demand.

In our last Annual report, I had used the phrase 'the spirit of resurgence and soul of startup'. PCSL had then set out into its re-defined journey with an empowered Management team that carried this soul and spirit through in its agenda-setting maiden year. As it commences its second year in this voyage, I am confident that our strategic efforts would bear fruition and PCSL will take its rightful place of Leadership. I thank you for your continued support and encouragement, ever a fillip to progress on this journey.

Arun Jain
Chairman

CEO's Letter to Shareholders



Jitin Goyal
Chief Executive Officer

Dear Shareholders,

FY 2015 was a year of great change for the company – first the internal restructuring into client-centric SBUs and solution-centric Practices, then the demerger of our product business (now called Intellect Design Arena Ltd.), and finally, pivoting towards digital transformation as an area of specialisation for the company. These changes have been implemented successfully with minimal disruption. Management focus and bandwidth has been expended in designing, implementing and overseeing this great change. This has laid the foundation for our future as a successful, growing and profitable business positioned as a digital transformation agent in the financial technology space – our traditional sweet spot – and possibly beyond.

While all this change has occurred, revenues have remained flat and margins have declined somewhat. Management focus next year will be on correcting this. In FY 2015 we have acquired 24 new clients and have notched up significant wins in our chosen areas of focus – the four big bets. A healthy deal pipeline in these areas has been created. Sharply defined solutions in these areas have been identified. Practices are investing in training and expanding the depth and breadth of expertise. More than 80% of the banks' technology spend is in these four areas, and with the expertise, solutions and credentials that we have we are well placed to win business and grow.

Growth Strategy

To grow revenues, we have a three-prong strategy:

1. Sell solutions in the identified areas, positioning ourselves as a consulting led IT transformation company with expertise in digital, data and cloud

The theme for our future is Digital Transformation. We are making sure that we have the resources, capabilities, partnerships and branding to be seen as Digital Transformation Leaders in the market.

technologies combined with solid expertise in financial services. In other words, an expertise-driven company specialising in a few areas as opposed to a generic IT services and outsourcing company.

2. Rationalise our portfolio of accounts by refocusing management, sales and solutioning bandwidth towards accounts that can yield significant growth, while jettisoning accounts with poor scale, fit or profitability.
3. Go after tier-two clients where our size would make us a better strategic fit so that we can become their primary strategic partners instead of being a niche player, thus extracting a much higher share of wallet. We have already seen good success with this strategy in some of the newly acquired accounts.

Margin Improvement Plan

To improve margins, management is pursuing the following initiatives:

1. Delivery management optimisation, designed to reduce aggregation layers in delivery.
2. Pyramid optimisation, by recruiting a sizeable number of associates from campus, training them and then deploying them on billed engagements, thereby also rotating some of the experienced associates to seed new engagements.
3. Revenue optimisation, to maximise revenue from existing portfolio of

engagements by eliminating leakage that can occur due to a variety of reasons.

4. Reducing unplanned attrition of billed associates, which affects both revenue and margins, by actively engaging associates in a variety of ways and making them feel that they are part of a cohesive, ambitious and prestigious organisation.

Other Initiatives

In addition to this, we are striving to build a company with greater agility, faster decision making and simpler processes. Agility is essential in a fast changing environment.

Through a series of roadshows and internal communication, I have called for a culture of expertise, where every associate of the company sees himself/herself as an expert and is positioned that way both internally and externally. By encouraging our associates to think in this way we are encouraging them to deepen their knowledge and skills, and motivating them at the same time.

The Future is Digital

The theme for our future is Digital Transformation. We are making sure that we have the resources, capabilities, partnerships and branding to be seen as digital transformation leaders in the market. Our recently announced tie-up with Oxford to set up an Oxford-Polaris digital academy is a good example.

Summing Up

In summary, we have successfully navigated through major changes in the last year, and we have kept the ship steady. We have laid the foundation for growth and profitability and are very optimistic about the company's future.

Jitin Goyal
CEO

THINKING DIGITAL

Corporations across all industries are seeking to comprehend and define the potential benefits of digital transformation, which is needed to thrive in a new digital era. These benefits are pervasive and are akin to defining the benefits of the telephone two centuries ago and the Internet in the last century.

With a set of compelling facts and figures, no organisation wants to be left behind. Consider the following:

- It took Barclays 13 years to get to two million customers using Internet banking and just two months to reach that number for mobile banking
- Google reports that more searches are now from mobile devices than desktops
- Facebook's 1.4 billion active users upload 350 million pictures everyday

The Race for Digital Transformation is On

Every corporate executive is thinking about how to undertake massive programs that are needed to transform the way their organisation creates new products and services, works with supply chain partners, and interacts with customers in sustained and profitable relationships.

Evidence of this is readily apparent. For example, a 2014 survey of bankers by the Aite Group, a well-known banking industry consulting firm, found that planned investments in areas related to digital are far greater than any other, including mandated investments such as regulatory compliance.

Digital 360

At Polaris we take a 360-degree view of digital transformation with our framework components – Digital Outside and Digital Inside.

Digital Outside

Digital Outside refers to user experience and engagement. Most notably it includes the concept of omni-channel deployment, which refers to synchronised access channels such

as mobile devices, desktop computers and still others like bank branch teller systems and ATMs.

With our Digital Outside framework these points of service tap an integrated single source of data so that customers and channel partners see consistent information no matter what device or channel is being used. However, the true goal of the omni-channel experience is to enable users to transverse these channels so that an action started in one channel can be completed in another. This capability is an important aspect of our Digital Outside framework, and one that improves customer engagement.

With the proliferation of devices and more forms to come (the Apple Watch is just the latest example) deployment of new apps and updates has become more complex and expensive. Another important aspect of our Digital Outside framework is our Canvas technology that addresses this issue by enabling organisations to essentially code once and run on any device, reducing the time and expense of developing native versions across operating systems, versions and form factors.

Our Digital Outside framework addresses the goals of most organisations and is further enhanced with our other digital services such as UI/UX design and mobile testing services.

Digital Inside

Our Digital Inside framework addresses the vast complexities of aging systems and processes, most of which were developed in a world where paper-based, manual-intensive operations were standard. In today's world, these systems stand in the way of progress towards a world-class organisation that is responsive to customer demand, competitive moves and changing regulatory requirements.

Our Digital Inside framework seeks to digitise operations, streamlining and integrating processes in order to simplify them and take cost out.

We re-image and re-engineer these processes to extract paper and manual labour in order to reduce cycle time. This also makes it possible to combine flows of data (data lakes) so that they can be leveraged for better customer or operational insights, as well as be the source of new products and services.

An example of this is the typical mortgage application process, which in most banks is fraught with paper – from the application to supporting documents, etc. These get transported from one department to another, adding time, potential errors and expense to the process. And because these documents are in a physical form they must be stored, secured and indexed should they ever be needed in the future.

Process and infrastructure like this is the prime target for digital transformation. By redesigning it for a digital environment, the bank benefits in multiple ways. Data is entered once, often times by the end user (so called self-service mode), which gives the customer a greater sense of control, and more importantly takes cost out of the process. This data can then be analysed efficiently by using an automated rules-based decisioning engine that can quickly process conforming applications and identify exceptions.

Equally as important is the ability to share the data across the enterprise, enabling the bank to cross-sell products and have a single view of the customer. Banks have always wanted this, but have been held back by their siloed data that prevents a holistic view of the customer. Migration to cloud-based infrastructure has become an alternative that solves many of these problems.

Bank clients will also benefit from this. For example, the customer who has already applied for a mortgage will no longer need to enter data for other bank services such as credit cards, lines of credit or just about anything else that requires an application. The bank will be better able to target compelling offers to the customer knowing their financial situation and typical spending habits.

These powerful cross-sell capabilities are also applicable to commercial clients. Having intimate knowledge of corporate clients, cash flow history will enable banks to offer credit facilities at just the right time.

Polaris' Role in the New Era of Digital Transformation

Polaris is well positioned for this new digital transformation era. The investment in our Digital Enterprise practice offers clients several Centres of Excellence (CoE) that provide them with tightly integrated Digital Outside capabilities.

Our deep knowledge of infrastructure and our long history of systems development and integration, especially in the financial services industry, uniquely positions Polaris to be experts at re-imaging and re-engineering business processes to simplify them and to extend their capabilities. Clients can improve their operating metrics and their ability to develop new products and services through our Digital Inside framework of capabilities.

As specialists in Digital Transformation, Polaris offers its customers the ability to re-engineer processes that need radical transformation, where incremental improvements will not be sufficient. Our unique blend of Digital CoEs along with our deep history of building and maintaining massive systems for some of the world's largest financial institutions provide our clients with a set of capabilities and solutions unmatched in the industry.

The Digital Journey is Underway

Transforming an organisation of any size is a journey. It begins with good insights and planning. For Polaris and its customers, these are exciting and challenging times. The stakes are high and the rewards are great.

As a leader in digital transformation, we at Polaris are ready to work with our clients to help them define their future and to enable them to make their vision of the future a reality.

BOARD OF DIRECTORS



Arun Jain
Chairman



**Dr. Theodore Roosevelt
Malloch Jr.**
Director



Jitin Goyal
Executive Director



Jonathan Eric Beyman
Director



R.C. Bhargava
Independent Director



Dr. Ashok Jhunjhunwala
Independent Director

BOARD OF DIRECTORS



Abhay Agarwal
Director



Arvind Kumar
Independent Director



Raju Venkatraman
Independent Director



Rajesh Mehta
Director



V. Balaraman
Independent Director



Uma Ratnam Krishnan
Independent Director

EXECUTIVE COUNCIL



Jitin Goyal
Chief Executive Officer &
Executive Director



Raju Bannur
Chief Solutions Officer



Kedarnath Udiyavar
Chief Digital Officer



Sanjay Vatsa
Chief Strategy Officer



N.M. Vaidyanathan
Chief Financial Officer



Rama Sivaraman
Global Head - Operations



Sharad Verma
Global Head – Human
Resources

EXECUTIVE COUNCIL



Sanjeev Gulati
Chief Client Officer
Citi



George Ravich
Chief Marketing Officer



Vikas Misra
Chief Client Officer
Polaris Enterprise
Solutions Limited



Supriyo Sircar
Chief Client Officer
Asia Pacific,
Middle East & Africa



Suresh Iyengar
Client Partner
Americas



Madhuri Bhuyan
Client Partner
Americas



Sanjay Deshpande
Client Partner
Americas



Senthil R
Client Partner
Europe

POLARIS CONSULTING & SERVICES LIMITED
(formerly known as Polaris Financial Technology Limited)
Annual Report for the year ended March 31, 2015

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Bankers

Citibank N.A

HSBC Ltd.

HDFC Bank Ltd.

JP Morgan Chase Bank, N.A.

ICICI Bank Ltd.

Bank of America, N.A. New Jersey

Auditors

M/s. S.R.Batliboi & Associates LLP

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No.4, Rajiv Gandhi Salai, Taramani,

Chennai – 600 113. India.

DIRECTORS' REPORT

DIRECTORS' REPORT

To the members,

We are pleased to present the Twenty Second Annual Report on our business and operations for the year ended 31st March 2015, of Polaris Consulting & Services Limited ("Company") (formerly known as Polaris Financial Technology Limited).

1. Results of operations

(Rs. in Lakhs, except EPS data)

Description	Standalone		Consolidated	
	March 31, 2015*	March 31, 2014	March 31, 2015*	March 31, 2014
Income (Including Other Income)	171,588.04	203,531.47	193,448.84	245,604.89
Expenses (Including exceptional items)	150,494.43	187,582.70	167,515.02	216,086.71
Profit before Interest, Depreciation & Tax (PBITDA)	21,093.61	15,948.77	25,933.82	29,518.18
Finance Charges	-	104.10	-	197.72
Depreciation & amortization	2,650.14	4,797.99	2,790.87	5,444.03
Net Profit Before Tax	18,443.47	11,046.68	23,142.95	23,876.43
Provision for tax including Deferred Tax	5,371.72	2,650.09	6,422.28	3,968.78
Net Profit after tax	13,071.75	8,396.59	16,720.67	19,907.65
Add / (Less): Share of Profit / (Loss) on Associate Companies	-	-	1.19	11.55
Add / (Less): Minority Interest - Share of Profit / (Loss)	-	-	5.12	-
Net Profit	13,071.75	8,396.59	16,726.98	19,919.20
EPS				
Basic Rs.	13.10	8.44	16.77	20.01
Diluted Rs.	12.81	8.42	16.39	19.97

*Consequent to the demerger of Product Business Undertaking effective from April 1, 2014, the figures for the year ended March 31, 2015 are not comparable with the corresponding figures disclosed under previous year ended March 31, 2014.

2. Scheme of arrangement-cum-demerger between Polaris Consulting & Services Limited (Formerly known as Polaris Financial Technology Limited) and Intellect Design Arena Limited (formerly known as Fin Tech Grid Limited):

The Scheme of Arrangement Cum Demerger ("the Scheme") between the Company and Intellect Design Arena Limited ("Resulting Company") was approved by the Board of Directors in the meeting held on 18th March 2014 and by the shareholders in the Court Convened Meeting held on 23rd July 2014 and by the Hon'ble High Court of Judicature, Madras vide its order dt.15/09/2014 received by the Company on 24th September 2014 for demerging the Product Business Undertaking of the Company and the Scheme came into effect from 25th September 2014. Subsequent thereto, the transfer of the Product Business Undertaking with effect from the appointed date, 1st April 2014 has been completed.

3. Business Performances

The consolidated revenue of the Company from Software Development Services for the year ended March 31, 2015 stood at Rs.189,335 lakhs as against the previous year's revenue of Rs.242,370 lakhs. The consolidated Net Profit for the fiscal year ended March 31, 2015 stood at Rs.16,727 lakhs as against the previous year's Net Profit of Rs.19,919 lakhs. The reserves and surplus as of 31st March 2015 stood at Rs. 80,087 lakhs as against Rs. 149,764 lakhs of the period as of March 31, 2014. Reserves of Rs.71,171 lakhs was transferred to the resulting company pursuant to the scheme of arrangement.

As explained in the preceding paragraph, in line with the Scheme of arrangement which was effective from the 1st of April 2014 [Appointed Date as per the order issued by the High Court of Judicature, Madras] the erstwhile product division of the Company was transferred to the resulting company. Therefore the figures of the current financial year are not comparable to that of the previous financial year.

During the year, consequent to the demerger, and the transfer of the Product Business Undertaking of the Company, the Company continues to be engaged only in the business of providing software services, and is not engaged in software product business. The following subsidiary and associate companies associated with the Product Business Undertaking have been transferred with effect from April 1, 2014 to the Resulting Company under the Scheme of Arrangement Cum Demerger.

Subsidiary Companies:

1. Laser Soft Infosystems Limited
2. Indigo Tx Software Private Limited
4. SFL Properties Private Limited
5. Fin Tech Grid Ltd
6. Polaris Enterprise Solutions Limited
7. Polaris Software Lab Vietnam Co. Ltd, Vietnam
8. Polaris Software Lab FZ-LLC, Dubai
9. Sonali Polaris FT Limited, Bangladesh
10. Polaris Software Lab Pte Ltd, Singapore
11. Polaris Software Lab Limited, UK
12. Polaris Software Lab SA, Switzerland

Associate Companies :

1. Adrenalin eSystems Limited
2. NMS Works Software Private Limited

4. Subsidiaries

Details of Subsidiary Companies, Joint Ventures and Associate Companies, and their financial position.

Your Company has 9 subsidiary company(ies) for the financial year ended on March 31, 2015. The information as required under the first proviso to sub-section (3) of Section 129 is given in Form AOC-1 in Annexure [1].

5. Cash & Cash Equivalents

Your Company's liquidity remains healthy with a cash reserve of Rs.314.43 crores. The DSO is at an impressive 44 days.

6. Share Capital

During the year, under ASOP 2003 Scheme the company has allotted 258,100 equity shares of Rs.5/- each to 74 Associates / Directors, under ASOP 2004 Scheme company has transferred 17,800 equity shares of Rs.5/- each to 2 Associates and under ASOP 2011 Scheme company has transferred 106,250 equity shares of Rs.5/- each to 47 Associates pursuant to exercise of options granted.

No options were exercised during the year under Scheme ASOPT 2011. As the result of the above allotments paid-up equity share capital of the company has increased from Rs.497,751,370/- comprising of 99,550,274 number of equity shares of Rs.5/- each as on March 31, 2014 to 499,573,120/- comprising of 99,914,624 number of equity shares of Rs.5/- each as on March 31, 2015. The allotted equity shares have been listed and traded in the Stock Exchanges.

The information as required under the provisions of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 read with Rule 12(9) of the Companies (Share Capital and Debentures) Rules, 2014, and also the information required under the Guidance note of ICAI, in relation to ESOPs are set out in the Annexure 2 to the Directors' Report.

7. Research and Development Design Centre

We continued our investments in developing innovative solutions for our customers in the identified strategic focus areas viz. Digital Enterprise, Risk & Compliance, Payments and Data & Analytics.

We have further extended facilities at our labs in Chennai and Hyderabad with state of the art infrastructure and tools where our practice teams work on multiple areas of interest and Proofs of Concept.

Areas like Digital architecture, security, AML, Fraud analytics, etc. have been jointly identified by our practice experts and our customers for research. A significant achievement during the financial year has been multiple intensive co-creation sessions with our customers in many of these areas. These sessions and results they generated have generated great excitement with our customers and this, in turn reflects very positively on our expertise and Design Thinking approach we take to develop solutions that are relevant to them.

The Expenditure incurred on R&D during the year 2014-15 as per Standalone financials:

Rs.in Lakhs

Particulars	March 31, 2015
Capital	-
Revenue	1,005.12
Total	1,005.12

8. Dividend

a) Final dividend:

The Board of Directors at its meeting held on 30th April 2015 proposed a final dividend of Rs.10/- per equity share of face value of Rs.5/- per equity share (200%) upon approval of the shareholders at the 22nd Annual General Meeting. This dividend will be paid out of the profits of the Company.

b) Interim Dividend:

The Board of Directors at its meeting held on 19th March, 2015 declared interim dividend of Rs. 5/- per equity share of face value of Rs.5/- per equity share (100%) for the financial year 2014-2015 to those shareholders whose names were in the Register of Members as on 31st March 2015.

With this, the company's total dividend payout is 300% for the financial year 2014-2015.

9. Closure of Register of Members and Share Transfer Books :

The Register of Members and Share Transfer books of the company will be closed with effect from 12th June, 2015 to 23rd June, 2015 (both days inclusive).

10. Transfer to Reserves

The company did not transfer any amounts to General Reserve during the year.

11. Corporate Governance

Your Company has been complying with the provisions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement. A separate report on Corporate Governance along with Auditors' certificate on compliance of the Corporate Governance norms as stipulated in Clause 49 of the Listing Agreement and Management Discussion & Analysis forming part of this report are provided elsewhere in this Annual Report.

12. Transfer to Investor Education and Protection Fund

As required under the provisions of Section 205A and 205C and other applicable provisions of Companies Act, 1956 (the corresponding provisions in the Companies Act, 2013 have not been notified, and hence the earlier law is still applicable in respect of these provisions), dividends that remain unpaid/unclaimed for a period of seven years, are to be transferred to the account administered by the Central Government viz: Investor Education and Protection Fund ("IEPF"). Once the amounts that are due for refund are transferred to the IEPF, no claim shall lie in respect of those amounts against the Company. The Company had transferred unpaid dividend amounts within the stipulated time to the IEPF. During the financial year 2014-15, unpaid or unclaimed dividend for the Final dividend declared as on 31st March 2007 amounting to Rs.5,92,968 was transferred to Investors Education and Protection Fund.

The Board draws your attention that the unclaimed/unpaid dividend for the Final Dividend declared as on 31st March 2008 is due for transfer to IEPF during August 2015. Members, who have not yet encashed their dividend warrant(s) or those who are yet to claim their dividend amounts which was declared for the financial year ended 31st March 2008, may write to the Company/Company's Registrar and Share Transfer Agent, Karvy Computershare Private Limited.

13. Conservation of energy, technology absorption, foreign exchange earnings and outgo

The particulars as prescribed under Section 134(3)(m) of the Act, read with Rule 8 of the Companies (Accounts) Rules, 2014, are set out in the Annexure 3 to this Report.

14. Particulars of employees

Information pursuant to the provisions of Rules 5(2) & 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are attached to this Report in Annexure 4. Rule 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, exempts from inclusion, the particulars of employees posted and working outside India not being directors or their relatives, drawing more than Rs. 6 million per financial year or Rs. 500,000 per month, but requires such particulars shall be furnished to the Registrar of Companies. Hence, the statement included in Annexure 4 does not contain the particulars of employees who are posted and working outside India. Any Member interested in obtaining a copy of such details may write to the Company in this regard.

15. Directors' responsibility statement as required under Section 134 (5) of the Companies Act, 2013

Pursuant to the provisions of Section 134 (5) of the Companies Act, 2013 the Directors of your company confirm that:

- a) In the preparation of the Annual Accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

- b) The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the company for that period;
- c) The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- d) The Directors have prepared the Annual Accounts on a “going concern basis” and
- e) The Directors, in the case of a listed company, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.

Explanation : For the purposes of this clause, the term “Internal Financial Controls” means the policies & procedures adopted by the company for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy & completeness of the accounting records, and the timely preparation of liable financial informations;

- f) The Board of Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

16. Board Meetings, Board of Directors, Key Managerial Personnel & Committees of Directors

(a) Board Meetings:

The Board of Directors of the Company met 7 times during the year 2014-15. The details of various Board Meetings are provided in the Corporate Governance Report. The gap intervening between two meetings of the board is as prescribed in the Companies Act, 2013 (hereinafter “the Act”).

(b) Changes in Directors & Key Managerial Personnel

(b-1) Directors :

1. Mr.Arun Jain had expressed his intention to relinquish his designation as Managing Director and the Board of Directors of the Company at its meeting held on 7th November 2014 have approved the same and effective 7th November 2014, Mr.Arun Jain became the Chairman and Whole Time Director of the Company.
2. With effect from 7th November, 2014, Mr. Jitin Goyal has been appointed as Executive Director, subject to approval of the members in the ensuing Annual General Meeting.
3. With effect from 7th November, 2014, Dr.Theodore Roosevelt Malloch Jr. has been appointed as Executive Director & Vice Chairman and then re-designated as Non-Executive Director in the meeting held on 30th April, 2015, subject to the approval of the members in the ensuing Annual General Meeting.
4. With effect from 22nd January, 2015, Mr. Jonathan Eric Beyman has been appointed as the Executive Director and re-designated as Non-Executive Director in the Board Meeting held on 30th April, 2015, subject to the approval of the members in the ensuing Annual General Meeting.

5. With effect from 19th March, 2015 Mrs. Uma Ratnam Krishnan has been appointed as Independent Director, subject to the approval of the members in the ensuing Annual General Meeting.

(b-2) : Key Managerial Personnel :

During the year, Mr.N.M.Vaidyanathan, was appointed as Chief Financial Officer of the Company with effect from 4th March 2015 in place of Mr.S. Swaminathan, who resigned from the post of Chief Financial Officer on 14th October 2014.

During the year, Mrs. Christina Pauline Beulah was appointed as Company Secretary and Compliance Officer of the Company on 7th November 2014 in place of Mr.V.V.Naresh, who resigned from the post of Company Secretary and Compliance Officer on 14th October 2014.

(c) Re-Appointment

As per Article 10.22 of the Articles of Association of the Company, one third of the Directors are liable to retire by rotation at the Annual General Meeting of the Company. The following Directors retire by rotation and being eligible, offer themselves for re-appointment at the ensuing Annual General Meeting:

1. Mr.Abhay Agarwal (DIN: 00042882)
2. Mr.Rajesh Mehta (DIN: 06410765)

Brief resumes of the Director(s), as required under the provisions of Clause 49 of the Listing Agreement is furnished along with the Explanatory Statement to the notice to the 22nd Annual General Meeting.

(d) Independent Directors

The following independent directors who were appointed in 21st Annual General Meeting for a period of three (3) years continue to be on the Board till the conclusion of 24th Annual General Meeting of the Company in the calendar year 2017, not liable to retire by rotation.

Mr.R.C.Bhargava
Dr. Ashok Jhunjhunwala
Mr.Arvind Kumar
Mr.Raju Venkatraman
Mr.V.Balaraman

The Company has received necessary declaration from each Independent Director of the Company under Section 149(7) of the Act, that they meet the criteria of independence as laid down in Section 149(6) of the Act.

(e) Details of remuneration to Directors: The information relating to remuneration of directors as required under Section 197(12) of the Act, is given in Annexure 5.

(f) Board Committees

The Company has the following Committees of the Board:

1. Audit Committee
2. Nomination and Remuneration and Compensation committee
3. Stakeholder's Relationship committee
4. Corporate Social Responsibility committee

Sub-committees:

1. Share transfer Committee
2. Investment Committee
3. Special Committee

The composition of each of the above Committees, their respective role and responsibility is as detailed in the Report of Corporate Governance. The Lokhandwala property Committee was dissolved on the 30th of April 2015.

The policy framed by the Nomination and Remuneration and Compensation committee under the provisions of Section 178(4) of the Act, is as below:

Remuneration policy

The remuneration policy of the Company has been so structured in order to match the market trends of the IT industry. The Board in consultation with the Nomination and Remuneration & Compensation Committee decides the remuneration policy for directors. The Company has made adequate disclosures to the members on the remuneration paid to Directors from time to time. Remuneration/ Commission payable to Directors is determined by the contributions made by the respective directors for the growth of the Company.

(g) Board Evaluation

As required under the provisions of Section 134(3)(p) of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has carried out an annual performance evaluation of its own performance, and the manner in which such performance evaluation was carried out is as under:

The performance evaluation framework is in place and has been circulated to all the directors to seek their response on the evaluation of the entire Board and independent directors. The Nomination and Remuneration & Compensation Committee shall carry out evaluation of director's performance.

The criteria of evaluation is exercise of responsibilities in a bona fide manner in the interest of the Company, striving to attend meetings of the Board of Directors / Committees of which he is a member/ general meetings, participating constructively and actively in the meetings of the Board / committees of the Board etc.

(h) Vigil Mechanism

The Company has established a whistle-blower policy and also established a mechanism for directors and employees to report their concerns. The details of the same is explained in the Corporate Governance Report.

(i) Related Party Transactions

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

The details of the related party transactions as required under Section 134(3)(h) of the Companies Act 2013, r/w Rule 8 of the Companies (Accounts) Rules, 2014, is attached as Annexure 6.

16. Auditors

Financial Auditors: M/s. S.R.Batlboi & Associates LLP, Chennai, Chartered Accountants who are the Financial Auditors of the Company hold office as financial auditors until the conclusion of the 23rd Annual General Meeting of the company to be held in the calendar Year 2016. Their appointment is subject to ratification by the members at the 22nd annual general meeting.

Secretarial Audit: Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Secretarial Audit has been carried out by M/s. S Eshwar, Company Secretaries, and his report is annexed as Annexure 7.

17. Fixed Deposits

Our Company has not accepted any deposits during the financial year and as such, no amount of principal or interest was outstanding as on March 31, 2015.

18. Social Connect

Ullas Trust

A humble initiative which started in 1997 with just 32 children has today turned into a silent movement exemplifying the power of inclusive CSR. So far, Ullas Trust has awarded more than 50,000 scholarships to students in schools across Chennai, Hyderabad, Mumbai and Delhi. More than merit based scholarships, there has been active support from the associate community in the mentoring programs called SUMMIT, packaged in modules of five interventions per year over the four year period of a child's association with Ullas. During this academic year, over six thousand children studying in Corporation and Government schools in the four metros attended these life skills program. This year under the rural re-connect "Touch the Soil" program, we ignited 1,47,435 young minds with the support of 498 volunteers across 4 states and 86 districts in rural India

Ullas – Chennai

Ullas Trust celebrated its 17th Annual workshop on Aug 30th, 2014 in The Music Academy auditorium where over 1000 Ullas achievers from class IX participated in the "Can DO" workshop and were awarded Ullas Young Achievers Scholarships. Continuing its unrelenting endeavor of recognizing academic excellence in students from Corporation, Government and Government aided schools, the Ullas Trust awarded scholarships to students from 244 schools in Chennai. As part of the Touch the Soil initiative, volunteer teams went to 285 schools from all 32 districts headquarters of Tamil Nadu to conduct the 'Can Do' workshops in these schools thus covering 1,00,928 children. In addition to that, 139 students were awarded Higher Education Scholarships for pursuing professional courses in colleges. Ullas also sponsored Easy Learning of English (ELE) classes for the 6th to 8th Std children in 19 schools of Three districts in Tamil Nadu covering 2733 students through collaboration with a local NGO-Vidyarambam. Ullas Summit Level-1 was successfully conducted in 37 schools in 12 districts of Tamil Nadu covering 4474 students, by joining hands with our partners - Vidyarambam Trust, Talent Quest for India and Entecon.

Ullas – Mumbai

Around 500 students from 13 municipal and 10 Govt – aided schools were awarded scholarships in the Mumbai workshop held in Mahakavi Kalidas Natya Mandir on November 22nd, 2014. The Diary of Dreams session was very interactive making the students participate by penning down their dreams. 98 associates volunteered to travel to different zones in Mumbai to participate as Mentors in the SUMMIT classes in local schools and conducted the classes there during the weekends. As part of the Touch the Soil initiative, volunteer teams went to 45 schools in 9 rural districts of Maharashtra to conduct the 'Can Do' workshops in these schools thus covering approx 9073 children.

Ullas – Hyderabad

In Hyderabad, 250 students eagerly participated in the Hyderabad Annual Workshop on November 29th, 2014 which was held at The Capital, Polaris Hyderabad office premises. The Young Achievers entertained everyone with a few cultural performances. The Diary of Dreams workshop was very interactive and enabled students to share their dreams. SUMMIT classes were a great hit at Hyderabad which saw the participation of not only the Ullas children but also their friends who attended the classes in order to improve their communication skills. As part of the Touch the Soil initiative, volunteer teams went to 178 schools from 25 districts headquarters of Andhra Pradesh to conduct the 'Can Do' workshops in these schools thus covering approx 23,902 children.

Ullas – Delhi

The Delhi Chapter of Ullas conducted their Annual Workshop on November 16th, 2013 where 250 Young Achievers participated from NCR. The Diary of Dreams Workshop conducted went down very well with children interacting cheerfully with the Ullas Volunteers. In Delhi the volunteers also travelled to schools to take the SUMMIT classes in the school premises. As part of the Touch the Soil initiative, volunteer teams went to 48 schools from all 9 districts of NCR to conduct the 'Can Do' workshops covering approximately 6425 children.

Ullas – Pune

The Pune Chapter of Ullas conducted their Annual Workshop in a school on December 20th, 2014 where 100 Young Achievers participated and 10 were awarded scholarships. As part of the Touch the Soil initiative, volunteer teams went to 35 schools from 7 districts of Maharashtra to conduct the 'Can Do' workshops covering approx 6390 children.

19) Audit Committee Recommendation

During the year all the recommendations of the Audit Committee were accepted by the Board. The Composition of the Audit Committee is as described in the Corporate Governance Report.

20) Extract of Annual Return

The details forming part of the extract of the Annual Return in Form MGT 9 is annexed herewith as Annexure [8].

21) Significant & Material Orders passed by the Regulators or Courts

During the Financial year 2014-15, the Company has obtained an order from Hon'ble High Court of Judicature, Madras dt.15/09/2014 on 24/09/2014 approving the Scheme of Arrangement-cum-Demerger for demerger of Products Business Undertaking of the Company into Intellect Design Arena Limited.

22) Particulars of Loans, Guarantees and Investments u/S 186

Investments made in Subsidiaries :

Name of the Subsidiary	No. of Shares	Face Value	Amount invested in FCY	Amount Rs. in lacs
Intellect Polaris Design LLC, U.S.A.	95	USD 50,000	USD 4,750,000	2913.65
Polaris Consulting & Services Pte Ltd, Singapore	250,010	SGD 1	SGD 250,010	119.85
Polaris Consulting & Services Limited, UK	5,001	GBP 1	GBP 5,001	4.92

23) Risk Management Policy: -

The Company continues to use the Risk Management Framework adopted by the Board of Directors on January 21, 2005. The framework provides an integrated approach for managing the risks in various aspects of the business. A write up on the above is provided in the Management Discussion and Analysis Report.

24) Corporate Social Responsibility: Details of the policy and implementation of the CSR activities during the year are as provided under Annexure 9.

25) Disclosure as required under Section 22 of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company has in place an Anti Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Internal Complaints Committee ("ICC") has been set up to redress the complaints received regarding sexual harassment. All employees are covered under this policy.

The following is the summary of the complaints received and disposed off during the financial year 2014-15:

- a) No. of complaints received: NIL
- b) No. of complaints disposed off: NIL

26) Listing Fees

The Company confirms that it has paid the annual listing fees for the year 2015-16 to both National Stock Exchange and Bombay Stock Exchange.

27) Acknowledgement

Your Directors take this opportunity to express the gratitude to all investors, clients, vendors, bankers, Regulatory and Government authorities, Stock Exchanges and business associates for their cooperation, encouragement and continued support extended to the Company. Your Directors also wish to place on record their appreciation to the Associates for their continuing support and unstinting efforts in ensuring an excellent all round operational performance at all levels.

By Order of the Board
For **Polaris Consulting & Services Limited**
(formerly known as Polaris Financial Technology Limited)

Place: Chennai
Date : April 30, 2015

Arun Jain
Chairman

Annexure 1
Form AOC-1

Statement (Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)
Statement containing salient features of the financial statement of Subsidiaries

Rs in Lacs

Sl No	Name of the Subsidiary	Reporting Period	Reporting Currency	Exchange Rate	Capital	Reserves	Total Assets	Total Liabilities	Investment	Turnover	Profit before Tax	Provision for Tax	Profit after Tax	Proposed Dividend	Share holding %
1	Polaris Consulting & Services Pte Ltd, Singapore	April-March	SGD	45.48	119.85	8,591.32	9,133.23	871.68	449.61	11,702.57	1,921.97	208.07	1,713.90	Nil	100
2	Polaris Consulting & Services Limited, United Kingdom	April-March	GBP	92.47	4.92	6,742.63	9,321.20	2,592.31	18.67	14,822.00	1,219.08	300.82	918.26	Nil	100
3	Polaris Consulting & Services kft. , Hungary *	January-December	HUF	0.23	7.67	0.14	187.10	179.29	-	108.87	(0.53)	-	(0.53)	Nil	100
4	Polaris Consulting & Services GmbH, Germany	April-March	EUR	67.19	261.99	672.65	1,225.15	295.47	4.96	502.16	69.72	24.20	45.51	Nil	100
5	Polaris Consulting & Services Pty Ltd, Australia	April-March	AUD	47.54	8.11	2,864.62	3,503.06	630.34	-	5,873.62	594.97	160.45	434.52	Nil	100
6	Polaris Consulting & Services Ireland Ltd, Ireland	April-March	EUR	67.19	88.96	2,336.67	2,313.79	138.77	250.61	804.85	147.25	19.74	127.51	Nil	100
7	Polaris Consulting and Services Japan K.K , Japan	April-March	JPY	0.52	79.04	1,517.18	1,998.25	402.04	-	5,689.21	269.32	113.34	155.98	Nil	100
8	Polaris Consulting & Services Inc , Canada **	April-March	CAD	49.03	189.51	2,439.04	4,523.40	1,895.34	0.49	9,197.03	797.53	219.29	578.25	Nil	100
9	Polaris Consulting & Services B.V, Netherlands *	April-March	EUR	67.19	10.99	3.32	492.32	478.01	-	568.45	24.96	1.64	23.32	Nil	100
10	Polaris Software (shanghai) company Limited, China #	January-December	CNY	10.26	46.02	(376.14)	363.99	694.11	-	235.31	(5.98)	3.00	(8.98)	Nil	100
11	Optimus Global Services Limited	April-March	INR	1.00	46.85	(129.28)	60.57	143.00	-	9.00	(2.92)	-	(2.92)	Nil	100
12	Polaris Software Consulting & Services SDN.BHD., Malaysia #	April-March	MYR	16.88	75.00	1,163.28	1,333.29	95.01	-	1,978.31	449.09	-	449.09	Nil	100
13	Intellect Polaris Design LLC, USA	April-March	USD	62.50	3,067.00	(45.00)	3,076.65	54.65	-	-	(102.44)	-	(102.44)	Nil	95

Notes

- * Subsidiaries of Polaris Consulting & Services Ltd, UK
- # Subsidiaries of Polaris Consulting & Services Pte. Ltd, Singapore
- ** 40% of shares held by Polaris Consulting & Services Pte. Limited, Singapore
- Investment includes investments made in step down subsidiaries
- Information provided above is based on the Indian GAAP financials of the Subsidiaries for the financial year ended 31st March,2015
- Reporting period for all subsidiaries is financial year except for Polaris Consulting & Services, KFT and Polaris Software Lab (Shanghai) Ltd where the reporting period is Calendar year.

Part “B”: Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

S. No.	Name of Associates/ Joint Ventures	Name 1	Name 2	Name 3
1.	Latest audited Balance Sheet Date			
2.	Shares of Associates/ Joint Ventures held by the company on the year end			
	No.			
	Amount of Investment in Associates/Joint Venture			
	Extent of Holding %			
3.	Description of how there is significant influence			
			NIL	
4.	Reason why the associate/ joint venture is not consolidated			
5.	Networth attributable to Shareholding as per latest audited Balance Sheet			
6.	Profit/ Loss for the year			
i.	Considered in Consolidation			
ii.	Not Considered in Consolidation			

1. Names of associates or joint ventures which are yet to commence operations

2. Names of associates or joint ventures which have been liquidated or sold during the year.

Note: This Form is to be certified in the same manner in which the Balance Sheet is to be certified.

Annexure 2

a) Details of unclaimed shares as per Clause 5A (I) and (II) of the Listing Agreement

Outstanding at the beginning of the year 01.01.2014		No. of Share Holders claiming during the year	No. of Share Holders claim Transfer during the year	Outstanding at the end of the year 31.03.2015	
Share Holders	Shares			Share Holders	Shares
614	90,800	8	8	606	90,000

b) **Employee Stock Options Plans**

Your Company currently administers four stock option programs, viz., ASOP 2003, ASOP 2004, ASOP 2011 and ASOP 2015. Summary information of these various stock options programs of the Company is provided under Notes to Accounts under Standalone Financial Statements of this Annual Report.

The Company has recorded compensation cost for all grants using the intrinsic value- based method of accounting, in line with prescribed SEBI guidelines.

Had compensation been determined under the fair value approach described in the Guidance Note on, " Accounting for employee share based payments" issued as ICAI, the Company's net profit and basic and diluted earnings per share would have reduced to the proforma amounts as indicated:

Particulars	Year ended 31 st March, 2015	Year ended 31 st March, 2014
Net Profit as reported	1,672,698,000	1,991,920,000
Add: Stock – based employee compensation expense (intrinsic value method)	828,054	NIL
Less: Stock- based employee compensation expense (fair value method)	47,338,651	1,177,814
Pro forma net profit	1,626,187,403	1,990,742,186
Basic earnings per share as reported	16.77	20.01
Pro forma basic earnings per share	16.30	20.00
Diluted earnings per share as reported	16.39	19.97
Pro forma diluted earnings per share	15.93	19.96

Information as required under Rule 12(9) (a) to (i) of the Companies (Share Capital and Debentures) Rules, 2014, is as below:

Particulars	ASOP 2003	ASOP 2004	ASOP 2011	ASOP 2015*
Outstanding options at the beginning of the year	1,627,500	412,300	4,012,900	-
Options Granted	-	-	650,000	-
Options Vested	147,500	36,900	282,850	-
Options Exercised	258,100	17,800	106,250	-
Total No. of shares arising as a result of exercise of option	258,100	17,800	106,250	-
Options Lapsed	359,300	16,600	50,700	-
Options Lapsed forfeited	64,000	4,200	331,300	-
Exercise Price (weighted)	125.72	184.72	175	-
Variation of terms of Options	NIL	NIL	NIL	-
Money realized by exercise of options	32,450,524	3,288,130	12,244,808	-
Total no. of Options in force	946,100	373,700	4,174,650	-

**** ASOP 2003 :**

The Exercise Price per share is the average of the two weeks high and low price of the share preceding the date of grant of option on the stock exchange on which the shares of the company are listed. If the shares are listed on more than one stock exchange, then the stock exchange where there is highest trading volume on the said date shall be considered.

**** ASOP 2004 :**

The Exercise Price per share is the Market Price which is the latest available closing price, prior to the date of the meeting of the Board of Directors in which options are granted/shares are issued, on the stock exchange on which the shares of the company are listed. If the shares are listed on more than one stock exchange, then the stock exchange where there is highest trading volume on the said date shall be considered.

**** ASOP 2011 :**

The Exercise Price per share is the Market Price which is the latest available closing price, prior to the date of the meeting of the Board of Directors in which options are granted/shares are issued, on the stock exchange on which the shares of the company are listed. If the shares are listed on more than one stock exchange, then the stock exchange where there is highest trading volume on the said date shall be considered.

If the Market Price is below Rs.175/-, options will be granted at Market Price. If the Market Price is Rs.175 or above, options will be granted at a discount of 10% on market price. However, the grant price (after discount) shall not be lower than the floor price.

***ASOP 2015**

The ASOP 2015 scheme which contains 50,00,000 pool size stock options has been approved by the members in the meeting held on 19th March 2015. But no options were granted during the financial year 2014-15 under this Scheme.

Information as required under Rule 12(9) (j) (i) to (iii) of the Companies (Share Capital and Debentures) Rules, 2014, is as below:

Name of the Senior Managerial Personnel	Designation	ESOPs Granted
Mark Stephen Wilson*	Executive Vice President (EVP)	50,000
Paramdeep Singh*	Executive Vice President (EVP)	20,000
Philip Jason Cantor*	Senior Vice President (SVP)	5,000
Gayathri Devi Jayan	Senior Vice President (SVP)	5,000
Vinay Kumar Calyampoondi	Senior Vice President (SVP)	5,000
Total		85,000
Name of the Director	Designation	ESOPs Granted
Dr.Theodore Roosevelt Malloch Jr.	Non-Executive Director	100,000
Total		100,000

* The above mentioned senior managerial personnel were transferred to the Resulting Company during the year 2014 –15.

ANNEXURE 3

Details of Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outflow

[Clause (m) of sub-section (3) of Section 134 of the Act, r/w Rule 8 of the Companies (Accounts) Rules, 2014]

A) Conservation of energy:

(a) Measures taken to reduce energy consumption:

The year also has seen a widening gap between electricity production and demand right across the country. However, our Company is ever mindful of the need for energy conservation, not only as a method of cost reduction, but also because it is a global imperative. We have ensured that the following measures are institutionalized across all our facilities:

- Optimal cooling of work areas and data centres.
- Switching off computers when not in use.
- Utilisation of lights and stand-alone air-conditioners only when required.
- Optimum utilization of Chillers operations done in Hyderabad and Navalur.
- Replacements of Street Lights to LED in Hyderabad and Navalur.
- Replacements of Package AC s in Food Court and Split AC s in Guest Rooms.
- New Data Center, where the latest Electrical and Air Conditioning units were procured.
- Set points in all Data centers were increased as per the latest protocols, across locations.
- Minimal usage of AC s and lights during weekend.

(b) Additional investments and proposals, for reduction of energy consumption :

We intend to procure cassette units and few fan coil units for Capital during this year also we intend to procure few AHUs for Navalur.

The timers being installed in AHUs in Navalur.

Ceiling Fans to be installed in the Bays so that the same can be used on weekends and to reduce the air conditioning loads during the week days. This is being planned for Navalur and Carex.

Revamping the STP is planned where the old high power pumps to be replaced with new energy efficient pumps in Navalur.

We also intend to install motion sensors in Navalur rest rooms.

We have finalised to utilise wind energy for Navalur facility.

(c) Impact of these measures on cost incurred :

Reduction in the consumption of power on street lights, projected upto 15%. Overall savings in the power consumption is projected at 15%.

(B) (i) Technology Innovation :

Data Center Build

Polaris built a new data center to consolidate 3 data centers into one. 2 data centers from Chennai and 1 from Mumbai, were consolidated into this new, next generation data center. In addition to data centers consolidation, this also led to consolidation of servers and server racks. Racks consolidated from 35 to 25. Consolidation and use of new technologies have led to overall reduction in Opex.

Two major source of energy consumption are Racks and AC. Consolidation of servers and racks, planning of AC design, precision AC, compact design of data center, rack containment, all these led to savings of 35% in power cost. We expect these cost savings to self-fund the new data center in 3 years.

The following are the major technologies used

- Dual factor authentication
- Fire proof doors and walls
- VESDA - Very early smoke detection alarm
- Fire suppression system - NOVEC
- Rodent repellent system
- Temperature and humidity monitoring
- e.Rack containment for effective cooling system
- Precision Air-conditioning with digital scroll technology for cooling done effectively this reduced the power consumption
- The ISP room is isolated from the DC

The Data center is the nervous system for our organization. Our Data center is named as Galaxy which signifies all-encompassing and complete. Being the nervous system, we have designed in a way so it provides improved performance, more availability, secure and no risk - peace of mind. This will ensure improved and maximum efficiency of all other body parts (entities in the organizations).

The DC up time will be 99.99%.

Cloud Implementation

Polaris constantly looks for innovation and new technology, to improve operational efficiency, with improved cost as another factor. Development and testing is a perfect fit for Cloud as it provide better flexibility for handling sudden burst of compute requirements. Polaris is one of the pioneers in using cloud for development and testing of Polaris solutions.

Business benefits on Cloud are flexibility, ability to meet sudden burst requirements and short duration demands. Cost of operations is 20-30% lower than traditional models.

Reason for undertaking Cloud Project:

Development need multiple test environment, there are short term and long term requirements. Short term requirements are burst in nature. Large number of environments for shorter duration. Cloud is ideal choice for handling such requirements, as no Capex investment on short term requirements.

Cloud provides flexibility of hosting. Most of the developers are located in India, hence development servers are at Cloud service providers data center in India. Where as demo happen at US, EMEA. Demo servers are hosted at US data centers to minimize latency.

Benefit of cloud implementation

Cloud reduces administrative and maintenance overheads, and simplify IT Operations

- No hosting space at Data center, power and cooling.
- Reduction on Server administrator
- No Server & SAN AMC
- No hardware refresh

There are 500 Server instances are migrated to Cloud. Cloud added significant agility and associated cost savings.

UnMail erstwhile Octopus

UnMail, erstwhile Octopus – A Functional Enterprise Social Network innovation by Intellect reached the final stage after successful adoption within the Polaris group of companies. This innovation has now become a business unit within Intellect with the new branding of “UnMail”. A product that provides digital transformation at work place, this is a true example of innovation incubating a business line.

As a change agent with Social Rooms, Social Knowledge Management and Social driven employee engagement, UnMail won industry accolades with 8 awards in last year, speaker slot in 21 forums and 100+ positive media coverage. Polaris IT is seen as the visionary and thought leaders in ESN space. It is available on cloud for demo and evaluation purposes.

The belief in UnMail was validated by replacing e-mails for all internal communication for Intellect Design Arena Ltd. This means a significant savings of un-productive time of email sniffing is a direct savings for the organization. All communication, collaboration and information storage happening in a central online platform eliminating side effects of information scattering and duplication caused by e-mails. Such mega adoption ensured a thorough and successful absorption of a technology that was innovated internally within Polaris. UnMail already has 2 successful product implementations in Polaris Group of companies.

A modular product baseline (based on RIA and SOA architecture) was carved out with a complete re-engineering of its User Experience. Not to mention addition of multiple features to the product in an agile manner strengthening Social Rooms, knowledge management and employee engagement e.g. ability to define room templates and create rooms as a self service, calendar at personal level, room level and global level, set user status, and many more.

Finally, Octopus is on its way to get deployed on a shared production cloud with a robust multi-tenant version.

(B) (ii) Technology adoption:

AD Self Help

Polaris AD Self Set brings in the culture of Do It Yourself (DIY) - Help Desk in your Hands

Polaris AD Self Set is an innovative web-based Active Directory self service product. It allows System users to Reset Password, Update Profile and unlock account right from your desktop without a single call or IT support. This time-saving, total-freedom software tool is Secure and Reliable.

From Time-taking to Time-saving

An Organization can have a HelpDesk or IT Support but we have always been waiting for someone to resolve our issue, this self-help tool saves time as there is no waiting.

It adds immense value to a business proposition by reducing costs, improving employee productivity, ensuring superior return on investment, and most importantly as a web based secure and easy interface to the domain user.

Mobile Authentication: Allows employee to self-reset their account password or Unlock their account right from their Computer by validating the Unique OTP received to their mobile.

Security & Compliance: Secured system that prevents threats externally and also internally

Password Helper: A feature for IT Admin to set password creating standards to meet compliance and policy requirements

AD Selfset has reduced 2000 service desk tickets, thereby saving 1000 hrs/month of associates' productive time.

New Initiative

All production support associates are provided 1:1 phone extensions. Additional cabling and upgrade to existing EPABX systems was done to enable this and provide better support to our customers.

New IT infrastructure

The following new IT infrastructure implementation were completed in last one year

- PISCATTAWAY Office in US (120 Seats - Phase 1)
- Goregaon FT 8012 design center (275 - Seats)
- US Product Office - NJ (35 Seats)
- UK Product Office - London (35 Seats)
- Australial New Office set up (25 Seats)
- FT Design Center - Hyderabad
- FT Design Center - Gurgaon
- Tampa Office in US (35 Seats)
- Citi ODC at PISCATTAWAY (40 Seats)

Network Infrastructure upgrades

Few major network infrastructure upgrade were taken up last year:

- Network architecture revamp at Pittsburg
- Network architecture revamp at Citi ODC, Tampa
- Hardware refresh of routers in Citi Network
- Implementation of Blue coat in ODCs
- Data Leak prevention (DLP) enhanced with the monitoring of the data leak events

IT Support enhancements

a. IT Kiosk

IT Kiosk created across all locations, which enabled the associates to walk-in and fix their Laptop issues and get the replacement for faulty IT components. This has reduced the turn-around time for the resolution of the IT issues and increased the performance of the IT support to associates.

b. Knowledge base in Octopus

The IT issues resolution knowledgebase created in Octopus. Associates were able to fix their IT issues themselves using this knowledgebase. This has helped in the reduction of the service desk calls. Also the service desk associates provided the reference of the knowledgebase for the resolution of their issues which has increased the usage of knowledge base for the resolution of IT issues

MIS

As a part of De-merger activity, all the internal applications had to be aligned to handle the bifurcation in data and cater to two different set of business rules. Applications related to Revenue recognition, Finance accounting etc., had to be provisioned to handle the set of new legal entities created across the globe. Extensive data integrity across applications and data security related activities with bifurcation and transfer of projects, associates, assets, customer, vendors etc., has been handled with very little impact on day to day business operations.

In our effort towards achieving operational excellence, we have embarked upon role based MIS Analytical Dashboards. Profitability, Head count analysis, Sales have been provided with secured data visibility for different managerial role players at Corporate, SBU, Cluster, Account Levels.

Uniform dashboards with their set of data displayed, helps all levels of management representatives to review, analyze and make appropriate decision making.

All new package for Sales and Marketing activity of Intellect has been commissioned. This package helps the sales, marketing and senior management teams to track the sales process till closure with enhanced functional features and rich analytics.

Apart from these, a number of process improvement initiatives have been handled thru automation with regular connects with the Business to help them managing their activity efficiently.

(B) (iii) Technology Absorption

IT Policies & process simplification towards Business & Associate enablement. Mobile assets usage, Wireless access, Remote connectivity options, Cloud enablement and Assets provisioning simplified and made associate friendly through Technology & Process refinement.

Approval levels & layers consolidated for Privilege Exceptions & infrastructure provisioning.

New ODCs were set-up at Tampa US and other Indian locations.

25 Customer Reviews conducted and completed successfully across locations.

Cost savings on optimization of IT infrastructure and reduction of operation cost

Rate contract signed for laptops and desktop procurements for FY2014-15, yielded cost saving of INR 0.24CR

Hardware AMC and Firewall consolidation reduce maintenance cost by INR 0.24CR

Test & development environments on cloud has cost saving of INR 0.27CR
over 5 years

(iv) the expenditure incurred on Research and Development

Rs.in Lakhs

Particulars	March 31, 2015
Capital	-
Revenue	1,005.12
Total	1,005.12

Total R & D expenditure as a % of total turnover- 0.60%

(C) Foreign exchange earnings and Outgo –

Rs. In Lakhs

For the year ended	March 31, 2015	March 31, 2014
Foreign Exchange earnings	147,694.41	185,491.17
Foreign Exchange outgo (including capital goods)	108,029.55	114,587.99

Annexure 4
Particulars of Employees

Information as required under Rule 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, and forming part of the Director's Report for the Financial Year ended March 31, 2015

Sl.No	Employee Name	Designation	Nature of employment (contractual or otherwise)	Qualification	Age (Years)	Previous Employer	Total Experience (in years)	Designation at Previous Employment	Date of Joining	Amount in INR	Percentage of equity shares held within Rule 5(2) and 5(3)	Whether he is a relative of director / manager
1	Rama Sivaraman	Executive Vice President	On Rolls	BE, MBA	49	DSQ Software Ltd.	25	SEPG Manager	23-Aug-1999	12,684,732	-	No
2	Sharad Verma	Senior Vice President	On Rolls	Post Graduate from XLRI	46	SunGard Global Technology, Pune	21	Sr HR Director	06-Oct-2014	3,289,336	-	No
3	Kedarnath Udiyavar	President	On Rolls	BE	57	Citicorp Overseas Technologies	33	Senior Consultant	30-Dec-1985	13,206,176	-	No
4	Vaidyanathan Nurani Mahadevan	Chief Finance Officer	On Rolls	ACA, Grad.CWA	47	Vivimed Labs Ltd	21	Group CFO	04-Mar-2015	751,597	-	No
5	Sudha Kunkalienkar	Executive Vice President	On Rolls	B.Sc, M.Sc	52	COSL	30	Nt Avl	01-Oct-2004	10,300,497	-	No
6	Pankaj Modi	Senior Vice President	On Rolls	BE, MBA	53	HCL Technologies	27	Vice President	17-Jan-2011	7,125,381	-	No
7	Vikas Misra	Executive Vice President	On Rolls	B.Sc., B.Tech.	48	Nucleus Software Workshop (P) Ltd.	25	Systems Manager	08-Apr-1996	7,953,153	-	No

ANNEXURE 5

Details of Ratio of Remuneration of Director

[Section 197(12), r/w Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel), Rules, 2014]

(i) the ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year;	Name of the Director	Ratio to the Median
	Jitin Goyal	52
(ii) the percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year;	Name of the Director	% increase
	-	-
(iii) the percentage increase in the median remuneration of employees in the financial year;	9.09%	
(iv) the number of permanent employees on the rolls of company;	6,983	
(v) the explanation on the relationship between average increase in remuneration and company performance;	-	
(vi) comparison of the remuneration of the Key Managerial Personnel against the performance of the company;	The remuneration payable to the KMP is in accordance with the Industry and Geographical standards	
(vii) variations in the market capitalisation of the company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer in case of listed companies, and	-	

in case of unlisted companies, the variations in the net worth of the company as at the close of the current financial year and previous financial year;	
(viii) average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;	5.22%
(ix) comparison of the each remuneration of the Key Managerial Personnel against the performance of the company	<p style="text-align: center;">Jitin Goyal – Director Vaidyanathan N M - Chief Financial Officer Christina Pauline Beulah - Company Secretary</p> <p style="text-align: center;">The remuneration payable to the KMP is in accordance with the Industry and Geographical standards</p>
(x) the key parameters for any variable component of remuneration availed by the directors;	The variable pay is in accordance with the performance of the Company as well as the individual
(xi) the ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year;	Not Applicable
(xii) Affirmation that the remuneration is as per the remuneration policy of the company.	Yes, our remuneration is as per the remuneration policy of the company

ANNEXURE 6

Details of Related Party Transactions

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

1. Details of contracts or arrangements or transactions not at arm's length basis

(a)	Name(s) of the related party and nature of relationship	-	-
(b)	Nature of contracts/arrangements/transactions	-	-
(c)	Duration of the contracts/arrangements/transactions	-	-
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	-	-
(e)	Justification for entering into such contracts or arrangements or transactions	-	-
(f)	Date(s) of approval by the Board	-	-
(g)	Amount paid as advances, if any:	-	-
(h)	Date on which the special resolution was passed in general meeting as required under first proviso to section 188	-	-

RELATED PARTY TRANSACTIONS

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

The details of the related party transactions as required under Section 134(3)(h) r/w Rule 8 of the Companies (Accounts) Rules, 2014, is attached as Annexure 6.

2. Details of material contracts or arrangement or transactions at arm's length basis

(In lakhs)

Name of the related party and nature of relationship	ADRENALIN ESYSTEMS LIMITED	INTELLECT DESIGN ARENA LIMITED
Nature of contracts/arrangements/transactions	<ul style="list-style-type: none"> a) Rent, Amenities, Power & Fuel charges provided by Adrenalin b) Software Support Services, marketing support provided by Adrenalin c) Share of office maintenance, security services, repair charges to Adrenalin 	<ul style="list-style-type: none"> a) Trade Receivables b) Trade Payables c) Other Current Liabilities d) Software Development Service Income e) Software Development Expenses f) Reimbursement of expenses to the company g) Reimbursement of expenses by the company h) Rental Income i) Rental Expenses

Name of the related party and nature of relationship	ADRENALIN ESYSTEMS LIMITED	INTELLECT DESIGN ARENA LIMITED
Duration of the contracts/arrangements/transactions	The contract will continue till any party terminate the contract	The contract will continue till any party terminate the contract
Salient terms of the contracts or arrangements or transactions including the value, if any	The agreement shall be effective from Effective Date (12.11.2014) and shall be continue, unless otherwise terminated. Either party may terminate the agreement or service provided in pursuance of the agreement made between the parties	The agreement shall be effective from Effective Date (12.11.2014) and shall be continue, unless otherwise terminated. Either party may terminate the agreement or service provided in pursuance of the agreement made between the parties
Justification for entering into such contracts or arrangements or transactions	a) To avoid misuse of corporate assets and abuse of related party transactions b) To ensure compliance with the relevant legal framework set out by regulatory authorities c) To act as a framework for any statement of work that may be entered into between the parties for any service that may be provided by one party to another	a) To avoid misuse of corporate assets and abuse of related party transactions b) To ensure compliance with the relevant legal framework set out by regulatory authorities c) To act as a framework for any statement of work that may be entered into between the parties for any service that may be provided by one party to another
Date of approval by the Board	07.11.2014	07.11.2014
Amount paid as advances, if any	a) 24.49 b) 38.91 c) (31.38)	a) 1569.97 b) (103.48) c) 16.44 d) 1935.29 e) (211.11) f) 936.38 g) 618.43 h) 95.31 i) 192.20

Form shall be signed by the persons who have signed the Board's report.

ANNEXURE 7

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2015

To,
The Members,
Polaris Consulting & Services Limited
[formerly Polaris Financial Technology Limited]
244/713, Anna Salai,
Chennai – 600006.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Polaris Consulting & Services Limited [formerly Polaris Financial Technology Limited] (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March 2015 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2015 according to the provisions of:

- (i) The Companies Act, 2013, and the Companies Act, 1956 [to the extent the same is applicable] ("**the Act**") and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("**SEBI Act**"):-
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - e) SEBI (Share Based Employee Benefits) Regulations, 2014.
 - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

- g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. (to the extent the same where applicable to it) mentioned above.

- (vi) We further report that, after considering the compliance system prevailing in the Company, and after carrying out test checks of the relevant records and documents maintained by the Company, it has complied with the following laws that are applicable specifically to the Company:
- (a) The Foreign Trade (Development and Regulation) Act, 1992, and the policies framed thereunder.
 - (b) Information Technology Act, 2000.
 - (c) SEZ Act, 2005

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India (not applicable as not notified during the period under review)
- (ii) The Listing Agreements entered into by the Company with National Stock Exchange, Bombay Stock Exchange and Madras Stock Exchange;

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent / tabled at the meeting.

Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines including general laws, labour laws, competition law, and environmental laws.

We further report that during the audit period the Company has demerged its Products Business Undertaking under the Scheme of arrangement cum demerger between the Company, Intellect Design Arena Limited ("Resulting Company") and its respective shareholders, which has been approved by the Hon'ble High Court of Madras vide its order dated 15th September 2014.

Place: Chennai

Date: 30th April 2015

for 
Company Secretaries
S ESHWAR

FCS. No. 6097, C.P. NO. 5280

To,

The Members,
Polaris Consulting & Services Limited
[formerly Polaris Financial Technology Limited]
244/713, Anna Salai,
Chennai - 600006

Our Secretarial Audit Report of even date is to be read along with this letter.

1. It is the Management's Responsibility to maintain secretarial records, and to devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.
2. Our responsibility as the Secretarial Auditor is to express an opinion on these secretarial records, systems, standards and procedures based on our audit.
3. Wherever required, we have obtained the management's representation about the compliance of laws, rules and regulations and happening of events etc.
4. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place: Chennai
Date: 30th April 2015

for 
Company Secretaries

S ESHWAR

FCS. No. 6097, C.P. NO. 5280

ANNEXURE 8**FORM NO. MGT 9****EXTRACT OF ANNUAL RETURN**

As on financial year ended on 31.03.2015

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

I. REGISTRATION & OTHER DETAILS:

1.	CIN	L65993TN1993PLC024142
2.	Registration Date	05.01.1993
3.	Name of the Company	POLARIS CONSULTING & SERVICES LIMITED (formerly known as Polaris Financial Technology Limited)
4.	Category/Sub-category of the Company	Information Technology
5.	Address of the Registered office & contact details	Polaris House, Carex Centre, #244, Anna Salai, Mount Road, Chennai – 600 006.
6.	Whether listed company	Yes
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Karvy Computershare Private Ltd Plot No: 17 to 24, Vittal Rao Nagar Madhapur Hyderabad – 500 081.

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY (All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Software Development and Implementation	722	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

SN	Name And Address of the Company	CIN/GLN	Holding / Subsidiary Associate	% of shares held	Applicable Section
1	Optimus Global Services Limited	U72300TN2002 PLC049649	Subsidiary	100%	186
2	Polaris Consulting & Services GmbH, Germany		Subsidiary	100%	186
3	Polaris Consulting & Services Pty Ltd, Australia		Subsidiary	100%	186
4	Polaris Consulting & Services Ireland Ltd., Ireland		Subsidiary	100%	186
5	Polaris Consulting & Services Japan K.K (Japan)		Subsidiary	100%	186

6	Polaris Consulting & Services Inc., Canada		Subsidiary	100%	186
7	Intellect Polaris Design LLC, USA		Subsidiary	95%	186
8	Polaris Consulting & Services Pte Ltd, Singapore		Subsidiary	100%	186
9	Polaris Consulting & Services Limited, UK		Subsidiary	100%	186

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

Category-wise Share Holding

SHARE HOLDING PATTERN BETWEEN 31/03/2014 AND 31/03/2015

CATEGORY CODE	CATEGORY OF SHAREHOLDER	NO. OF SHARES HELD AT THE BEGINNING OF THE YEAR 31/03/2014				NO. OF SHARES HELD AT THE END OF THE YEAR 31/03/2015				% CHANGE DURING THE YEAR
		DEMAT	PHYSICAL	TOTAL	% OF TOTAL SHARES	DEMAT	PHYSICAL	TOTAL	% OF TOTAL SHARES	
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)	(X)	(XI)
(A)	PROMOTER AND PROMOTER GROUP									
(1)	INDIAN									
(a)	Individual /HUF	28,995,759	1	28,995,760	29.13	28,985,760	-	28,985,760	29.01	0.12
(b)	Central Government/State Government(s)	-	-	-	0.00	-	-	-	0.00	0.00
(c)	Bodies Corporate	-	-	-	0.00	-	-	-	0.00	0.00
(d)	Financial Institutions / Banks	-	-	-	0.00	-	-	-	0.00	0.00
(e)	Others	-	-	-	0.00	-	-	-	0.00	0.00
	Sub-Total A(1) :	28,995,759	1	28,995,760	29.13	28,985,760	-	28,985,760	29.01	0.12
(2)	FOREIGN									
(a)	Individuals (NRIs/Foreign Individuals)	-	-	-	0.00	-	-	-	0.00	0.00
(b)	Bodies Corporate	-	-	-	0.00	-	-	-	0.00	0.00
(c)	Institutions	-	-	-	0.00	-	-	-	0.00	0.00
(d)	Qualified Foreign Investor	-	-	-	0.00	-	-	-	0.00	0.00
(e)	Others	-	-	-	0.00	-	-	-	0.00	0.00
	Sub-Total A(2) :	-	-	-	0.00	-	-	-	0.00	0.00
	Total A=A(1)+A(2)	28,995,759	1	28,995,760	29.13	28,985,760	-	28,985,760	29.01	0.12
(B)	PUBLIC SHAREHOLDING									
(1)	INSTITUTIONS									
(a)	Mutual Funds /UTI	3,003,669	-	3,003,669	3.02	220,590	-	220,590	0.22	2.80
(b)	Financial Institutions /Banks	462,913	-	462,913	0.47	438,079	-	438,079	0.44	0.03
(c)	Central Government / State Government(s)	-	-	-	0.00	-	-	-	0.00	0.00
(d)	Venture Capital Funds	-	-	-	0.00	-	-	-	0.00	0.00
(e)	Insurance Companies	-	-	-	0.00	-	-	-	0.00	0.00
(f)	Foreign Institutional Investors	27,301,643	150	27,301,793	27.43	22,645,417	150	22,645,567	22.66	4.76
(g)	Foreign Venture Capital Investors	-	-	-	0.00	-	-	-	0.00	0.00
(h)	Qualified Foreign Investor	-	-	-	0.00	-	-	-	0.00	0.00
(i)	Others	-	-	-	0.00	-	-	-	0.00	0.00
	Sub-Total B(1) :	30,768,225	150	30,768,375	30.91	23,304,086	150	23,304,236	23.32	7.58
(2)	NON-INSTITUTIONS									
(a)	Bodies Corporate	2,578,209	550	2,578,759	2.59	5,146,771	550	5,147,321	5.15	-2.56

(b)	Individuals									
	(i) Individuals holding nominal share capital upto Rs.1 lakh	7,811,578	196,267	8,007,845	8.04	11,492,321	191,200	11,683,521	11.69	-3.65
	(ii) Individuals holding nominal share capital in excess of Rs.1 lakh	5,357,098	-	5,357,098	5.38	10,771,994	-	10,771,994	10.78	-5.40
(c)	Others									
	BUSINESS ASSOCIATES	19,575,092	-	19,575,092	19.66	17,458,692	-	17,458,692	17.47	2.19
	CLEARING MEMBERS	653,279	-	653,279	0.66	412,833	-	412,833	0.41	0.24
	NON RESIDENT INDIANS	412,164	3,850	416,014	0.42	572,165	3,850	576,015	0.58	-0.16
	OVERSEAS CORPORATE BODIES	250	50	300	0.00	250	50	300	0.00	0.00
	TRUSTS	3,177,652	20,100	3,197,752	3.21	1,553,852	20,100	1,573,952	1.58	1.64
(d)	Qualified Foreign Investor	-	-	-	0.00	-	-	-	0.00	0.00
	Sub-Total B(2) :	39,565,322	220,817	39,786,139	39.97	47,408,878	215,750	47,624,628	47.67	-7.70
	Total B=B(1)+B(2) :	70,333,547	220,967	70,554,514	70.87	70,712,964	215,900	70,928,864	70.99	-0.12
	Total (A+B) :	99,329,306	220,968	99,550,274	100.00	99,698,724	215,900	99,914,624	100.00	0.00
(C)	Shares held by custodians, against which	-	-	-	-	-	-	-	-	-
	Depository Receipts have been issued	-	-	-	-	-	-	-	-	-
(1)	Promoter and Promoter Group	-	-	-	-	-	-	-	-	-
(2)	Public	-	-	-	0.00	-	-	-	0.00	0.00
	GRAND TOTAL (A+B+C) :	99,329,306	220,968	99,550,274	100.00	99,698,724	215,900	99,914,624	100.00	

B) Shareholding of Promoter-

S No	Name of the Share Holder	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No of Shares	% of total shares of the Company	& of shares Pledged/encumbered to total shares	No of Shares	% of total shares of the Company	& of shares Pledged/encumbered to total shares	
1	POLARIS HOLDINGS LIMITED	20,020,938	20.11	-	20,020,938	20.04	-	0.07
2	ARUN JAIN	4,332,364	4.35	-	4,322,365	4.33	-	0.03
3	YOGESH ANDLAY	2,077,447	2.09	-	2,077,447	2.08	-	0.01
4	MANJU JAIN	1,052,460	1.06	-	1,052,460	1.05	-	0.00
5	ARUN JAIN	789,000	0.79	-	789,000	0.79	-	0.00
6	UDAY JAIN	619,500	0.62	-	619,500	0.62	-	0.00
7	AARUSHI JAIN	60,000	0.06	-	60,000	0.06	-	0.00
8	MEENA AGARWAL	21,450	0.02	-	21,450	0.02	-	0.00
9	SHASHI GUPTA	5,900	0.01	-	5,900	0.01	-	0.00
10	NAVEEN KUMAR	4,800	0.00	-	4,800	0.00	-	0.00
11	NITA JAIN	2,400	0.00	-	2,400	0.00	-	0.00
12	MANJU VERMA	2,400	0.00	-	2,400	0.00	-	0.00
13	UMA GUPTA	2,400	0.00	-	2,400	0.00	-	0.00
14	NEETA MATHUR	2,400	0.00	-	2,400	0.00	-	0.00
15	SUMAN MATHUR	2,300	0.00	-	2,300	0.00	-	0.00
16	ARUN JAIN	1	0.00	-	-	-	-	0.00
	Total	28,995,760		-	28,985,760		-	

C) Change in Promoters' Shareholding (please specify, if there is no change)

SN	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year*	4,332,365	4.35	4,322,365	4.33
2	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	06/02/2015 : (-) 10,000 (SHARES TRANSFERRED BY WAY OF GIFT)			
3	At the end of the year	4,322,365	4.33	4,322,365	4.33

**D) Shareholding Pattern of top ten Shareholders:
(Other than Directors, Promoters and Holders of GDRs and ADRs):**

S No	Name of the Share Holder	No. of shares at the beginning the beginning (01-04-14) / end of the year (31-03-15)	% of total shares of the Company	Date	Increase / Decrease in Shareholding	Reasons	Cumulative Holding	% change in shareholding
1	POLARIS ASSOCIATE STOCK OPTION PLAN TRUST	1,536,000	1.54	3/31/2014			1,536,000	100%
				4/4/2014	-455,546	Transfer	1,080,454	
				4/11/2014	-98,509	Transfer	981,945	
				4/18/2014	-76,000	Transfer	905,945	
				4/25/2014	-33,583	Transfer	872,362	
				5/16/2014	-282,459	Transfer	589,903	
				5/23/2014	-351,908	Transfer	237,995	
				5/30/2014	-237,995	Transfer	-	
		0	0.00	3/31/2015			-	
2	ORBITECH LIMITED	15,379,606	15.45	3/31/2014			15,379,606	0%
		15,379,606	15.39	3/31/2015			15,379,606	
3	CITIBANK A/C. ORBITECH LIMITED	4,195,486	4.21	3/31/2014			4,195,486	50.44%
				5/9/2014	-4,000,000	Transfer	195,486	
				6/30/2014	4,000,000	Transfer	4,195,486	
				7/11/2014	-4,000,000	Transfer	195,486	
				9/30/2014	1,883,600	Transfer	2,079,086	
		2,079,086	2.08	3/31/2015			2,079,086	
4	LSV EMERGING MARKETS EQUITY FUND LP	1,127,800	1.13	3/31/2014			1,127,800	33.90%
				7/11/2014	100,000	Transfer	1,227,800	
				3/27/2015	147,927	Transfer	1,375,727	
		1,510,089	1.51	3/31/2015			1,510,089	
5	HERMES INVESTMENT FUNDS PLC ON BEHALF OF HERMES EM	3,242,327	3.26	3/31/2014			3,242,327	100%
				5/30/2014	-405,022	Transfer	2,837,305	
				6/6/2014	-9,571	Transfer	2,827,734	
				6/13/2014	-288,993	Transfer	2,538,741	
				7/11/2014	-245,764	Transfer	2,292,977	
				9/30/2014	-1,670,979	Transfer	621,998	
				10/3/2014	-408,210	Transfer	213,788	
				10/10/2014	-213,788	Transfer	-	
		-	0.00	3/31/2015			-	
6	FRANKLIN MUTUAL SERIES FUNDS- MUTUAL BEACON FUND	7,108,509	7.14	3/31/2014			7,108,509	14.14%
				12/31/2014	-402,388	Transfer	6,706,121	
				1/2/2015	-36,740	Transfer	6,669,381	
				1/9/2015	-239,911	Transfer	6,429,470	
				1/16/2015	-54,250	Transfer	6,375,220	
				1/23/2015	-248,994	Transfer	6,126,226	
				3/20/2015	-23,178	Transfer	6,103,048	
		6,103,048	6.11	3/31/2015			6,103,048	

7	GHI LTP LTD	2,374,961	2.39	3/31/2014			2,374,961	62.75%
				7/11/2014	-367,440	Transfer	2,007,521	
				7/18/2014	-34,907	Transfer	1,972,614	
				7/25/2014	-193,158	Transfer	1,779,456	
				12/12/2014	-46,000	Transfer	1,733,456	
				1/9/2015	-26,220	Transfer	1,707,236	
				1/16/2015	-236,880	Transfer	1,470,356	
				1/23/2015	-211,295	Transfer	1,259,061	
				1/30/2015	-224,000	Transfer	1,035,061	
				2/6/2015	-109,380	Transfer	925,681	
				2/20/2015	-10,000	Transfer	915,681	
				3/6/2015	-15,000	Transfer	900,681	
				3/13/2015	-16,000	Transfer	884,681	
				884,681	0.89	3/31/2015		
8	GHI JBD LTD	1,000,045	1.00	3/31/2014			1,000,045	63.48%
				7/11/2014	-156,960	Transfer	843,085	
				7/18/2014	-14,911	Transfer	828,174	
				7/25/2014	-80,172	Transfer	748,002	
				12/12/2014	-19,000	Transfer	729,002	
				1/9/2015	-10,830	Transfer	718,172	
				1/16/2015	-97,920	Transfer	620,252	
				1/23/2015	-87,275	Transfer	532,977	
				1/30/2015	-91,000	Transfer	441,977	
				2/6/2015	-47,160	Transfer	394,817	
				2/20/2015	-4,400	Transfer	390,417	
				3/6/2015	-7,200	Transfer	383,217	
				3/13/2015	-8,000	Transfer	375,217	
				3/20/2015	-10,000	Transfer	365,217	
		365,217	0.37	3/31/2015			365,217	
9	ORBITECH EMPLOYEES WELFARE TRUST	1,152,329	1.16	3/31/2014			1,152,329	1.54%
				9/30/2014	-16,000	Transfer	1,136,329	
				10/3/2014	-1,800	Transfer	1,134,529	
		1,134,529	1.14	3/31/2015	0	Transfer	1,134,529	
10	AUSTRALIANSUPER	985,276	0.99	3/31/2014	0	Transfer	985,276	5.13%
				3/27/2015	20,100	Transfer	1,005,376	
		1,035,776	1.04	3/31/2015			1,035,776	

E) Shareholding of Directors and Key Managerial Personnel:

SI No	Name of the Share Holder	Shareholding at the beginning of the year	Sold	Bought	Cumulative Holding	Share holding at the end of the year	Date
1	ASHOK JHUNJHUNWALA	18300	0	0	18300		3/31/2014
			0	2000	20300		5/23/2014
			500	0	19800		8/22/2014
			500	0	19300		11/14/2014
			0	0	19300	19300	3/31/2015
2	ASHOK JHUNJHUNWALA	7000	0	0	7000		3/31/2014
			500	0	6500		4/4/2014
			3000	0	3500		6/6/2014
			1000	0	2500		9/19/2014
			0	0	2500	2500	3/31/2015
3	ABHAY AGARWAL	29622	0	0	29622		3/31/2014
			0	2000	31622		9/5/2014
			0	0	31622	31622	3/31/2015
4	ARVIND KUMAR	21000	0	0	21000		3/31/2014
			0	4000	25000		10/10/2014
			2000	0	23000	23000	12/5/2014
5	UMA RATNAM KRISHNAN	10000	0	0	10000		3/31/2014
			0	0	10000	10000	3/31/2015

6	RAJU VENKATRAMAN	500	0	0	500		3/31/2014	
			0	10000	10500			9/5/2014
			0	0	10500	10500		3/31/2015
7	RAVINDRA CHANDRA BHARGAVA	0	0	0	0		3/31/2014	
			0	2000	2000			9/5/2014
			0	17100	19100			10/10/2014
8	SUBRAMANIAM SWAMINATHAN		0	0	19100	19100	3/31/2015	
		0	0	0	0			3/31/2014
			0	13000	13000			10/3/2014
			0	2000	15000			13/02/2015
		0	0	15000	15000		3/31/2015	

V) INDEBTEDNESS -Indebtedness of the Company including interest outstanding/accrued but not due for payment.

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)				
Change in Indebtedness during the financial year			Nil	
* Addition				
* Reduction				
Net Change				
Indebtedness at the end of the financial year				
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)				

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount
		MD	WTD *	----	---	
1	Gross salary	-	-	-	-	-
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	24,117,600	-	-	24,117,600
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	12,986,400	-	-	12,986,400
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-	-	-
2	Stock Option	-	1,100,000**	-	-	1,100,000
3	Sweat Equity	-	-	-	-	-

4	Commission - as % of profit - others, specify...	-	-	-	-	-
5	Others, please specify	-	-	-	-	-
	Total (A)	-	38,204,000	-	-	38,204,000
	Ceiling as per the Act	It is in accordance with the ceiling as specified under section 197 of the Companies Act, 2013.				

* The remuneration provided above is for Mr.Jitin Goyal, Executive Director who is a Non-Resident, during the period 1/04/2014 to 31/03/2015 (Joined as Director on 7/11/2014) prior to which he was the CEO of the company.

** The salary was paid to him in foreign currency by the foreign subsidiary. The amount mentioned above is the INR equivalent of the same. Further 1,100,000 options were granted to him in the previous year 2013 – 14.

B. Remuneration to other directors

SN.	Particulars of Remuneration	Name of Directors						Total Amount
1	Independent Directors	Arvind Kumar	R C Bhargava	Uma Ratnam Krishnan	V Balaraman	Ashok Jhunjunwala	Raju Venkatraman	
	Fee for attending board committee meetings	185,000	210,000	15,000	155,000	230,000	90,000	885,000
	Commission	894,179	894,179	127,740	894,179	894,179	569,023	4,273,479
	Others, please specify	0	0	0	0	0	0	-
	Total (1)	1,079,179	1,104,129	142,740	1,049,179	1,124,179	659,023	5,158,479
2	Other Non-Executive Directors	Theodore Roosevelt Malloch Jr.	Abhay Agarwal	Jonathan Eric Beyman	Rajesh Mehta			
	Fee for attending board committee meetings	0	165,000	0	0	-	-	165,000
	Commission	0	726,521	-	0	-	-	726,521
	Others, please specify	0	0	0	0	-	-	0
	Total (2)	0	891,521	0	0	-	-	891,521
Total (B)=(1+2)	1,079,179	1,995,700	142,740	1,049,179	1,124,179	659,023	6,050,000	
	Total Managerial Remuneration	-	-	-	-	-	-	-
	Overall Ceiling as per the Act	It is in accordance with the ceiling as specified under section 197 of the Companies Act, 2013.						

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

SN	Particulars of Remuneration	Key Managerial Personnel					Total
		CEO	CS-010414 to 141014 *	CS - 071114 to 310315	CFO-010414-141014 *	CFO-040314-310315	
1	Gross salary	-	-	331,272	-	751,597	1,082,869
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	331,272	-	751,597	1,082,869
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-	-	-

2	Stock Option	-	-	-	-	100,000	100,000
3	Sweat Equity	-	-	-	-	-	-
4	Commission	-	-	-	-	-	-
	- as % of profit	-	-	-	-	-	-
	others, specify...	-	-	-	-	-	-
5	Others, please specify	-	-	-	-	-	-
	Total	0		331,272		851,597	1,182,869

*The cost of CS and CFO employed for the period the year 1st April 2014 to 14th October 2014 has been transferred to Intellect Design Arena Ltd subsequent to the demerging of Product business from the Company

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty					
Punishment					
Compounding					
B. DIRECTORS					
Penalty			Nil		
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment					
Compounding					

ANNEXURE 9**FORMAT FOR THE ANNUAL REPORT ON CSR ACTIVITIES TO BE INCLUDED IN THE BOARD'S REPORT**

Particulars	Remarks
Date of Formation of CSR Committee	18 th March 2014
Composition of Committee	Dr.Ashok Jhunjhunwala, Chairman Raju Venkatraman, Member V Balaraman, Member Arun Jain, Member
CSR Activity	The Company is undertaking its CSR activity through Ullas Trust which qualifies as CSR activity under Schedule VII (ii) of the Companies Act, 2013. Ullas Trust objective is to recognize and promote academic excellence for the lesser privileged

Total amount to be spent for the financial year:

Particulars	Amount (Rs in lakhs)
Avg.net profit of three years	16,562.30
2% of Avg. net profits -Sec 135	331.25

Details of CSR spent during the financial year:

Date of payment	Amount (Rs.in lakhs)
June 5, 2014	29.81
December 18,2014	25.00
January 7, 2015	25.00
January 21, 2015	25.00
February 23, 2015	50.00
March 30, 2015	176.44
Total	331.25

Amount unspent – Nil

Manner in which the amount spent during the financial year is detailed below.

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S. No	CSR project or activity identified.	Sector in which the Project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or Programs Subheads: (1) Direct expenditure on projects or programs. (2) Overheads:	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing agency *
1	The Company is undertaking its CSR activity through Ullas Trust* which qualifies as CSR activity under Schedule VII (ii) of the Companies Act, 2013.	Promotion of Education	Ullas Trust	331.25	The amount has been provided to Ullas Trust who are working towards promotion of education	331.25	331.25
	TOTAL			331.25		331.25	331.25

About Ullas Trust

Ullas Trust (Polaris' CSR initiative) was started in 1997 by the Polaris employees, with an aim to integrate Polaris with a larger community and enable them to enjoy the bliss of working with young minds in the country.

The primary motive of Ullas is to recognize academic excellence in students from the economically challenged sections of our society and encourage the "Can do" spirit towards chasing their dreams and aspirations. Very early in its evolution, Ullas decided to focus its energies on students during the most vulnerable stage in their journey – adolescence! This would translate into students from Class (Grade) 9th to 12th.

Ullas operates out of our campuses in Chennai, Hyderabad, Mumbai and Delhi

Ullas has so far touched the lives of over 50,000 children studying in urban schools and 4 lakh children in rural India. The trust has been awarded India's best CSR Company by BSE - NASSCOM - Times Foundation in 2008.

CSR committee Responsibility statement:

The implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company

(CEO) (Chairman CSR Committee)

(Person specified Under Clause (d) of Sub-section (1) of Section 380 of the Act (wherever applicable).

By Order of the Board
For **Polaris Consulting & Services Limited**
(formerly known as Polaris Financial Technology Limited)

Place: Chennai
Date : April 30, 2015

Arun Jain
Chairman

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REPORT ON CORPORATE GOVERNANCE

Report on Corporate Governance

1. Company's Philosophy

Polaris focuses Corporate Governance as a key driver of sustainable corporate growth and a powerful medium to achieve the company's goal of maximizing value for all its stakeholders. A sound corporate governance strengthens investors' trust and enables the company to fulfill its commitment towards the customers, employees and the society in general. Polaris believes that the primary objective is to create and adhere to a corporate culture of conscience and consciousness, empowerment, accountability and independent monitoring. The company's philosophy is based on the key elements in corporate governance viz., transparency, disclosure, supervision and internal controls, risk management, internal and external communications, accounting fidelity, product and service quality. The company has a strong legacy of fair and ethical governance practices.

2. Board of Directors

The Board of Directors of the Company possess highest personal and professional ethics, integrity and values, and provide leadership, strategic guidance and objective judgement on the affairs of the company. The Board is fully aware of its fiduciary responsibilities and is committed to represent the long-term interest of the Stakeholders. The Board adopted the principles of corporate governance and remains informed, participative, and independent to implement its broad policies and guidelines and has set up adequate review procedures.

- **Composition of the Board of Directors as on March 31, 2015**

The Key to good corporate governance is the optimum combination of the executive and non-executive directors on the board and the extent of their independence. The Board consists of twelve members with knowledge and experience in diverse fields and professionally acclaimed to understand their role in addressing the issues raised by the management. The day-to-day affairs of the company are managed by the Chairman under the supervision of the Board.

As a policy, the Company has an optimal combination of Executive, Non-executive and Independent Directors to maintain the independence of the Board.

- **Boards' Composition**

The Board consists of twelve members; comprising of one Chairman, one Executive Director, one Non-Executive Director, Six Independent Directors and three non – executive and non independent Directors. To maintain the independence of the Board and to separate its functions of governance and management, there is an appropriate mix of executive and Non-Executive independent Directors.

Composition of the Board and directorships held as on 31st March 2015:

Name of the Director	Age	India Listed Companies (1)	All Companies around the world (2)	Committee memberships (3)	Chair person of Committees (4)
Chairman					
Arun Jain	55	1	5	2	0
Executive Director					
Jitin Goyal	43	0	2	0	0
Non-Executive Director					
Abhay Agarwal	54	0	19	2	0

Non – Executive and Non – Independent Directors					
Rajesh Mehta	54	0	3	0	0
Jonathan Eric Beyman	59	0	1	0	0
Theodore Roosevelt Malloch JR	62	0	1	0	0
Non-Executive and Independent Directors					
Arvind Kumar	73	0	3	2	1
R.C. Bhargava	80	5	10	5	7
Dr.Ashok Jhunjunwala	61	5	12	12	4
V.Balaraman	68	2	9	13	6
Raju Venkatraman	56	0	9	1	0
Uma Ratnam Krishnan	53	1	3	0	0

Notes: Inter relationship between Mr.Arun Jain and Mr.Abhay Agarwal

- (1) Excluding directorship in Polaris Consulting & Services Limited and its subsidiaries.
- (2) Directorship in Companies around the world (listed, unlisted and private limited companies), including Polaris Consulting & Services Limited and its subsidiaries.
- (3) As required by Clause 49 of the Listing Agreement, the disclosure includes Membership / Chairmanship of the audit committee, Stakeholders’ Relationship Committee, CSR Committee and Nomination and Remuneration & Compensation Committee in Indian public companies (listed and unlisted)

Mr.Arun Jain has relinquished his position as Managing Director and the Board has approved the same in the meeting held on 7th November 2014.

- **During the financial year 2014-15, Board of Directors met 7 times on the following dates**

April 18, 2014	November 07,2014
April 30, 2014	January 22, 2015
July 23, 2014	March, 19 2015
September 24, 2014	

The maximum gap between two Board meetings was 75 days. (between 7th November 2014 to 22nd January 2015)

Board of Directors’ attendance at the 21st Annual General Meeting held on July 23rd, 2014

Sl. No.	Name	Director Identification Number (DIN)	Designation / Category	Attended
1.	Arun Jain	00580919	Chairman	Y
2.	Abhay Agarwal	00042882	Non Executive Director	Y
3.	Arvind Kumar	00636869	Non Executive / Independent Director	Y
4.	Dr.Ashok Jhunjunwala	00417944	Non Executive / Independent Director	Y
5.	Raju Venkatraman	00632071	Non Executive / Independent Director	Y
6.	R C Bhargava	00007620	Non Executive / Independent Director	Y
7.	Rajesh Mehta	06410765	Non Executive / Non Independent Director	Y
8	V.Balaraman	00267829	Non Executive / Independent Director	Y

Board of Directors' attendance for the Board & Committee Meetings held during the year 2014-15

[Y= Attended, N= Not attended, (*) attended through Video Conference, (+) attended through Audio Conference; BM: Board Meeting, NRCC = Nomination and Remuneration & Compensation Committee Meeting, AC : Audit Committee Meeting, SRC : Stakeholders' Relationship Committee Meeting, SCM: Special Committee Meeting, ID: Independent Directors Meeting.]

Note: Details about Non-mandatory Committee are given elsewhere in this report.

Sl. No.	Name	Meetings held on																																							
		18/4/14					30/4/14					23/7/14					24/9/14					7/11/14					22/01/15					18/3/15					19/3/15				
		BM	BM	AC	SRC	NRC	BM	AC	SRC	NRC	BM	BM	AC	SRC	NRC	BM	BM	AC	SRC	NRC	BM	AC	SRC	NRC	AC	ID	BM	NRC													
1	Arun Jain	Y	Y	-	-	-	Y	-	-	-	Y	Y	-	-	Y	Y	-	-	Y	Y	-	-	Y	Y	-	-	Y	Y													
2	R.C. Bhargava	Y	Y*	Y*	-	Y*	Y	Y	-	Y	Y*	Y	Y	-	Y	Y	Y	-	Y	Y	Y	-	Y	Y	Y	Y	Y	Y													
3	Abhay Kumar Agarwal	Y	Y	Y	Y	-	Y	Y	Y	-	Y*	Y	Y	Y	-	N	N	N	-	Y	-	-	Y	-	Y	-	-	-													
4	V.Balaraman	Y	Y	-	Y	Y	Y	-	Y	Y	Y	Y	-	Y	Y	Y	-	Y	Y	-	Y	Y	-	Y	Y	Y	Y	Y													
5	Dr. Ashok Jhunjhunwala	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y*	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y													
6	Raju Venkatraman	Y	N	-	N	-	Y	-	Y	-	Y	Y	-	Y	-	N	-	N	-	-	-	-	-	Y	Y	Y	-	-													
7	Arvind Kumar	Y	Y	Y	-	-	Y	Y	-	-	Y*	Y	Y	-	-	Y	Y	-	-	Y	Y	-	-	Y	Y	Y	Y	-													
8	Iitin Goyal	-	-	-	-	-	-	-	-	-	-	Y	-	-	-	Y	-	-	-	-	Y	-	-	-	-	-	-	Y													
9	Rajesh Mehta	Y	Y*	-	-	-	Y	-	-	-	Y*	Y	-	-	-	N	-	-	-	-	-	-	-	-	-	-	-	Y													
10	Theodore Roosevelt Malloch JR	-	-	-	-	-	-	-	-	-	-	Y	-	-	-	Y*	-	-	-	-	-	-	-	-	-	-	Y	-													
11	Jonathan Eric Beyman	-	-	-	-	-	-	-	-	-	-	-	-	-	-	Y*	-	-	-	-	-	-	-	-	-	-	Y*	-													
12	Uma Ratnam Krishnan	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	Y	-													

Profile of the Directors of the Company are given below:

Mr. Arun Jain, Chairman

Arun Jain is the Chairman of Polaris Consulting & Services Limited and Chairman and Managing Director of Intellect Design Arena Limited. He is a leading proponent of 'Design Thinking'. Apart from recognizing the level of differentiation that design can bring to the business, he also believes that good design must drive a transformation of businesses, from order takers to agenda setters, effectively connecting the dots between business, technology and operations.

Intellect Design Arena Ltd. was incubated within Polaris Financial Technology Ltd., a global leader in products, solutions and services that enable unprecedented operational productivity for the global Financial Services industry with annual revenues of over \$413mn USD, 40 Relationship Offices in 30 Countries, six International Development Centers and eight fully owned Business Solution Centers. The over 11,500 solutions architects, technology and domain experts at Polaris provide solutions to the banking, financial services and insurance markets.

The Intellect brand embodies rich Intellectual Property translating to robust platforms and products across Global Transaction Banking, Global Consumer Banking, Central Banking, Risk & Treasury Management and Insurance. The Intellect platform and suite of specialist products addresses the needs of financial institutions in varying stages of technology adoption.

Arun is the recipient of prestigious accolades including the 'Indo-ASEAN Business Initiative Award' and the 'ICICI Venture – CII Connect Entrepreneur Award'. His contribution was recognized by the Times Group, with an award and a feature in a book titled 'Pathfinders' that lauds the achievements of extraordinary personalities in the IT & ITES industry.

Several national and regional fora benefit from Arun's experience and counsel. Arun has served as Chairman of Tamil Nadu State Council, Confederation of Indian Industry (CII) – Southern Region during 2003–2004 and Chairman of Indo-American Chamber of Commerce – Tamil Nadu Branch during 2001–2002. He was on the Board of Madras Stock Exchange Ltd. and Board of Xavier's Institute of Management, Bhubaneswar, India. He is a member of the Advisory Council of the Software Technology Parks of India (STPI) and a member of the Governing Council of the

National Institute of Electronics and Information Technology (NIELIT), Department of Electronics and Information Technology, Govt. of India. He was the Chairman of recently concluded – CII BANKING TECH Summit 2014. He is now a member of the Managing Committee of MMA (Madras Management Association) and also the SEN (Social Engineering Network), and Ambassador at YPO (Young Presidents Organisation).

Arun is also a social engineer, who works towards creating a safer environment and a better community. Innovations such as the FT Grid envision high-end technology, accessible to the remotest corners of the country. Ullas, the signature social initiative, was begun 16 years ago, and has grown along with the organisation. This brainchild of Arun provides vital professional skills to adolescent children across the country. In 2013-14 alone, over one lakh children in rural areas have been touched by Ullas' transformative sessions.

An approach to learning as a constant pursuit, and firm belief that it is possible to arrive at the extraordinary from the ordinary, led to Arun researching and creating a Learning Architecture for the organisation, designed for the advancement of associates (employees) at every level. At the centre of this learning architecture is the workshop, 'Preparing the Design Mind', which he presents to the associates himself.

This path of deep domain expertise, vision and planning began in 1993, with just \$250 and a dream. Arun's passion for innovation and his constant quest for excellence, have led the organisation into Phase 4.0 of its growth journey.

Mr. Abhay Agarwal, Practising Chartered Accountant

Mr. Abhay Agarwal is a practising Chartered Accountant based at Delhi. He is well experienced in the areas of accounting, finance, management and corporate advisory services. His proficiency and competency in the above said areas are asset to the Company.

Mr. Abhay Agarwal was invited to join the Board of Polaris in May 1995. He is a member of Audit Committee and Shareholders' Committee of the Company. He is also a Director in Sunshine India (P) Ltd., Dabur Securities (P) Ltd., British Health Products (India) Ltd., Welltime Investments (P) Ltd., Param Investments (P) Ltd., Elephant India Advisors (P) Ltd., Natures Bounty Wines & Allied Products (P) Ltd., Dr. Fresh Health Care (P) Ltd., Lite Eat Out Foods (P) Ltd., Super Hoze Industries (P) Ltd., Dr. Fresh Buildcon (P) Ltd., Elephant India Finance (P) Ltd., and Dr. Fresh SEZ Phase I (P) Ltd., Lite Bite Foods Pvt. Ltd. and Milky Investment & Trading Co., Burmas Finvest Pvt. Ltd., VIC Enterpriese Pvt. Ltd., A.CEE Enterprieses (a private Co. with Unlimited Liability) and Puran Associates Pvt. Ltd.,

Mr. Arvind Kumar, Senior Lawyer - Supreme Court

Mr. Arvind Kumar, who is a M.A. L.L.B., enrolled as an Advocate on 12th November 1963 at Kanpur from the U.P. Bar Council at Allahabad and practiced in the High Court of Judicature at Allahabad from 1966 to 1972 and later in the year 1972, he shifted to the Supreme Court of India at New Delhi and started practicing there. He is a Senior Lawyer having 50 years of professional standing at Bar and has gained enough global experience by participating in civil and corporate cases around the world.

Mr. Arvind Kumar is a Life Member of the Supreme Court Bar Association and Bar Association of India. Presently practising as a Senior Advocate in the Supreme Court, he is a reputed corporate legal expert and advises Polaris Consulting & Services Ltd. on issues relating to Corporate Governance, Legal and other Statutory compliance issues.

Mr. Arvind Kumar joined the Board of Polaris in May 1995 and Chairs the Audit Committee of the Company. He is also a Director in Nucsoft Limited, Associated Legal Advisors (P) Limited.

Dr. Ashok Jhunjhunwala, Professor - Department of Electrical Engineering, IIT Madras

Ashok Jhunjhunwala is Professor in the Department of Electrical Engineering, Indian Institute of Technology, Madras at Chennai, India. After his BTech, he got his MS and PhD from the University of Maine. From 1979 to 1981, he was with Washington State University as Assistant Professor. Since 1981, he has been teaching at IIT Madras.

Dr. Jhunjhunwala is considered the pioneer in nurturing Industry-Academia interaction in India towards R&D, Innovation and Product Development. He conceived and built the first Research Park (IIT Madras Research Park) in India which houses over 100 R&D companies in its 1.2 million square feet built-up area. TIE conferred him the title of Dronacharya for his contributions to the cause of entrepreneurship, as he incubated and nurtured over 100 companies at IIT Madras. He heads the IITM Incubation Cell and Rural Technology and Business Incubator (RTBI). He leads the Telecommunications and Computer Networks group (TeNeT), which has worked closely with industry in the development of a number of products for Indian telecom, banking and power industries.

One of his key focus over the last two decades has been to drive telecom R&D. As a developer of the first Wireless in Local Loop (CoRDECT WLL) product in India, he recognises that in the absence of adequate wire-line infrastructure, India would need to deliver higher and higher bit rate per Hz of available spectrum, but with lower and lower power per bit. 4G and 5G wireless technologies are focused towards this. The R&D tasks in India are to contribute to new fundamental ideas and acquire enough IPR in the area and drive international standards. The first objective would be to get India as a net-royalty inflow nation. At the same time, there has to be a focus on driving telecom design and manufacturing in India, so that its net-imports in telecom goes to zero. Simultaneously, he has been working on using telecom and ICT to make a difference to lives of people in India, especially for its rural people. Using ICT to drive health-care, education, agriculture, livelihood and financial inclusion has been the focus of his work. He was the founder chairman of Mobile Payment Forum of India, which enabled mobile payments in India.

Having made a mark in telecom, over the last couple of years he has focused on power and has come up with innovation to ensure that all homes in India get 24 x 7 power even in situation of extreme power-shortage. Using his solar-DC innovation, he is focused on decentralised solar power and believes that by 2030, India should get 50% of its peak power from solar. As a chairman of Technology Advisory Group for Electric Mobility, he believes that 50% of vehicles in 2030 could have electric traction.

He is keen to drive quality into Science and Engineering Higher Education. As a member of Kakodkar committee on IITs and NITs, he has driven that IITs should become primarily research institutions in future, while NITs should become the institutions with highest quality UG education. As a chair of a MHRD committee on "Quality Enhancement in Engineering Education," and a member of review committee of AICTE, he is targeting both public and private engineering colleges to significantly improve the quality of their education. He believes that ICT can be an important tool to enable this, though strengthening of local faculty is equally important.

As a chairman of a Committee of SAC-PM on water, he has come up with a comprehensive report on different ways that water-shortage, quality and pollution is affecting India and has come up with R&D, Implementation and Policy tasks that India has to undertake to overcome the problems.

Dr. Jhunjhunwala has been Chairman and member of various government committees and has been on boards of several education institutions in the country. At the same time, he has been on the boards of a number of public and private companies and has driven comprehensive changes, especially in the area of technology, in the companies. He was a Director on the board

of State Bank of India, Bharat Electronics, HTL, NRDC, IDRBT, VSNL and BSNL. Currently he is a board member Tata Communications, Mahindra Rewa, Polaris, Sasken, Tejas Networks, TTML, Intellect and Exicom. He is currently also on the board of BIRAC and Chairman of Technology Advisory Group of SEBI.

Dr. Jhunjhunwala was conferred Padma Shri, Shanti-swarup Bhatnagar Award, Vikram Sarabhai Research Award, H. K. Firodia Award, Silicon India Leadership Award, Millenium Medal at Indian Science Congress, UGC Hari Om Ashram Award, IETE's Ram Lala Wadhwa Gold Medal, JC Bose fellowship, Bernard Low Humanitarian Award and many others. He is fellow of IEEE, INSA, NAS, IAS, INAE and WWRF. He has also been conferred honorary doctorate by University of Maine and Blekinge Institute of Technology, Sweden.

Mr.R.C.Bhargava, Chairman, Maruti Suzuki India Ltd.

Mr.R. C. Bhargava is a post graduate in Mathematics from Allahabad University (1954) and Development Economics from Williams College, Mass USA (1963), India joined the Indian Administrative Service in 1956, on the basis of an All-India competitive examination and secured the number one position in India.

Between 1968 and 1973 he worked in the State of Jammu & Kashmir and was the Secretary to Government in the Departments of Agriculture, Horticulture, Animal Husbandry, Forests and Sheep Breeding.

Between 1973 and 1978 he worked in Delhi in the Central Government. His rank was of Joint Secretary. For 4 years he was in the Ministry of Energy, and for a little over one year in the Cabinet Secretariat.

Between 1979 and 1981 Mr. Bhargava worked as the Commercial Director of Bharat Heavy Electricals Limited, the leading manufacturer of all power generating and transmission equipment in India.

Mr. Bhargava joined Maruti Udyog Limited, as Director Marketing, soon after its incorporation in 1981. Mr. Bhargava was appointed as the Managing Director (CEO) in 1985. He became the Chairman and Managing Director in 1990. In 1992 Suzuki continued him as its nominee for the post of Managing Director. Mr. Bhargava retired in 1997. He was re-inducted to the Board in 2003 after Suzuki acquired control of the Company and it was listed. He was appointed as the non-executive Chairman on the 19th December 2007, a position he continues to hold to date.

Mr. Bhargava is on the Board of Directors of a number of leading companies in India. These include Grasim Industries Limited, UltraTech Cement Company Limited, Maruti Suzuki India Limited, Polaris Consulting & Services Limited, Infrastructure Leasing and Financial Services Limited, Dabur India Limited, Idea Cellular Limited, Thomson Press Limited and Taj Asia Limited. He chairs the Board of Maruti Suzuki India Limited. He is also owner, President and CEO of RCB Consulting Private Limited.

Mr. Bhargava is also on the India Advisory Boards of BAE Systems Ltd, Rio Tinto (India), and Hitachi India Ltd.

In his efforts towards helping the education system in India, he has previously been the Chairman of the board of governors of the Doon School, Dehradun; and on the Boards of IIM, Lucknow and IIM Calcutta. Mr. Bhargava has also chaired an IIM Review Committee constituted by the Ministry of Human Resources Development of the Government of India.

Mr. Bhargava has been undertaking consultancy assignments for a number of companies, both Indian and foreign. These include a number of Japanese companies.

Mr. Bhargava has recently written a book, 'The Maruti Story'. He has also authored a book in Japanese on Suzuki's strategy in India.

In November 2011, the Emperor of Japan conferred on Mr. Bhargava the “Order of the Rising Sun Gold and Silver Star”. He has also been given the Lifetime Award for Management by the Economic Times and the All India Management Association.

Mr. Raju Venkatraman, Managing Director & CEO of MEDALL Healthcare Pvt Ltd.

Mr. Raju Venkatraman is a serial Entrepreneur and has successfully started and sold businesses like Vetri Systems, Inc., Rev IT & Sherpa Business Solutions.

He has served as an executive in EDS, President, Data Management Services of the Lason System Inc. and was responsible for over 10,000 employees.

Till recently, Mr. Raju was the Joint Managing Director of Firstsource where he helped to scale the business to over \$400 million and over 23,000 people.

Currently, Mr. Raju is the MD & CEO of MEDALL Healthcare Pvt. Ltd. launched in October 2009, with a vision to serve 10 Million people in India. Medall has over 48 centers in Tamil Nadu, Karnataka, Andhra Pradesh, Kerala, and Maharashtra. Medall employs over 1900 people and 100 Radiologists and Pathologists.

In December 2005, Mr. Raju joined the Board of Polaris and Prodapt Business Solutions.

Mr. Raju is the Chairman of WPO Chennai Chapter (World President's Organisation) He is also the President of Madras Management Association.

Mr. Raju is also the recipient of Entrepreneur Award from TIECON from Tamil Nadu Government in 2008 - 09 and is a recognized expert and speaker in the field of business process outsourcing. He holds an executive MBA degree from IIM, Ahmedabad.

Mr. Raju Venkatraman is also a distinguished alumnus of IIT Madras.

Dr. Theodore Roosevelt Malloch Jr, Director

Dr. Theodore Roosevelt Malloch Jr. is a Director of Polaris Consulting & Services Ltd. He also is a Professor and Fellow in Management Practice at the Saïd Business School, The University of Oxford. He previously served as Research Professor at Yale University.

Ted Malloch is also the Chairman and Chief Executive Officer of The Roosevelt Group, a leading strategic management and thought leadership company. He has served on the executive board of the World Economic Forum (DAVOS) and has held an ambassadorial level position at the United Nations in Geneva, Switzerland. He has worked in the US State Department and US Senate, did capital markets at Salomon Brothers on Wall Street, and has sat on a wide number of corporate, mutual fund, and not-for-profit boards, including the University of Toronto International Governing Council, a Pew Charitable Trust board, and the Templeton Foundation.

Ted earned his Ph.D. in International Political Economy from the University of Toronto and took his BA from Gordon College and an M.Litt. from the University of Aberdeen on a St. Andrews Fellowship.

Ted has authored many books, his most recent concern the nature of virtuous enterprise, the practices of practical wisdom and “virtuous business” the pursuit of happiness, the virtues of generosity and thrift. He is working on a book on Prudent Business.

Jitin Goyal, Executive Director

Jitin has over 18 years of industry experience and is currently the Executive Director – Polaris Consulting & Services Ltd, based out of London.

Prior to Polaris, he spent more than 10 years at Infosys with stints in the US, UK and Continental Europe, serving as the Head of Sales for Europe, Middle East & Africa, and then as Head of Financial Services for Europe. He was a member of the Tier-1 leadership team at Infosys.

Prior to joining Infosys in 1999, Jitin was with Citibank in India. He has rich experience across multiple dimensions of the banking industry including FX and derivatives trading, selling risk management solutions to corporate clients, leading BPR teams responsible for re-engineering the bank's core systems and processes, and running back-office operations.

He is also a successful entrepreneur and has set up a technology innovation company.

Jitin holds an MBA in Finance & Strategy from the Indian Institute of Management (Calcutta) and a BE in Electronics from Thapar Institute of Engineering & Technology.

Jonathan Eric Beyman - Managing Director and Global Head of ICG Operations & Technology, Citibank, Newyork

Jonathan Eric Beyman is the former Managing Director and Global Head of Operations and Technology, Institutional Clients Group, Citi, in New York between 2008 and 2014, Beyman was responsible for all operations and technology activities of the Citi Institutional Bank and its three main global businesses - Investment Bank, Private Bank and Global Transaction services business. He also chaired the Chief Information Officer's Council in Citi, a consolidated governance and decision making body that sets unified policies and standards worldwide across the bank.

Jon Beyman's career includes experience with Lehman Brothers as its Managing Director, Global Head of Operations and Chief Information Officer. He was also Managing Director, Credit Suisse, in charge of Global Investment Banking Operations. Beyman has also served on the Boards of organisations such as the Depository Trust Corporation, and NPower, and presently serves on the Boards of Riverkeeper, New York's clean water advocate, and on the Open Door Shelter, a homeless shelter in his community. Beyman was inducted into the University of Connecticut School of Business Hall of Fame in May 2009. He completed his Bachelor's program from the University of Connecticut, and an MBA in Finance from the Johnson Graduate School of Management, Cornell University.

Uma Ratnam Krishnan, Director

Uma Ratnam Krishnan comes with a solid track record of 27 years in the Financial Services sector. This includes rich experience in developing strategy and vision, conceptualising, building and leading large cross-functional, geographically diverse teams. Her leadership roles include senior positions in Royal Bank of Scotland (RBS) in the UK prior to which she was Director, Global Operations Hub for RBS' Retail, Corporate and Commercial operations. After an initial stint with the Indian Foreign Service, her career in banking began with ANZ Grindlays and HDFC Bank after her MBA from IIM, Bangalore. Ms. Krishnan is currently an independent director on the board of Take Solutions Ltd.

Mr.V.Balaraman, Corporate Director/Consultant/Mentor

Mr. V.Balaraman is a B.Tech Chemical Engineer from the University of Madras and a MBA from the Indian Institute of Management, Ahmedabad. He was the MD and CEO of Pond's India Ltd between 1991 and 1998 and was Director - Exports in Hindustan Lever Limited between 1998 and 2002; He became MD and CEO of Adrenalin eSystems Limited, a Polaris group company between 2002 and 2006.

He is a director on the Boards of Mahindra World City Developers Limited, Parry Enterprises India Limited, Adrenalin eSystems Limited, India Nippon Electricals Limited, Intellect Design Arena Limited, Computer Age Management Services Pvt. Limited, Mother Dairy Fruit & Vegetable Private Limited and DELPHI-TVS Diesel Systems Limited.

Outside the corporate world Mr.V.Balaraman also served as the President of the Madras Chamber of Commerce and Industry, Madras Management Association, Indian Shoe Federation,

Federation of Indian Export Organizations Southern Region and as Chairman of the Footwear Design and Development Institute.

Mr.V.Balaraman is passionate about Brand Marketing and Human Development and in pursuit of these interests, provides consultancy to companies besides coaching / mentoring business leaders. Frequently he is a speaker at Management seminars and business events in India and abroad

Mr. Rajesh Mehta, Treasury and Trade Solutions Head, Europe Middle East & Africa (EMEA), Citi Global Transaction Services.

Rajesh Mehta is Regional Head of Treasury and Trade Solutions for Citi in Europe, Middle East & Africa (EMEA). He leads a team responsible for the provision of cash management and trade solutions to a broad range of customers including multinational corporations, top local companies, small and medium enterprises, governments and financial institutions.

Rajesh has been with Citi for 31 years and has held numerous roles across the globe throughout his career. He began working for Citi in India and then moved to Audit & Risk Review in Singapore, before moving on to become Cash Management and Trade Head for Indonesia, Global Transaction Services Head for Mexico and later Regional Cash Management and Trade Head for Latin America, based in Buenos Aires. In 2002, he was appointed Global Transaction Services Head for Sub Saharan Africa, based in Johannesburg. In January 2007, Rajesh moved to London to assume the role of Regional Payments Head for EMEA assuming responsibility for Cash Management products in October 2007 and additionally Trade products in 2008. He has been in his current role since May 2013.

Rajesh sits on Citi's Operating Committee for Europe, Middle East and Africa and on the Boards of Polaris Consulting & Services Limited as well as Citibank A.S, Turkey and Citibank Europe Plc.

Rajesh holds a Bachelors (Hons) degree in Economics from St. Stephen's College, Delhi University and an MBA from the Indian Institute of Management, Ahmedabad.

3. Audit Committee

The Company has a qualified and independent Audit Committee comprising of Non-executive / Independent Directors. The Chairman of the Committee is an Independent Director. The Company Secretary acts as the Secretary to the Committee.

Members of the Audit Committee are as follows:

Name	Designation	No.of Meetings	
		Held	Attended
Arvind Kumar	Chairman	5	5
Abhay Agarwal	Member	5	4
Dr.Ashok Jhunjunwala	Member	5	5
R.C.Bhargava	Member	5	5

The Audit Committee had met five times during the year 2014-15.

Powers of the Committee

- To investigate any activity within its terms of reference.
- To secure attendance of and seek information from any employee including representative of Prime Shareholders (subject to internal approvals).
- To obtain outside legal or other professional advice, if necessary.
- To secure attendance of outsiders with relevant expertise, if it considers necessary.
- Compliance with the accounting standards.

Role / Functions of the Committee

- Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013
 - b. Changes, if any, in accounting policies and practices and reasons for the same
 - c. Major accounting entries involving estimates based on the exercise of judgment by management
 - d. Significant adjustments made in the financial statements arising out of audit findings
 - e. Compliance with listing and other legal requirements relating to financial statements
 - f. Disclosure of any related party transactions
 - g. Qualifications in the draft audit report
- Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- Approval or any subsequent modification of transactions of the company with related parties;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the company, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;
- Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- Discussion with internal auditors of any significant findings and follow up there on;

- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- To review the functioning of the Whistle Blower mechanism;
- Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

Review of information

- a. Management discussion and analysis of financial condition and results of operations;
- b. Statement of significant related party transactions, as defined by the Committee, submitted by the management;
- c. Management letters/letters of internal control weaknesses issued by the statutory auditors;
- d. Internal audit reports relating to internal control weaknesses; and
- e. the appointment, removal and terms of remuneration of the Chief Internal Auditor

4. Nomination and Remuneration & Compensation Committee

The Nomination and Remuneration & Compensation Committee consisting of 1 Director and 3 Non-executive Independent Directors, who evaluates and finalise among other things, compensation and benefits of Executive Directors and the procedures and modalities for giving effect to the Employee Stock Option Scheme which inter alia includes determination of eligibility criteria, maximum number of options/ shares offered to each employee and the aggregate number of options / shares offered during the period covered under the Scheme, identification of classes of employees entitled to participate in the scheme, framing of a detailed pricing formula, mode or process of exercise of the option etc.

The Nomination and Remuneration & Compensation Committee has been reconstituted in the Board Meeting held on 7th November 2014 and the members of the Nomination and Remuneration & Compensation Committee are as follows:

Name	Designation	No. of meetings	
		Held	Attended
R.C. Bhargava	Chairman	5	5
Dr.Ashok Jhunjhunwala	Member	5	5
V.Balaraman	Member	5	5
Arun Jain *	Member	5	3

* appointed as member in the meeting held on 7th November 2014.

Remuneration policy

The remuneration policy of the Company has been so structured in order to match the market trends of the IT industry. The Board in consultation with the Nomination and Remuneration & Compensation Committee decides the remuneration policy for directors. The Company has made adequate disclosures to the members on the remuneration paid to Directors from time to time. Remuneration / Commission payable to Directors is determined by the contributions made by the respective directors for the growth of the Company.

Name of the Directors	Fixed Salary				Bonus / incentives	Commission Payable	Sitting fees paid	No. of equity shares held	Amount in Rupees.	
	Basic Salary	Perquisites / Allowances	Retiral benefits	Total fixed salary					Stock Options granted	Stock Options exercised
Chairman										
Arun Jain	-	-	-	-	-	-	43,22,365	-	-	-
Non-Executive Director										
Abhay Agarwal (1)	-	-	-	-	-	726,521	165,000	31,622	-	2,000
Non-Executive and Non Independent Director										
Rajesh Mehta	-	-	-	-	-	-	-	-	-	-
Non-Executive and Independent Directors										
Arvind Kumar	-	-	-	-	-	894,179	185,000	23,000	-	4,000
R.C.Bhargava	-	-	-	-	-	894,179	210,000	19,250	-	2,000
Dr.Ashok Jhunjhunwala	-	-	-	-	-	894,179	230,000	19,300	-	2,000
V.Balaraman	-	-	-	-	-	894,179	155,000	-	-	-
Raju Venkatraman	-	-	-	-	-	569,023	90,000	10,500	-	10,000
Theodore Roosevelt Malloch Jr.(1)	*	-	-	-	*	-	-	-	100,000	-
Jitin Goyal (1)**	2,41,17,600	1,29,86,400	-	3,71,04,000	-	-	-	-	-	-
Jonathan Eric Beyman (2)	*	-	-	-	*	-	-	-	-	-
Uma Ratnam Krishnan (3)	-	-	-	-	-	127,740	15,000	10,000	-	-

* The Directors' were approximately paid Rs. 2,501,200 (Ted) & Rs.1,250,600 (Jon) in foreign currency by the foreign subsidiaries for their tenure as Directors of the company from their respective period of appointment. The amount mentioned is the INR equivalent of the same. Subsequently in the Board meeting held on 30th April 2015 they are being appointed as non- executive director not eligible for receiving remuneration.

** The salary of Jitin was paid in foreign currency by the foreign subsidiary. The amount mentioned above is the INR equivalent of the same. Further options amounting to 1,100,000 options were granted to him in the previous year 2013 – 14.

(1) for the period 7.11.2014 to 31.03.2015

(2) for the period 22.01.2015 to 31.03.2015

(3) for the period 19.03.2015 to 31.03.2015

Stock Options

Details of stock options granted during the financial year 2014-15 under ASOP 2003, ASOP 2004 and ASOP 2011 Schemes are detailed as below:-

Sl. No.	Date of Grant	Option Price (Rs.)	ASOP 2003		ASOP 2004		ASOP 2011	
			No. of Associates	No. of Options	No. of Associates	No. of Options	No. of Associates	No. of Options
1	30/04/2014	126.00	-	-	-	-	75	340,000
2	07/11/2014	175.00	-	-	-	-	18	82,000
3	22/01/2015	166.80	-	-	-	-	18	228,000
							111	650,000

During the period under review no stock option(s) were granted under ASOPT 2011. The Company has obtained a certificate from the Auditors of the Company certifying that the Company's Associate Stock Option Plan(s) are being implemented in accordance with the SEBI (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999 as applicable and in accordance with the resolution of the Members in the General Meeting.

ASOP 2015 :

The members in the Extraordinary General Meeting of the Company held on 19th March 2015 have approved a new Stock Option Scheme "Associate Stock Option Scheme (ASOP 2015) which contains 50,00,000 Pool size stock options for grant of options to the associates, Directors excluding Independent Directors, and the associates of subsidiary companies.

The Scheme is classified into 5 categories:

1. Swarnam 101
2. Swarnam 201
3. Swarnam 301
4. Swarnam 401
5. Swarnam 501

Grant price per option shall be as detailed below:

The Grant Price per option shall be at the Market price or discount on Market price as detailed below

		DISCOUNT PER OPTION (% on Market Price)					
	Price Band	Swarnam 101	Swarnam 201	Swarnam 301	Swarnam 401	Swarnam 501	
A	Market Price up to Rs.126/-	Nil	Nil	Nil	Nil	Nil	
B	Market Price between Rs.126/- to Rs.360/-	15%	30%	50%	25%	Up to 50%	
C	Market Price is > Rs. 360/-	10%	20%	50%	25%	Up to 50%	

However, in case of B above, grant price (after discount) shall not be lower than the floor price.

5. Stakeholders' Relationship Committee

The Shareholders' Committee has been renamed as Stakeholders' Relationship Committee during the year.

The Stakeholders' Relationship Committee consisting of Non-executive Directors only. It focuses on Shareholders' grievances and strengthening of investor relations. This Committee specifically looks into the redressal of shareholders complaints like transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends etc.

The purpose of constituting this Committee is to uphold the basic rights of the shareholders including right to transfer and registration of shares, obtaining relevant information about the company on a timely and regular basis, participating and voting in shareholders meetings, electing members of the board and sharing in the residual profits of the Company. Further the Committee is empowered to act on behalf of the Board, in the matters connected with allotment of shares, issuance of duplicate share certificates, split and consolidation of shares into marketable lots etc.

The Stakeholders' Relationship Committee had met four times during the year 2014-15.

Members of the Shareholders' Committee are as follows:

Name	Designation	No. of Meetings	
		Held	Attended
V. Balaraman	Chairman	4	4
Abhay Agarwal	Member	4	3
Dr. Ashok Jhunjhunwala	Member	4	4
Raju Venkatraman	Member	4	2

During the year, under ASOP 2003 Scheme the company has allotted 258,100 equity shares of Rs.5/- each to 74 Associates / Directors and under ASOP 2004 Scheme the company has transferred 17,800 equity shares of Rs.5/- each to 2 Associates and under ASOP 2011 Scheme the company has transferred 106,250 equity shares of Rs.5/- each to 47 Associates pursuant to exercise of options granted as detailed hereunder:

Sl. No.	Date of Allotment	ASOP 2003		ASOP 2004		ASOP 2011	
		No. of Associates	No. of shares allotted	No. of Associates	No. of shares allotted	No. of Associates	No. of shares allotted
1	April 17, 2014	13	40,800	-	-	8	29,200
2	May 15, 2014	4	14,800	-	-	5	6,200
3	June 10, 2014	7	25,800	-	-	2	2,300
4	July 29, 2014	5	19,600	-	-	1	300
5	August 19, 2014	11	25,200	-	-	7	7,250
6	September 12, 2014	2	1,800	1	1,800	3	3,050
7	September 22, 2014	3	17,000	1	16,000	1	500
8	October 04, 2014	15	82,500	-	-	7	22,450
9	January 28, 2015	7	18,100	-	-	6	4,550
10	February 23, 2015	5	10,000	-	-	6	5,450
11	March 19, 2015	1	1,000	-	-	1	25,000
12	March 27, 2015	1	1,500	-	-	-	-
	Total	74	258,100	2	17,800	47	106,250

No options were exercised during the year under Scheme ASOPT 2011. As the result of the above allotments paid-up equity share capital of the company has increased from Rs.497,751,370/- comprising of 99,550,274 number of equity shares of Rs.5/- each as on March 31, 2014 to 499,573,120/- comprising of 99,914,624 number of equity shares of Rs.5/- each as on March 31, 2015. The allotted equity shares have been listed and traded in the Stock Exchanges.

5.1 Associate Stock Option Scheme (ASOP)

Consolidated Scheme wise ASOP status for the year ended March 31, 2015

Sl. No.	Description	ASOP 2003	ASOP 2004	ASOP 2011	ASOP 2015
1	Outstanding at the beginning of the year	1,627,500	412,300	4,012,900	-
2	Granted during the year	--	-	650,000	-
3	Exercised during the year	258,100	17,800	106,250	-
4	Forfeited during the year	64,000	4,200	331,300	-
5	Cancelled during the year	359,300	16,600	50,700	-
6	Outstanding at the end of the year	946,100	373,700	4,174,650	5,000,000
7	Price formula	Market Price	Market Price	* Price	-
8	Total Shares arised due to exercise of options	258,100	17,800	106,250	-
9	Money realized by exercise of options (Rs.)	3,24,50,524	32,88,130	1,22,44,808	-

* Discounted price as defined in the scheme or "Market Price" if it is lower than the fixed price of Rs.175/- per equity share as per scheme

Particulars / information of options granted under the ASOP schemes		31-Mar-15		
Weighted average exercise price	2003	-		
	2004	-		
	2011	175		
	2015	-		
Weighted average fair value	2003	-		
	2004	-		
	2011	82.58		
	2015	-		
(i) Details of number of options granted to Senior Management Personnel:				
	ASOP 2003	Nil		
	ASOP 2004	Nil		
	ASOP 2011	85,000		
	ASOPT 2011	Nil		
	ASOP 2015	Nil		
(ii) Employee receiving 5% or more of the total number of Options granted during the year		Nil		
(iii) Employees granted Option equal to or exceeding 1% of the issued capital		Nil		
Diluted Earnings Per Share (EPS) pursuant to issue of shares on exercise of Options for the financial year 2014-15				
(i) Employee compensation cost using Intrinsic method of accounting.		Rs.8,28,054		
(ii) Employee compensation cost using Fair Value method of accounting.		Rs.47,338,651		
(iii) Difference between (i) & (ii)		Rs.4,65,10,597		
(iv) Impact for the accounting period had the fair value method been used on the following:				
Net results decreased by		Rs.4,65,10,597		
Basic EPS will reduce by		Rs.0.46 paise		
Method and significant assumptions used to estimate the fair value of options granted during the year under Black & Scholes methods				
	2003	2004	2011	2015
(a) Risk free rate of interest	-	-	8.41%	-
(b) Expected life (in years)	-	-	5.79	-
(c) Expected volatility	-	-	55.00%	-
(d) Expected dividend yield	-	-	4.01%	-
(e) Price of the underlying share in market at the time of option grant (Rs.)	-	-	180.00	-
Details of options granted during the year				(in Rs.)
Date of grant	Market price		Exercise price	
April 30, 2014	178.40		126.00	
November 7, 2014	196.45		175.00	
January 22, 2015	170.30		166.80	

6. Corporate Social Responsibility Committee

As per the said Section 135 of the Companies Act, 2013 every Company having net worth of Rupees 500 Crores or more, or turnover of Rupees 1000 crore or more or Net Profit of Rupees 5 crore or more during any financial year shall constitute a Corporate Social Responsibility Committee of the Board of Directors of the Company consisting of 3 or more directors, out of which at least 1 director shall be an independent director.

Accordingly, Corporate Social Responsibility Committee was constituted by the Board in its meeting held on March 18, 2014 with the following members:

Name	Designation
Ashok Jhunjhunwala	Chairman
Arun Jain	Member
Raju Venkatraman	Member
V.Balaraman	Member

The Terms of Reference of the Committee is as under:

- To formulate and recommend to the Board, a Corporate Social Responsibility Policy, which shall indicate the activities to be undertaken by the company as specified in Schedule VII;
- To recommend the amount of expenditure to be incurred on the activities referred to above;
- To monitor the Corporate Social Responsibility Policy of the company from time to time
- To ensure that the company spends, in every financial year, at least two per cent of the average net profits for CSR. If the Company fails to spend such amount, the Board shall, in its report specify the reasons for not spending the amount.
- Eradicating extreme hunger and poverty
- Promotion of education
- Promoting gender equality and empowering women
- Reducing child mortality and improving maternal health
- Combating human immunodeficiency virus, malaria and other diseases
- Ensuring environmental sustainability
- Employment enhancing vocational skills
- Social business projects
- Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government or the State Governments for socio-economic development and relief and funds for the welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women;

7. Details of the Sub-Committees constituted by the Board

a) Share Transfer Committee

The Share Transfer Committee is empowered to consider and approve the physical transfer, transmission and transposition etc. of the shares of the Company. The Committee met Eleven times during the year 2014-15 on April 28, 2014, May 13, 2014, May 21, 2014, June 11, 2014, June 25, 2014, August 08, 2014, November 11, 2014, November 18, 2014, February, 04, 2015, February, 25, 2015, March 26, 2015.

The brief details on the business transacted are as follows.

S.No.	Details	No. of Cases	No. of Shares
1	Transfer of Shares	6	612
2	Consolidation of Unclaimed Shares	NIL	NIL
3	Deletion of names	4	950
4	Rematerialisation requests	1	100
5	Transmission of Shares	NIL	NIL

The present members of the Committee are:

Name	Designation
Vaidyanathan N.M.	Chief Financial Officer
A.V.Ravi Shankar	Authorized Signatory
Christina Pauline Beulah	Company Secretary

B) Investment Committee

The Investment Committee is empowered to invest the funds of the company on any single transaction, not exceeding USD 10Mn or in any other currency equivalent to USD 10Mn for acquiring shares of any company, bodies corporate, exclusively for technology or strategic or business purposes and to acquire any property(ies), (existing facilities, land & building) software products, Intellectual Property Rights thereof (related to business development).

The present members of the Committee are:

Name	Designation
Arun Jain	Chairman and Director
Jitin Goyal	Executive Director
Vaidyanathan N.M.	Chief Financial Officer

(d) Special Committee

A Special Committee was constituted by the Board on November 14, 2013, comprising of 3 (three) Independent Directors as given below for making recommendations to the Board on all aspects of possible structuring of the business and arrive at an optimal structure to unlock shareholder value.

The present members of the Committee are :

Name	Designation
R.C.Bhargava	Chairman
Raju Venkatraman	Member
Arvind Kumar	Member

8. General Meetings of the Company

Particulars of Annual General Meetings of the Company in the past three financial years.

Financial year ended	Date and Time	Venue	Special Resolutions Passed
March 31, 2012	November 19, 2012 at 10 30 AM	Russian Centre of Science and Culture, No.27 Kasturi Ranga Road, Alwarpet (Off Cathedral Road), Chennai-600 018.	None

March 31, 2013	August 8, 2013 at 3 00 PM	Chinmaya Heritage Centre, No.2, 13th Avenue, Harrington Road, Chetpet, Chennai- 600 031	<ol style="list-style-type: none"> 1. Approval of extension of payment of the Commission to the Non-Executive Directors of the company for further period of 5 years from the financial year 2013-14. 2. Approval for appointment of Mr. Vinay Garg for a period of 3 years commencing from 20.02.2013 in Polaris Software Lab Inc., under Section 314 (1) (b) of Companies Act, 1956. 3. Approval for re-appointment of Ms. Ruchika Gupta for a further period of 3 years commencing from 20.02.2013 under Section 314 (1) (b) of Companies Act, 1956
March 31, 2014	July 23, 2014 at 11:45 a.m.	The Music Academy, New No. 168, T.T.K. Road, Royapettah, Chennai – 600 014	To approve the payment of remuneration to non-executive directors

9. Disclosures

a. Related Party Transactions

Related Party Transactions are defined as transactions of the Company of material nature, with Promoters, Directors or the Management, their subsidiaries or relatives etc. that may have potential conflict with the interest of the Company at large.

Details on materially significant related party transactions are shown in the Note No.21 under Significant Policies and Notes to accounts to the Standalone Balance Sheet and Profit & Loss Account.

b. Statutory Compliance, Penalties & Strictures

Details of non-compliance by the Company, penalties, strictures imposed on the Company by the stock Exchange or SEBI or any other statutory authority, on any matter related to capital markets during the last three years:- Nil.

c. Compliance with mandatory requirements and adoption of non-mandatory requirements of Clause 49 of the Listing Agreement

The Company has complied with the mandatory requirements of Clause 49 of the Listing Agreement including CEO/CFO certification. As required under Clause 49, a certificate signed by CEO & CFO of the Company has been placed before the Board of Directors and the same has

been provided elsewhere in this report. Further, a certificate from the Statutory Auditors, certifying the compliance of clause 49 of the Listing agreement was adhered/adopted has also been provided elsewhere in this report.

Clause 49 also requires disclosures of adoption by the Company of non-mandatory requirements specified in the said clause, the implementation of which is discretionary on the part of the Company. Accordingly, the adoption of non-mandatory requirements are given below:-

(a) Nomination and Remuneration & Compensation Committee

The Company has constituted a Remuneration & Compensation Committee consisting of only Non-executive Directors. A detailed note on Remuneration & Compensation Committee is provided elsewhere in the report. The name of the Committee has been renamed as Nomination and Remuneration & Compensation Committee in the board meeting held on 7th November 2014.

(b) Whistle Blower Policy

The Company has established a mechanism for employees to report concerns about unethical behaviors, actual or suspected fraud, and violation of Code of Conduct of the Company etc. The mechanism also provides for adequate safeguards against victimization of employees who avail of the mechanism and also provides for direct access by the Whistle Blower to the Audit Committee. We affirm that during the Financial Year 2014-15 no employee has been denied to access the Audit Committee.

(c) Ombudsman

Ombudsman is a Polaris initiative, to resolve workplace conflicts. Incidentally the first office of the Ombudsman in the IT industry in India was set up at Polaris. It is a forum for associates' and retirees to report discuss and resolve workplace issues.

The office of the ombudsman promises complete confidentiality in all the matters discussed with him. Ombudsman also assures "No Reprisal" to the complainant who brings to light a problem or blows the whistle against someone. It works as an early warning system to the organization.

(d) Risk Management framework

The Company continues to use the Risk Management framework adopted by the Board of Directors on January 21, 2005. The framework provides an integrated approach for managing the risks in various aspects of the business. A write-up on the above is provided in the management discussion and analysis report.

(e) Insider Trading Policy

As per the SEBI (Prohibition of Insider Trading) Regulations, 1992 an Insider Trading Policy of the company is in force. The policy guides a mechanism for regulating transactions of the shares of the company and enforces a code of conduct and internal procedures.

The details of Trading window for all during the year 2014-15

Sl. No.	Closed on	Opened on
1.	April 21, 2014	May 02, 2014
2.	July 14, 2014	July 25, 2014
3.	October 27, 2014	November 10, 2014
4.	January 12, 2015	January 27, 2015

(f) Conflict of Interest Policy

As a part of good corporate governance, the company has formulated a Conflict of Interest policy for the senior management and associates.

10. Means of communication

We have established procedures to disseminate pertinent information to our shareholders, employees and society at large.

(a) Investor Information

Investors are being provided with timely information on all Company related matters;

Media release: all our media releases are posted on the Company's website: www.polarisFT.com.

Quarterly results: Our quarterly results are published in widely circulated national newspapers such as Business Standard, the local daily Makkal Kural.

Annual Report: Annual Report containing audit standalone accounts, consolidated financial statements together with Directors' Report, Auditors' Report and other important information are circulated to members and others entitled thereto either in physical copy or through email.

Website: the Company's website contains a separate dedicated section "Investors" where information sought by shareholders is available. The Annual Report, Media release and financial reports of the company are available on the website in a user-friendly and downloadable form at www.polarisFT.com.

(b) The Management Discussion & Analysis report (MD&A)

The MD&A gives an overview of the Industry, Company's business and its financials etc., and the same is provided elsewhere in this report, which forms a part of the Directors' Report.

1 General Shareholder information	
Date of incorporation	January 5, 1993
Company Registration Number	18-24142
Registered Office	Polaris House, No.244, Anna Salai, Chennai – 600 006.
Date of Annual General Meeting	Tuesday, 23 rd June 2015
Venue of Annual General Meeting	Rani Seethai Hall 603 Anna Salai, 1 st Floor, Thousand Lights, Chennai – 600 006
Financial Reporting: (tentative and subject to change)	01.04.2015 – 31.03.2016
First quarter ending June 30, 2015	Between 16 th and 31 st July 2015
Second quarter ending September 30, 2015	Between 16 th and 31 st October 2015
Third quarter ending December 31, 2015	Between 16 th and 31 st January 2016
For the year ending March 31, 2016	Between 16 th and 30 th April 2016
Book Closure	12 th June, 2015 to 23 rd June, 2015 (both days inclusive)
Dividend for 2014-15	Interim Dividend for the financial year 2014- 15 @ Rs.5 per equity share of face value of Rs. 5 per equity share was declared on 19th March 2015 and the same was paid on 10th April 2015. Final Dividend @ Rs.10 per equity share (200%) for the financial year 2014 - 15 was recommended by the Board of Directors in the meeting held on 30th April 2015.
Listing of shares with Stock Exchanges / Polaris shares traded in	
National Stock Exchange of India Ltd. w.e.f November 24, 1999.	The Bombay Stock Exchange Ltd. w.e.f. September 29, 1999
NSE – Scrip Code	BSE – Scrip Code
POLARIS	532254
ISIN Code	INE763A01023

<ul style="list-style-type: none"> The Company hereby confirms that the Listing fee for the year 2014-15, payable to each of the stock exchange pursuant to clause 38 of the Listing Agreement in which the Company's shares are Listed have been paid. The Company's shares are traded in "Group A" category in the Bombay Stock Exchange, Mumbai since March 26, 2001. The Bombay Stock Exchange (BSE) has decided to include Polaris share in the "BSE mid-cap index" with effect from January 2011. 		
Registrar and Share Transfer Agent	Karvy Computershare Private Ltd. Unit: Polaris Consulting & Services Limited Plot No. 31 – 32 Karvy Selenium, Tower B, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032. Tel: 040 – 6716 1529, Fax: 040 – 23420814 /23420857 E-mail: mailmanager@karvy.com ; URL: www.karvycomputershare.com	
Publication of Quarterly Results Details of Quarterly financial results published during financial year 2014-15		
Language	News paper	Date
English	BUSINESS LINE The Hindu	1st May 2014
Tamil		24th July 2014
		8th November 2014
		23rd January 2015
Website address of the Company in which reports/financial results have been posted		www.polarisft.com
Website address of stock exchange(s) in which reports / financial results are posted		
The National Stock Exchange of India Ltd www.nseindia.com		The Bombay Stock Exchange Ltd www.bseindia.com
Whether the Official News releases are displayed by the company		✓ Yes No

The Company has voluntarily delisted from the Madras Stock Exchange Limited and the approval for delisting from Madras Stock Exchange Limited has been received vide their letter MSE/LD/PSK/731/308/14 dt.15/10/2014.

11 Shareholders' complaints and requests

During the financial year 2014-15, 2325 numbers of requests / Complaints had been received and 1463 numbers of requests / Complaints resolved by the Company and 862 requests were pending as on 31st March 2015 which were replied in the first week of April 2015 as detailed hereunder:

STATUS OF REQUEST/ COMPLAINTS DURING THE PERIOD 01/04/2014 TO 31/03/2015

S. No.	SUBJECT	RECEIVED	REPLIED / RESOLVED
A. REQUESTS			
1	CHANGE/CORRECTION OF ADDRESS	29	24
2	RECEIPT OF DIVIDEND WARRANTS/REFUND ORDER FOR REVALIDATION	126	115
3	SPECIMEN SIGN CHANGE / NOT MENTIONED IN APPLICATION	18	13
4	CHANGE/CORRECTION OF BANK MANDATE	7	5
5	CHANGE/CORRECTION OF BANK MANDATE/NAME/DAMAGE ON DW	12	11
6	RECEIPT OF IB FOR ISSUE OF DUPLICATE DW	9	8
7	QUERY REGARDING PAYMENT OF DIVIDEND WARRANT	2	2
8	RECEIPT OF DD(S) /AGAINST DW FROM COMPANY/BANK	7	9
9	REQUEST FOR ECS FACILITY (ELECTRONIC CLEARANCE SERVICES)	23	22
10	LETTERS FROM CLIENTS REGARDING BILLS/PAYMENTS	0	0
11	POSTAL RETURN DOCUMENTS	1931	1117
12	LETTER FROM SEBI/STOCK EXCHANGE/CBI/ACKNOWLEDGE MENT	0	1
13	REGISTRATION OF POWER OF ATTORNEY	0	0

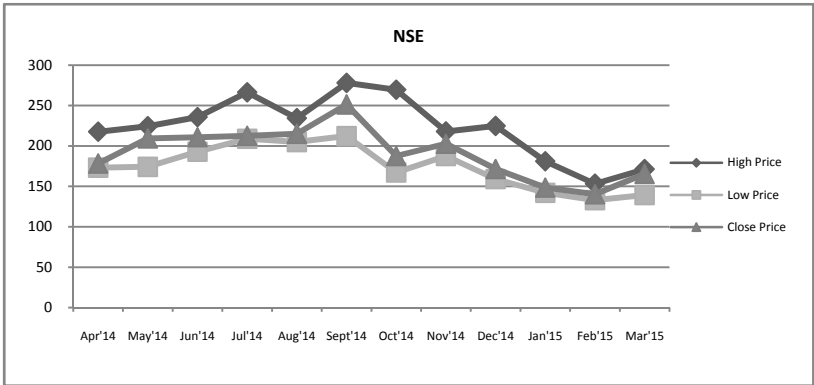
14	LOSS OF SECURITIES AND REQUEST FOR ISSUE OF DUPLICATE	8	5
15	RECEIPT OF IB AND AFFIDAVIT FOR ISSUE OF DUP SECURITIES	2	1
16	REQUEST FOR CONSOLIDATION/SPLIT OF SECURITIES	2	2
17	DELETION OF JOINT NAME DUE TO DEATH	12	8
18	REQUEST FOR TRANSFER/TRANSMISSION OF SECURITIES	21	23
19	REQUEST FOR DEMAT NSDL & CDSL /REMAT	55	42
20	DD RECEIVED FROM BANKS AGAINST ECS REJECTIONS	2	1
21	CHANGE / CORRECTION OF NAME ON SECURITIES	3	2
22	CLARIFICATION REGARDING SHARES	1	3
23	REQUEST FOR EXCHANGE OF CERTIFICATES	11	6
24	QUERY REGARDING UNDELIVERED DOCUMENTS	0	0
25	OTHERS(ACKNOWLEDGEMENT/NSDL OPERATION/ELECTRONIC DP REQ/ PAN NO, REQ FOR COMMUNIC , EMAILS	12	11
TOTAL (A)		2293	1431
B. COMPLAINTS			
1	NON-RECEIPT OF ANNUAL REPORT	4	4
2	NON-RECEIPT OF DIVIDEND WARRANT	23	23
3	NON-RECEIPT OF SECURITIES	2	2
4	NON RECEIPT OF DUP/TRANSMISSION/DELITION OF SCS	1	1
5	NON-RECEIPT OF REFUND ORDER	0	0
6	SEBI/BSE/NSE Complaints	2	2
TOTAL(B)		32	32
TOTAL (A) + (B)		2325	1463

12. Stock market data about the shares of the Company for the period April 2014 to March 2015 at National Stock Exchange Limited (NSE) and Bombay Stock Exchange of India Limited (BSE).

Share market data and the graphical representation of closing market prices movement of the Company's shares quoted in the Bombay Stock Exchange (BSE) Mumbai and National Stock Exchange Ltd. (NSE) from April 2014 to March 2015

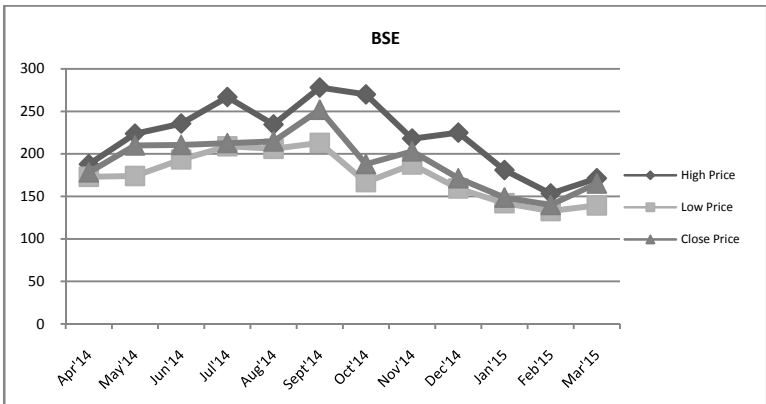
Month 2014-15	NSE PRICE			
	High Price	Low Price	Close Price	Volume
Apr'14	217.70	173.20	178.40	1,081,663
May'14	224.50	174.25	209.45	593,669
Jun'14	235.80	193.00	210.95	702,005
Jul'14	266.45	209.00	212.60	624,788
Aug'14	234.45	205.00	215.25	323,771
Sept'14	278.20	212.35	251.50	1,860,671
Oct'14	269.70	167.25	187.65	163,178
Nov'14	218.00	187.65	202.85	1,578,140
Dec'14	224.85	159.00	171.55	395,445
Jan'15	181.10	142.00	148.55	724,906
Feb'15	153.25	132.90	140.30	335,926
Mar'15	171.30	139.20	165.45	878,849
			Total	9,263,011

Polaris @ NSE



Month 2014-15	BSE Price			
	High Price	Low Price	Close Price	Volume
April	187.75	173.00	178.20	276,225
May	223.70	174.00	209.95	215,757
June	235.55	193.45	210.45	173,005
July	266.80	208.95	212.65	145,375
August	234.50	206.00	214.70	108,710
September	278.00	213.00	251.95	471,118
October	269.85	166.70	188.00	40,054
November	217.90	187.55	202.95	491,972
December	224.90	159.30	171.35	120,910
January	180.90	142.00	148.65	208,489
February	153.35	132.70	139.90	110,911
March	171.25	139.25	165.10	188,405
Total				2,550,931

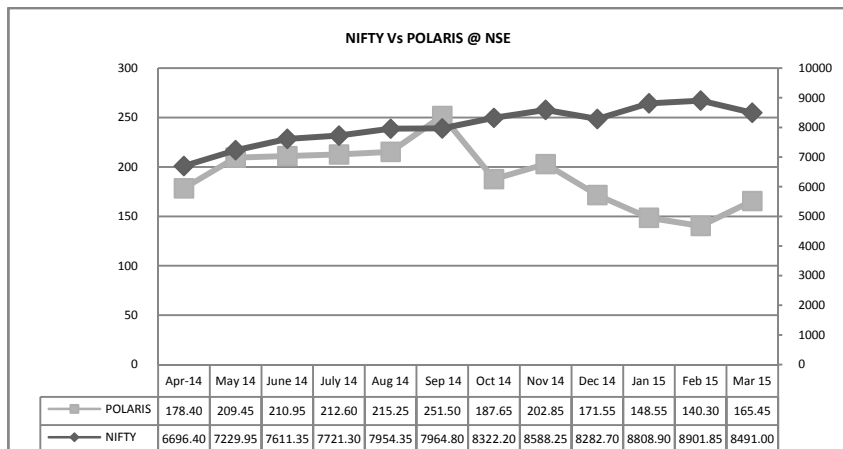
POLARIS at BSE



Polaris Consulting & Services Limited share price (High/Low) during the Financial Year 2014-15

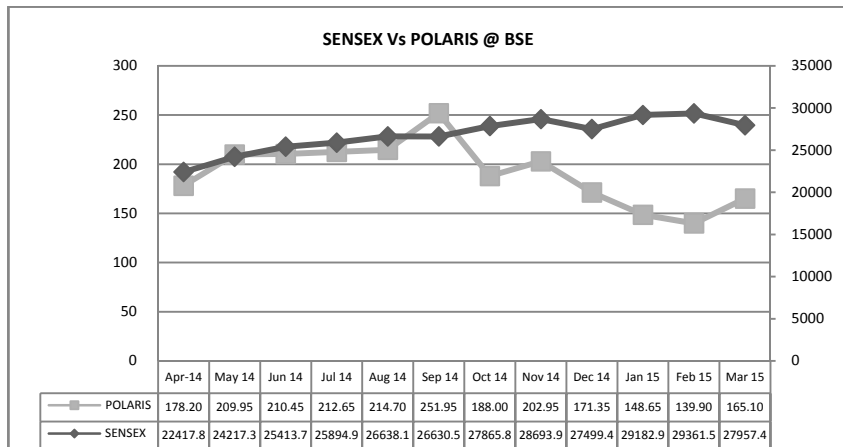
Stock Exchange	Yearly high price	Date	Yearly low price	Date
NSE	278.2	23-Sep-14	132.9	10-Feb-2015
BSE	278	23-Sep-14	132.7	10-Feb-2015

NIFTY Vs POLARIS @ NSE



	Apr-14	May 14	June 14	July 14	Aug 14	Sep 14	Oct 14	Nov 14	Dec 14	Jan 15	Feb 15	Mar 15
NIFTY	6696.40	7229.95	7611.35	7721.30	7954.35	7964.80	8322.20	8588.25	8282.70	8808.90	8901.85	8491.00
POLARIS	178.40	209.45	210.95	212.60	215.25	251.50	187.65	202.85	171.55	148.55	140.30	165.45

SENSEX Vs POLARIS @ BSE



	Apr-14	May 14	June 14	July 14	Aug 14	Sep 14	Oct 14	Nov 14	Dec 14	Jan 15	Feb 15	Mar 15
SENSEX	22417.80	24217.34	25413.78	25894.97	26638.11	26630.51	27865.83	28693.99	27499.42	29182.95	29361.50	27957.49
POLARIS	178.20	209.95	210.45	212.65	214.70	251.95	188.00	202.95	171.35	148.65	139.90	165.10

13. Shareholding pattern of the Company as on March 31, 2015

CATEGORY CODE	CATEGORY OF SHAREHOLDER	NO OF SHARE HOLDERS	TOTAL NUMBER OF SHARES	NO. OF SHARES HELD IN DEMAT FORM	TOTAL SHAREHOLDING AS A % OF TOTAL NO OF SHARES		SHARES PLEDGE OR OTHERWISE ENCUMBERED	
					AS a % of (A+B)	As a % of (A+B+C)	NO. OF SHARES	AS a %
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)=(VII)/(IV)*100
(A)	PROMOTER AND PROMOTER GROUP							
(1)	INDIAN							
(a)	Individual /HUF	14	8,964,822	8,964,822	8.97	8.97	-	-
(b)	Central Government/State Government(s)	-	-	-	0.00	0.00	-	-
(c)	Bodies Corporate	1	20,020,938	20,020,938	20.04	20.04	-	-
(d)	Financial Institutions / Banks	-	-	-	0.00	0.00	-	-
(e)	Others	-	-	-	0.00	0.00	-	-
	Sub-Total A(1) :	15	28,985,760	28,985,760	29.01	29.01	-	-
(2)	FOREIGN							
(a)	Individuals (NRIs/Foreign Individuals)	-	-	-	0.00	0.00	-	-
(b)	Bodies Corporate	-	-	-	0.00	0.00	-	-
(c)	Institutions	-	-	-	0.00	0.00	-	-
(d)	Qualified Foreign Investor	-	-	-	0.00	0.00	-	-
(e)	Others	-	-	-	0.00	0.00	-	-
	Sub-Total A(2) :	-	-	-	0.00	0.00	-	-
	Total A=A(1)+A(2)	15	28,985,760	28,985,760	29.01	29.01	-	-
(B)	PUBLIC SHAREHOLDING							
(1)	INSTITUTIONS							
(a)	Mutual Funds /UTI	3	220,590	220,590	0.22	0.22	-	-
(b)	Financial Institutions /Banks	6	438,079	438,079	0.44	0.44	-	-
(c)	Central Government / State Government(s)	-	-	-	0.00	0.00	-	-
(d)	Venture Capital Funds	-	-	-	0.00	0.00	-	-
(e)	Insurance Companies	-	-	-	0.00	0.00	-	-
(f)	Foreign Institutional Investors	93	22,645,567	22,645,417	22.66	22.66	-	-
(g)	Foreign Venture Capital Investors	-	-	-	0.00	0.00	-	-
(h)	Qualified Foreign Investor	-	-	-	0.00	0.00	-	-
(i)	Others	-	-	-	0.00	0.00	-	-
	Sub-Total B(1) :	102	23,304,236	23,304,086	23.32	23.32	-	-
(2)	NON-INSTITUTIONS							
(a)	Bodies Corporate	930	5,147,321	5,146,771	5.15	5.15	-	-
(b)	Individuals							
	(i) Individuals holding nominal share capital upto Rs.1 lakh	46,719	11,683,521	11,492,321	11.69	11.69	-	-
	(ii) Individuals holding nominal share capital in excess of Rs.1 lakh	82	10,771,994	10,771,994	10.78	10.78	-	-
(c)	Others							
	BUSINESS ASSOCIATES	2	17,458,692	17,458,692	17.47	17.47	-	-
	CLEARING MEMBERS	223	412,833	412,833	0.41	0.41	-	-
	NON RESIDENT INDIANS	680	576,015	572,165	0.58	0.58	-	-
	OVERSEAS CORPORATE BODIES	2	300	250	0.00	0.00	-	-
	TRUSTS	6	1,573,952	1,553,852	1.58	1.58	-	-
(d)	Qualified Foreign Investor	-	-	-	0.00	0.00	-	-
	Sub-Total B(2) :	48,644	47,624,628	47,408,878	47.67	47.67	-	-
	Total B=B(1)+B(2) :	48,746	70,928,864	70,712,964	70.99	70.99	-	-
	Total (A+B) :	48,761	99,914,624	99,698,724	100.00	100.00	-	-
(C)	Shares held by custodians, against which							
	Depository Receipts have been issued							
(1)	Promoter and Promoter Group							
(2)	Public	-	-	-	0.00	0.00	-	-
	GRAND TOTAL (A+B+C) :	48,761	99,914,624	99,698,724	100.00	0.00	-	-

*No shares were pledged by the promoters as on March 31, 2015

List of persons holding more than 1% of the total number of shares

S.No.	Name	Shares	% Equity
1	POLARIS BANYAN HOLDING PRIVATE LIMITED	20,020,938	20.04
2	ORBITECH LIMITED	15,379,606	15.39
3	FRANKLIN MUTUAL SERIES FUNDS- MUTUAL BEACON FUND	6,103,048	6.11
4	JHUNJHUNWALA RAKESH RADHESHYAM	4,750,000	4.75
5	ARUN JAIN	4,322,365	4.33
6	CITIBANK A/C. ORBITECH LIMITED	2,079,086	2.08
7	YOGESH ANDLAY	2,077,447	2.08
8	LSV EMERGING MARKETS EQUITY FUND LP	1,510,089	1.51
9	GOVERNMENT PENSION FUND GLOBAL	1,392,887	1.39
10	ORBITECH EMPLOYEES WELFARE TRUST	1,134,529	1.14
11	DIMENSIONAL EMERGING MARKETS VALUE FUND	1,081,321	1.08
12	MANJU JAIN	1,052,460	1.05
13	AUSTRALIANSUPER	1,035,776	1.04
Total		61,939,552	61.99

Shareholding of Directors / office bearers as on March 31,2015.

Sl. No.	Name of the Director / Officer bearer	No. of shares	% of Share Capital
1.	Arun Jain, Director	4,322,365	4.33
2.	Abhay Agarwal, Director	31,622	0.03
3.	Arvind Kumar, Director	23,000	0.02
4.	Dr.Ashok Jhunjhunwala, Director	19,300	0.01
5.	RC Bhargava, Director	19,250	0.02
6.	Raju Venkatraman, Director	10,500	-
7.	V.Balaraman, Director	-	-
8.	Rajesh Mehta, Director	-	-
9	Uma Ratnam Krishnan, Director	10,000	
10.	Theodore Roosevelt Malloch Jr, Director	-	-
11.	Vaidyanathan NM, Chief Financial Officer	-	-
12.	Christina Pauline Beulah, Company Secretary	-	-

Distribution Schedule of Shareholding as on March 31, 2015

S.No	No. of Shares	Total		Electronic		Physical	
		No. of Share holders	No. of Shares	No. of Share holders	No. of Shares	No. of Share holders	No. of Shares
1	1 – 5000	46,381	6,377,577	45,342	6,234,627	1,039	142,950
2	5001 - 10000	1045	1,584,883	1,026	1,559,733	19	25,150
3	10001 - 20000	607	1,755,955	598	1,734,255	9	21,700
4	20001 - 30000	223	1,110,675	222	1,104,675	1	6,000
5	30001 - 40000	75	525,858	75	525,858	0	0
6	40001 - 50000	61	581,158	61	581,158	0	0
7	50001 - 100000	132	1,937,045	132	1,937,045	0	0
8	100001 and above	237	86,041,473	236	86,021,373	1	20,100
	TOTAL	48,761	99,914,624	47,692	99,698,724	1,069	215,900

Comparitive distribution schedule as on March 31, 2015

Shares	Physical		Demat		Total	
	Nos.	%	Nos.	%	Nos.	%
31.03.2015	215,900	0.22	99,698,724	99.78	99,914,624	100
31.03.2014	220,968	0.22	99,329,306	99.78	99,550,274	100
Shareholders						
31.03.2015	1,069	2.19	47,692	97.81	48,761	100
31.03.2014	1,087	2.57	41,214	97.43	42,301	100

14. Other Information to Shareholders**Share Transfer System**

The applications for transfers, transmission and transposition are received by the Company at its Registered Office address at Chennai or at Messrs Karvy Computershare Private Ltd., Hyderabad, Registrar and Share Transfer Agents (RTA) of the Company. As the Company's shares are currently traded in demat form, the transfers are processed and approved by NSDL/CDSL in the electronic form through its Depository Participants. The RTA on a regular basis processes the physical transfers and the share certificates are sent to the respective transferees.

Dividend Information

Members who have not claimed the dividend for the below mentioned periods are requested to lodge their claim with the Company. No claim shall lie for the unclaimed dividends from IEPF by the members. The due dates for transfer of unclaimed dividends to IEPF, pertaining to different financial years are given below:

Financial Year ended	Dividend			Date of declaration of Dividend	Amount Lying Unpaid (in Rs.)	Last date for claiming unpaid Dividend
	Type	%	Per Share (in Rs.)			
31.03.2008	Final	30%	1.50	17.07.2008	824,840.00	16.08.2015
31.03.2009	Interim	30%	1.50	20.01.2009	880,385.00	19.02.2016
	Final	25%	1.25	16.07.2009	613,480.00	15.08.2016
31.03.2010	Final	35%	1.75	20.01.2010	596,344.00	19.02.2017
	Interim	35%	1.75	17.07.2010	672,972.00	16.08.2017
31.03.2011	Final	90%	4.50	20.07.2011	1,224,177.00	19.08.2018
31.03.2012	Interim	40%	2.00	16.02.2012	606,492.00	15.03.2019
	Final	60%	3.00	19.11.2012	1,100,799.00	18.12.2019
31.03.2013	Final	100%	5.00	08.08.2013	1,706,620.00	07.09.2020
31.03.2014	Final	100%	5.00	23.07.2014	1,600,985.00	22.08.2021
31.03.2015	Interim	100%	5.00	19.03.2015	*	18.04.2022
Total					9,827,094.00	

* The Balance outstanding as on 31st March 2015 cannot be provided as the reconciliation is in progress by the Banker

During the year under review, the company has revalidated 153 dividend warrants amounting to Rs.300,770 and the same was issued to the shareholders.

Dividend remitted to IEPF during the previous three years

Sl. No.	Pertaining to FY	Date of payment	Amount (in Rs.)
1	2006-07 - Final	09.05.2014	5,92,968
2	2006-07 - Interim	27.02.2014	3,27,251
3	2005-06	07.10.2013	5,18,444
4	2004-05	11.09.2012	6,25,619

Outstanding GDRs / ADRs / Warrants or any convertible instruments, conversion date and likely impact on equity - Not applicable –

Share Transaction Regulatory System in place for controlling insider trading policy on Insider Trading

A Policy on Insider Trading has been implemented and continues to be in force since December 1999, as amended pursuant to the guidelines issued by SEBI from time to time. This Policy deals with the rules, regulations and process for transactions in the shares of the Company and shall apply to all transactions and for all associates in whatever capacity they may be, including Directors. This code forms part and parcel of the service conditions of the employees of the Company.

Demat account opened for unclaimed shares

In compliance with the amendment to Clause 5A of the Listing Agreement issued by SEBI vide its circular CIR/CFD/DIL/10/2010 dated December 16, 2010; the company has opened a Demat account in the name of “Polaris Financial Technology Limited Unclaimed Suspense Account” with ICICI Bank Limited, DP IN302679, Client ID No.38718320 Chennai for the purpose of transferring the unclaimed shares lying with RTA, Karvy Computershare (P) Ltd. The name of the aforesaid account has been changed into Polaris Consulting & Services Limited Unclaimed Suspense Account pursuant to the change of name of the Company, during the year.

The RTA has not received any response for the three reminders sent to the shareholders [at the address given in the application form as well as captured from depository’s database] asking for correct particulars to dispatch the shares lying unclaimed with RTA. Hence as per the directions of the above said circular; the shares held by those shareholders were dematerialized and transferred to the above said demat account. The Company has transferred 90,000 equity shares to the said account as of 31st March 2015.

As and when any shareholder approaches the Company or RTA to claim the above said shares, the company or RTA as applicable after proper verification either credit the shares lying in the Unclaimed suspense account to the demat account of the shareholder to the extent of the shareholders’ entitlement or deliver the physical certificates after re-materialising the same, depending on what has been opted by the shareholder.

Outstanding at the beginning of the year		No. of shareholders claimed during the year	No. of shareholders' claim transferred during the year	Outstanding at the end of the year	
Shareholders	Shares			Shareholders	Shares
614	90,800	8	8	606	90,000

Locations

Headquartered in Chennai; the other branch offices addresses / locations are furnished elsewhere in the Annual Report. Polaris also has one subsidiary in India namely

(I) Optimus Global Services Limited,

Addresses for correspondence

The Company Secretary & Compliance Officer

POLARIS CONSULTING & SERVICES LTD

(Formerly Known As Polaris Financial Technology Limited)

Regd. Office: Polaris House,

244, Anna Salai, Chennai - 600 006

Phone: 044-39843400, Fax: 044-2852 3280

E-mail: shareholder.query@polarisft.com

Company.secretary@polarisft.com

Christina.beulah@polarisft.com

By the order of the Board
for **Polaris Consulting & Services Limited**
(Formerly known as Polaris Financial Technology Limited)

Place: Chennai

Date: April 30, 2015

Jitin Goyal
Executive Director

CEO & CFO CERTIFICATION UNDER CLAUSE 49(V) OF THE LISTING AGREEMENT

To: The Board of Directors of Polaris Consulting & Services Limited, Chennai

We, Jitin Goyal, Executive Director and Mr. Vaidyanathan N M, Chief Financial Officer of Polaris Consulting & Services Limited., (“Company”) hereby certifies that:-

- (a) We have reviewed financial statements and the Cash Flow Statement of the company for the financial year ended March 31, 2015 and that to the best of our knowledge and belief:
 - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) these statements together present a true and fair view of the company’s affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company’s code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the auditors and the audit committee
 - (i) significant changes in internal control over financial reporting during the year;
 - (ii) significant changes in accounting policies during the year and the same have been disclosed in the notes to the financial statements; and
 - (iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company’s internal control system over financial reporting.

Place: Chennai

Date: April 30, 2015

Jitin Goyal
Executive Director

Vaidyanathan NM
Chief Financial Officer

**Auditors' certificate on compliance with the conditions of corporate
Governance under clause 49 of the listing agreement**

AUDITORS' CERTIFICATE

To
The Members
Polaris Consulting & Services Limited.

We have examined the compliance of conditions of corporate governance by Polaris Consulting & Services Limited, for the year ended on March 31, 2015, as stipulated in clause 49 of the Listing Agreement of the said Company with stock exchanges. The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **S.R.Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm registration No. 101049W

per **Bharath N S**
Partner
Membership No.210934

Place: Chennai
Date: April 30, 2015

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To
The Members
Polaris Consulting & Services Limited
Chennai

Sub: **Declaration by the Executive Director under Clause 49 (I)(D)(ii) of the Listing Agreement**

I, Jitin Goyal, Executive Director of Polaris Consulting & Services Limited to the best of my knowledge and belief, declare that all the members of the Board of Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct of the Company for the year ended March 31, 2015.

Place: Chennai
Date: April 30, 2015

Jitin Goyal
Executive Director

POLARIS CONSULTING & SERVICES LIMITED
(Formerly known as Polaris Financial Technology Limited)
AUDITED STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2015

(All amounts are denominated in INR and expressed in Lakhs, unless otherwise stated)

INDEPENDENT AUDITOR'S REPORT

To the Members of Polaris Consulting & Services Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Polaris Consulting & Services Limited (Formerly known as "Polaris Financial Technology Limited") ("the Company"), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at March 31, 2015, its profit, and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 1 a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - (e) On the basis of written representations received from the directors as on March 31, 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of section 164 (2) of the Act;
 - (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 22 to the financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There has been no delay in transferring amounts to the Investor Education and Protection Fund by the Company.

For S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

ICAI Firm Registration Number: 101049W

per **Bharath N S**

Partner

Membership No. 210934

Chennai

April 30, 2015

Annexure referred to under paragraph 1 of the Report on Other Legal and Regulatory Requirements of the Auditors' Report

Re: Polaris Consulting & Services Limited ('the Company')

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) All fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (ii) The Company's business does not involve inventories and, accordingly, the requirements under paragraph 4(ii) of the Order are not applicable to the Company.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a) and (b) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of fixed assets and for rendering of services. The activities of the Company do not involve purchase of inventory and the sale of goods. During the course of our audit, we have not observed any major weakness or continuing failure to correct any major weakness in the internal control system of the Company in respect of these areas.
- (v) The Company has not accepted any deposits from the public.
- (vi) To the best of our knowledge and as explained, the Company is not in the business of sale of any goods. Therefore, in our opinion, the provisions of clause 3(vi) of the Order are not applicable to the Company.
- (vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, wealth-tax, service tax, customs duty, value added tax, cess and other material statutory dues applicable to it. The provisions relating to sales-tax and excise duty are not applicable to the Company.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, wealth-tax, service tax, customs duty, value added tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (c) According to the records of the Company, no dues of value added tax, wealth tax, custom duty are outstanding on account of any dispute. Dues outstanding of income-tax, sales-tax, service tax and cess on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount (Rs.in Lakhs)*	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income tax	5,976.46	2001-09	High Court
Income Tax Act, 1961	Income tax	612.86	2002-05	Appellate Tribunal
Income Tax Act, 1961	Income tax	136.47	2009-10	Commissioner of Income tax appeals
Tamil Nadu General Sales tax Act, 1959	Sales tax	519.93	2004-05	High Court
Central Sales Tax Act, 1956	Central sales tax**	64.78	2008-10	Appellate Commissioner
Central Sales Tax Act, 1956	Central sales tax***	42.40	2006-08	High Court
Finance Act, 1994	Service tax****	201.10	2004-06	CESTAT

*Does not include interest.

**The Company has also deposited a sum of Rs. 6.71 Lakhs under protest.

***The Company has also deposited a sum of Rs. 21.20 Lakhs under protest.

****The Company has also deposited a sum of Rs.68.28 Lakhs under protest.

- (d) According to the information and explanations given to us, the amount required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder has been transferred to such fund within time.
- (viii) The Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and immediately preceding financial year.
- (ix) Based on our audit procedures and as per the information and explanations given by the management, the Company did not have any outstanding dues in respect of a financial institution or bank during the year.
- (x) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xi) The Company did not have any term loans outstanding during the year.
- (xii) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the year.

For S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

ICAI Firm Registration Number: 101049W

per Bharath N S

Partner

Membership No. 210934

Chennai

April 30, 2015

Polaris Consulting & Services Limited

(Formerly known as Polaris Financial Technology Limited)

Balance Sheet as at March 31, 2015

(All amounts are in Indian Rupees in lakhs unless otherwise stated)

Particulars	Notes	March 31, 2015	March 31, 2014
EQUITY AND LIABILITIES			
SHAREHOLDERS' FUNDS			
Share capital	4	4,995.73	4,977.51
Reserves and surplus	5	54,333.08	112,582.81
		59,328.81	117,560.32
NON-CURRENT LIABILITIES			
Deferred tax liabilities (Net)	6	-	1,043.80
Long-term provisions	7	-	403.62
CURRENT LIABILITIES			
Trade payables	8	15,358.42	21,305.04
Other current liabilities	9	9,568.61	14,830.86
Short-term provisions	10	13,722.21	10,904.18
TOTAL		97,978.05	166,047.82
ASSETS			
NON-CURRENT ASSETS			
Fixed assets	11		
- Tangible assets		19,877.38	28,917.51
- Intangible assets		513.12	669.11
- Capital work-in-progress		-	3,488.61
		20,390.50	33,075.23
Non-current investments	12	14,816.86	18,770.94
Deferred tax assets (net)	13	483.53	-
Long-term loans and advances	14	8,906.73	12,376.86
Other non-current assets	15	244.26	4,729.71
CURRENT ASSETS			
Current investments	16	801.94	36,541.98
Trade receivables	17	15,689.55	22,784.03
Cash and bank balances	18	7,923.21	10,427.72
Short-term loans and advances	19	4,497.91	5,912.63
Other current assets	20	24,223.56	21,428.72
TOTAL		97,978.05	166,047.82

Summary of significant accounting policies 3

The accompanying notes are an integral part of the financial statements

As per our report of even date.

For S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants
ICAI Firm Registration number: 101049W

For and on behalf of the Board of Directors of
Polaris Consulting & Services Limited

per Bharath N S
Partner
Membership No. 210934

R C Bhargava
Director

Jitin Goyal
Executive Director

Chennai
April 30, 2015

Vaidyanathan N M
Chief Financial Officer
Chennai
April 30, 2015

Christina Pauline Beulah
Company Secretary

Polaris Consulting & Services Limited

(Formerly known as Polaris Financial Technology Limited)

Statement of profit and loss for the year ended March 31, 2015

(All amounts are in Rupees in Lakhs unless otherwise stated)

Particulars	Notes	March 31, 2015	March 31, 2014
Revenue			
Income from software products and services	24	167,820.54	200,525.26
Other income	25	3,767.50	3,006.21
Total Revenue		171,588.04	203,531.47
Expenses			
Employee benefit expenses	26	133,619.69	160,680.22
Finance costs	26	-	104.10
Depreciation and amortization expenses	11	2,650.14	4,797.99
Other expenses	26	16,185.49	24,574.78
Total expenses		152,455.32	190,157.09
Profit before exceptional items and tax		19,132.72	13,374.38
Exceptional Items	32	(689.25)	(2,327.70)
Profit before tax		18,443.47	11,046.68
TAX EXPENSES			
Income taxes - Current tax		5,681.40	3,334.47
- Adjustment of tax relating to earlier periods		(167.00)	(949.72)
- Deferred tax		(142.68)	265.34
Profit for the year		13,071.75	8,396.59
Earnings per share (In Rs.)	34		
(equity shares par value Rs.5 each)			
Basic		13.10	8.44
Diluted		12.81	8.42
Estimated pre-tax loss for the year ended from ordinary activity attributable to Discontinuing Operations (Products division) included in the above results. Related Income tax credit for the year ended March 31, 2015 - Rs. Nil (March 31, 2014 - Rs.138 lakhs)	31	-	(4,431.00)
Summary of significant accounting policies	3		
The accompanying notes are an integral part of the financial statements			
As per our report of even date			
For S.R. BATLIBOI & ASSOCIATES LLP Chartered Accountants ICAI Firm Registration number: 101049W		For and on behalf of the Board of Directors of Polaris Consulting & Services Limited	
per Bharath N S Partner Membership No. 210934 Chennai April 30, 2015		R C Bhargava Director	Jitin Goyal Executive Director
		Vaidyanathan N M Chief Financial Officer Chennai April 30, 2015	Christina Pauline Beulah Company Secretary

Polaris Consulting & Services Limited

(Formerly known as Polaris Financial Technology Limited)

Statement of cash flow for the year ended March 31, 2015

(All amounts are in Rupees in Lakhs unless otherwise stated)

Particulars	March 31, 2015	March 31, 2014
Cash flows from operating activities		
Profit before taxation	18,443.48	11,046.68
Adjustments for:		
Depreciation / amortisation	2,582.96	4,797.99
Unrealised exchange (gains) / losses	(292.96)	509.71
Exchange difference on translation of foreign operations	189.45	407.09
Interest income	(570.88)	(872.95)
Dividend income	(2,193.16)	(1,659.94)
Provision for doubtful debts (net)	165.00	(771.40)
Bad debts / advances written off	2.20	1,119.24
(Profit) / Loss on sale of investments (net)	(302.86)	1,882.70
Provision for diminution in value of investments	(26.66)	55.55
Profit on sale of fixed assets	-	(22.06)
Interest expenses	-	104.10
Operating profit before working capital changes	17,996.57	16,596.71
Movement in working capital:		
Decrease / (Increase) in trade receivables	(403.01)	9,187.79
Decrease / (Increase) in loans and advances and other assets	(1,864.29)	7,769.44
Increase / (Decrease) in liabilities and provisions	(7,208.62)	3,598.00
Cash generated from / (used in) operations	8,520.65	37,151.94
Taxes paid	(4,318.82)	(4,814.71)
Net cash flow from operating activities	4,201.83	32,337.23
Cash flows from investing activities		
Purchase of fixed assets, changes in capital work in progress and capital advances	(4,500.74)	(3,196.65)
Proceeds from sale of fixed assets	97.04	188.59
(Acquisition) / Disposal of subsidiaries or associates	(3,038.42)	6,959.49
Purchase of non-current investments	(2,500.00)	-
Redemption / (Purchase) of current investments	8,070.72	(14,115.38)
Investment in long-term term deposits	-	(1,802.00)
Interest received	570.88	872.95
Dividend received	2,193.16	1,659.94
Net cash flow from / (used in) investing activities	892.64	(9,433.06)
Cash flows from financing activities		
Proceeds from share capital issued on exercise of stock options	18.22	2.21
Proceeds from securities premium on exercise of stock options	428.74	22.88
Dividends paid during the year	(7,921.03)	(5,810.80)
Repayment of loans (net)	-	(10,858.00)
Interest paid	-	(104.10)
Net cash flow from / (used in) financing activities	(7,474.07)	(16,747.81)
Net increase / (decrease) in cash and cash equivalents during the year	(2,379.60)	6,156.36
Exchange differences on translation of cash and cash equivalents in foreign currency	(25.08)	305.32
Cash and cash equivalents at the beginning of the year	10,427.72	3,966.04
Cash and cash equivalents transferred on Demerger pursuant to Scheme of arrangement (Refer note 31)	(99.83)	-
Cash and cash equivalents at the end of the year*	7,923.21	10,427.72
Components of cash and cash equivalents		
Cash on hand	1.77	1.27
Balance with banks	7,921.44	10,426.45
Total cash and cash equivalents	7,923.21	10,427.72

* The balance with banks include Rs 5,094 lakhs, which are not available for use by the Company as they represents unpaid dividend liabilities Rs.98.27 lakhs (March 31, 2014: Rs 88.76 lakhs) and interim dividend payable of Rs.4,995.73 lakhs (March 31, 2014: Rs Nil).

* The balance with banks as of March 31, 2014 also include Rs. 1,889 lakhs (March 31, 2015: Nil) of balances which had been pledged as a security by the company for availing non-fund based facilities.

As per our report of even date.

For S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants
ICAI Firm Registration number: 101049W
per Bharath N S
Partner
Membership No. 210934
Chennai, April 30, 2015

For and on behalf of the Board of Directors of
Polaris Consulting & Services Limited

R C Bhargava
Director

Jitin Goyal
Executive Director

Vaidyanathan N M
Chief Financial Officer
April 30, 2015, Chennai

Christina Pauline Beulah
Company Secretary

Polaris Consulting & Services Limited

(Formerly known as Polaris Financial Technology Limited)

Notes to Financial Statements for the year ended March 31, 2015

(All amounts are in Rupees in Lakhs unless otherwise stated)

1. Corporate Information

Polaris Consulting and Services Limited (formerly known as Polaris Financial Technology Limited), a public limited company domiciled in India. It was founded in 1993 and is headquartered at Chennai, India. The Company's shares are listed on The National Stock Exchange and The Bombay Stock Exchange in India. The Company is a global leader in Financial Technology (FT) for Banking, Insurance, and other Financial Services.

The name of the Company has been changed to Polaris Consulting & Services Limited from Polaris Financial Technology Limited with effect from October 21, 2014 and the necessary regulatory approvals for the same has been obtained.

2A. Basis of preparation of financial statements

The financial statements of the company have been prepared in accordance with the generally accepted accounting principles in India (Indian GAAP). The company has prepared these financial statements to comply in all material respects with the accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014. The financial statements have been prepared on an accrual basis and under the historical cost convention. The accounting policies adopted in the preparation of financial statements are consistent with those of previous year, except for the change in accounting policy for depreciation on tangible fixed assets. Refer note 3C.

The figures of the current period are not comparable to the prior periods, as the financial statements of the current period does not include the activities and results of the product business undertaking. Refer note- 2B.

2B. Scheme of Arrangement (Demerger)

The Board of Directors of the Company at its meeting held on March 18, 2014 had approved a Scheme of Arrangement between Polaris Consulting & Services Limited and Intellect Design Arena Limited (formerly known as Fintech Grid Limited) a wholly owned subsidiary of Polaris Consulting & Services Limited, and their respective shareholders which inter alia envisaged demerger of the Product business undertaking along with related assets and liabilities into Intellect Design Arena Limited with effect from April 1, 2014 in accordance with the provisions of the Companies Act, 1956. The above scheme has received the approval of the Madras High court on September 15, 2014. Consequently, the assets and liabilities which vest with Intellect Design Arena Limited have been excluded from the balance sheet of the Company.

The Company has accounted for the demerger as per the High Court order as more fully disclosed in Note 31.

3. Significant Accounting Policies

a) Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting year end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

b) Tangible fixed assets and capital work in progress

Fixed assets are stated at cost, less accumulated depreciation and impairment losses if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Capital work in progress comprises cost of tangible fixed assets not ready for intended use as at the balance sheet date.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

Gains or losses arising from derecognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

c) Depreciation on tangible fixed assets

Depreciation on fixed assets is provided using the straight line method based on rates specified in Schedule II of the Companies Act 2013.

Till the year ended March 31, 2014, Schedule XIV to the Companies Act, 1956, prescribed requirements concerning depreciation of fixed assets. From the current year, Schedule XIV has been replaced by Schedule II to the Companies Act, 2013. The applicability of Schedule II has resulted in the following changes related to depreciation of fixed assets. Unless stated otherwise, the impact mentioned for the current year is likely to hold good for future years also.

Useful lives/ depreciation rates

Till the year ended March 31, 2014, depreciation rates prescribed under Schedule XIV were treated as minimum rates and the company was not allowed to charge depreciation at lower rates even if such lower rates were justified by the estimated useful life of the asset. Schedule II to the Companies Act 2013 prescribes useful lives for fixed assets which, in many cases, are different from lives prescribed under the erstwhile Schedule XIV. However, Schedule II allows companies to use higher / lower useful lives and residual values if such useful lives and residual values can be technically supported and justification for difference is disclosed in the financial statements.

Considering the applicability of Schedule II, the management has re-estimated useful lives and residual values of all its fixed assets. The management believes that depreciation rates currently used fairly reflect its estimate of the useful lives and residual values of fixed assets, though these rates in certain cases are different from lives prescribed under Schedule II. Had the company continued to use the earlier accounting policy, the impact on depreciation of fixed assets would have been higher by Rs. 53.93 lakhs

Depreciation on assets costing less than Rs. 5,000/-

Till the year ended March 31, 2014, to comply with the requirements of Schedule XIV to the Companies Act, 1956, the company was charging 100% depreciation on assets costing less than Rs. 5,000/- in the year of purchase. However, Schedule II to the Companies Act 2013, applicable from the current year, does not recognize such practice. Hence, to comply with the requirement of Schedule II to the Companies Act, 2013, the company has changed its accounting policy for depreciations of assets costing less than Rs.5,000/-. As per the revised policy, the company is depreciating such assets over their useful life as assessed by the management. The management has decided to apply the revised accounting policy prospectively from accounting periods commencing on or after April 1, 2014.

The change in the accounting for depreciation of assets costing less than Rs 5,000 did not have any material impact on the financial statements of the company for the current year.

The estimated useful lives considered for depreciation of fixed assets are as follows:

Assets Category	Revised Estimated useful life (years)	Earlier useful life (Years)
Buildings	29	29
Plant and machinery	15	6-7
Computer equipment	3	3
Servers and computer accessories	6	5
Electrical fittings, furniture and fixtures	10	10
Office equipment	5	10
Vehicles	4-8	4-6
Leasehold improvements	Over the lease period or 10 years whichever is lower	Over the lease period or 10 years whichever is lower
Leasehold land	Over the lease period (99 years)	Over the lease period (99 years)

d) Intangible assets

Intangible assets acquired are stated at cost, less accumulated amortization and impairment losses if any.

Research and development costs

Software product and intellectual property development costs are expensed as incurred until technological feasibility is established. Software development costs incurred subsequent to the achievement of technological feasibility are capitalized and amortised over estimated useful life of the products. This capitalisation is done only if the Company has the intention and ability to complete the product, the product is likely to generate future economic benefits, adequate resources to complete the product are available to the Company and the Company is able to accurately measure such expense.

Such software development costs comprise expenditure that can be directly attributed, or allocated on a reasonable and consistent basis, to the development of the product and intellectual property rights.

Amortisation

The amortisation of software development and intellectual property costs is allocated on a straight-line basis over the best estimate of its useful life after the product is ready for use. The factors considered for identifying the basis include obsolescence, product life cycle and actions of competitors. The amortization period and the method are reviewed at each year end. The expected useful life is reassessed at each year end and the amortization period is changed accordingly. The estimated useful life of company's intangible assets are stated below:

Assets Category	Estimated useful life (years)
Computer software	3
Customer contracts acquired on business purchase agreements	3
Intellectual property rights	3-5

e) Leases

Lease under which the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. Such assets acquired are capitalized at fairvalue of the asset or present value of the minimum lease payments at the inception of the lease, whichever is lower. Lease payments under operating leases are recognised as an expense on a straight line basis in the statement of profit and loss over the lease term.

f) Impairment of tangible and intangible fixed assets

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the pre-tax discount rate reflecting current market assessment of time value of money and risks specific to asset.

After impairment, depreciation/amortisation is provided on the revised carrying amount of the asset over its remaining useful life.

g) Investments

Investments are classified as long-term investments and current investments. Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties. Current investments are carried in the financial statements at the lower of cost or fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognise a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

h) Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Software development and support services

Revenue from software development and support services comprises income from time-and-material and fixed price contracts. Revenue with respect to time-and-material contracts is recognized as related services are performed. Revenue from fixed-price contracts is recognized in accordance with the proportionate completion method. Provision for estimated losses on incomplete contract is recorded in the year in which such losses become probable based on the current contract estimates.

Product licenses and related revenues

Revenues from product licenses and related services comprise income under multiple element arrangements recognized as follows:

- License fees and fees for customization/implementation services are recognized using proportionate completion method. Provision for estimated losses, if any, on incomplete contracts are recorded in the year in which such losses become probable based on current contract estimates.

- Product maintenance revenues are recognized over the period of the maintenance contract.

Revenue from sale of licenses which are not in the nature of multiple element arrangements are recognized upon delivery of these licenses which constitute transfer of all risks and rewards and has no further obligations under those arrangements.

Revenues in excess of billing represent earnings on ongoing fixed price and time and material contracts over amounts invoiced to customers. Billings in excess of revenues represent amounts billed in case of ongoing fixed price and time and material contracts wherein amounts have been billed in accordance with the billing cycle and efforts would be incurred subsequent to the balance sheet date.

Business Process Outsourcing

Revenue from call centre services comprises income from time and material contracts. Revenue is recognized in accordance with the terms of the contract with the customer, as related services are performed.

Other Income

Interest is recognized using the time-proportion basis taking into account the amount outstanding and the applicable interest rate.

Dividend income is recognized when the Company's right to receive dividend is established.

i) Foreign currency transactions and translations

Initial Recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Conversion

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

Exchange Differences

Exchange differences arising on the settlement/reporting of monetary items, at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or as expense in the year in which they arise.

Translation of integral and non-integral foreign operations

The company classifies all its foreign operations as either "integral foreign operations" or "non-integral foreign operations."

The financial statements of an integral foreign operation are translated as if the transactions of the foreign operation have been those of the company itself.

The assets and liabilities of a non-integral foreign operation are translated into the reporting currency at the exchange rate prevailing at the reporting date. Their statement of profit and loss are translated at exchange rates prevailing at the dates of transactions or weighted average weekly rates, where such rates approximate the exchange rate at the date of transaction. The exchange differences arising on translation are accumulated in the foreign currency translation reserve. On disposal of a non-integral foreign operation, the accumulated foreign currency translation reserve relating to that foreign operation is recognized in the statement of profit and loss.

When there is a change in the classification of a foreign operation, the translation procedures applicable to the revised classification are applied from the date of the change in the classification.

j) Forward contracts entered into to hedge foreign currency risk

The Company uses foreign exchange contracts to hedge its exposure to movements in foreign currency rates. The use of these foreign exchange forward contracts is aimed to reduce the risk/cost to the Company and the Company does not use the foreign exchange forward contracts for trading or speculative purposes.

The use of hedging instruments is governed by the Company's policies approved by the Board of Directors, which provide written principles on the use of such financial derivatives consistent with the Company's risk management strategy.

The Company designates these hedging instruments as Cash flow hedges applying the recognition and measurement principles set out in Accounting standard 30 – "Financial Instruments - Recognition and measurement".

Hedging instruments are initially measured at fair value, and are remeasured at subsequent reporting dates. Changes in the fair value of these derivatives that are designated and effective as hedges of future cash flows are recognised directly in shareholders' funds (hedge fluctuation reserve) and the ineffective portion is recognised immediately in the statement of profit and loss. Changes in the fair value of derivative financial instruments that do not qualify for hedge accounting are recognised in the statement of profit and loss as they arise.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. At that time for forecasted transactions, any cumulative gain or loss on the hedging instrument recognised in shareholders' funds (hedge fluctuation reserve) is retained there until the forecasted transaction occurs. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in shareholders' funds is transferred to the profit and loss.

k) Retirement and other employee benefits

Provident Fund

Employees receive benefits from a provident fund, which is a defined contribution plan. Both the employee and the Company make monthly contributions to the Regional Provident Fund equal to a specified percentage of the covered employee's salary. The company recognizes contribution payable to the provident fund scheme as an expenditure, when an employee renders the related service. The Company has no further obligations under the plan beyond its monthly contributions. The contributions are charged to the Statement of Profit and Loss of the year when the contributions to the respective funds are due and there are no other obligations other than the contribution payable.

Gratuity

The Company provides for gratuity in accordance with the Payment of Gratuity Act, 1972, a defined benefit retirement plan (the Plan) covering all employees. The plan, subject to the provisions of the above Act, provides a lump sum payment to eligible employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. A trust by name "Polaris Software Lab group gratuity trust" has been constituted to administer the gratuity fund. Gratuity liability is accrued and provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial period. Actuarial gains/losses are immediately taken to Statement of profit and loss and are not deferred.

Superannuation

The Company contributes a specified percentage of the eligible employees' basic salary towards superannuation (the Plan) to a fund. A trust has been created and approved by the Income-tax authorities for this purpose. This Plan provides for various options for payment of pension at retirement or termination of employment as per the trust rules. The Company has no further obligations under the Plan beyond its monthly contributions which are periodically contributed to a trust.

Leave Benefits

Provision for long-term compensated absences is accrued and provided for on the basis of actuarial valuation made at the end of each financial period. The actuarial valuation is done as per projected unit credit method. Short-term encashment of accumulated leave balances are accounted for in the year in which the leave balances are credited to employees on actual basis.

The company presents the entire leave as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

I) Income and Deferred Taxes

Tax expense comprises of current and deferred tax. The current charge for income taxes is calculated in accordance with the relevant tax regulations applicable to the Company. The current tax provision and advance income tax as at balance sheet date have been arrived at after setting off advance tax and current tax provision where the Company has legally enforceable right to set off assets against liabilities and where such assets and liabilities relate to taxes on income levied by the same governing taxation laws.

Deferred tax assets and liabilities are recognised for the future tax consequences attributable to timing differences between the taxable income and accounting income. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. The effect on deferred tax assets and liabilities of a change in tax rates is recognised in the period that includes the enactment date. Deferred tax assets and deferred tax liabilities across various countries of operation are not set off against each other as the Company does not have legal right to do so.

Deferred tax assets are recognised only if there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised and are reassessed for the appropriateness of their respective carrying values at each balance sheet date. Unrecognised deferred tax assets of earlier years are re-assessed and recognised to the extent that it has become reasonably certain that future taxable income will be available against which such deferred tax assets can be realized. The Company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain, that sufficient future taxable income will be available against which deferred tax asset can be realised.

MAT credit is recognised as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. In the year in which the Minimum Alternate Tax (MAT) credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in Guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the Statement of profit and loss and shown as MAT Credit Entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal Income Tax during the specified period.

The Company enjoys tax holiday under Sec 10AA of the Income tax Act on some of its units set up in the Special Economic Zones (SEZ)

m) Stock Based Compensation

Measurement and disclosure of the employee share-based payment plans is done in accordance with SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and the Guidance Note on Accounting for Employee Share-based Payments, issued by the Institute of Chartered Accountants of India. The Company measures compensation cost relating to employee stock options using the intrinsic value method. Compensation expense is amortized over the vesting period of the option on a straight line basis.

n) Earnings per share

The basic earnings per share are computed by dividing the net profit for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

o) Provisions and contingent liabilities

A provision is recognized when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The company does not recognize a contingent liability but discloses its existence in the financial statements. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

p) Segment reporting

The company's operating businesses are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the areas in which major operating divisions of the company operate.

The company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the company as a whole.

q) Cash and Cash equivalents

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risks of change in value.

4. Share Capital

Particulars	March 31, 2015	March 31, 2014
Authorised		
120,000,000 equity shares of Rs.5 each. (March 31, 2014: 120,000,000 equity shares of Rs.5 each)	6,000.00	6,000.00
10,000,000 11 % preference shares of Rs.5 each. (March 31, 2014: 10,000,000 11% preference shares of Rs.5 each)	500.00	500.00
	6,500.00	6,500.00
Issued, Subscribed and Paid up		
99,914,624 equity shares of Rs.5 each (March 31, 2014: 99,550,274 equity shares of Rs.5 each) fully paid up	4,995.73	4,977.51
Total Issued, Subscribed and Paid up Capital	4,995.73	4,977.51

Of the total authorised capital of the company referred above, the company has issued only one class of equity shares having a face value of Rs.5 per share. Each holder of such equity share is entitled to one vote per share. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company. The distribution will be in proportion to the number of equity shares held by the shareholders.

The Board of Directors, in their meeting held on March 19, 2015 declared interim dividend of Rs.5 per equity share. Further the Board of Directors, in their meeting held on April 30, 2015, have proposed a final dividend of Rs.10 per equity share for the financial year ended March 31, 2015. The proposal is subject to the approval of shareholders in the ensuing Annual General Meeting.

Reconciliation of the number of shares outstanding as at March 31, 2015		No of Shares	
Particulars	March 31, 2015	March 31, 2014	
Shares outstanding at the beginning of the year	99,550,274	99,506,074	
Add: Share issued under ASOP	364,350	44,200	
Shares outstanding at the end of the year	99,914,624	99,550,274	

Details of Shareholders holding more than 5 percent shares in the Company (based on legal ownership)

Particulars	March 31, 2015		March 31, 2014	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Polaris Banyan Holding Private Limited (Formerly Known as Polaris Holdings (P) Limited)	20,020,938	20.04%	20,020,938	20.11%
Orbitech Limited	15,379,606	15.39%	15,379,606	15.45%
Franklin Mutual Series Funds - Mutual Beacon Fund	6,103,048	6.11%	7,108,509	7.14%

Stock option plans

The Company has four stock option plans that provide for the granting of stock options to employees including directors of the Company (not being promoter directors and not holding more than 10% of the equity shares of the Company). The objectives of these plans include attracting and retaining the best personnel, providing for additional performance incentives and

promoting the success of the Company by providing employees the opportunity to acquire equity shares.

As per the Scheme of Arrangement (refer note no:31), the exercise price of the stock options shall stand modified at 72% of the old exercise price. Consequently, the exercise price of financial year 2014-15 is not comparable with previous year 2013-14.

The balance of the exercise price (28%) shall become the exercise price of the stock options issued by the resulting company.

The option plans are summarized below:

Associate Stock Option Plan 2003

The Shareholders of the Company at the EGM held on March 12, 2004 approved an Associate Stock Option Plan (the 2003 Plan). The 2003 Plan provides for issuance of 3,895,500 options, convertible to equivalent number of equity shares of Rs.5 each, to the employees including Directors. The options are granted at the market price on the date of the grant. The market price, in accordance with the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines 1999 as amended from time to time, shall be the latest available closing price prior to the date of the meeting of the Board of Directors in which options are granted, on the stock exchange on which the shares of the Company are listed. If the Shares are listed on more than one stock exchange then the stock exchange where there is highest trading volume on the said date shall be considered. The option vests over a period of 5 years from the date of grant in a graded manner, with 20% of the options vesting each year. The exercise period shall commence from the date of vesting and expires within 36 months from the last vesting date.

No compensation cost has been recorded as the scheme terms are fixed and the exercise price equals the market price of the underlying stock on the grant date. A summary of the status of the options granted under 2003 plan at March 31, 2015 is presented below.

Particulars	Year ended March 31, 2015		Year ended March 31, 2014	
	Number of Shares	Weighted Average Exercise Price (Rs.)	Number of Shares	Weighted Average Exercise Price (Rs.)
Outstanding at the beginning of the period	1,627,500	122.27	1,981,100	165.03
Granted during the period	-	-	-	-
Exercised during the period	(258,100)	94.19	(43,900)	56.38
Forfeited during the period	(64,000)	127.71	(107,700)	165.37
Expired during the period	(359,300)	110.87	(202,000)	149.89
Outstanding at the end of the period	946,100	133.89	1,627,500	169.82
Exercisable at the end of the period	838,800	134.45	1,306,700	167.43

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
Range of exercise price (Rs.)	24.73-163.73	34.35-140.90
Weighted average remaining contractual life (in years)	2.74	3.48
Weighted average market price of shares on the date of exercise (Rs.)	223.96	127.94

Associate Stock Option Plan 2004

The Shareholders of the Company in the AGM held on July 22, 2005 approved an Associate Stock Option Plan (the 2004 plan). The 2004 plan provides for issuance of 1,084,745 options, convertible to equivalent number of equity shares of Rs.5 each, to the associates including Directors. The options are granted at the market price on the date of the grant. The market price, in accordance with the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines 1999 as amended from time to time, shall be the latest available closing price prior to the date of the meeting of the Board of Directors in which options are granted, on the stock exchange on which the shares of the Company are listed. If the Shares are listed on more than one stock exchange then the stock exchange where there is highest trading volume on the said date shall be considered. The option vests over a period of 5 years from the date of grant in a graded manner, with 20% of the options vesting each year. The exercise period shall commence from the date of vesting and expires within 36 months from the last vesting date.

No compensation cost has been recorded as the scheme terms are fixed and the exercise price equals the market price of the underlying stock on the grant date. A summary of the status of the options granted under 2004 plan at March 31, 2015 is presented as below

Particulars	Year ended March 31,2015		Year ended March 31, 2014	
	Number of Shares	Weighted Average Exercise Price (Rs.)	Number of Shares	Weighted Average Exercise Price (Rs.)
Outstanding at the beginning of the period	412,300	144.03	507,700	184.27
Granted during the period	-	-	-	-
Exercised during the period	(17,800)	133.00	(25,600)	76.60
Forfeited during the period	(4,200)	111.70	-	-
Expired during the period	(16,600)	62.74	(69,800)	130.61
Outstanding at the end of the period	373,700	148.53	412,300	200.04
Exercisable at the end of the period	360,500	149.76	301,000	231.04

Particulars	Year ended March 31,2015	Year ended March 31, 2014
Range of exercise price (Rs.)	125.17-133.88	76.60
Weighted average remaining contractual life (in years)	1.94	2.32
Weighted average market price of shares on the date of exercise (Rs.)	259.81	126.46

Associate Stock Option Plan 2011

The Shareholders of the Company in the Extraordinary General Meeting held on October 28, 2011 approved an Associate Stock Option Plan (the 2011 plan). The 2011 plan provides for issuance of 4,960,000 options convertible into equivalent number of equity shares of Rs.5 each. The plan shall be administered under 4 different schemes based on the following terms:

Particulars	Swarnam 11	Swarnam 21	Swarnam 31	Swarnam 41
Eligible employees	Senior and Key executives excluding non-executive directors	Members of Business leadership team or equivalent thereof excluding non-executive directors	Associates in the grade of Executive Vice president and above, excluding non executive directors	Non - Executive directors
Maximum number of options grantable	3,720,000 Less: Number of Option granted under Swarnam 21	1,736,000	1,240,000 Less: Number of Option granted under Swarnam 41	200,000
Grant price				
A.Market price upto Rs. 175	Market price	Market price	Market price	Market price
B.Market price between Rs. 175 - Rs. 500	15% discount on market price. (Subject to being Not lower than Rs.175)	30% discount on market price. (Subject to being Not lower than Rs.175)	50% discount on market price. (Subject to being Not lower than Rs.175)	Market price
C.Market price greater than Rs.500	10% discount on market price	20% discount on market price	50% discount on market price	Market price

The market price, in accordance with the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines 1999 as amended from time to time, shall be the latest available closing price prior to the date of the meeting of the Board of Directors in which options are granted, on the stock exchange on which the shares of the Company are listed. If the Shares are listed on more than one stock exchange then the stock exchange where there is highest trading volume on the said date shall be considered. The options shall be valued using the intrinsic value model.

The option vests over a period of 5 years from the date of grant in a graded manner, subject to fulfillment of vesting conditions as follows:

Vesting Schedule	Swarnam 11	Swarnam 21	Swarnam 31	Swarnam 41
Service conditions				
At the end of year 1	10%	0%	0%	20%
At the end of year 2	15%	0%	0%	20%
At the end of year 3	20%	33%	33%	20%
At the end of year 4	25%	33%	33%	20%
At the end of year 5	30%	34%	34%	20%

Performance conditions

Performance rating	20% of the options granted for each year shall be subject to meeting of minimum specified annual performance rating	20% of the options granted for each year shall be subject to meeting of minimum specified annual performance rating	20% of the options granted for each year shall be subject to meeting of minimum specified annual performance rating	20% of the options granted for each year shall be subject to meeting of minimum specified annual performance rating
Companies target EPS growth	Accelerated vesting of 5%/10% each year, based on Company achieving specified target EPS growth	Accelerated vesting of 5%/10% each year, based on Company achieving specified target EPS growth	NA	NA

The exercise period shall commence from the date of vesting and expires within 60 calendar months from the relevant vesting date.

During the current year the Company has granted options under Swarnam 11, 21 & 31 scheme. As the market price on the date of the grant was more than Rs.175, option discount has been provided as per the scheme terms and the options are issued at the discounted price. Accordingly compensation cost has been recorded. A summary of the status of the options granted under 2011 plan at March 31, 2015 is presented below

Particulars	Year ended March 31,2015		Year ended March 31, 2014	
	Number of Shares	Weighted Average Exercise Price (Rs.)	Number of Shares	Weighted Average Exercise Price (Rs.)
Outstanding at the beginning of the period	4,012,900	98.47	1,301,000	131.47
Granted during the period	650,000	128.04	2,897,000	138.54
Exercised during the period	(106,250)	91.83	(300)	113.20
Forfeited during the period	(331,300)	92.18	(169,400)	126.97
Expired during the period	(50,700)	94.64	(15,400)	132.06
Outstanding at the end of the period	4,174,650	103.79	4,012,900	136.76
Exercisable at the end of the period	414,350	94.54	265,400	130.41

Particulars	Year ended March 31,2015	Year ended March 31, 2014
Range of exercise price (Rs.)	78.58-108.54	113.20
Weighted average remaining contractual life (in years)	4.68	8.05
Weighted average fair value of options granted (Rs.)	82.58	73.98
Weighted average market price of shares on the date of exercise (Rs.)	194.67	-

Associate Stock Option Plan 2015

The Shareholders of the Company in the Extraordinary General Meeting held on March 19, 2015 approved an Associate Stock Option Plan (the 2015 plan). The 2015 plan provides for issuance of 50,00,000 options convertible into equivalent number of equity shares of Rs 5 each. The plan shall be administered under 5 different schemes based on the following terms:

Particulars	Swarnam 101	Swarnam 201	Swarnam 301	Swarnam 401	Swarnam 501
Grant price					
A. Market price upto Rs. 126	Market price	Market price	Market price	Market price	Market price
B. Market price between Rs. 126 – Rs. 360	15% discount on market price. (Subject to being Not lower than Rs.126)	30% discount on market price. (Subject to being Not lower than Rs.126)	50% discount on market price. (Subject to being Not lower than Rs.126)	25% discount on market price. (Subject to being Not lower than Rs.126)	up to 50% discount on market price. (Subject to being Not lower than Rs.126)
C. Market price greater than Rs. 360	10% discount on market price	20% discount on market price	50% discount on market price	25% discount on market price	Up to 50% discount on market price

The market price, in accordance with the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines 1999 as amended from time to time, shall be the latest available closing price prior to the date of the meeting of the Board of Directors in which options are granted, on the stock exchange on which the shares of the Company are listed. If the Shares are listed on more than one stock exchange then the stock exchange where there is highest trading volume on the said date shall be considered. The options shall be valued using the intrinsic value model. No options were granted under this plan during the year.

Associate Stock Option Plan (Trust) 2011

The Shareholders of the Company in the Extraordinary General Meeting held on October 28, 2011 approved an Associate Stock Option Plan (TRUST) 2011 [the 2011(Trust) plan]. The 2011(Trust) plan provides for issuance of 1,984,000 options, convertible to equivalent number of equity shares of Rs.5 each. The options shall be granted at the market price if the market price is below Rs. 175 or at discount of 10% on market price if the market price is Rs. 175 or above. The market price, in accordance with the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines 1999 as amended from time to time, shall be the latest available closing price prior to the date of the meeting of the Board of Directors in which options are granted, on the stock exchange on which the shares of the Company are listed. If the Shares are listed on more than one stock exchange then the stock exchange where there is highest trading volume on the said date shall be considered. The option vests over a period of 5 years from the date of grant in a graded manner, with 20% of the options vesting each year. The exercise period shall commence from the date of vesting and expires within 60 calendar months from the relevant vesting date. The Company has not granted any options under the plans as on March 31, 2015.

The Company had formulated an Associate stock option plan Trust-2011, for the purpose of administering the above scheme. The Trust had purchased 1,536,000 shares of the Company from the secondary market during the year ended March 31, 2013. In accordance with the Stock Exchange Board of India (SEBI) circular dated January 17, 2013, listed companies have been prohibited from purchase of their own securities in the secondary market through such trusts. The trust has disposed off such holding in the quarter ended June 30, 2014 to be in compliance with SEBI Regulations.

Pro forma Disclosure

The Company follows the intrinsic value model for valuation of its options under the various plans. In accordance with SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, had the compensation cost for associate stock option plans been recognized based on the fair value at the date of grant in accordance with Black-Scholes model, the pro forma amounts of the Company's net profit and earnings per share would have been as follows:

Particulars	March 31, 2015	March 31, 2014
Profit after tax		
- as reported	13,071.75	8,396.59
- proforma profit	12,598.36	8,384.83
Earnings Per Share (in Rs.)		
Basic		
- As reported	13.10	8.44
- Pro forma	12.63	8.42
Diluted		
- As reported	12.81	8.42
- Pro forma	12.34	8.41

The fair value of options was estimated at the date of grant using the Black Scholes Model with the following assumptions:

Particulars	March 31, 2015			
	ASOP 2011	ASOP 2011	ASOP 2011	ASOP 2011
	Swarnam-21	Swarnam-31	Swarnam-11	Swarnam-11
Grant date	30-Apr-14	30-Apr-14	7-Nov-14	22-Jan-15
Risk-free interest rate	8.90%	8.90%	8.22%	7.75%
Expected life (Years)	6.5	6.5	5	5
Expected volatility	58.62%	58.62%	51.49%	51.33%
Expected dividend yield	2.41%	2.41%	3.08%	6.74%

Particulars	March 31, 2014		
	ASOP 2011	ASOP 2011	ASOP 2011
Grant date	27-Apr-13	30-Jul-13	22-Oct-13
Risk-free interest rate	7.71%	8.47%	8.67%
Expected life (Years)	6	6	6
Expected volatility	56.12%	55.06%	54.53%
Expected dividend yield	1.83%	2.26%	2.26%

Particulars	March 31, 2014			
	ASOP 2011	ASOP 2011	ASOP 2011	ASOP 2011
	Swarnam-41	Swarnam-11	Swarnam-21	Swarnam-31
Grant date	7-Mar-14	10-Mar-14	10-Mar-14	10-Mar-14
Risk-free interest rate	8.92%	9.10%	9.13%	9.13%
Expected life (Years)	5.5	6	6.51	6.51
Expected volatility	51.63%	53.56%	56.23%	56.23%
Expected dividend yield	2.26%	2.26%	2.26%	2.26%

The expected life of stock is based on historical data and current expectation and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may also not necessarily be the actual outcome.

5. Reserves and Surplus

Particulars	March 31, 2015	March 31, 2014
Securities premium account		
Opening balance	19,147.69	19,124.81
Less: Adjustment of reserves on account of demerger of Product business undertaking from the Company (Refer Note 31)	(19,147.69)	-
Add: Premium received on issue of shares under ASOP plans to employees	428.74	22.88
Closing balance	428.74	19,147.69
General reserve account		
Opening balance	17,255.30	16,415.30
Less: Adjustment of reserves on account of demerger of Product business undertaking from the Company (Refer Note 31)	(17,255.30)	-
Add : Transferred from surplus balance in the statement of profit and loss	-	840.00
Closing balance	-	17,255.30
Foreign currency translation reserve account		
Opening balance	2,397.33	1,850.00
Add : Adjustment for the period	303.72	547.33
Closing balance	2,701.05	2,397.33
Hedging reserve account		
Opening balance	1,406.26	1,660.92
Add: Adjustment for the period	4,366.55	(254.66)
Closing balance	5,772.81	1,406.26
Surplus in the statement of profit and loss		
Opening balance	72,376.23	64,738.11
Less: Adjustment of reserves on account of demerger of Product business undertaking from the Company (Refer Note 31)	(22,278.68)	-
Net Profit for the current year	13,071.75	8,396.59
Amount available for appropriation	63,169.30	73,134.70
Appropriations		
Adjustment on account of aligning the useful life of fixed assets in accordance with the Companies Act, 2013 (Refer note 11)	109.93	-
Tax impact on aligning of useful life in accordance with Companies Act, 2013 (Refer note 11)	(42.75)	-
Dividend – Interim	4,995.73	-
Dividend –Final	9,998.96	6,222.06
Tax on dividend	2,676.95	1,057.44
Provision for mark-to-market loss	-	(7,361.03)
Amount transferred to General Reserve	-	840.00
Closing balance of surplus in the statement of profit and loss	45,430.48	72,376.23
Total Reserves and Surplus	54,333.08	112,582.81

6. Deferred tax liabilities (net)

Particulars	March 31, 2015	March 31, 2014
<i>Deferred Tax Liability</i>		
Fixed assets	-	1,332.33
<i>Deferred Tax Asset</i>		
Provision for doubtful debts	-	(118.89)
Gratuity	-	(169.64)
Total Deferred tax liabilities (net)	-	1,043.80

7. Long-term Provisions

Particulars	March 31, 2015	March 31, 2014
Provision for employee benefits		
- Provision for gratuity (Refer Note - 27)	-	403.62
Total Long - Term Provisions	-	403.62

8. Trade Payables#

Particulars	March 31, 2015	March 31, 2014
Creditors for expenses and goods	3,115.29	1,196.80
Provision for expenses	4,695.56	5,942.02
Accrued salaries and benefits	6,251.63	10,482.62
Others	1,295.94	3,683.60
Total Trade Payables	15,358.42	21,305.04

Also Refer Note – 21. Related party transactions

9. Other current liabilities

Particulars	March 31, 2015	March 31, 2014
Unclaimed dividends	98.27	88.76
Interim dividend payable	4,995.73	-
Other payable		
Superannuation payable	634.14	880.60
Advances received from customers	0.06	15.37
Billings in excess of revenues	2,500.09	6,303.50
Payable to related parties #	491.11	6,733.82
Payable to others	106.81	-
Capital creditors	46.84	65.11
Dues under contractual obligation	-	1.78
Statutory dues	695.56	741.92
Total Other current liabilities	9,568.61	14,830.86

Also Refer Note – 21. Related party transactions

10. Short-term provisions

Particulars	March 31, 2015	March 31, 2014
Provision for employee benefits		
- Provision for gratuity (Refer Note - 27)	435.43	95.45
- Provision for leave benefits	1,262.10	1,845.77
Others Provisions		
- Proposed dividend	9,991.46	6,221.89
- Provision for tax on proposed dividend	2,033.22	1,057.41
- Provision for mark-to-market losses	-	1,683.66
Total Short-term provisions	13,722.21	10,904.18

Polaris Consulting & Services Limited

(Formerly known as Polaris Financial Technology Limited)

Notes to Financial Statements for the year ended March 31, 2015

(All amounts are in Rupees in lakhs unless otherwise stated)

11. FIXED ASSETS

Sl No	Description	Cost						Depreciation and Amortisation						Net Book value		
		April 01, 2014	Additions	Deletions	Assets vested with Intellect ***	Other adjustments *	March 31, 2015	April 01, 2014	For the period	Deletions	Depreciation on assets vested with Intellect ***	Other adjustments *	Transition adjustment- Fixed assets **	March 31, 2015	March 31, 2015	March 31, 2014
A	TANGIBLE ASSETS															
	Land	6,277.75	2,364.52	-	431.59	1.08	8,211.76	-	-	-	-	-	-	-	8,211.76	6,277.75
	Buildings	16,035.94	21.14	-	6,845.78	5.02	9,216.32	3,723.69	317.05	-	1,496.59	2.32	-	2,546.47	6,669.85	12,312.25
	Plant and machinery (including computer equipment & accessories)	22,099.33	745.45	192.54	5,065.38	(22.51)	17,564.35	18,300.87	795.99	192.54	3,649.88	(2.40)	9.16	15,261.20	2,303.15	3,798.46
	Electrical Equipments	2,451.49	63.06	-	1,094.78	-	1,419.77	1,315.50	73.66	-	379.38	-	-	1,009.78	409.99	1,135.99
	Furniture and Fittings	6,179.86	188.35	-	2,162.12	10.31	4,216.40	3,835.44	290.19	-	846.96	7.75	-	3,286.42	929.98	2,344.42
	Office equipment	3,567.97	301.78	-	985.00	9.19	2,893.94	2,152.08	365.17	-	420.15	11.89	116.61	2,225.60	668.34	1,415.89
	Vehicles	2,642.69	323.27	371.13	1,251.58	-	1,343.25	1,410.27	302.48	300.75	629.91	-	-	782.09	561.16	1,232.42
	ASSETS UNDER LEASE															
	Land	270.63	-	-	270.63	-	-	26.81	-	-	26.81	-	-	-	-	243.82
	Leasehold improvements	611.04	-	-	14.88	3.07	599.23	454.53	29.50	-	10.94	2.99	-	476.08	123.15	156.51
	SUB TOTAL (A)	60,136.70	4,007.57	563.67	18,121.74	6.16	45,465.02	31,219.19	2,174.04	493.29	7,460.62	22.55	125.77	25,587.64	19,877.38	28,917.51
B	INTANGIBLE ASSETS															
	Computer software	8,348.24	439.08	-	1,498.88	47.81	7,336.25	7,854.13	359.44	-	1,334.27	2.16	-	6,881.46	454.79	494.11
	Customer Contracts #	6,188.17	-	-	5,838.17	-	350.00	6,013.17	116.67	-	5,838.17	-	-	291.67	58.33	175.00
	SUB TOTAL (B)	14,536.41	439.08	-	7,337.05	47.81	7,686.25	13,867.30	476.11	-	7,172.44	2.16	-	7,173.13	513.12	669.11
	TOTAL (A+ B)	74,673.11	4,446.65	563.67	25,458.79	53.97	53,151.27	45,086.49	2,650.15	493.29	14,633.06	24.71	125.77	32,760.77	20,390.50	29,586.62
	Previous year ended March 31, 2014	71,301.56	3,718.72	448.54	-	101.37	74,673.11	40,495.68	4,797.99	282.02	-	74.84	-	45,086.49	29,586.62	-

* Other adjustments represent foreign exchange gain / loss on account of translation of foreign branches.

** In accordance with the requirement of Companies Act, 2013, the Company has re-assessed the useful lives of the fixed assets and revised the same in line with the life of fixed assets specified under Schedule II to Companies Act, 2013. Consequently Rs. 109.33 lakhs (Rs. 67.18 lakhs net of taxes) has been charged to the opening balance of the retained earnings in respect of assets whose useful lives are Nil as at April 01, 2014, upon aligning the same with Schedule II. (Also Refer note 5).

This represents the customer contracts acquired by the Company from Pyxis Systems Private Limited through business purchase agreement dated October 9, 2012.

*** Pursuant to the Scheme of Arrangement (Demerger), on April 1, 2014, Gross Assets and Accumulated Depreciation amounting to Rs.25,458.79 lakhs and Rs.14,633.06 lakhs respectively, has been vested with Intellect Design Arena Limited (Resulting Company), although the legal title of the land and buildings are in the process of being transferred.

12. Non-current investments

Particulars	Currency	Face Value **	As at March 31,2015		As at March 31,2014	
			Units**	Amount	Units**	Amount
I. TRADE INVESTMENTS – Unquoted						
Investments in Equity Instruments - Subsidiaries (At cost)						
Polaris Consulting & Services GmbH (Germany)	EURO	1	600,000	261.99	600,000	261.99
Polaris Consulting & Services Pty Ltd (Australia)	AUD	1	25,000	8.11	25,000	8.11
Polaris Consulting & Services Ireland Ltd (Ireland)	EURO	1	176,186	88.96	176,186	88.96
Polaris Consulting and Services Japan K.K (Japan)	JPY	50,000	400	79.04	400	79.04
Polaris Consulting & Services Inc (Canada)	CAD	1	296,350	109.38	296,350	109.38
Intellect Polaris Design LLC, USA	USD	50,000	95	2,913.65	-	-
Polaris Consulting & Services Pte Ltd (Singapore)	SGD	1	250,010	119.85	-	-
Polaris Consulting & Services Limited (UK)	GBP	1	5,001	4.92	-	-
Optimus Global Services Limited (Also Refer Note - 12.I)	INR	2	849,997	-	849,997	-
Laser Soft Infosystems Limited (India) *	INR	10	-	-	7,828,838	5,201.06
Indigo Tx Software Private Limited (India) *	INR	2	-	-	1,985,200	1,702.97
Intellect Design Arena Co. Ltd (Vietnam) *	VND	1	-	-	900,000,000	22.50
SFL Properties Private Limited (India) *	INR	10	-	-	1,000,000	984.52
Intellect Design Arena Limited FZ-LLC (Dubai)*	AED	1,000	-	-	1,500	203.70
Sonali Polaris FT Limited (Bangladesh) *	BDT	10	-	-	3,825,000	238.76
Intellect Design Arena Limited (India) *	INR	10	-	-	49,940	4.99
Intellect Design Arena Pte Ltd (Singapore) *	SGD	1	-	-	385,000	94.60
Intellect Design Arena Limited (UK) *	GBP	1	-	-	889,000	617.50
Polaris Enterprise Solutions Limited (India) *	INR	10	-	-	9,000,000	900.00
Intellect Design Arena Limited SA (Swiss) *	CHF	10	-	-	35,000	112.76
				3,585.89		10,630.84
Investments in Preference shares - Subsidiaries (at cost)						
(Net of provision)						
Optimus Global Services Limited (Also Refer Note - 12.I)	INR	2	1,492,030	-	1,492,030	-
Investments in Equity Instruments - Associates (at cost)						
NMS Works Software Private Limited*	INR	10	-	-	726,256	415.26
Adrenalin eSystems Limited*	INR	5	-	-	13,078,080	833.88
						1,249.14
Investments in Preference shares - Associates (at cost)						
Adrenalin eSystems Limited - 7% cumulative*	INR	5	-	-	15,200,000	760.00
NMS Works Software Private Limited-12 % optionally convertible cumulative*	INR	10	-	-	378,614	233.04
						993.04
*Consequent to the demerger of Product Business Undertaking, these investments have been vested with Intellect Design Arena Limited ('the resulting company') with effect from April 1, 2014. Also refer note 31.						
II. Non - trade investment (Quoted)						
Investments in Preference shares - others (At cost)						
15.95 % Cumulative Non-convertible Redeemable preference shares- Infrastructure Leasing & Financial Services Ltd	INR	7,500	8,000	1,000.00	-	-
8.4 % Cumulative Non-convertible Redeemable preference shares-L&T Finance Holdings Limited	INR	100	1,000,000	1,000.00	-	-
8.33 % Cumulative Redeemable Non-participating preference shares- Tata Capital Limited	INR	1,000	50,000	500.00	-	-
				2,500.00		

Particulars	Currency	Face Value **	As at March 31, 2015		As at March 31, 2014	
			Units**	Amount	Units**	Amount
Investments in bonds (At cost)						
6.30% Indian Railway Finance Corporation Ltd	INR	100,000	500	500.00	500	500.00
9.95% State Bank of India	INR	10,000	-	-	10,000	1,047.12
8.25% National Highways Authority of India	INR	1,000	12,362	123.62	12,362	123.62
8.22% Housing and Urban Development Corporation Limited	INR	1,000	20,000	200.00	20,000	200.00
8.01% India Infrastructure Finance Company Limited	INR	1,000	150,000	1,500.00	150,000	1,500.00
8.18% Power Finance Corporation Limited	INR	1,000	32,389	323.89	32,389	323.89
8.14% National Thermal Power Corporation Limited	INR	1,000	9,499	94.99	9,499	94.99
8.14% Housing and Urban Development Corporation Limited	INR	1,000	100,000	1,000.00	100,000	1,000.00
8.14% National Housing Bank	INR	5,000	2,166	108.30	2,166	108.30
8.23% Indian Railway Finance Corporation Ltd	INR	1,000	50,000	500.00	50,000	500.00
8.27% National Highways Authority of India	INR	1,000	50,000	500.00	50,000	500.00
8.35% National Highways Authority of India	INR	1,000,000	100	1,038.66	-	-
8.35% National Highways Authority of India	INR	1,000,000	50	525.19	-	-
8.51% Housing and Urban Development Corporation Limited	INR	1,000	100,000	1,161.68	-	-
8.30% National Highways Authority of India	INR	1,000	50,000	585.56	-	-
8.46% National Housing Bank	INR	1,000,000	50	569.08	-	-
				8,730.97		5,897.92
Total Non-Current Investments				14,816.86		18,770.94
Aggregate amount of unquoted investments				3,585.89		12,873.02
Aggregate amount of quoted investments				11,230.97		5,897.92
Market value of quoted investments				11,889.06		5,865.76

** Units & face value are in absolute numbers

12. I. Investments in subsidiaries

During the year ended March 31, 2012, pursuant to the Approved Scheme of Arrangement with Optimus Global Services Limited ("Optimus"), a subsidiary of the Company (with 99.94% holding), the Company had merged the BPO division of Optimus into the Company with effect from October 1, 2011. Consequent to the scheme, as at March 31st, 2015, the company holds 8,49,997 equity shares and 14,92,030 preference shares in the reorganised capital structure of the subsidiary. Further, the Company had taken over net assets aggregating to Rs. 1,652.33 lakhs and accumulated losses of Rs. 3,033.72 lakhs and credited the same to the Company's investment in equity and preference shares of Optimus, resulting in the carrying value of the respective investments in Optimus to be Nil.

13. Deferred tax assets (net)

Particulars	March 31, 2015	March 31, 2014
<i>Deferred Tax Liability</i>		
Fixed assets	236.91	-
<i>Deferred Tax Asset</i>		
Provision for doubtful debts	98.61	-
Others	148.01	-
Total Deferred tax assets (net)	483.53	-

14. Long-term loans and advances

Particulars	March 31, 2015	March 31, 2014
Unsecured, considered good		
Capital Advances	149.71	200.10
Security Deposits	936.47	786.75
Loans and advances to related parties #		
Loans to Employees Welfare Trust	411.64	2,289.64
Other loans and advances		
Advances recoverable in cash or in kind or for value to be received	8.77	3.73
Loans to employees	233.41	734.33
Advance income tax (Net of provision for tax)	7,166.73	6,659.75
MAT credit entitlement	-	1,702.56
Total Long-term loans and advances	8,906.73	12,376.86

Refer Note – 21. Related party transactions

15. Other non-current assets

Particulars	March 31, 2015	March 31, 2014
Balance with Bank as Margin money or security against guarantees or other commitments#	-	1,802.00
Forward cover receivable, Net*	244.26	2,927.71
Total other non-current assets	244.26	4,729.71

Refer Note 18 - Cash and bank balances.

*As per the accounting policy specified in note 3(j), the outstanding forward cover receivables/payables as on March 31, 2015 has been segregated in to current and non-current as per the Revised Schedule VI of the Companies Act, 1956. Consequent to this, the current portion of Rs.5,528.56 lakhs (March 31,2014 - loss of Rs.1,683.66 lakhs under short-term provisions) has been recorded as forward cover receivable under other current assets and non-current portion of Rs.244.26 lakhs has been recorded as forward cover receivables under other non-current assets (March 31, 2014-Rs.2,927.71 lakhs).

16. Current Investments

Particulars	Face Value*	As at March 31,2015		As at March 31,2014	
		Units*	Amount	Units*	Amount
Non- Trade Investments (Unquoted)					
Investments in Mutual Funds					
(At Cost or Market price whichever is Lower)					
Dividend Schemes	Rs.				
Birla Sun Life Dynamic Bond Fund - Ret - Mthly	10	-	-	13,195,504	1,353.51
Birla Sun Life Short Term Fund	10	-	-	7,489,725	875.44
Templeton India Ultra Short Bond Fund - Super IP	10	-	-	39,061,962	3,916.22
ICICI Prudential Flexible Income Plan - Reg - Dly	100	-	-	444,783	470.29
IDFC D B F - Reg - Qtly	10	-	-	5,089,546	522.69
IDFC Ultra Short Term Fund - Reg - Dly	10	-	-	6,886,623	689.50
IDFC SSIF - Short Term - Plan A - Mthly	10	-	-	4,319,498	435.77
IDFC SSIF - Short Term - Plan B - Mthly	10	-	-	6,243,633	638.82
Kotak Floater - LT - Dly	10	-	-	11,945,447	1,204.08
Kotak Flexi Debt Scheme - Plan A - Dly	10	-	-	15,567,410	1,564.14
UTI Treasury Advantage Fund - IP - Dly	1000	-	-	225,270	2,254.94
UTI Floating Rate Fund - STP - Dly	1000	-	-	40,104	431.87
Birla Sun Life Floating Rate Fund - LTP - IP - Dly	100	-	-	537,804	538.76
HDFC Short Term Opportunities Fund	10	-	-	8,679,636	872.94
Reliance Income Fund - Retail - Qtly	10	-	-	1,444,189	187.78

Particulars	Face Value*	As at March 31, 2015		As at March 31, 2014	
		Units*	Amount	Units*	Amount
Birla Sun Life Floating Rate Fund - STP - Reg - Dly	100	-	-	1,232,924	1,233.17
HDFC Cash Mgmt Fund - Savings Plan - Dly	10	-	-	2,922,940	310.90
Templeton India TMA - Super IP - Dly	1000	-	-	125,778	1,258.62
ICICI Prudential Banking & PSU Debt Fund - Dly	10	-	-	10,077,631	1,014.50
IDFC Fixed Term Plan - Series 73 - Reg	10	-	-	6,028,805	602.88
IDFC Money Manager Treasury A-Dly	10	-	-	4,983,223	501.81
Kotak Bond Short Term Plan - Mthly	10	-	-	5,077,070	515.79
UTI Money Market - IP - Dly	1000	-	-	51,781	519.56
Reliance Money Manager Fund - Dly	1000	-	-	30,512	305.55
Reliance Liquid Fund - TP - Dly	1000	-	-	60,880	930.70
Reliance Short Term Fund	10	-	-	4,821,523	514.11
Religare Invesco Gilt Fund - Short Duration Plan - Dir - Wkly	1000	-	-	908	9.57
Religare Invesco Ultra Short Term Fund - Dly	1000	-	-	68,838	689.56
Sundaram Ultra ST Reg-Dly	10	-	-	6,992,342	701.83
SBI Premier Liquid Fund - Reg - Dly	1000	-	-	82,763	830.31
DWS Insta Cash Plus Fund - Super IP - Dly	100	-	-	549,552	551.22
HDFC F R I F - STF - WP - Dly	10	-	-	15,991,368	1,630.71
DWS Ultra Short-Term Fund- Dly	10	-	-	13,617,216	1,364.16
IDFC SSI Medium-term Reg-DD	10	2,994,732	301.94	-	-
Growth Schemes					
ICICI Prudential FMP - S 67 - 371 Days - Plan E - Dir	10	-	-	9,000,000	900.00
IDFC Fixed Term Plan - Series 14 - Reg	10	-	-	3,482,295	348.23
JPMorgan India FMP - Series 18 - Reg	10	-	-	5,000,000	500.00
Kotak FMP - Series 102 (374 Days) - Reg	10	-	-	4,136,660	413.67
UTI FTIF - Series XIV - Plan 8 - Reg	10	-	-	2,000,000	200.00
Religare Invesco FMP - Series XVIII - Plan E	10	-	-	3,360,720	336.07
DWS FMP - Series 48 - Dir	10	-	-	5,000,000	500.00
DWS FMP Ser 51 Dir	10	-	-	5,000,000	500.00
HDFC FMP - 370D - July 2013 (26) - 2 - Reg	10	-	-	5,000,000	500.00
ICICI Prudential FMP - S 72 - 366 Days - Plan M	10	-	-	3,023,104	302.31
UTI FTIF - Series XV - Plan 9 - Reg	10	-	-	3,000,000	300.00
Reliance FHF 25 - Series 18	10	-	-	5,000,000	500.00
Religare Invesco FMP Series 22 Plan O (370D) Dir	10	-	-	3,000,000	300.00
Religare Invesco FMP Series 22 Plan K (367D) Dir	10	-	-	3,000,000	300.00
Religare Invesco FMP Series 23 Plan B (367D) Dir	10	-	-	2,000,000	200.00
Religare Invesco FMP Series 23 Plan E (382D) Dir	10	-	-	2,000,000	200.00
Reliance FHF XXV Series 34 Dir	10	-	-	3,000,000	300.00
ICICI Pru FMP Series 73 391D Plan G Dir	10	-	-	5,000,000	500.00
Axis Banking Debt-G	1000	39,645	500.00	-	-
Total			801.94		36,541.98

* Units & face value are in absolute numbers

17. Trade receivables

Particulars	March 31, 2015	March 31, 2014
Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
- Unsecured considered good#	2,408.44	2,416.12
- Doubtful	290.12	349.77
Less: Allowance for bad and doubtful debts	(290.12)	(349.77)
	2,408.44	2,416.12
Other debts		
- Unsecured considered good	13,281.11	20,367.91
Total Trade receivables	15,689.55	22,784.03

Also refer Note- 21 Related party transactions

18. Cash and bank balances

Particulars	March 31, 2015	March 31, 2014
Cash and cash equivalents		
Cash on hand	1.77	1.27
Balance with banks		
- On Current & Deposit accounts*	2,827.44	10,337.69
- Unpaid dividend accounts	5,094.00	88.76
Total Cash and bank balances	7,923.21	10,427.72

* The balance on deposit accounts for the year ended March 31, 2014 includes Rs.87 lakhs out of total of Rs. 1,889 lakhs (Rs.1,802 lakhs grouped under Non-current assets) which has been pledged as a security by the company for availing non-fund based facilities (Current year Nil).

19. Short-term loans and advances

Particulars	March 31, 2015	March 31, 2014
Unsecured, considered good		
Loans and advances to related parties#	2,113.17	3,298.41
Other loans and advances		
Advances recoverable in cash or in kind or for value to be received	1,797.07	1,801.69
Loans to employees	478.27	657.33
Salary advance	69.11	109.30
Input tax credit receivable	15.29	8.05
Security Deposits	25.00	37.85
Total Short-term loans and advances	4,497.91	5,912.63

Also Refer Note – 21. Related party transactions

20. Other current assets

Particulars	March 31, 2015	March 31, 2014
Revenues accrued and not billed	18,540.77	21,219.79
Other receivable	154.23	208.93
Forward cover receivable, Net*	5,528.56	-
Total Other current assets	24,223.56	21,428.72

* Also Refer Note 15

21. Related party transactions

List of related parties

Subsidiaries

1. Polaris Consulting & Services Pte Ltd, Singapore ('PCSL Singapore')
2. Polaris Consulting & Services Inc ('PCSL Canada')
(Formerly known as Polaris Software Lab Canada Inc)
3. Polaris Consulting & Services Limited, United Kingdom ('PCSL UK')
4. Polaris Consulting & Services GmbH ('PCSL Germany')
(Formerly known as Polaris Software Lab GmbH)
5. Polaris Consulting & Services Pty Ltd, Australia ('PCSL Australia')
(Formerly known as Polaris Software Pty Ltd)
6. Polaris Consulting and Services Japan K.K ('PCSL Japan')
(Formerly known as Polaris Software Lab Japan KK)
7. Optimus Global Services Limited ('Optimus')
8. Polaris Consulting & Services Ireland Ltd., ('PCSL Ireland')
(Formerly known as Polaris Software Lab Ireland Ltd)

9. Polaris Consulting & Services B.V, Netherlands ('PCSL Netherlands') *
(Formerly known as Polaris Software Lab B.V, Netherlands)
10. Polaris Software Lab (Shanghai) Limited ('PSL China') **
11. Polaris Software Consulting & Services Sdn Bhd ('PCSL Malaysia')**
(Formerly known as Polaris Software Lab Sdn Bhd)
12. Polaris Consulting & Services, KFT, Hungary ('PCSL Hungary')
13. Intellect Polaris Design LLC, USA, ('IPDLLC USA')

* Subsidiaries of Polaris Consulting & Services Limited, UK

** Subsidiaries of Polaris Consulting & Services Pte Ltd, Singapore

Others

Enterprises that directly, or indirectly through one or more intermediaries, over which Key Management Personnel is able to exercise significant influence, "Others".

1. Intellect Design Arena Pte Ltd, Singapore ('Intellect Singapore')
(Formerly known as Polaris Software Lab Pte Limited)
2. Intellect Design Arena Limited, UK ('Intellect UK')
(Formerly known as Polaris Software Lab Ltd)
3. Intellect Design Arena Limited SA, Switzerland ('Intellect Switzerland')
(Formerly known as Polaris Software Lab SA)
4. Intellect Design Arena Limited FZ-LLC ('Intellect Dubai')
(Formerly known as Polaris Software Lab FZ- LLC)
5. Polaris Enterprise Solutions Limited, India ('PESL')
6. Polaris Software lab Chile Limitada, Chile ('Intellect Chile')
7. Intellect Design Arena Inc. ('Intellect US')
(Formerly known as Polaris Software Lab Inc.)
8. SEEC Technologies Asia Private Limited ('Seec Asia')
9. Laser Soft Infosystems Limited, India ('Laser Soft')
10. Indigo TX Software Pvt Ltd India ('Indigo TX')
11. Intellect Design Arena Co. Ltd, Vietnam ('Intellect Vietnam')
(Formerly known as Polaris Software Lab Vietnam Co. Ltd)
12. SFL Properties Private Ltd, India ('SFL Properties')
13. Polaris Software Lab (Philippines) Company Inc.(' PSL Philippines')
14. Sonali Polaris FT Limited, Bangladesh ('Sonali Polaris FT')
15. FT Grid Pte Ltd, Singapore
16. Intellect Design Arena Limited, India (Intellect India)
(Formerly known as Fin Tech Grid Limited)
17. Polaris Banyan Holding Private Ltd (Formerly known as Polaris Holdings Private Limited)
18. Orbitech Employees Welfare Trust
19. Orbitech Limited
20. Associate Stock Option Plan (Trust) 2011 ('ASOP Trust 2011')

Key Management Personnel

1. Arun Jain, Chairman (Chairman & Managing Director till November 07, 2014
Chairman effective from November 08, 2014)
2. Jitin Goyal, Executive Director (effective from November 07, 2014)
3. S Swaminathan, Chief Financial Officer (till October 14, 2014)
4. Vaidyanathan N.M, Chief Financial Officer (effective from March 04, 2015)
5. V.V. Naresh, Company Secretary (till October 14, 2014)
6. Christina Pauline Beulah, Company Secretary (effective from November 07, 2014)

21. Related party transactions (Continued)

Particulars	Subsidiaries		Others		Key Management Personnel	
	31-Mar-15	31-Mar-14	31-Mar-15	31-Mar-14	31-Mar-15	31-Mar-14
BALANCE DUE FROM RELATED PARTIES						
Trade receivables						
PCSL Australia	22.09	-	-	-	-	-
PSL China	-	264.00	-	-	-	-
PCSL Japan	-	266.37	-	-	-	-
PCSL Malaysia	-	17.33	-	-	-	-
PCSL Singapore	119.71	-	-	-	-	-
PCSL Canada	-	271.35	-	-	-	-
PCSL Germany	4.86	263.41	-	-	-	-
Intellect Dubai	-	-	-	1,096.97	-	-
Intellect Philippines	-	-	42.94	-	-	-
Intellect Singapore	-	-	-	379.41	-	-
Sonali Polaris FT	-	-	-	269.45	-	-
Intellect India	-	-	1,569.97	-	-	-
Intellect US	-	-	478.33	371.50	-	-
	146.66	1,082.46	2,091.24	2,117.33	-	-
Long-term loans and advances						
Loans to employee welfare trusts						
Orbitech Employee Welfare Trust	-	-	411.64	411.64	-	-
ASOP Trust 2011	-	-	-	1,878.00	-	-
	-	-	411.64	2,289.64	-	-
Short-term loans and advances						
Optimus	141.97	131.37	-	-	-	-
PCSL Australia	13.75	146.72	-	-	-	-
PSL China	24.31	15.06	-	-	-	-
PCSL Japan	-	99.47	-	-	-	-
PCSL Malaysia	2.22	65.38	-	-	-	-
PCSL Canada	-	689.48	-	-	-	-
PCSL Ireland	19.04	21.53	-	-	-	-
PCSL Germany	14.16	-	-	-	-	-
PCSL Hungary	6.79	-	-	-	-	-
PCSL Singapore	25.12	-	-	-	-	-
Intellect India	-	-	-	0.97	-	-
Indigo TX	-	-	0.03	18.64	-	-
LaserSoft	-	-	4.14	60.46	-	-
PESL	-	-	-	452.06	-	-
SFL	-	-	-	528.72	-	-
Intellect Vietnam	-	-	-	6.34	-	-
Intellect Chile	-	-	-	9.23	-	-
Intellect Dubai	-	-	20.09	208.07	-	-
Intellect US	-	-	1,841.55	484.57	-	-
Seec Asia	-	-	-	53.20	-	-
	247.36	1,169.01	1,865.81	1,822.26	-	-
Maximum amount outstanding during the year						
Optimus	170.12	131.37	-	-	-	-
PCSL Australia	275.38	150.36	-	-	-	-
PSL China	23.16	15.65	-	-	-	-
PCSL Japan	-	103.57	-	-	-	-
PCSL Malaysia	60.49	67.34	-	-	-	-
PCSL Canada	-	3,123.16	-	-	-	-

Particulars	Subsidiaries		Others		Key Management Personnel	
	31-Mar-15	31-Mar-14	31-Mar-15	31-Mar-14	31-Mar-15	31-Mar-14
PCSL Ireland	65.18	153.73	-	-	-	-
PCSL Germany	301.45	-	-	-	-	-
PCSL Hungary	6.79	-	-	-	-	-
PCSL Singapore	294.95	-	-	-	-	-
PCSL UK	-	-	-	-	-	-
Indigo TX	-	-	52.78	18.64	-	-
LaserSoft	-	-	49.35	60.46	-	-
PESL	-	-	-	452.06	-	-
SFL	-	-	-	528.72	-	-
Intellect Vietnam	-	-	-	6.34	-	-
Intellect Chile	-	-	-	9.23	-	-
Intellect Dubai	-	-	522.10	215.24	-	-
Intellect US	-	-	3,662.26	484.57	-	-
Seec Asia	-	-	-	764.25	-	-
Orbitech Employee Welfare Trust	-	-	-	411.64	-	-
Other current assets						
Revenues accrued and not billed						
PESL	-	-	-	56.76	-	-
Sonali Polaris FT	-	-	-	37.85	-	-
	-	-	-	94.61	-	-
BALANCE DUE TO RELATED PARTIES						
Trade payables						
PCSL Australia	-	16.06	-	-	-	-
PCSL Japan	153.90	-	-	-	-	-
PCSL Malaysia	-	35.61	-	-	-	-
PCSL Ireland	170.28	-	-	-	-	-
PCSL UK	2,004.82	-	-	-	-	-
PCSL Singapore	254.68	-	-	-	-	-
IPDLLC USA	77.73	-	-	-	-	-
LaserSoft	-	-	-	290.00	-	-
Intellect Philippines	-	-	6.27	-	-	-
Intellect Vietnam	-	-	-	106.41	-	-
Intellect Dubai	-	-	902.00	63.56	-	-
Intellect India	-	-	(103.48)	-	-	-
Intellect Singapore	-	-	-	1,301.87	-	-
Intellect UK	-	-	-	1,112.15	-	-
Intellect US	-	-	-	0.72	-	-
Seec Asia	-	-	-	1,088.46	-	-
Intellect Switzerland	-	-	774.40	487.00	-	-
	2,661.41	51.67	1,579.19	4,450.17	-	-
Other current liabilities						
PCSL Japan	1.12	-	-	-	-	-
PCSL Canada	53.99	-	-	-	-	-
PCSL Germany	-	55.44	-	-	-	-
PCSL UK	193.94	-	-	-	-	-
Intellect Singapore	-	-	-	307.90	-	-
Intellect UK	-	-	-	6,301.49	-	-
Intellect US	-	-	0.74	-	-	-
PESL	-	-	6.22	-	-	-
Intellect India	-	-	16.44	-	-	-
Seec Asia	-	-	6.31	-	-	-
Intellect Switzerland	-	-	212.37	23.81	-	-
Intellect Philippines	-	-	-	0.67	-	-
	249.05	55.44	242.08	6,633.87	-	-

Particulars	Subsidiaries		Others		Key Management Personnel	
	31-Mar-15	31-Mar-14	31-Mar-15	31-Mar-14	31-Mar-15	31-Mar-14
INVESTMENTS						
PCSL Australia	8.11	8.11	-	-	-	-
PCSL Japan	79.04	79.04	-	-	-	-
PCSL Singapore	119.85	-	-	-	-	-
PCSL Canada	109.38	109.38	-	-	-	-
PCSL Germany	261.99	261.99	-	-	-	-
PCSL Ireland	88.96	88.96	-	-	-	-
PCSL UK	4.92	-	-	-	-	-
IPDLLC USA	2,913.65	-	-	-	-	-
Intellect India	-	-	-	4.99	-	-
Indigo TX	-	-	-	1,702.97	-	-
LaserSoft	-	-	-	5,201.06	-	-
PESL	-	-	-	900.00	-	-
SFL	-	-	-	984.53	-	-
Intellect Vietnam	-	-	-	22.50	-	-
Intellect Dubai	-	-	-	203.70	-	-
Intellect Singapore	-	-	-	94.60	-	-
Intellect UK	-	-	-	617.50	-	-
Sonali Polaris FT	-	-	-	238.76	-	-
Intellect Switzerland	-	-	-	112.76	-	-
	3,585.90	547.48	-	10,083.37	-	-

Particulars	Subsidiaries		Others		Key management personnel	
	01-Apr-14 to 31-Mar-15	01-Apr-13 to 31-Mar-14	01-Apr-14 to 31-Mar-15	01-Apr-13 to 31-Mar-14	01-Apr-14 to 31-Mar-15	01-Apr-13 to 31-Mar-14
TRANSACTIONS DURING THE PERIOD						
Advances/Loan given						
PCSL Australia	52.31	21.53	-	-	-	-
PSL China	1.68	-	-	-	-	-
PCSL Japan	8.00	20.65	-	-	-	-
PCSL Malaysia	45.21	4.73	-	-	-	-
PCSL Germany	5.08	16.73	-	-	-	-
PCSL Ireland	20.64	3.91	-	-	-	-
PCSL Netherland	-	6.71	-	-	-	-
PCSL Canada	-	58.25	-	-	-	-
PCSL Singapore	112.97	-	-	-	-	-
PCSL Hungary	6.77	-	-	-	-	-
PCSL UK	87.02	-	-	-	-	-
Intellect Dubai	-	-	-	10.20	-	-
Intellect Singapore	-	-	-	74.11	-	-
Intellect UK	-	-	-	163.70	-	-
	339.68	132.51	-	248.01	-	-
Software development service income						
PCSL Australia	5,453.49	5,957.21	-	-	-	-
PSL China	-	273.91	-	-	-	-
PCSL Japan	5,113.71	6,618.19	-	-	-	-
PCSL Malaysia	-	221.06	-	-	-	-

Particulars	Subsidiaries		Others		Key management personnel	
	01-Apr-14 to 31-Mar-15	01-Apr-13 to 31-Mar-14	01-Apr-14 to 31-Mar-15	01-Apr-13 to 31-Mar-14	01-Apr-14 to 31-Mar-15	01-Apr-13 to 31-Mar-14
PCSL Singapore	516.80	-	-	-	-	-
PCSL Germany	267.47	1,492.88	-	-	-	-
PCSL UK	14,868.51	-	-	-	-	-
PESL	-	-	-	674.95	-	-
Intellect Philippines	-	-	31.96	-	-	-
Intellect India	-	-	1,935.29	-	-	-
Intellect Dubai	-	-	164.48	5,121.87	-	-
Intellect Singapore	-	-	-	1,755.92	-	-
Intellect UK	-	-	-	27,246.74	-	-
Intellect Switzerland	-	-	291.80	-	-	-
Intellect US	-	-	782.77	2,186.84	-	-
	26,219.98	14,563.25	3,206.30	36,986.32	-	-
Software development expenses						
PCSL Australia	4,276.11	4,959.82	-	-	-	-
PSL China	-	3,679.61	-	-	-	-
PCSL Japan	2,562.08	-	-	-	-	-
PCSL Germany	252.85	856.81	-	-	-	-
PCSL Ireland	259.74	-	-	-	-	-
PCSL UK	14,065.14	-	-	-	-	-
PCSL Singapore	2,991.77	-	-	-	-	-
Intellect Vietnam	-	-	-	216.88	-	-
LaserSoft	-	-	-	2,351.00	-	-
PESL	-	-	-	7.76	-	-
Intellect Dubai	-	-	1,019.71	339.60	-	-
Intellect Philippines	-	-	6.27	-	-	-
Intellect Singapore	-	-	-	2,644.82	-	-
Intellect India	-	-	(211.11)	-	-	-
Intellect UK	-	-	-	18,966.66	-	-
Intellect US	-	-	304.45	-	-	-
Seec Asia	-	-	-	508.96	-	-
Intellect Switzerland	-	-	1,017.07	484.69	-	-
	24,407.69	9,496.24	2,136.39	25,520.37	-	-
Remuneration to key managerial personnel						
Remuneration & other benefits	-	-	-	-	82.51	-
Reimbursement of expenses to the Company						
PCSL Australia	1.44	4.37	-	-	-	-
PSL China	6.41	12.16	-	-	-	-
PCSL Japan	151.36	16.90	-	-	-	-
PCSL Malaysia	58.75	-	-	-	-	-
PCSL Singapore	53.44	-	-	-	-	-
PCSL Canada	-	63.10	-	-	-	-
PCSL Germany	-	18.52	-	-	-	-
Indigo TX	-	-	1.66	-	-	-
LaserSoft	-	-	41.66	117.17	-	-
PESL	-	-	16.66	19.08	-	-
Intellect Dubai	-	-	63.60	57.54	-	-
Intellect Singapore	-	-	-	391.38	-	-
Intellect India	-	-	936.38	-	-	-
Intellect UK	-	-	-	1,873.58	-	-
Intellect US	-	-	1,897.62	-	-	-
Seec Asia	-	-	1.26	37.49	-	-
	271.40	115.05	2,958.84	2,496.24	-	-

Particulars	Subsidiaries		Others		Key management personnel	
	01-Apr-14 to 31-Mar-15	01-Apr-13 to 31-Mar-14	01-Apr-14 to 31-Mar-15	01-Apr-13 to 31-Mar-14	01-Apr-14 to 31-Mar-15	01-Apr-13 to 31-Mar-14
Reimbursement of expenses by the Company						
Optimus	2.37	-	-	-	-	-
PCSL Australia	0.72	1.31	-	-	-	-
PCSL Japan	124.55	53.11	-	-	-	-
PCSL Malaysia	1.25	13.31	-	-	-	-
PCSL Singapore	27.05	-	-	-	-	-
PCSL Canada	1,386.57	2,807.34	-	-	-	-
PCSL Ireland	80.25	122.16	-	-	-	-
PCSL UK	2,749.98	-	-	-	-	-
Indigo TX	-	-	-	337.30	-	-
LaserSoft	-	-	16.15	885.34	-	-
PESL	-	-	-	242.17	-	-
Intellect Singapore	-	-	-	90.22	-	-
Intellect Dubai	-	-	31.65	-	-	-
Intellect India	-	-	618.43	-	-	-
Intellect US	-	-	329.73	1,628.02	-	-
Seec Asia	-	-	2.93	365.65	-	-
Intellect Switzerland	-	-	32.59	73.22	-	-
	4,372.74	2,997.23	1,031.48	3,621.92	-	-
Rental Income						
Seec Asia	-	-	25.60	-	-	-
Intellect India	-	-	95.31	-	-	-
	-	-	120.91	-	-	-
Dividend Income						
PCSL Singapore	682.53	-	-	-	-	-
Intellect Singapore	-	-	1,300.07	-	-	-
	682.53	-	1,300.07	-	-	-
Rental Expenses						
IPDLLC USA	77.73	-	-	-	-	-
Intellect India	-	-	192.20	-	-	-
	77.73	-	192.20	-	-	-
Investments						
PCSL Singapore	119.85	-	-	-	-	-
PCSL UK	4.92	-	-	-	-	-
IPDLLC USA	2,913.65	-	-	-	-	-
	3,038.42	-	-	-	-	-

22. Capital Commitments and contingent liabilities

- (i) The estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) as at March 31, 2015 is Rs.678 Lakhs (March 31, 2014 : Rs.592 Lakhs)
- (ii) Claims against the Company, not acknowledged as debts include:
 1. Demand from Indian income tax authorities as at March 31, 2015 is Rs 6,895.50 Lakhs (March 31, 2014: Rs. 7,537.45 Lakhs).
 2. Sales Tax demand from Commercial Tax Officer Chennai as at March 31, 2015 is Rs. 520 Lakhs (March 31, 2014: Rs.520 Lakhs);
 3. Sales Tax demand from Commercial Tax Officer, Hyderabad as at March 31, 2015 is Rs 107 Lakhs (March 31, 2014: Rs 107 Lakhs). Against the said liability the Company has made a deposit of Rs 27.91 lakhs (March 31, 2014 : Rs 26.76 lakhs)

4. Service tax demand from Commissioner of Central Excise, Chennai as at March 31, 2015 is Rs.201 Lakhs (March 31, 2014: Rs. 201 Lakhs). Against the said liability, the Company has made a deposit of Rs.68.28 lakhs (March 31, 2014 Rs.68.28 lakhs)

The Company is contesting the demands raised by the respective tax authorities, and the management, including its tax advisers, believes that its position will likely be upheld in the appellate process and ultimate outcome of these proceedings will not have a material adverse effect on the Company's financial position and results of operations.

The Company has received draft assessment orders for certain Assessment Years and the same has been contested with Dispute Resolution Panel. Since the orders are in draft stage, the same has not been disclosed as contingent liability.

- (iii) There is a claim for damages by the vendor for an amount of Rs.90 lakhs towards alleged breach of intellectual property rights which the Company has not accepted and is defending itself appropriately.
- (iv) The Company is also involved in a law suit with and claims including suits filed by former employees, which arise in the ordinary course of business. However there are no such matters pending that the Company expects to be material in relation to its business.

23. Hedging of foreign currency exposures

The Company uses foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations relating to forecasted transactions. The Company does not use forward contracts for speculative purposes.

The following are the outstanding Forward Exchange Contracts entered into by the Company as at March 31, 2015 including forward cover taken for forecasted revenue receivable transactions:

Particulars (USD and INR in Lakhs)	As at March 31, 2015	As at March 31, 2014
Number of contracts	93	126
US \$ Equivalent	1,800	2,000
INR Equivalent	126,176	131,567

The period end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below:

Particulars	Currency	As at March 31,2015		As at March 31,2014	
		Amount in Foreign currency	INR Equivalent	Amount in Foreign currency	INR Equivalent
Amounts receivable in foreign currency	USD	706.72	44,169.85	445.21	26,676.83
	GBP	3.28	303.50	0.80	79.32
	EUR	1.04	69.80	3.76	311.32
	AUD	0.75	35.84	2.36	130.66
	SGD	1.38	62.75	2.06	98.01
	CHF	3.07	197.54	3.04	206.43
	CAD	-	-	17.70	960.33
	CLP	-	-	84.75	9.23
	VND	-	-	98,931.41	286.90
	MYR	0.13	2.22	4.51	82.72
	CNY	2.37	24.31	28.72	279.06
	JPY	68.49	35.70	358.58	208.19
	PHP	22.80	31.96	-	-
	HKD	11.38	91.70	3.80	29.35
	HUF	29.93	6.79	-	-
	AED	1.18	20.09	12.74	207.77

Particulars	Currency	As at March 31, 2015		As at March 31, 2014	
		Amount in Foreign currency	INR Equivalent	Amount in Foreign currency	INR Equivalent
Bank Balances	USD	16.96	1,059.70	11.64	697.47
	GBP	0.57	52.28	0.01	0.87
	EUR	0.71	47.40	1.19	98.11
	AUD	0.00	0.15	-	-
	SGD	0.03	1.37	0.01	0.26
Amounts payable in foreign currency	USD	51.95	3,246.63	91.91	5,507.09
	GBP	2.87	265.59	59.69	5,955.20
	EUR	2.71	181.83	3.25	268.70
	SGD	5.60	254.68	32.33	1,538.25
	CHF	19.79	1,271.58	7.53	510.81
	VND	-	-	36,693.14	106.41
	PHP	4.48	6.28	0.50	0.67
	SAR	1.36	22.69	-	-
	AED	33.47	569.69	-	-
	CAD	1.10	53.99	-	-
	JPY	2.14	1.12	1.94	35.61

24. Income from software services and products

Particulars	March 31, 2015	March 31, 2014
Income from software products	-	38,083.78
Income from software services	167,820.54	162,441.48
Total revenue from operations	167,820.54	200,525.26

The segregation of revenue between products and services for the previous periods is based on internal management reports and includes estimates / allocation as considered appropriate and certified / approved by the Company.

25. Other Income

Particulars	March 31, 2015	March 31, 2014
<i>Interest Income</i>		
Interest received on deposits with banks	11.98	152.72
Interest on Non-current investments	514.64	255.86
Interest on others	44.26	464.37
<i>Dividend Income</i>		
Dividends received from investments	2,193.17	1,659.94
<i>Net gain/(Loss) from sale of investments</i>		
Profit on sale of current investments, net	302.86	176.52
Reversal of provision for diminution in value of investments	-	(55.55)
<i>Other non-operating Income</i>		
Miscellaneous income, Net	120.57	216.11
Profit / (loss) on sale of Fixed assets, net	26.66	22.06
Foreign exchange fluctuation	553.36	114.18
Total Other income	3,767.50	3,006.21

26. Details of expenses

Particulars	March 31, 2015	March 31, 2014
Employee benefit expenses		
Salaries and incentives		
Salaries and bonus	110,358.62	135,121.89
Cost of technical sub-contractors	12,714.46	14,834.79
Contribution to -		
Provident fund	1,755.05	2,424.72
Superannuation fund	662.71	828.36
Other funds	2,784.55	2,807.01
Gratuity contribution scheme	511.82	238.37
Social security and other benefit plans for overseas employees	26.06	36.96
Staff welfare expenses	4,806.42	4,388.12
Total Employee benefit expenses	133,619.69	160,680.22

Particulars	March 31, 2015	March 31, 2014
Other expenses		
Cost of software packages, hardware, consumable and maintenance	349.49	652.53
Travelling expenses	5,242.99	8,245.65
Communication expenses	1,260.16	1,438.48
Professional and Legal charges	2,291.28	3,417.81
Power and fuel	1,336.07	2,143.91
Rent	1,456.66	1,948.55
Repairs - Plant and machinery	726.39	1,132.39
Repairs - Building	49.81	70.73
Repairs - Others	553.44	807.11
Business promotion	472.22	1,066.20
Office maintenance	633.44	849.44
Provision for doubtful debts	165.00	-
Bad debts / advances written off	2.20	1,119.24
Less: Out of provisions for earlier years	-	(771.40)
Insurance	266.15	245.71
Printing and stationery	84.61	179.87
Rates and taxes excluding Taxes on Income	177.07	305.18
Donations *	334.17	204.86
Payment to the auditors		
- Statutory audit	44.00	52.00
- for other services	24.75	14.00
- for reimbursement of expenses	2.86	1.70
Directors' sitting fees	8.62	12.35
Bank charges and commission	37.48	63.36
Miscellaneous expenses	666.63	1,375.11
Total Other expenses	16,185.49	24,574.78

* Includes contributions for CSR activities- Refer Note-33

Particulars	March 31, 2015	March 31, 2014
Finance costs		
Interest expenses	-	104.10
Total Finance costs	-	104.10

27. Gratuity

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. A trust by name "Polaris Software Lab group gratuity trust" has been constituted to administer the gratuity fund.

The following tables summarise the components of net benefit expense recognised in the Statement of profit and loss and the funded status and amounts recognized in the balance sheet for the respective plans.

Particulars	March 31, 2015	March 31, 2014
Obligations at the beginning of the year	1,764.80	2,551.60
Current service cost	325.52	233.27
Interest Cost	126.49	218.63
Actuarial (gain) / losses	64.33	(3.70)
Benefits paid	(261.10)	(308.63)
Obligations at the end of the year	2,020.04	2,691.17
Change in plan assets		
Plan assets at year beginning, at fair value	1,450.98	1,426.65
Expected return on plan assets	131.29	159.11
Actuarial gain / (loss)	(126.77)	50.72
Contributions	388.12	864.25
Benefits paid	(259.01)	(308.63)
Plan assets at the end of the period, at fair value	1,584.61	2,192.10
Fair Value of plan assets at the end of the period	1,584.61	2,192.10
Present value of defined benefit obligations at the end of the period	(2,020.04)	(2,691.17)
Asset/(Liability) recognized in the balance sheet	(435.43)	(499.07)
Gratuity cost for the period		
Current service cost	325.52	233.27
Interest cost	126.49	218.63
Expected return on plan assets	(131.29)	(159.11)
Actuarial (gain) / losses	191.10	(54.42)
Net gratuity cost	511.82	238.37
Experience adjustments on plan liabilities	64.33	(3.70)
Experience adjustments on plan assets	(126.77)	50.72
Actual return on plan assets	4.52	209.83
Assumptions:		
Discount rate	7.74%	9.12%
Estimated return on plan assets	8.00%	9.12%
Employee turnover	19.08%	16.00%

Particulars	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012	March 31, 2011
The present value of defined benefit obligation	(2,020.04)	(2,691.17)	(2,551.60)	(2,153.09)	(1,699.38)
Fair value of plan assets	1,584.61	2,192.10	1,426.65	618.48	303.33
Surplus/(deficit)	(435.43)	(499.07)	(1,124.95)	(1,534.61)	(1,396.05)
Experience adjustment on plan assets	(126.77)	50.72	4.59	6.18	2.89
Experience adjustment on plan liabilities	64.33	(3.70)	(4.57)	(4.60)	(38.34)

The amount expected to be contributed to the gratuity fund in the next financial year is Rs.435.43 lakhs and hence classified as short-term provisions.

The funds are invested in the form of a prescribed insurance policy with ICICI prudential and Life Insurance Corporation of India ("LIC"). The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

The estimates of future salary increases, considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

28. Lease payments

The Company has taken certain offices and residential premises for the employees under operating leases, which expires at various dates in future years. There are no significant restrictions imposed by the lease arrangements. The minimum lease rental payments to be made in respect of these leases are as follows:

Particulars	March 31, 2015	March 31, 2014
Lease payments for the period	1,456.66	1,428.08
Minimum Lease Payments :		
Not later than one year	1,031.81	825.73
Later than one year and not later than five years	2,011.30	1,407.39
Later than five years	844.29	1,012.30
Total	3,887.40	3,245.42

29. Segment reporting

Consequent to the demerger of the product business undertaking mentioned in note 31 below, the Company's operations predominately relates to IT services only and accordingly this is the only primary reportable segment as per AS-17.

Particulars	March 31, 2015	March 31, 2014
Product licenses and related revenues	-	38,083.78
Software development, Support & BPO services	167,820.54	162,441.48
Total Revenues	167,820.54	200,525.26
Segment profit before interest and tax		
Product licenses and related revenues	-	(3,921.55)
Software development, Support & BPO services	19,132.72	14,393.84
Total	19,132.72	10,472.29
Finance charges	-	104.10
Other unallocable expenditure net of unallocable (income)	689.25	(678.49)
Profit before tax	18,443.47	11,046.68
Income taxes including deferred tax	5,371.72	2,650.09
Profit after tax	13,071.75	8,396.59

Secondary segmental information is based on geographical location of the customers.

Secondary segment information (by Geographical segment)

Customer relationships are driven based on the location of the respective client. The geographical segments comprise:

- a) United States of America;
- b) Europe;
- c) Asia Pacific; and
- d) India

Year ended March 31, 2015	India	Asia Pacific	Europe	United States	Total
Revenue	46,295.37	8,772.96	19,985.58	92,766.63	167,820.54
Other segment information					
Total assets	87,416.82	136.45	12.81	10,411.97	97,978.05
Capital expenditure:					
Tangible fixed assets & intangible assets	4,011.25	-	-	435.40	4,446.65

Year ended March 31, 2014	India	Asia Pacific	Europe	United States	Total
Revenue	65,901.70	15,998.79	25,132.70	93,492.07	200,525.26
Other segment information					
Total assets	150,401.98	589.40	258.72	14,797.72	166,047.82
Capital expenditure:					
Tangible fixed assets & intangible assets	3,614.35	-	-	104.37	3,718.72

30. Value of imports calculated on CIF basis

Particulars	March 31, 2015	March 31, 2014
Capital goods	499.31	210.67
Total	499.31	210.67

Expenditure in foreign currency (accrual basis)

Particulars	March 31, 2015	March 31, 2014
Employee benefit expenses	101,825.78	106,420.11
Travelling expenses	2,823.65	3,912.51
Communication expenses	237.87	344.47
Professional and legal charges	522.55	1,103.20
Business promotion	985.21	772.96
Rent	408.54	369.34
Others	726.64	1,454.73
Total	107,530.24	114,377.32

includes the expenses of foreign branch operations

Earnings in foreign currency (accrual basis)

Particulars	March 31, 2015	March 31, 2014
Income from software development services and products	147,694.41	185,491.17
Total	147,694.41	185,491.17

includes the earnings of foreign branch operations

31. Scheme of Arrangement (De-merger) between the Company and Intellect Design Arena Limited

The Company (Demerged Company) had entered into a Scheme of Arrangement ('the Scheme') with Intellect Design Arena Limited ('Resulting Company', 'Intellect') to demerge the Product Business Undertaking into Intellect. In consideration for the vesting of the Product business undertaking to Intellect as per the terms of the Scheme, each member of the demerged company shall receive one equity share of Rs.5/- each in the resulting company for every one equity share of Rs.5/- each held in the demerged company.

The Scheme was approved by the Honourable High Court of Madras on September 15, 2014. The Company has filed the order approved by the High Court with the Registrar of the Companies, Chennai (ROC) on September 24, 2014. The ROC had approved the said demerger on September 25, 2014. The Scheme has accordingly been given effect to in these financial statements with retrospective effect from April 1, 2014.

The following assets and liabilities have been divested into the Resulting Company from Polaris Consulting & Services Limited with effect from April 1, 2014 pursuant to the Scheme.

Particulars	April 1, 2014
LIABILITIES	
Non-Current Liabilities	
Deferred tax liabilities (Net)	1,336.09
Current Liabilities	
Trade payables	6,290.74
Other current liabilities	2,761.65
Short-term provisions	730.65
Total liabilities (A)	11,119.13
ASSETS	
Non-Current Assets	
Fixed assets	
- Tangible assets	10,661.11
- Intangible assets	164.63
- Capital work-in-progress	3,479.01
	14,304.75
Non-current investments	13,372.66
Long-term loans and advances	424.08
Other non-current assets	1,802.00
Current Assets	
Trade receivables	7,539.45
Cash and bank balance	24,191.83
Short-term loans and advances	3,038.31
Other current assets	5,127.72
Total assets (B)	69,800.80
Net assets (B-A)	58,681.67

The Net Assets relating to the Product Business undertaking amounting to Rs.58,681.67 lakhs divested into the Resulting Company as at April 1, 2014, pursuant to the scheme of arrangement has been adjusted as per the terms of the Scheme against the Reserves of the Company as under;

(i) Securities Premium Account	19,147.69
(ii) General Reserve	17,255.30
(iii) Surplus from the Statement of profit & loss	22,278.68
	<u>58,681.67</u>

Demerger of Product Business Undertaking falls within the meaning of Accounting Standard 24 – “Discontinuing Operations”. The following table summarises the revenues, expenses and profits from ordinary activities attributable to the discontinued operations.

Revenue, expenses and loss attributable to discontinuing operations - Products Division		
Particulars	March 31, 2015	March 31, 2014
Revenue	-	38,083.78
Expenses	-	42,514.78
Loss before tax	-	(4,431.00)
Tax credit / (expense)	-	138.00
Loss after tax	-	(4,293.00)

32. Exceptional items

Particulars	March 31, 2015	March 31, 2014
(a) Loss on Iden Trust divestment*	-	2,059.22
(b) Re-structuring expenses#	-	210.83
(c) De-merger expenses#	689.25	57.65
Total	689.25	2,327.70

* The Company on April 27, 2011 made an investment aggregating Rs. 8,812.50 lakhs comprising of 85.30% stake in IdenTrust Inc a company engaged in the business of trusted Identity solutions and digital identity authentication services based in the United States. Pursuant to an order received from the Committee of Foreign Investment in the United States (CFIUS), the Board of Directors have made a decision to sell its investment in IdenTrust Inc and subsequently completed the transaction on September 13, 2013. As a consequence of the event, the Company has recorded a loss of Rs.2,059.22 Lakhs for the year ended March 31, 2014 which has been disclosed as an exceptional item.

The Company restructured the organization in terms of structure, people, processes and systems to orient around the customer with specific focus towards the services segments of its business. Due to the significance of the amount and its non-routine nature, the same has disclosed separately as an exceptional item.

33. Corporate Social Responsibility (CSR)

As per Section 135 of the Companies Act, 2013, a CSR committee has been formed by the company. During the year, the Company contributed an amount of Rs.331.25 Lakhs to Ullas trust, a Polaris Inclusive Corporate Social Responsibility initiative. The primary motive of the Ullas is to recognize academic excellence in students from the economically challenged sections of our society and encourage the ‘Can do’ spirit towards chasing their dreams and aspirations. The funds were primarily allocated to a corpus and utilized through the year on these activities which are specified in Schedule VII of the Companies Act, 2013.

34. Earnings per Share (EPS)

Reconciliation of basic and diluted shares used in computing EPS:

Particulars	March 31, 2015	March 31, 2014
(i) Weighted average number of equity shares outstanding during the year - For basic EPS	99,760,484	99,526,385
Add: Effect of dilutive shares - Stock options granted under ASOP.	2,304,428	220,869
(ii) Weighted average number of equity shares outstanding during the year - For diluted EPS	102,064,912	99,747,254
(iii) The net profit for the period attributable to equity shareholders - For basic and diluted EPS	13,071.75	8,396.59
Earnings per Share (in Rs.)		
Basic earnings per share (iii)/(i)	13.10	8.44
Diluted earnings per share (iii)/(ii)	12.81	8.42
(iv) The net profit for the period attributable to equity shareholders after excluding discontinuing operations- Refer Note- 31	13,071.75	12,689.59
For basic and diluted EPS		
Basic earnings per share (iv)/(i)	13.10	12.75
Diluted earnings per share (iv)/(ii)	12.81	12.72

35. Previous period Comparatives

Consequent to the Scheme of De-merger of Product Business Undertaking effective from 1st April 2014, the figures for the year ended March 31, 2015 are not comparable with the corresponding figures disclosed under previous year ended March 31, 2014. The previous period figures have been regrouped / reclassified, wherever necessary to conform to the current period presentation.

As per our report of even date

For S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants
ICAI Firm Registration number: 101049W

For and on behalf of the Board of Directors of
Polaris Consulting & Services Limited

per Bharath N S
Partner
Membership No. 210934
Chennai
April 30, 2015

R C Bhargava
Director

Jitin Goyal
Executive Director

Vaidyanathan N M
Chief Financial Officer
Chennai
April 30, 2015

Christina Pauline Beulah
Company Secretary

POLARIS CONSULTING & SERVICES LIMITED
(Formerly known as Polaris Financial Technology Limited)
AUDITED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2015
(All amounts are denominated in INR and expressed in Lakhs, unless otherwise stated)

INDEPENDENT AUDITOR'S REPORT

To the Members of Polaris Consulting & Services Limited

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Polaris Consulting & Services Limited (Formerly known as "Polaris Financial Technology Limited") (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its associates, comprising of the consolidated Balance Sheet as at March 31, 2015, the consolidated Statement of Profit and Loss and consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as 'the consolidated financial statements').

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms with the requirement of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group and of its associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Holding Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors,

as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph (a) of the Other Matters below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the consolidated state of affairs of the Group, and its associates as at March 31, 2015, their consolidated profit, and their consolidated cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on the comments in the auditor's report of the Holding company, its subsidiaries and associate companies incorporated in India, to whom the Order applies, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by section 143 (3) of the Act, we report, to the extent applicable, that:
 - (a) We / the other auditors whose reports we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;
 - (b) In our opinion proper as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;
 - (c) The consolidated Balance Sheet, consolidated Statement of Profit and Loss, and consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements;
 - (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2015 taken on record by the Board of Directors of the Holding Company and the reports of the auditors who are appointed under Section 139 of the Act, of its subsidiary companies and associate companies incorporated in India, none of the directors of the Group's companies and its associates companies incorporated in India is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.

With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. The consolidated financial statements disclose the impact of pending litigations on its consolidated financial position of the Group and its associates – Refer Note 23 to the consolidated financial statements;
- ii. The Group and its associates did not have any material foreseeable losses in long-term contracts including derivative contracts;

- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and a subsidiary incorporated in India.

Other Matters

The accompanying consolidated financial statements include total assets of Rs. 22,089.20 lakhs as at March 31, 2015, and total revenues and net cash inflows of Rs. 21,514.00 lakhs and Rs. 2,172.62 lakhs for the year ended on that date, in respect of 10 subsidiaries, which have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. The consolidated financial statements also include the Company's share of net profit of Rs. 1.19 lakhs for the year ended March 31, 2015, as considered in the consolidated financial statements, in respect of an associate, whose financial statements, other financial information have been audited by other auditors and whose reports have been furnished to us by the Management. Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associates, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and associates, is based solely on the report(s) of such other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements above, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

For S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

ICAI Firm Registration Number: 101049W

per Bharath N S

Partner

Membership No. 210934

Chennai

April 30, 2015

Annexure referred to in paragraph 1 of the section on "Report on other legal and regulatory requirements" of our report of even date

The Group referred herein comprises Polaris Consulting & Services Limited ('Holding Company') and a subsidiary incorporated in India and to whom the provisions of the Order apply (referred to as "the Covered entity" in this report)

- (i) (a) According to the information and explanations given to us and as reported by the other auditor who audited the financial statements of the Covered entity, the Holding Company and Covered entity have maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) All fixed assets have not been physically verified by the management of the Holding Company during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the of the Company and the nature of its assets. No material discrepancies were noticed on such verification. As reported by the other auditor who audited the financial statements of the Covered entity, all fixed assets have been physically verified by the management during the year and no material discrepancies were identified on such verification.
- (ii) According to the information and explanations given to us and as reported by the other auditor who audited the financial statements of the Covered entity, the Group's business does not involve inventories and, accordingly, the requirements under paragraph 4(ii) of the Order are not applicable to the Company.
- (iii) According to the information and explanations given to us and as reported by the other auditor who audited the financial statements of the Covered entity, the Holding Company and the Covered entity have not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a) and (b) of the Order are not applicable and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us and as reported by the other auditor who audited the financial statements of the Covered entity, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of fixed assets and for rendering of services. The activities of the Group do not involve purchase of inventory and the sale of goods. During the course of our audit and as reported by the other auditor who audited the financial statements of the Covered entity, no major weakness was observed or continuing failure to correct any major weakness in the internal control system of the Holding Company and the Covered entity in respect of these areas.
- (v) According to the information and explanations given to us and as reported by the other auditor who audited the financial statements of the Covered entity, Holding Company and the Covered entity have not accepted any deposits from the public.
- (vi) To the best of our knowledge and as explained and as reported by the other auditor who audited the financial statements of the Covered entity, the Holding Company and the Covered entity is not in the business of sale of any goods. Therefore, in our opinion and as reported by the other auditor who audited the financial statements of the Covered entity, the provisions of clause 3(vi) of the Order are not applicable to the Company.
- (vii) (a) According to the information and explanations given to us and as reported by the other auditor, the Holding Company and the Covered entity is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, wealth-tax, service tax, customs duty, value added tax, cess and other material statutory dues as applicable to the Covered entity. The provisions relating to sales-tax and excise duty are not applicable to the Group.

- (b) According to the information and explanations given to us and as reported by other auditors who audited the financial statements of the Covered entity, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, wealth-tax, service tax, customs duty, value added tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (c) According to the records of the Holding Company, and the records of the Covered entity as reported by other auditors who audited the financial statements of the Covered entity, the dues outstanding of income-tax, wealth-tax, service tax, customs duty, value added tax and cess on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount (Rs.in Lakhs)*	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income tax	5,976.46	2001-09	High Court
Income Tax Act, 1961	Income tax	612.86	2002-05	Appellate Tribunal
Income Tax Act, 1961	Income tax	136.47	2009-10	Commissioner of Income tax appeals
Tamil Nadu General Sales tax Act, 1959	Sales tax	519.93	2004-05	High Court
Central Sales Tax Act, 1956	Central sales tax**	64.78	2008-10	Appellate Commissioner
Central Sales Tax Act, 1956	Central sales tax***	42.40	2006-08	High Court
Finance Act, 1994	Service tax****	201.10	2004-06	CESTAT
Finance Act, 1994	Service tax	95.29	2008-11	Commissioner of Service Tax (Appeals)

*Does not include interest.

** The Company has also deposited a sum of Rs.6.71 Lakhs under protest.

***The Company has also deposited a sum of Rs.21.20 Lakhs under protest.

****The Company has also deposited a sum of Rs.68.28 Lakhs under protest.

- (d) According to the information and explanations given to us, the amount required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made there under has been transferred to such fund within time to the extent applicable. As reported by the other auditor who audited the financial statements of the Covered entity, there were no amounts which were required to be transferred to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made there under.
- (viii) The Holding Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and immediately preceding financial year. As reported by the other auditor who audited the financial statements of the Covered entity, the accumulated losses of the Covered entity at the end of the financial year is more than fifty percent of its net worth and it has incurred cash loss in the current and immediately preceding financial year.

- (ix) Based on our audit procedures and as per the information and explanations given by the management and as reported by the other auditor who audited the financial statements of the Covered entity, the Holding Company and the Covered entity did not have any outstanding dues in respect of a financial institution or bank during the year.
- (x) According to the information and explanations given to us and based on the report of the other auditor who audited the financial statements of the Covered entity, the Holding Company and the Covered entity has not given any guarantee for loans taken by others from bank or financial institutions.
- (xi) According to the information and explanations given to us and based on the report of the other auditor who audited the financial statements of the Covered entity, the Holding Company and the Covered entity did not have any term loans outstanding during the year.
- (xii) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the consolidated financial statements and as per the information and explanations given by the management and reports of the other auditor who audited the financial statements of the Covered entity, which we have relied upon, we report that no fraud on or by the Holding Company and the Covered entity have been noticed or reported during the year.

For S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

ICAI Firm Registration Number: 101049W

per Bharath N S

Partner

Membership No. 210934

Chennai

April 30, 2015

Polaris Consulting & Services Limited

(Formerly known as Polaris Financial Technology Limited)

Consolidated Balance Sheet as at March 31, 2015

(All amounts are in Rupees in Lakhs unless otherwise stated)

Particulars	Notes	March 31, 2015	March 31, 2014
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share capital	4	4,995.73	4,977.51
Reserves and surplus	5	80,086.74	149,763.58
		85,082.47	154,741.09
Minority Interest		148.23	-
Non-Current Liabilities			
Deferred tax liabilities (Net)	6	250.63	1,070.99
Long - term provisions	7	-	544.24
Current Liabilities			
Short - term borrowings	8	-	403.15
Trade payables	9	18,026.95	24,208.47
Other current liabilities	10	11,494.35	14,042.22
Short-term provisions	11	14,527.70	12,181.66
TOTAL		129,530.33	207,191.82
ASSETS			
Non-Current Assets			
Fixed assets	12		
- Tangible assets		22,954.64	32,580.17
- Intangible assets		513.12	825.39
- Capital work-in-progress		-	3,493.50
- Intangible assets under development		-	973.93
		23,467.76	37,872.99
Goodwill on Consolidation	13 II	-	7,530.02
Non-current investments	13	11,488.22	8,799.72
Deferred tax assets (Net)	14	807.95	649.45
Long-term loans and advances	15	9,128.70	15,215.48
Other non-current assets	16	244.26	4,729.71
Current Assets			
Current investments	17	1,050.40	37,102.45
Trade receivables	18	23,821.16	36,220.67
Cash and bank balances	19	19,161.29	23,132.93
Short-term loans and advances	20	10,883.37	4,374.33
Other current assets	21	29,477.22	31,564.07
TOTAL		129,530.33	207,191.82

Summary of significant accounting policies 3

The accompanying notes are an integral part of the financial statements

As per our report of even date

For S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

ICAI Firm Registration number: 101049W

per Bharath N S

Partner

Membership No. 210934

Chennai

April 30, 2015

For and on behalf of the Board of Directors of
Polaris Consulting & Services Limited**R C Bhargava**

Director

Jitin Goyal

Executive Director

Vaidyanathan N. M

Chief Financial Officer

Chennai

April 30, 2015

Christina Pauline Beulah

Company Secretary

Polaris Consulting & Services Limited

(Formerly known as Polaris Financial Technology Limited)

Consolidated Statement of Profit and Loss for the year ended March 31, 2015

(All amounts are in Rupees in Lakhs unless otherwise stated)

Particulars	Notes	March 31, 2015	March 31, 2014
Revenue			
Income from software products and services	25	189,334.54	242,369.65
Other income	26	4,114.30	3,235.24
Total Revenue		193,448.84	245,604.89
Expenses			
Employee benefit expenses	27	146,129.33	184,276.32
Finance costs	28	-	197.72
Depreciation and amortization expenses	12	2,790.87	5,444.03
Other expenses	29	20,696.44	33,947.41
Total Expenses		169,616.64	223,865.48
Profit before exceptional items and tax			
Exceptional Items	35	(689.25)	2,137.02
Profit before tax		23,142.95	23,876.43
TAX EXPENSES			
Income taxes - Current tax		6,718.25	5,080.17
- Adjustment of tax relating to earlier periods		(167.00)	(1,328.30)
- Deferred tax		(128.97)	216.91
Profit after tax before share of results of associates and minority interests		16,720.67	19,907.65
Add: Share of profit from Associate Company		1.19	11.55
Add: Minority Interests		5.12	-
Profit for the year		16,726.98	19,919.20
Earnings per share (In Rs.) - (equity shares par value Rs.5 each)	37		
Basic		16.77	20.01
Diluted		16.39	19.97
Estimated pre-tax loss for the year ended from ordinary activity attributable to Discontinuing Operations (Products division) included in the above results. Related Income tax credit for the year ended March 31, 2015 - Rs. Nil (March 31, 2014 - Rs.138 lakhs)		-	(978.00)
Pre-tax Loss for the period April 01, 2013 upto September 13, 2013 (date of divestment), from ordinary activity attributable to Discontinuing Operations (IdenTrust) included in the above results.		-	(472.88)
Pre-tax Profit on divestment of IdenTrust (Related Income tax expense - Rs.Nil) included in the above results.		-	2,438.14
Summary of significant accounting policies	3		
The accompanying notes are an integral part of the financial statements			
As per our report of even date			
For S.R. BATLIBOI & ASSOCIATES LLP Chartered Accountants ICAI Firm Registration number: 101049W		For and on behalf of the Board of Directors of Polaris Consulting & Services Limited	
per Bharath N S Partner Membership No. 210934 Chennai April 30, 2015		R C Bhargava Director	Jitin Goyal Executive Director
		Vaidyanathan N. M Chief Financial Officer Chennai April 30, 2015	Christina Pauline Beulah Company Secretary

Polaris Consulting & Services Limited

(Formerly known as Polaris Financial Technology Limited)

Consolidated cash flow statement for the year ended March 31, 2015

(All amounts are in Rupees in lakhs unless otherwise stated)

Particulars	March 31, 2015	March 31, 2014
Cash flows from operating activities		
Profit before tax	23,142.95	23,876.43
Adjustments for:		
Depreciation and amortisation	2,790.87	5,444.03
Interest income	(694.70)	(1,173.40)
Dividend income	(1,514.67)	(1,663.73)
Unrealised exchange (gain) / loss	(554.53)	817.83
Exchange difference on translation of foreign operations	(2,690.45)	13,667.96
(Profit) / Loss on sale of fixed assets (net)	(13.82)	(18.81)
(Profit) / Loss on sale of Investments (net)	(483.36)	(95.85)
Provision for doubtful debts	165.00	(1,007.07)
Bad debts written off	2.20	1,734.00
Interest expenses	-	197.72
Operating profit before working capital changes	20,149.49	41,779.11
Changes in assets and liabilities		
Decrease / (Increase) in trade receivable	(911.98)	3,529.84
Decrease/ (Increase) in loans and advances and other assets	(22,947.86)	289.98
Increase / (Decrease) in liabilities and provisions	14,552.61	(1,715.40)
Cash generated from / (used in) operations	10,842.26	43,883.53
Taxes paid	(5,210.65)	(6,740.25)
Net cash flow from operating activities	5,631.61	37,143.28
Cash flows from Investing activities		
Purchase of fixed assets, changes in capital work in progress and capital advances	(7,366.21)	(3,585.57)
Proceeds from sale of fixed assets	97.08	530.99
Disposal of subsidiary	-	6,959.49
Purchase of non-current investments	(2,500.00)	-
Redemption / (Purchase) of current investments	9,752.14	(22,643.16)
Investment in long-term term deposits	-	(1,802.00)
Interest received	694.70	1,173.40
Dividend received	1,514.67	1,663.73
Net cash flow from / (used in) investing activities	2,192.38	(17,703.12)
Cash flows from financing activities		
Proceeds from share capital issued on exercise of stock options	18.22	2.21
Proceeds from share premium on exercise of stock options	428.74	22.88
Repayment of loans (net)	-	(11,208.90)
Interest paid	-	(197.72)
Dividends paid during the year	(6,219.89)	(4,965.22)
Dividend tax paid during the year	(1,701.14)	(845.58)
Net cash flow from / (used in) financing activities	(7,474.07)	(17,192.33)
Net increase in cash and cash equivalents during the year	349.92	2,247.83
Exchange differences on translation of cash and cash equivalents in foreign currency	288.79	319.00
Cash and cash equivalents at the beginning of the year	23,132.93	20,566.10
Cash and cash equivalents transferred on Demerger pursuant to Scheme of arrangement (Refer note 34)	(4,610.35)	-
Cash and cash equivalents at the end of the year	19,161.29	23,132.93

Particulars	March 31, 2015	March 31, 2014
Components of Cash and cash equivalents		
(Refer Note-19 cash and bank balances)		
Cash on hand	2.71	6.38
Balance with banks		
- On current account	9,182.74	15,850.03
- On deposit account#	4,881.84	7,187.76
- On unpaid dividend account *	5,094.00	88.76
	19,161.29	23,132.93

* The balance with banks include Rs. 5,094 lakhs, which are not available for use by the Company as they represent unpaid dividend liabilities Rs.98.27 lakhs (March 31, 2014: Rs.88.76 lakhs) and interim dividend payable Rs.4,995.73 lakhs (March 31, 2014: Nil).

The balance with banks as of March 31, 2014 also include Rs. 1,889 lakhs (March 31, 2015: Nil) of balances which had been pledged as a security by the company for availing non-fund based facilities.

As per our report of even date

For S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants
ICAI Firm Registration number: 101049W

per Bharath N S
Partner
Membership No. 210934
Chennai
April 30, 2015

For and on behalf of the Board of Directors of
Polaris Consulting & Services Limited

R C Bhargava
Director

Jitin Goyal
Executive Director

Vaidyanathan N. M
Chief Financial Officer
Chennai
April 30, 2015

Christina Pauline Beulah
Company Secretary

Polaris Consulting & Services Limited

(Formerly known as Polaris Financial Technology Limited)

Notes to the Consolidated Financial Statements for the year ended March 31, 2015

(All amounts are in Rupees in lakhs unless otherwise stated)

1. Description of the Group

Polaris Consulting and Services Limited (formerly known as Polaris Financial Technology Limited) ("Polaris" or "the Company"), its subsidiaries and its associates (collectively referred to as "the Polaris Group" or "the Group") are primarily engaged in the business of IT services and IT-enabled services delivering customized software solutions and products in the domain of contemporary services which include banking and financial services.

Polaris is the flagship Company of the Group and is listed on the principal stock exchanges of India.

The list of subsidiaries with percentage holding is given below.

S.No	Subsidiaries	Country of incorporation	Proportion of ownership interest within the group	
			March 31, 2015	March 31, 2014
1	Polaris Consulting and Services Pty Ltd. (Formerly known as Polaris Software Pty Ltd)	Australia	100.00%	100.00%
2	Polaris Consulting and Services GmbH (Formerly known as Polaris Software Lab GmbH)	Germany	100.00%	100.00%
3	Polaris Consulting and Services Japan K.K (Formerly known as Polaris Software Lab Japan KK)	Japan	100.00%	100.00%
4	Polaris Consulting & Services Ireland Limited (Formerly known as Polaris Software Lab Ireland Ltd)	Ireland	100.00%	100.00%
5	Polaris Consulting & Services Inc (Formerly known as Polaris Software Lab Canada Inc)	Canada	100.00%	100.00%
6	Polaris Software (Shanghai) company Limited **	China	100.00%	100.00%
7	Polaris Consulting and Services B.V * (Formerly known as Polaris Software Lab B.V)	Netherlands	100.00%	100.00%
8	Optimus Global Services Limited	India	100.00%	100.00%
9	Polaris Software Consulting & Services Sdn Bhd ** (Formerly known as Polaris Software Lab Sdn Bhd)	Malaysia	100.00%	100.00%
10	Polaris Consulting & Services Pte Ltd (Incorporated on June 25, 2014)	Singapore	100.00%	Nil
11	Polaris Consulting & Services Limited (Incorporated on June 30, 2014)	United Kingdom	100.00%	Nil
12	Polaris Consulting & Services kft. * (Incorporated on July 03, 2014)	Hungary	100.00%	Nil
13	Intellect Polaris Design LLC (Incorporated on July 23, 2014)	USA	95.00%	Nil

* Subsidiaries of Polaris Consulting & Services Limited, United Kingdom.

** Subsidiaries of Polaris Consulting & Services Pte Ltd, Singapore.

The Product business has been demerged effective September 15, 2014, with April 01, 2014 as the appointed date. The following companies have been vested with Intellect as per the Scheme of Arrangement, hence the same has not been considered for the consolidated financial statements for the year ended March 31, 2015 in accordance with Accounting Standard 21 (AS 21) 'Consolidated Financial Statements'. However the same were consolidated in the previous year.

S.No	Subsidiaries / Associates	Country of incorporation	Proportion of ownership interest within the group	
			March 31, 2015	March 31, 2014
1	Intellect Design Arena Limited SA (Formerly known as Polaris Software Lab SA)	Switzerland	Nil	100.00%
2	Intellect Design Arena Pte Ltd (Formerly known as Polaris Software Lab Pte Limited)	Singapore	Nil	100.00%
3	Intellect Design Arena Limited (Formerly known as Polaris Software Lab Ltd)	United Kingdom	Nil	100.00%
4	Intellect Design Arena Inc. (Formerly known as Polaris Software Lab Inc.) **	USA	Nil	100.00%
5	SEEC Technologies Asia (Private) Limited ***	India	Nil	100.00%
6	Laser Soft Infosystems Limited	India	Nil	100.00%
7	SFL Properties Private Limited	India	Nil	100.00%
8	Polaris Enterprise Solutions Limited	India	Nil	100.00%
9	Intellect Design Arena Co. Ltd (Formerly known as Polaris Software Lab Vietnam Co. Ltd)	Vietnam	Nil	100.00%
10	Indigo TX Software Private Limited	India	Nil	100.00%
11	Polaris Software Lab Chile Limitada *	Chile	Nil	100.00%
12	Polaris Software Lab (Philippines) Company, Inc **	Philippines	Nil	100.00%
13	Intellect Design Arena Limited FZ-LLC (Formerly known as Polaris Software Lab FZ- LLC)	Dubai	Nil	100.00%
14	Sonali Polaris FT Limited	Bangladesh	Nil	51.00%
15	Intellect Design Arena Limited (Formerly known as Fin Tech Grid Limited)	India	Nil	99.88%
16	FT Grid Pte Ltd**	Singapore	Nil	100.00%
17	NMS Works Software Private Limited	India	Nil	36.54%
18	Adrenalin eSystems Limited	India	Nil	40.25%

* Subsidiaries of Polaris Consulting & Services Limited, United Kingdom.

** Subsidiaries of Polaris Consulting & Services Pte Ltd, Singapore.

*** Subsidiary of Intellect Design Arena Inc., USA.

2A Basis of preparation of consolidated financial statements

The financial statements of the company have been prepared in accordance with the generally accepted accounting principles in India (Indian GAAP). The company has prepared these financial statements to comply in all material respects with the accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014. The financial statements have been prepared on an accrual basis and under the historical cost convention. The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

The financial statements are prepared in accordance with the principles and procedures required for the preparation and presentation of consolidated financial statements as laid down under the Accounting Standard (AS) 21, "Consolidated Financial Statements". The financial statements of the Company and its subsidiaries are consolidated on a line by line basis by adding together like items of assets, liabilities, income and expenses. Associates are entities over which the group has significant influence but not control. Investments in associates are accounted for using the equity method of accounting as laid down under Accounting standard (AS) 23, "Accounting for Investment in Associate in Consolidated

Financial Statements". Minority interest in the net income (profit after tax) for the reporting period is identified and adjusted against the group income to arrive at the net income of the Group; likewise the minority interest in the net assets of the consolidated subsidiaries is identified and presented separately on the liabilities side in the Consolidated Balance Sheet. The consolidated financial statements are prepared by applying uniform accounting policies in use at the Group. All material inter-Company transactions and balances are eliminated on consolidation.

2B Scheme of Arrangement (Demerger)

The Board of Directors of the Company at its meeting held on March 18, 2014 had approved a Scheme of Arrangement between Polaris Consulting & Services Limited and Intellect Design Arena Limited (formerly known as Fintech Grid Limited) a wholly owned subsidiary of Polaris Consulting & Services Limited, and their respective shareholders which inter alia envisaged demerger of the Product business undertaking along with related assets and liabilities into Intellect Design Arena Limited with effect from April 1, 2014 in accordance with the provisions of the Companies Act, 1956. The above scheme has received the approval of the Madras High court on September 15, 2014.

The Company has accounted for the demerger as per the High Court order as more fully disclosed in Note 34.

3 Significant Accounting Policies

a) Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting year end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

b) Tangible fixed assets and capital work in progress

Fixed assets are stated at cost, less accumulated depreciation and impairment losses if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Capital work in progress comprises cost of tangible fixed assets not ready for intended use as at the balance sheet date.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

Gains or losses arising from derecognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

c) Depreciation on tangible fixed assets

Till the year ended March 31, 2014, Schedule XIV to the Companies Act, 1956, prescribed requirements concerning depreciation of fixed assets. From the current year, Schedule XIV has been replaced by Schedule II to the Companies Act, 2013. The applicability of Schedule II has resulted in the following changes related to depreciation of fixed assets. Unless stated otherwise, the impact mentioned for the current year is likely to hold good for future years also.

Useful lives/ depreciation rates

Till the year ended March 31, 2014, depreciation rates prescribed under Schedule XIV were treated as minimum rates and the company was not allowed to charge depreciation at lower rates even if such lower rates were justified by the estimated useful life of the asset. Schedule II to the Companies Act 2013 prescribes useful lives for fixed assets which, in many cases, are different from lives prescribed under the erstwhile Schedule XIV. However, Schedule II allows companies to use higher/ lower useful lives and residual values if such useful lives and residual values can be technically supported and justification for difference is disclosed in the financial statements.

Considering the applicability of Schedule II, the management has re-estimated useful lives and residual values of all its fixed assets. The management believes that depreciation rates currently used fairly reflect its estimate of the useful lives and residual values of fixed assets, though these rates in certain cases are different from lives prescribed under Schedule II. Had the company continued to use the earlier accounting policy, the impact on depreciation of fixed assets would have been higher by Rs. 52.20 lakhs.

Depreciation on assets costing less than Rs. 5,000/-

Till the year ended March 31, 2014, to comply with the requirements of Schedule XIV to the Companies Act, 1956, the company was charging 100% depreciation on assets costing less than Rs.5,000/- in the year of purchase. However, Schedule II to the Companies Act 2013, applicable from the current year, does not recognize such practice. Hence, to comply with the requirement of Schedule II to the Companies Act, 2013, the company has changed its accounting policy for depreciation of assets costing less than Rs.5,000/-. As per the revised policy, the company is depreciating such assets over their useful life as assessed by the management. The management has decided to apply the revised accounting policy prospectively from accounting periods commencing on or after April 1, 2014.

The change in accounting for depreciation of assets costing less than Rs.5,000/- did not have any material impact on financial statements of the company for the current year.

The estimated useful lives considered for depreciation of fixed assets are as follows:

Assets Category	Estimated useful life (years)	Earlier useful life (Years)
Buildings	29	29
Plant and machinery	15	6-7
Computer equipments	3	3
Servers and Computer accessories	6	5
Electrical fittings, furniture and fixtures	10	10
Office equipments	5	10
Vehicles	4-8	4-6
Leasehold improvements	Over the lease period or 10 years whichever is lower	Over the lease period or 10 years whichever is lower
Leasehold land	Over the lease period (99 years)	Over the lease period (99 years)

d) Intangible assets

Intangible assets acquired are stated at cost, less accumulated amortization and impairment losses if any.

Research and development costs

Software product and intellectual property development costs are expensed as incurred until technological feasibility is established. Software development costs incurred subsequent to the achievement of technological feasibility are capitalized and amortised over estimated useful life of the products. This capitalisation is done only if the Company has the intention and ability to complete the product, the product is likely to generate future economic benefits, adequate resources to complete the product are available to the Company and the Company is able to accurately measure such expense.

Such software development costs comprise expenditure that can be directly attributed, or allocated on a reasonable and consistent basis, to the development of the product and intellectual property rights.

Amortisation

The amortisation of software development and intellectual property costs is allocated on a straight-line basis over the best estimate of its useful life after the product is ready for use. The factors considered for identifying the basis include obsolescence, product life cycle and actions of competitors. The amortization period and the method are reviewed at each year end. The expected useful life is reassessed at each year end and the amortization period is changed accordingly. The estimated useful life of company's intangible assets are stated below:

Assets Category	Estimated useful life (years)
Computer software	3
Customer contracts acquired on business purchase agreements	3
Intellectual property rights	3-5

e) Leases

Finance leases, which effectively transfer to the Company substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the lower of the fair value and present value of the minimum lease payments at the inception of the lease term and disclosed as leased assets. Lease payments are apportioned between the finance charges and reduction of the lease liability based on the implicit rate of return. Finance charges are charged directly against income. Lease management fees, legal charges and other initial direct costs are capitalized.

Leases where the lessor effectively retains substantially all the risks and the benefits of ownership of the leased term are classified as operating leases. Operating lease payments are recognized as an expense in the Statement of profit and loss on a straight-line basis over the lease term.

f) Impairment of tangible and intangible fixed assets

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the pre-tax discount rate reflecting current market assessment of time value of money and risks specific to asset.

After impairment, depreciation/amortisation is provided on the revised carrying amount of the asset over its remaining useful life.

g) Investments

Investments are classified as long-term investments and current investments. Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties. Current investments are carried in the financial statements at the lower of cost or fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognise a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

h) Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured.

Software development and support services

Revenue from software development and support services comprises income from time-and-material and fixed price contracts. Revenue with respect to time-and-material contracts is recognized as related services are performed. Revenue from fixed-price contracts is recognized in accordance with the proportionate completion method. Provision for estimated losses on incomplete contract is recorded in the year in which such losses become probable based on the current contract estimates.

Product licenses and related revenues

Revenues from product licenses and related services comprise income under multiple element arrangements recognized as follows:

- License fees and fees for customization/implementation services are recognized using proportionate completion method. Provision for estimated losses, if any, on incomplete contracts are recorded in the year in which such losses become probable based on current contract estimates.
- Product maintenance revenues are recognized over the period of the maintenance contract.

Revenue from sale of licenses which are not in the nature of multiple element arrangements are recognized upon delivery of these licenses which constitute transfer of all risks and rewards and has no further obligations under those arrangements.

Revenues in excess of billing represents earnings on ongoing fixed price and time and material contracts over amounts invoiced to customers. Billings in excess of revenue represent amounts billed in case of ongoing fixed price and time and material contracts wherein amounts have been billed in accordance with the billing cycle and efforts would be incurred subsequent to the balance sheet date.

Business Process Outsourcing

Revenue from call centre services comprises income from time and material contracts. Revenue is recognized in accordance with the terms of the contract with the customer, as related services are performed.

Other Income

Interest is recognized using the time-proportion basis taking into account the amount outstanding and the applicable interest rate.

Dividend income is recognized when the Group's right to receive dividend is established.

i) Foreign currency transactions and translations*Initial Recognition*

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Conversion

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

Exchange Differences

Exchange differences arising on the settlement/reporting of monetary items, at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or as expenses in the year in which they arise.

Translation of integral and non-integral foreign operations

The company classifies all its foreign operations as either "integral foreign operations" or "non-integral foreign operations."

The financial statements of an integral foreign operation are translated as if the transactions of the foreign operation have been those of the company itself.

The assets and liabilities of a non-integral foreign operation are translated into the reporting currency at the exchange rate prevailing at the reporting date. Their statement of profit and loss are translated at exchange rates prevailing at the dates of transactions or weighted average weekly rates, where such rates approximate the exchange rate at the date of transaction. The exchange differences arising on translation are accumulated in the foreign currency translation reserve. On disposal of a non-integral foreign operation, the accumulated foreign currency translation reserve relating to that foreign operation is recognized in the statement of profit and loss.

When there is a change in the classification of a foreign operation, the translation procedures applicable to the revised classification are applied from the date of the change in the classification.

j) Forward contracts entered into to hedge foreign currency risk

The Company uses foreign exchange contracts to hedge its exposure to movements in foreign currency rates. The use of these foreign exchange forward contracts is aimed to reduce the risk/cost to the Company and the Company does not use the foreign exchange forward contracts for trading or speculative purposes.

The use of hedging instruments is governed by the Company's policies approved by the Board of Directors, which provide written principles on the use of such financial derivatives consistent with the Company's risk management strategy.

The Company designates these hedging instruments as Cash flow hedges applying the recognition and measurement principles set out in Accounting standard 30 – "Financial Instruments - Recognition and measurement".

Hedging instruments are initially measured at fair value, and are remeasured at subsequent reporting dates. Changes in the fair value of these derivatives that are designated and effective as hedges of future cash flows are recognised directly in shareholders' funds (hedge fluctuation reserve) and the ineffective portion is recognised immediately in the statement of profit and loss. Changes in the fair value of derivative financial instruments that do not qualify for hedge accounting are recognised in the statement of profit and loss as they arise.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. At that time for forecasted transactions, any cumulative gain or loss on the hedging instrument recognised in shareholders' funds (hedge fluctuation reserve) is retained there until the forecasted transaction occurs. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in shareholders' funds is transferred to the profit and loss.

k) Retirement and other employee benefits

Provident Fund

Employees receive benefits from a provident fund, which is a defined contribution plan. Both the employee and the Company make monthly contributions to the Regional Provident Fund equal to a specified percentage of the covered employee's salary. The company recognizes contribution payable to the provident fund scheme as an expenditure, when an employee renders the related service. The Company has no further obligations under the plan beyond its monthly contributions. The contributions are charged to the Statement of Profit and Loss of the year when the contributions to the respective funds are due and there are no other obligations other than the contribution payable.

Gratuity

The Company provides for gratuity in accordance with the Payment of Gratuity Act, 1972, a defined benefit retirement plan (the Plan) covering all employees. The plan, subject to the provisions of the above Act, provides a lump sum payment to eligible employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. A trust by name "Polaris Software Lab group gratuity trust" has been constituted to administer the gratuity fund. Gratuity liability is accrued and provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial period. Actuarial gains/losses are immediately taken to Statement of profit and loss and are not deferred.

Superannuation

The Company contributes a specified percentage of the eligible employees' basic salary towards superannuation (the Plan) to a fund. A trust has been created and approved by the Income-tax authorities for this purpose. This Plan provides for various options for payment of pension at retirement or termination of employment as per the trust rules. The Company has no further obligations under the Plan beyond its annual contribution.

Leave Benefits

Provision for long-term compensated absences is accrued and provided for on the basis of actuarial valuation made at the end of each financial period. The actuarial valuation is done as per projected unit credit method. Short-term encashment of accumulated leave balances are accounted for in the year in which the leave balances are credited to employees on actual basis.

The company presents the entire leave as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

l) Income and Deferred Taxes

Tax expense comprises of current, deferred tax. The current charge for income taxes is calculated in accordance with the relevant tax regulations applicable to the Group. The current tax provision and advance income tax as at balance sheet date have been arrived at after setting off advance tax and current tax provision where the Group has legally enforceable right to set off assets against liabilities and where such assets and liabilities relate to taxes on income levied by the same governing taxation laws.

Deferred tax assets and liabilities are recognised for the future tax consequences attributable to timing differences between the taxable income and accounting income. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. The effect on deferred tax assets and liabilities of a change in tax rates is recognised in the year that includes the enactment date. Deferred tax assets and deferred tax liabilities across various countries of operation are not set off against each other as the Group does not have legal right to do so.

Deferred tax assets are recognised only if there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised and are reassessed for the appropriateness of their respective carrying values at each balance sheet date. Unrecognised deferred tax assets of earlier years are re-assessed and recognised to the extent that it has become reasonably certain that future taxable income will be available against which such deferred tax assets can be realized. The Group writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain, that sufficient future taxable income will be available against which deferred tax asset can be realized.

MAT credit is recognised as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. In the year in which the Minimum Alternate tax (MAT) credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in Guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the Statement of profit and loss and shown as MAT Credit Entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal Income Tax during the specified period.

The Company enjoys tax holiday under Sec 10AA of the Income tax Act on some of its units set up in the Special Economic Zones (SEZ)

m) Stock Based Compensation

Measurement and disclosure of the employee share-based payment plans is done in accordance with SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and the Guidance Note on Accounting for Employee Share-based Payments, issued by the Institute of Chartered Accountants of India. The Company measures compensation cost relating to employee stock options using the intrinsic value method. Compensation expense is amortized over the vesting period of the option on a straight line basis.

n) Earnings per share

The basic earnings per share are computed by dividing the net profit for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

o) Provisions and contingent liabilities

A provision is recognized when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The company does not recognize a contingent liability but discloses its existence in the financial statements. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

p) Segment reporting

The company's operating businesses are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the areas in which major operating divisions of the company operate.

The company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the company as a whole.

q) Cash and Cash equivalents

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risks of change in value.

4. Share Capital

Particulars	March 31, 2015	March 31, 2014
Authorised		
120,000,000 equity shares of Rs.5 each.	6,000.00	6,000.00
(March 31, 2014: 120,000,000 equity shares of Rs.5 each)		
10,000,000 11 % preference shares of Rs.5 each.	500.00	500.00
(March 31, 2014: 10,000,000 11% preference shares of Rs.5 each)		
	6,500.00	6,500.00
Issued, Subscribed and Paid up		
99,914,624 equity shares of Rs.5 each	4,995.73	4,977.51
(March 31, 2014: 99,550,274 equity shares of Rs.5 each) fully paid up		
Total issued, subscribed and fully paid-up share capital	4,995.73	4,977.51

Of the total authorised capital of the company referred above, the company has issued only one class of equity shares having a face value of Rs.5 per share. Each holder of such equity share is entitled to one vote per share. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company. The distribution will be in proportion to the number of equity shares held by the shareholders.

The Board of Directors, in their meeting held on March 19, 2015 declared interim dividend of Rs.5 per equity share. Further Board of Directors, in their meeting held on April 30, 2015, have proposed a final dividend of Rs.10 per equity share for the financial year ended March 31, 2015. The proposal is subject to the approval of shareholders in the ensuing Annual General Meeting.

Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period

Particulars	In Numbers	
	March 31, 2015	March 31, 2014
At the beginning of the period	99,550,274	99,506,074
Add: Shares issued under ASOP	364,350	44,200
Shares outstanding at the end of the year	99,914,624	99,550,274

Details of Shareholders holding more than 5 percent shares in the Company (based on legal ownership)

Particulars	March 31, 2015		March 31, 2014	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Polaris Banyan Holding Private Limited (Formerly Known as Polaris Holdings (P) Limited)	20,020,938	20.04%	20,020,938	20.11%
Orbitech Limited	15,379,606	15.39%	15,379,606	15.45%
Franklin Mutual Series Funds - Mutual Beacon Fund	6,103,048	6.11%	7,108,509	7.14%

Stock option plans

The Company has four stock option plans that provide for the granting of stock options to employees including directors of the Company (not being promoter directors and not holding more than 10% of the equity shares of the Company). The objectives of these plans include attracting and retaining the best personnel, providing for additional performance incentives and promoting the success of the Company by providing employees the opportunity to acquire equity shares.

As per the Scheme of Arrangement (refer note no:34), the exercise price of the stock options shall stand modified at 72% of the old exercise price. Consequently, the exercise price of financial year 2014-15 is not comparable with previous year 2013-14.

The balance of the exercise price (28%) shall become the exercise price of the stock options issued by the resulting company.

The option plans are summarized below:

Associate Stock Option Plan 2003

The Shareholders of the Company at the EGM held on March 12, 2004 approved an Associate Stock Option Plan (the 2003 Plan). The 2003 Plan provides for issuance of 3,895,500 options, convertible to equivalent number of equity shares of Rs.5 each, to the employees including Directors. The options are granted at the market price on the date of the grant. The market price, in accordance with the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines 1999 as amended from time to time, shall be the latest available closing price

prior to the date of the meeting of the Board of Directors in which options are granted, on the stock exchange on which the shares of the Company are listed. If the Shares are listed on more than one stock exchange then the stock exchange where there is highest trading volume on the said date shall be considered. The option vests over a period of 5 years from the date of grant in a graded manner, with 20% of the options vesting each year. The exercise period shall commence from the date of vesting and expires within 36 months from the last vesting date.

No compensation cost has been recorded as the scheme terms are fixed and the exercise price equals the market price of the underlying stock on the grant date. A summary of the status of the options granted under 2003 plan at March 31, 2015 is presented below.

Particulars	Year ended March 31, 2015		Year ended March 31, 2014	
	Number of Shares	Weighted Average Exercise Price (Rs.)	Number of Shares	Weighted Average Exercise Price (Rs.)
Outstanding at the beginning of the period	1,627,500	122.27	1,981,100	165.03
Granted during the period	-	-	-	-
Exercised during the period	(258,100)	94.19	(43,900)	56.38
Forfeited during the period	(64,000)	127.71	(107,700)	165.37
Expired during the period	(359,300)	110.87	(202,000)	149.89
Outstanding at the end of the period	946,100	133.89	1,627,500	169.82
Exercisable at the end of the period	838,800	134.45	1,306,700	167.43

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
Range of exercise price (Rs.)	24.73-163.73	34.35-140.90
Weighted average remaining contractual life (in years)	2.74	3.48
Weighted average market price of shares on the date of exercise (Rs.)	223.96	127.94

Associate Stock Option Plan 2004

The Shareholders of the Company in the AGM held on July 22, 2005 approved an Associate Stock Option Plan (the 2004 plan). The 2004 plan provides for issuance of 1,084,745 options, convertible to equivalent number of equity shares of Rs.5 each, to the associates including Directors. The options are granted at the market price on the date of the grant. The market price, in accordance with the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines 1999 as amended from time to time, shall be the latest available closing price prior to the date of the meeting of the Board of Directors in which options are granted, on the stock exchange on which the shares of the Company are listed. If the Shares are listed on more than one stock exchange then the stock exchange where there is highest trading volume on the said date shall be considered. The option vests over a period of 5 years from the date of grant in a graded manner, with 20% of the options vesting each year. The exercise period shall commence from the date of vesting and expires within 36 months from the last vesting date.

No compensation cost has been recorded as the scheme terms are fixed and the exercise price equals the market price of the underlying stock on the grant date. A summary of the status of the options granted under 2004 plan at March 31, 2015 is presented as below

Particulars	Year ended March 31, 2015		Year ended March 31, 2014	
	Number of Shares	Weighted Average Exercise Price (Rs.)	Number of Shares	Weighted Average Exercise Price (Rs.)
Outstanding at the beginning of the period	412,300	144.03	507,700	184.27
Granted during the period	-	-	-	-
Exercised during the period	(17,800)	133.00	(25,600)	76.60
Forfeited during the period	(4,200)	111.70	-	-
Expired during the period	(16,600)	62.74	(69,800)	130.61
Outstanding at the end of the period	373,700	148.53	412,300	200.04
Exercisable at the end of the period	360,500	149.76	301,000	231.04

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
Range of exercise price (Rs.)	125.17-133.88	76.60
Weighted average remaining contractual life (in years)	1.94	2.32
Weighted average market price of shares on the date of exercise (Rs.)	259.81	126.46

Associate Stock Option Plan 2011

The Shareholders of the Company in the Extraordinary General Meeting held on October 28, 2011 approved an Associate Stock Option Plan (the 2011 plan). The 2011 plan provides for issuance of 4,960,000 options convertible into equivalent number of equity shares of Rs.5 each. The plan shall be administered under 4 different schemes based on the following terms:

Particulars	Swarnam 11	Swarnam 21	Swarnam 31	Swarnam 41
Eligible employees	Senior and Key executives excluding non-executive directors	Members of Business leadership team or equivalent thereof excluding non-executive directors	Associates in the grade of Executive Vice president and above, excluding non executive directors	Non – Executive directors
Maximum number of options grantable	3,720,000 Less: Number of Options granted under Swarnam 21	1,736,000	1,240,000 Less: Number of Options granted under Swarnam 41	200,000
Grant price				
A. Market price up to Rs. 175	Market price	Market price	Market price	Market price
B. Market price between Rs. 175 - Rs. 500	15% discount on market price. (Subject to being Not lower than Rs.175)	30% discount on market price. (Subject to being Not lower than Rs.175)	50% discount on market price. (Subject to being Not lower than Rs.175)	Market price
C. Market price greater than Rs.500	10% discount on market price	20% discount on market price	50% discount on market price	Market price

The market price, in accordance with the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines 1999 as amended from time to time, shall be the latest available closing price prior to the date of the meeting of the Board of Directors in which options are granted, on the stock exchange on which the shares of the Company are listed. If the Shares are listed on more than one stock exchange then the stock exchange where there is highest trading volume on the said date shall be considered. The options shall be valued using the intrinsic value model.

The option vests over a period of 5 years from the date of grant in a graded manner, subject to fulfillment of vesting conditions as follows:

Vesting Schedule	Swarnam 11	Swarnam 21	Swarnam 31	Swarnam 41
Service conditions				
At the end of year 1	10%	0%	0%	20%
At the end of year 2	15%	0%	0%	20%
At the end of year 3	20%	33%	33%	20%
At the end of year 4	25%	33%	33%	20%
At the end of year 5	30%	34%	34%	20%

Performance conditions				
Performance rating	20% of the options granted for each year shall be subject to meeting of minimum specified annual performance rating	20% of the options granted for each year shall be subject to meeting of minimum specified annual performance rating	20% of the options granted for each year shall be subject to meeting of minimum specified annual performance rating	20% of the options granted for each year shall be subject to meeting of minimum specified annual performance rating
Companies target EPS growth	Accelerated vesting of 5%/10% each year, based on Company achieving specified target EPS growth	Accelerated vesting of 5%/10% each year, based on Company achieving specified target EPS growth	NA	NA

The exercise period shall commence from the date of vesting and expires within 60 calendar months from the relevant vesting date.

During the current year the Company has granted options under Swarnam 11, 21 & 31 scheme. As the market price on the date of the grant was more than Rs 175, option discount has been provided as per the scheme terms and the options are issued at the discounted price. Accordingly compensation cost has been recorded. A summary of the status of the options granted under 2011 plan at March 31, 2015 is presented below

Particulars	Year ended March 31, 2015		Year ended March 31, 2014	
	Number of Shares	Weighted Average Exercise Price (Rs.)	Number of Shares	Weighted Average Exercise Price (Rs.)
Outstanding at the beginning of the period	4,012,900	98.47	1,301,000	131.47
Granted during the period	650,000	128.04	2,897,000	138.54
Exercised during the period	(106,250)	91.83	(300)	113.20
Forfeited during the period	(331,300)	92.18	(169,400)	126.97
Expired during the period	(50,700)	94.64	(15,400)	132.06
Outstanding at the end of the period	4,174,650	103.79	4,012,900	136.76
Exercisable at the end of the period	414,350	94.54	265,400	130.41

Particulars	Year Ended	Year Ended
	March 31, 2015	March 31, 2014
Range of exercise price (Rs.)	78.58-108.54	113.20
Weighted average remaining contractual life (in years)	4.68	8.05
Weighted average fair value of options granted (Rs.)	82.58	73.98
Weighted average market price of shares on the date of exercise (Rs.)	194.67	-

Associate Stock Option Plan 2015

The Shareholders of the Company in the Extraordinary General Meeting held on March 19, 2015 approved an Associate Stock Option Plan (the 2015 plan). The 2015 plan provides for issuance of 50,00,000 options convertible into equivalent number of equity shares of Rs 5 each. The plan shall be administered under 5 different schemes based on the following terms:

Particulars	Swarnam 101	Swarnam 201	Swarnam 301	Swarnam 401	Swarnam 501
Grant price					
A. Market price upto Rs. 126	Market price	Market price	Market price	Market price	Market price
B. Market price between Rs. 126 – Rs. 360	15% discount on market price. (Subject to being Not lower than Rs.126)	30% discount on market price. (Subject to being Not lower than Rs.126)	50% discount on market price. (Subject to being Not lower than Rs.126)	25% discount on market price. (Subject to being Not lower than Rs.126)	up to 50% discount on market price. (Subject to being Not lower than Rs.126)
C. Market price greater than Rs. 360	10% discount on market price	20% discount on market price	50% discount on market price	25% discount on market price	Up to 50% discount on market price

The market price, in accordance with the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines 1999 as amended from time to time, shall be the latest available closing price prior to the date of the meeting of the Board of Directors in which options are granted, on the stock exchange on which the shares of the Company are listed. If the Shares are listed on more than one stock exchange then the stock exchange where there is highest trading volume on the said date shall be considered. The options shall be valued using the intrinsic value model. No options were granted under this plan during the year.

Associate Stock Option Plan (Trust) 2011

The Shareholders of the Company in the Extraordinary General Meeting held on October 28, 2011 approved an Associate Stock Option Plan (TRUST) 2011 [the 2011(Trust) plan]. The 2011(Trust) plan provides for issuance of 1,984,000 options, convertible to equivalent number of equity shares of Rs.5 each. The options shall be granted at the market price if the market price is below Rs. 175 or at discount of 10% on market price if the market price is Rs. 175 or above. The market price, in accordance with the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines 1999 as amended from time to time, shall be the latest available closing price prior to the date of the meeting of the Board of Directors in which options are granted, on the stock exchange on which the shares of the Company are listed. If the Shares are listed on more than one stock exchange then the stock exchange where there is highest trading volume on the said date shall be considered. The option vests over a period of 5 years from the date of grant in a graded manner, with 20% of the options vesting each year. The exercise period shall commence from the date of vesting and expires within 60 calendar months from the relevant vesting date. The Company has not granted any options under the plans as on March 31, 2015.

The Company had formulated an Associate stock option plan Trust-2011, for the purpose of administering the above scheme. The Trust had purchased 1,536,000 shares of the Company from the secondary market during the year ended March 31, 2013. In accordance with the Stock Exchange Board of India (SEBI) circular dated January 17, 2013, listed companies have been prohibited from purchase of their own securities in the secondary market through such trusts. The trust has disposed off such holding in the quarter ended June 30,2014 to be in compliance with SEBI Regulations.

Pro forma Disclosure

The Company follows the intrinsic value model for valuation of its options under the various plans. In accordance with SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, had the compensation cost for associate stock option plans been recognized based on the fair value at the date of grant in accordance with Black-Scholes model, the pro forma amounts of the Company's net profit and earnings per share would have been as follows:

Particulars	Year Ended	
	March 31, 2015	March 31, 2014
Profit after tax		
- as reported	16,726.98	19,919.20
- proforma profit	16,253.61	19,907.44
Earnings Per Share (in Rs.)		
Basic		
- As reported	16.77	20.01
- Pro forma	16.29	20.00
Diluted		
- As reported	16.39	19.97
- Pro forma	15.92	19.96

The fair value of options was estimated at the date of grant using the Black Scholes Model with the following assumptions:

Particulars	March 31, 2015			
	ASOP 2011	ASOP 2011	ASOP 2011	ASOP 2011
Scheme	Swarnam-21	Swarnam-31	Swarnam-11	Swarnam-11
Grant date	30-Apr-14	30-Apr-14	7-Nov-14	22-Jan-15
Risk-free interest rate	8.90%	8.90%	8.22%	7.75%
Expected life (Years)	6.5	6.5	5	5
Expected volatility	58.62%	58.62%	51.49%	51.33%
Expected dividend yield	2.41%	2.41%	3.08%	6.74%

Particulars	March 31, 2014		
	ASOP 2011	ASOP 2011	ASOP 2011
Scheme			
Grant date	27-Apr-13	30-Jul-13	22-Oct-13
Risk-free interest rate	7.71%	8.47%	8.67%
Expected life (Years)	6	6	6
Expected volatility	56.12%	55.06%	54.53%
Expected dividend yield	1.83%	2.26%	2.26%

Particulars	March 31, 2014			
	ASOP 2011	ASOP 2011	ASOP 2011	ASOP 2011
Scheme	Swarnam-41	Swarnam-11	Swarnam-21	Swarnam-31
Grant date	7-Mar-14	10-Mar-14	10-Mar-14	10-Mar-14
Risk-free interest rate	8.92%	9.10%	9.13%	9.13%
Expected life (Years)	5.5	6	6.51	6.51
Expected volatility	51.63%	53.56%	56.23%	56.23%
Expected dividend yield	2.26%	2.26%	2.26%	2.26%

The expected life of stock is based on historical data and current expectation and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may also not necessarily be the actual outcome.

5. Reserves and Surplus

Particulars	March 31, 2015	March 31, 2014
Securities premium account		
Opening balance	19,156.40	19,133.52
Less: Adjustment of reserves on account of demerger of Product business undertaking from the Company (Refer Note 34)	(19,156.40)	-
Add: Premium received on issue of shares under ASOP plans to employees & Others	428.74	22.88
Closing balance	428.74	19,156.40
General reserve account		
Opening balance	17,065.13	16,225.13
Less: Adjustment of reserves on account of demerger of Product business undertaking from the Company (Refer Note 34)	(17,065.13)	-
Add : Transferred from surplus balance in the statement of profit and loss	-	840.00
Closing balance	-	17,065.13
Foreign currency translation reserve account		
Opening balance	7,575.64	6,878.17
Less: Adjustment of reserves on account of demerger of Product business undertaking from the Company (Refer Note 34)	(3,850.44)	-
Add : Adjustment for the year	(2,276.16)	697.47
Closing balance	1,449.04	7,575.64
Hedging reserve account		
Opening balance	1,406.26	1,660.92
Less: Adjustment for the year	4,366.55	(254.66)
Closing balance	5,772.81	1,406.26
Surplus in the statement of profit and loss		
Opening balance	104,560.15	85,399.42
Less: Adjustment of reserves on account of demerger of Product business undertaking from the Company (Refer Note 34)	(31,099.06)	-
Net Profit for the current year	16,726.98	19,919.20
Amount available for appropriation	90,188.07	105,318.62
Appropriations		
Dividend - Interim	4,995.73	-
Dividend - Final	9,998.96	6,222.06
Tax on dividend	2,676.95	1,057.44
Adjustment on account of aligning the useful life of fixed assets (refer Note - 12)	123.03	-
Tax impact on above (aligning the useful life of fixed assets)	(42.75)	-
Provision for mark-to-market loss	-	(7,361.03)
Amount transferred to General Reserve	-	840.00
Closing balance of surplus in the statement of profit and loss	72,436.15	104,560.15
Total reserves and surplus	80,086.74	149,763.58

6. Deferred Tax Liabilities (Net)

Particulars	March 31, 2015	March 31, 2014
<i>Deferred Tax Liability</i>		
Fixed assets	240.74	1,359.52
Others	9.89	-
<i>Deferred Tax Asset</i>		
Provision for doubtful debts	-	(118.89)
Others	-	(169.64)
Total Deferred tax liabilities	250.63	1,070.99

7. Long - term provisions

Particulars	March 31, 2015	March 31, 2014
Provision for employee benefits		
- Provision for gratuity (Refer Note. 31)	-	544.24
Total Long - term provisions	-	544.24

8. Short - term Borrowings

Particulars	March 31, 2015	March 31, 2014
Unsecured		
Loans repayable on demand		
- from Banks*	-	403.15
Total Short - term borrowings	-	403.15

*Sonal Polaris FT Limited (currently subsidiary of Intellect Design Arena Limited) has taken an Overdraft facility from Sonali Bank for BDT 5 Crores during the previous year, which is partly secured by fixed assets, floating assets & future receivables from Sonali Bank Bangladesh, Sonali Bank UK & Bangladesh Commerce Bank, the rate of interest being 9% per annum, which is repayable on demand. As a part of demerger this company has been transferred to the resulting company, Intellect Design Arena Limited.

9. Trade Payables#

Particulars	March 31, 2015	March 31, 2014
Creditors for expenses and goods	3,783.65	1,180.76
Provision for expenses	5,338.49	7,529.88
Accrued salaries and benefits	7,561.12	14,158.66
Others	1,343.69	1,339.17
Total Trade Payables	18,026.95	24,208.47

Also refer note - 22 related party transactions

10. Other current liabilities

Particulars	March 31, 2015	March 31, 2014
Unclaimed dividends	98.27	88.76
Interim dividend payable	4,995.73	-
<i>Other payable</i>		
Superannuation payable	663.14	915.58
Customer and other advance received	0.06	101.89
Billings in excess of revenues	3,504.69	10,857.47
Capital creditors	46.84	65.11
Payable to related parties	218.59	-
Payable to others	106.81	-
Dues under contractual obligations	-	1.78
Statutory payable	1,860.22	2,011.63
Total Other current Liabilities	11,494.35	14,042.22

11. Short-term provisions

Particulars	March 31, 2015	March 31, 2014
Provision for employee benefits		
- Provision for gratuity (Refer Note. 31)	435.60	111.50
- Provision for leave benefits	1,569.33	2,257.85
Others Provisions		
- Provision for taxation (net of Advance Income tax)	498.09	849.35
- Proposed dividend	9,991.46	6,221.89
- Provision for tax on proposed dividend	2,033.22	1,057.41
- Provision for mark-to-market losses	-	1,683.66
Total Short-term provisions	14,527.70	12,181.66

12. FIXED ASSETS

Sl No	Description	Cost							Depreciation and Amortisation							Net Book value		
		April 01, 2014	Assets acquired on acquisition	Additions	Deletions	Assets vested with Intellect ***	Other adjustments *	March 31, 2015	April 01, 2014	For the year	Deletions	Depreciation on assets vested with Intellect ***	Other adjustments *	Transition adjustment-Fixed assets **	March 31, 2015	March 31, 2015	March 31, 2014	
A	TANGIBLE ASSETS																	
1	Land	8,627.39	-	3,121.00	-	2,781.23	(5.40)	8,961.76	-	-	-	-	-	-	-	-	8,961.76	8,627.39
2	Buildings	16,977.99	-	1,937.81	-	7,569.75	(19.47)	11,326.58	3,868.63	347.27	-	1,602.59	0.62	-	2,613.93	8,712.65	13,109.36	
3	Plant & Machinery (including Computer Equipment and accessories)	23,876.84	-	758.90	295.40	6,377.29	(67.62)	17,895.43	19,988.34	839.35	290.40	4,891.26	(19.01)	(3.62)	15,623.40	2,272.03	3,888.50	
4	Electrical fittings	2,546.22	-	63.06	-	1,156.96	(2.39)	1,449.93	1,387.05	77.26	-	418.89	(0.99)	-	1,044.43	405.50	1,159.17	
5	Furniture and fixtures	6,924.47	-	190.56	78.47	2,503.68	(14.58)	4,518.30	4,354.75	324.61	73.49	1,153.64	(12.31)	5.74	3,445.66	1,072.64	2,569.72	
6	Office Equipments	3,986.03	-	478.45	36.78	1,215.55	(15.01)	3,197.14	2,477.51	393.95	33.87	605.56	(5.56)	120.91	2,347.38	849.76	1,508.52	
7	Vehicles	2,701.30	-	323.27	371.13	1,315.08	-	1,338.36	1,440.23	302.48	300.75	659.83	-	-	782.13	556.23	1,261.07	
	ASSETS UNDER LEASE																	
1	Land	309.37	-	-	-	309.37	-	-	26.81	-	-	26.81	-	-	-	-	282.56	
2	Leasehold improvements	1,215.95	-	-	-	420.69	(15.81)	779.45	1,042.07	29.84	-	400.63	(15.90)	-	655.38	124.07	173.88	
	SUB TOTAL (A)	67,165.56	-	6,873.05	781.78	23,649.60	(140.28)	49,466.95	34,585.39	2,314.76	698.51	9,759.21	(53.15)	123.03	26,512.31	22,954.64	32,580.17	
B	INTANGIBLE ASSETS																	
1	Computer software	8,559.81	-	439.08	-	1,710.45	47.81	7,336.25	7,909.42	359.44	-	1,389.56	2.16	-	6,881.46	454.79	650.39	
2	Customer Contracts #	350.00	-	-	-	-	-	350.00	175.00	116.67	-	-	-	-	291.67	58.33	175.00	
3	Intellectual property rights																	
	Intellectual Property Rights - Banking	6,636.62	-	-	-	6,636.62	-	-	6,636.62	-	-	6,636.62	-	-	-	-	-	
	Intellectual Property Rights - Insurance	777.26	-	-	-	777.26	-	-	777.26	-	-	777.26	-	-	-	-	-	
	Intellectual Property Rights - Retail	256.89	-	-	-	256.89	-	-	256.89	-	-	256.89	-	-	-	-	-	
	Intellectual Property Rights - Stock Broking	603.05	-	-	-	603.05	-	-	603.05	-	-	603.05	-	-	-	-	-	
	Intellectual Property Rights - Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	SUB TOTAL (B)	17,183.63	-	439.08	-	9,984.27	47.81	7,686.25	16,358.24	476.11	-	9,663.38	2.16	-	7,173.13	513.12	825.39	
	TOTAL (A+ B)	84,349.19	-	7,312.13	781.78	33,633.87	(92.47)	57,153.20	50,943.63	2,790.87	698.51	19,422.59	(50.99)	123.03	33,685.44	23,467.76	33,405.56	
	Previous year ended March 31, 2014	84,177.72	-	3,951.50	4,444.08	-	664.05	84,349.19	49,086.53	5,444.03	3,931.92	-	344.99	-	50,943.63	33,405.56	-	

* Other adjustment represents foreign exchange gain / loss on account of translation of foreign operations.

** As per the requirement of AS 21 for uniform accounting, the group has re-assessed the useful lives of the fixed assets and consequently an amount of Rs.123.03 lakhs (Rs.80.28 lakhs net of taxes) has been charged to opening balance of retained earnings in respect of assets whose useful lives are Nil as at April 01, 2014.

This represents the customer contracts acquired by the Company from Pyxis Systems Private Limited through business purchase agreement dated October 9, 2012.

*** Pursuant to the Scheme of Arrangement (Demerger), on April 1, 2014, Gross Assets and Accumulated Depreciation amounting to Rs.33,633.87 lakhs and Rs.19,422.59 lakhs respectively, has been vested with Intellect Design Arena Limited (Resulting Company), although the legal title of the land and buildings are in the process of being transferred.

13. Non-current investments

Particulars	Currency	Face Value*	As at March 31, 2015		As at March 31, 2014	
			Units*	Amount	Units*	Amount
I. Trade Investments - (Unquoted)						
Investments in Equity Instruments - Associates (at cost)						
NMS Works Software Private Limited, A company incorporated in India	INR	10	-	-	726,256	415.26
Add/(Less): Share of Profit/(loss) on Associate Companies					-	48.57
					-	463.83
Adrenalin eSystems Limited, A company incorporated in India	INR	5	-	-	13,078,080	833.88
Less: Share of losses					-	(833.88)
					-	-
Investments in Preference shares - Associates (at cost)						
Adrenalin eSystems Limited - 7% cumulative	INR	5	-	-	15,200,000	760.00
NMS Works Software Private Limited-12 % optionally convertible cumulative	INR	10	-	-	378,614	233.04
Total Trade Investments					-	1,456.87
II. Non- Trade Investments						
Investments in Equity Instruments (at cost)						
Equity Shares -(quoted)						
Andhra Bank	INR	10	-	-	237	0.21
Equity Shares - (unquoted)						
Software Sidoun GmbH Germany	EURO	1	175,990	4.96	175,990	4.96
Catholic Syrian Bank	INR	10	-	-	100	0.24
					4.96	5.20
Investments in Preference shares - Others (at cost)						
Tyfone Inc series B Preference shares	USD	1	481,232	250.61	481,232	250.61
15.95% Cumulative Non-convertible Redeemable preference shares- Infrastructure Leasing & Financial Services Ltd	INR	7,500	8,000	1,000.00	-	-
8.40% Cumulative Non-convertible Redeemable preference shares- L&T Finance Holdings Limited	INR	100	1,000,000	1,000.00	-	-
8.33% Cumulative Redeemable Non-participating preference shares- Tata Capital Limited	INR	1,000	50,000	500.00	-	-
					2,750.61	250.61
Investments in Associates						
10% Investment in Polaris Software lab Chile Limitada				0.49		-
Add: Share of Profit				1.19		-
				1.68		-

Particulars	Currency	Face Value*	As at March 31,2015		As at March 31,2014	
			Units*	Amount	Units*	Amount
Investments in debentures or bonds (at cost)						
Bonds - (quoted)						
6.30% Indian Railway Finance Corporation Ltd	INR	10,000	-	-	10,000	1,047.12
9.95% State Bank of India	INR	100,000	500	500.00	500	500.00
8.25% National Highways Authority of India	INR	1,000	12,362	123.62	12,362	123.62
8.22% Housing and Urban Development Corporation Limited	INR	1,000	20,000	200.00	20,000	200.00
8.01% India Infrastructure Finance Company Limited	INR	1,000	150,000	1,500.00	150,000	1,500.00
8.18% Power Finance Corporation Limited	INR	1,000	32,389	323.89	32,389	323.89
8.14% National Thermal Power Corporation Limited	INR	1,000	9,499	94.99	9,499	94.99
8.14% Housing and Urban Development Corporation Limited	INR	1,000	100,000	1,000.00	100,000	1,000.00
8.14% National Housing Bank	INR	5,000	2,166	108.30	2,166	108.30
8.23% Indian Railway Finance Corporation Ltd	INR	1,000	50,000	500.00	50,000	500.00
8.27% National Highways Authority of India	INR	1,000	50,000	500.00	50,000	500.00
8.35% National Highways Authority of India	INR	1,000,000	100	1,038.66	-	-
8.35% National Highways Authority of India	INR	1,000,000	50	525.19	-	-
8.51% Housing and Urban Development Corporation Limited	INR	1,000	100,000	1,161.68	-	-
8.30% National Highways Authority of India	INR	1,000	50,000	585.56	-	-
8.46% National Housing Bank	INR	1,000,000	50	569.08	-	-
Bonds - (unquoted)						
6 5/8% Bank of Baroda London Branch FRN EMTN	USD	100	-	-	3,000	193.26
6.365% Canara Bank FRN	USD	100	-	-	3,000	188.22
9 1/2% Royal Bank of Scotland Group FRN EMTN	USD	100	-	-	4,000	275.74
7 1/2% CNP Assurance perpetual FRN	USD	100	-	-	1,000	64.44
7 7/8% Friends Life Group PLC FRN Perpetual	USD	100	-	-	2,000	128.63
4 3/8% IDBI Bank Ltd EMTN	USD	100	-	-	2,000	121.68
9 7/8% Lloyds TSB Bank PLC FRN EMTN	USD	100	-	-	3,000	216.94
Total Non -Trade Investments				11,486.54		7,342.85
Total Non-Current Investments				11,488.22		8,799.72
Aggregate amount of unquoted investments				257.25		2,901.60
Aggregate amount of quoted investments				11,230.97		5,898.13
Market value of quoted investments				11,889.06		5,865.76

** Units & face value are in absolute numbers

13. I. Investments in subsidiaries

During the previous year, pursuant to the Approved Scheme of Arrangement with Optimus Global Services Limited ("Optimus"), a subsidiary of the Company (with 99.94% holding), the Company had merged the BPO division of Optimus into the Company with effect from October 1, 2011. Consequent to the scheme, as at March 31, 2015, the company holds 8,50,000 equity shares and 14,92,030 preference shares in the reorganised capital structure of the subsidiary. Further, the Company had taken over net assets aggregating to Rs.1,652.33 lakhs and accumulated losses of Rs.3,033.72 lakhs and credited the same to the Company's investment in equity and preference shares of Optimus, resulting in the carrying value of the respective investments in Optimus to be Nil.

13. II. Goodwill on Consolidation

Particulars	March 31, 2015	March 31, 2014
Intellect Design Arena Inc., USA	-	2,407.98
Laser Soft Infosystems Ltd	-	3,069.83
Indigo TX Software Private Ltd	-	1,186.66
SFL Properties Private Ltd	-	865.55
Total Goodwill	-	7,530.02

The above investments in respect of which goodwill has been generated, has been vested with Intellect Design Arena Limited pursuant to demerger with effect from April 01, 2014. Refer note-34 for details.

14. Deferred tax assets (Net)

Particulars	March 31, 2015	March 31, 2014
Fixed assets	238.57	17.36
Provision for doubtful debts	119.03	226.38
Others	450.35	405.71
Total Deferred tax assets	807.95	649.45

15. Long-term loans and advances

Particulars	March 31, 2015	March 31, 2014
Unsecured, considered good		
Capital Advances	149.71	200.11
Security Deposits	1,065.66	1,087.81
Loans and advances to related parties (Refer Note - 22 for related party transactions)	411.64	2,289.64
Other loans and advances		
Advances recoverable in cash or in kind or for value to be received	8.77	6.21
Loans to employees	234.94	806.73
Advance income tax (Net of provision for tax)	7,257.98	8,981.09
MAT credit entitlement	-	1,843.89
Total Long-term loans and advances	9,128.70	15,215.48

16. Other non-current assets

Particulars	March 31, 2015	March 31, 2014
Balance with Bank as Margin money or security against guarantees or other commitments#	-	1,802.00
Forward cover receivable, Net*	244.26	2,927.71
Total Other non-current assets	244.26	4,729.71

Refer Note 19 - Cash and bank balances.

*As per the accounting policy specified in note 3(j), the outstanding forward cover receivables/payables as on March 31, 2015 has been segregated in to current and non-current as per the Revised Schedule VI of the Companies Act, 1956. Consequent to this, the current portion of Rs.5,528.56 lakhs (March 31,2014 - loss of Rs.1,683.66 lakhs under short term provisions) has been recorded as forward cover receivable under other current assets and non-current portion of Rs.244.26 lakhs has been recorded as forward cover receivables under other non-current assets (March 31, 2014-Rs.2,927.71 lakhs).

17. Current Investments

Particulars	Face Value *	As at March 31,2015		As at March 31,2014	
		Units*	Amount	Units*	Amount
Non- Trade Investments (Unquoted)					
Investments in Mutual Funds					
(At Cost or Market price whichever is Lower)					
Dividend Schemes	Rs.				
Birla Sun Life Dynamic Bond Fund - Ret - Mthly	10	-	-	13,195,504	1,353.51
Birla Sun Life Short Term Fund	10	-	-	7,489,725	875.44
Templeton India Ultra Short Bond Fund - Super IP	10	-	-	39,061,962	3,916.22
ICICI Prudential Flexible Income Plan - Reg - Dly	100	-	-	444,783	470.29
IDFC D B F - Reg - Qtly	10	-	-	5,089,546	522.69
IDFC Ultra Short Term Fund - Reg - Dly	10	-	-	6,886,623	689.50
IDFC SSIF - Short Term - Plan A - Mthly	10	-	-	4,319,498	435.77
IDFC SSIF - Short Term - Plan B - Mthly	10	-	-	6,243,633	638.82
Kotak Floater - LT - Dly	10	-	-	11,945,447	1,204.08
Kotak Flexi Debt Scheme - Plan A - Dly	10	-	-	15,567,410	1,564.14
UTI Treasury Advantage Fund - IP - Dly	1,000	-	-	225,270	2,254.94
UTI Floating Rate Fund - STP - Dly	1,000	-	-	40,104	431.87
Birla Sun Life Floating Rate Fund - LTP - IP - Dly	100	-	-	537,804	538.76
HDFC Short Term Opportunities Fund	10	-	-	8,679,636	872.94
Reliance Income Fund - Retail - Qtly	10	-	-	1,444,189	187.78
Birla Sun Life Floating Rate Fund - STP - Reg - Dly	100	-	-	1,232,924	1,233.17
HDFC Cash Mgmt Fund - Savings Plan - Dly	10	-	-	2,922,940	310.90
Templeton India TMA - Super IP - Dly	1,000	-	-	125,778	1,258.62
ICICI Prudential Banking & PSU Debt Fund - Dly	10	-	-	10,077,631	1,014.50
IDFC Fixed Term Plan - Series 73 - Reg	10	-	-	6,028,805	602.88
IDFC Money Manager Treasury A-Dly	10	-	-	4,983,223	501.81
Kotak Bond Short Term Plan - Mthly	10	-	-	5,077,070	515.79
UTI Money Market - IP - Dly	1,000	-	-	51,781	519.56
Reliance Money Manager Fund - Dly	1,000	-	-	30,512	305.55
Reliance Liquid Fund - TP - Dly	1,000	-	-	60,880	930.70
Reliance Short Term Fund	10	-	-	4,821,523	514.11
Religare Invesco Gilt Fund - Short Duration Plan - Dir - Wkly	1,000	-	-	908	9.57

Particulars	Face Value *	As at March 31,2015		As at March 31,2014	
		Units*	Amount	Units*	Amount
Religare Invesco Ultra Short Term Fund - Dly	1,000	-	-	68,838	689.56
Sundaram Ultra ST Reg-Dly	10	-	-	6,992,342	701.83
SBI Premier Liquid Fund - Reg - Dly	1,000	-	-	82,763	830.32
DWS Insta Cash Plus Fund - Super IP - Dly	100	-	-	549,552	551.22
HDFC F R I F - STF - WP - Dly	10	-	-	15,991,368	1,630.71
DWS Ultra Short-Term Fund - Dly	10	-	-	13,617,216	1,364.16
IDFC SSI Medium-term Reg-DD	10	2,994,732	301.94	-	-
Growth Schemes					
ICICI Prudential FMP - S 67 - 371 Days - Plan E - Dir	10	-	-	9,000,000	900.00
IDFC Fixed Term Plan - Series 14 - Reg	10	-	-	3,482,295	348.23
JPMorgan India FMP - Series 18 - Reg	10	-	-	5,000,000	500.00
Kotak FMP - Series 102 (374 Days) - Reg	10	-	-	4,136,660	413.67
UTI FTIF - Series XIV - Plan 8 - Reg	10	-	-	2,000,000	200.00
Religare Invesco FMP - Series XVIII - Plan E	10	-	-	3,360,720	336.07
DWS FMP - Series 48 - Dir	10	-	-	5,000,000	500.00
DWS FMP Ser 51 Dir	10	-	-	5,000,000	500.00
HDFC FMP - 370D - July 2013 (26) - 2 - Reg	10	-	-	5,000,000	500.00
ICICI Prudential FMP - S 72 - 366 Days - Plan M	10	-	-	3,023,104	302.31
UTI FTIF - Series XV - Plan 9 - Reg	10	-	-	3,000,000	300.00
Reliance FHF 25 - Series 18	10	-	-	5,000,000	500.00
Religare Invesco FMP Series 22 Plan O (370D) Dir	10	-	-	3,000,000	300.00
Religare Invesco FMP Series 22 Plan K (367D) Dir	10	-	-	3,000,000	300.00
Religare Invesco FMP Series 23 Plan B (367D) Dir	10	-	-	2,000,000	200.00
Religare Invesco FMP Series 23 Plan E (382D) Dir	10	-	-	2,000,000	200.00
Reliance FHF XXV Series 34 Dir	10	-	-	3,000,000	300.00
ICICI Pru FMP Series 73 391D Plan G Dir	10	-	-	5,000,000	500.00
Axis Banking Debt-G	1,000	39,645	500.00	-	-
Sony ADR		18,415	248.46	18,415	212.31
Helwett Packward		-	-	22,566	348.16
Total			1,050.40		37,102.45

* Units & face value are in absolute numbers

18. Trade receivables

Particulars	March 31, 2015	March 31, 2014
Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
- Unsecured considered good #	373.85	3,772.05
- Doubtful	405.39	1,182.19
Less: Allowance for bad and doubtful debts	(405.39)	(1,182.19)
	373.85	3,772.05
Other debts		
- Unsecured considered good	23,447.31	32,448.62
Total Trade receivable	23,821.16	36,220.67

Also refer Note- 22 Related party transactions

19. Cash and bank balances

Particulars	March 31, 2015	March 31, 2014
Cash and cash equivalents		
Cash on hand	2.71	6.38
Balances with banks		
- On current accounts	9,182.74	15,850.03
- On deposit accounts*	4,881.84	7,187.76
- On unpaid dividend accounts	5,094.00	88.76
Total Cash and bank balances	19,161.29	23,132.93

* The balance on deposit accounts for the year ended March 31, 2014 includes Rs.87 lakhs out of total of Rs. 1,889 lakhs (Rs.1,802 lakhs grouped under Non-current assets) which had been pledged as a security by the company for availing non-fund based facilities (Current year Nil).

20. Short-term loans and advances

Particulars	March 31, 2015	March 31, 2014
Unsecured, considered good		
Loans and advances to related parties (Refer Note – 22. Related party transactions)	7,388.05	307.14
Other loans and advances		
Advances recoverable in cash or in kind or for value to be received	2,610.49	2,800.04
Loans to employees	477.85	781.71
Salary advances	195.83	243.50
Input tax credit receivable	186.15	204.09
Security Deposits	25.00	37.85
Total Short-term loans and advances	10,883.37	4,374.33

21. Other current assets

Particulars	March 31, 2015	March 31, 2014
Revenues accrued and not billed	23,794.43	31,336.76
Other receivables	154.23	227.31
Forward cover receivable, Net*	5,528.56	-
Total Other current assets	29,477.22	31,564.07

* Also Refer Note 16

22. Related party transactions

List of related parties:

Enterprises that directly, or indirectly through one or more intermediaries, over which Key Management Personnel is able to exercise significant influence, "Others".

1. Intellect Design Arena Pte Ltd, Singapore ('Intellect Singapore')
(Formerly known as Polaris Software Lab Pte Limited)
2. Intellect Design Arena Limited, UK ('Intellect UK')
(Formerly known as Polaris Software Lab Ltd)
3. Intellect Design Arena Limited SA, Switzerland ('Intellect Switzerland')
(Formerly known as Polaris Software Lab SA)
4. Intellect Design Arena Limited FZ-LLC ('Intellect Dubai')
(Formerly known as Polaris Software Lab FZ- LLC)
5. Polaris Enterprise Solutions Limited, India ('PESL')
6. Polaris Software lab Chile Limitada , Chile ('Intellect Chile')
7. Intellect Design Arena Inc. ('Intellect US')
(Formerly known as Polaris Software Lab Inc.)
8. SEEC Technologies Asia Private Limited ('Seec Asia')
9. Laser Soft Infosystems Limited, India ('Laser Soft')
10. Indigo TX Software Pvt Ltd India ('Indigo TX')
11. Intellect Design Arena Co. Ltd, Vietnam ('Intellect Vietnam')
(Formerly known as Polaris Software Lab Vietnam Co. Ltd)
12. SFL Properties Private Ltd, India ('SFL Properties')
13. Polaris Software Lab (Philippines) Company Inc.(' PSL Philippines')
14. Sonali Polaris FT Limited, Bangladesh ('Sonali Polaris FT')
15. FT Grid Pte Ltd, Singapore
16. Intellect Design Arena Limited, India (Intellect India)
(Formerly known as Fin Tech Grid Limited)
17. Polaris Banyan Holding Private Ltd (Formerly known as Polaris Holdings Private Limited)
18. Orbitech Employees Welfare Trust
19. Orbitech Limited
20. Associate Stock Option Plan (Trust) 2011 ('ASOP Trust 2011')

Key Management Personnel

1. Arun Jain, Chairman (Chairman & Managing Director till November 07, 2014
Chairman effective from November 08, 2014)
2. Jitin Goyal, Executive Director (effective from November 07, 2014)
3. S Swaminathan, Chief Financial Officer (till October 14, 2014)
4. Vaidyanathan N.M, Chief Financial Officer (effective from March 04, 2015)
5. V.V. Naresh, Company Secretary (till October 14, 2014)
6. Christina Pauline Beulah, Company Secretary (effective from November 07, 2014)

22. Related party transactions (Continued)

Particulars	Others		Key management personnel	
	31-Mar-15	31-Mar-14	31-Mar-15	31-Mar-14
BALANCE DUE FROM RELATED PARTIES				
Trade receivables				
Intellect India	1,592.08	-	-	-
Intellect Singapore	1,161.94	-	-	-
Intellect Philippines	42.94	-	-	-
Intellect UK	129.52	-	-	-
Intellect US	505.20	-	-	-
	3,431.68	-	-	-
Long-term loans and advances				
Loans to employee welfare trusts				
Orbitech Employee Welfare Trust	411.64	411.64	-	-
ASOP Trust 2011	-	1,878.00	-	-
	411.64	2,289.64	-	-
Short-term loans and advances				
Intellect India	632.98	-	-	-
Intellect Singapore	3,617.22	-	-	-
Intellect Chile	92.97	-	-	-
Intellect Dubai	20.09	-	-	-
Intellect UK	1,187.33	-	-	-
Intellect US	1,833.28	-	-	-
Indigo TX	0.03	-	-	-
LaserSoft	4.14	-	-	-
	7,388.04	-	-	-
Maximum amount outstanding during the year				
Intellect India	1,206.94	-	-	-
Intellect Singapore	5,214.33	-	-	-
Intellect Chile	89.58	-	-	-
Intellect Dubai	522.10	-	-	-
Intellect UK	1,187.33	-	-	-
Intellect US	1,833.28	-	-	-
Indigo TX	52.78	-	-	-
LaserSoft	49.35	-	-	-
Orbitech Employee Welfare Trust	411.64	-	-	-
BALANCE DUE TO RELATED PARTIES				
Trade payables				
Intellect India	856.49	-	-	-
Intellect Singapore	79.16	-	-	-
Intellect Switzerland	774.40	-	-	-
Intellect Philippines	6.27	-	-	-
Intellect Chile	60.79	-	-	-
Intellect Dubai	902.00	-	-	-
Intellect UK	44.65	-	-	-
	2,723.76	-	-	-
Other current liabilities				
PESL	6.22	-	-	-
Intellect Switzerland	212.37	-	-	-
	218.59	-	-	-

Particulars	Others		Key management personnel	
	01-Apr-14 to 31-Mar-15	01-Apr-13 to 31-Mar-14	01-Apr-14 to 31-Mar-15	01-Apr-13 to 31-Mar-14
Transactions during the year				
Advances/Loans given				
Intellect Chile	89.58	-	-	-
Intellect UK	142.51	-	-	-
	232.09	-	-	-
Software development service income				
Intellect India	(5.65)	-	-	-
Intellect Chile	104.00	-	-	-
Intellect Singapore	933.64	-	-	-
Intellect UK	135.69	-	-	-
Intellect Philippines	31.96	-	-	-
Intellect Dubai	164.48	-	-	-
Intellect Switzerland	291.80	-	-	-
Intellect US	782.77	-	-	-
	2,438.69	-	-	-
Software development expenses				
Intellect India	(1,245.34)	-	-	-
Intellect Singapore	(152.00)	-	-	-
Intellect UK	(21.01)	-	-	-
Intellect Philippines	6.27	-	-	-
Intellect Chile	160.11	-	-	-
Intellect Dubai	1,019.71	-	-	-
Intellect Switzerland	1,017.07	-	-	-
Intellect US	304.45	-	-	-
	1,089.26	-	-	-
Remuneration to key managerial personnel				
Remuneration & other benefits	-	-	526.70	-
	-	-	526.70	-
Reimbursement of expenses to the Company				
Indigo TX	1.66	-	-	-
LaserSoft	41.66	-	-	-
PESL	16.66	-	-	-
Intellect Dubai	63.60	-	-	-
Intellect Singapore	173.93	-	-	-
Intellect India	996.07	-	-	-
Intellect UK	314.10	-	-	-
Intellect US	1,898.85	-	-	-
Seec Asia	1.26	-	-	-
	3,507.79	-	-	-
Reimbursement of expenses by the Company				
LaserSoft	16.15	-	-	-
Intellect India	618.43	-	-	-
Intellect US	329.73	-	-	-
Seec Asia	2.93	-	-	-
Intellect Dubai	31.65	-	-	-
Intellect Singapore	97.04	-	-	-
Intellect UK	1.73	-	-	-
Intellect Switzerland	32.59	-	-	-
	1,130.25	-	-	-
Rental Income				
Intellect India	95.31	-	-	-
Seec Asia	25.60	-	-	-
	120.91	-	-	-
Dividend Income				
Intellect Singapore	1,300.07	-	-	-
	1,300.07	-	-	-
Rental Expenses				
Intellect India	192.20	-	-	-
	192.20	-	-	-

23. Capital commitments and contingent liabilities

- i) The estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) as at March 31, 2015 is Rs.678 Lakhs (March 31, 2014 : Rs.592 Lakhs)
- ii) Claims against the Group, not acknowledged as debts include:
1. Demand from Indian income tax authorities as at March 31, 2015 is Rs 6,895.50 Lakhs (March 31, 2014: Rs. 8,307.97 Lakhs).
 2. Sales Tax demand from Commercial Tax Officer Chennai as at March 31, 2015 is Rs. 520 Lakhs (March 31, 2014: Rs.599.02 Lakhs);
 3. Sales Tax demand from Commercial Tax Officer, Hyderabad as at March 31, 2015 is Rs 107 Lakhs (March 31, 2014: Rs 107 Lakhs). Against the said liability the Company has made a deposit of Rs 27.91 lakhs (March 31, 2014 : Rs 26.76 lakhs)
 4. Service tax demand from Commissioner of Central Excise and CESTAT for various years aggregating to Rs 296.39 Lakhs as at March 31, 2015 (March 31, 2014: Rs. 325.21 Lakhs). Against the said liability the Company has made a deposit of Rs 68.28 lakhs (March 31, 2014 Rs 68.28 lakhs)

The Company is contesting the demands raised by the respective tax authorities, and the management, including its tax advisers, believes that its position will likely be upheld in the appellate process and ultimate outcome of these proceedings will not have a material adverse effect on the Company's financial position and results of operations.

The Company has received draft assessment orders for certain Assessment Years and the same has been contested with Dispute Resolution Panel. Since the orders are in draft stage, the same has not been disclosed as contingent liability.

- (iii) There is a claim for damages by the vendor for an amount of Rs.90 lakhs towards alleged breach of intellectual property rights which the Company has not accepted and is defending itself appropriately.
- (iv) The Company is also involved in a law suit with and claims including suits filed by former employees, which arise in the ordinary course of business. However there are no such matters pending that the Company expects to be material in relation to its business.

24. Derivative instruments

The Group uses foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations relating to certain firm commitments and forecasted revenue receivable transactions. The Group does not use forward contracts for speculative purposes.

The following are the outstanding Forward Exchange Contracts entered into by the Group.

Particulars (USD & INR in Lakhs)	As at March 31, 2015	As at March 31, 2014
Number of contracts	93	126
USD Equivalent	1,800	2,000
INR Equivalent	126,176	131,567

25. Income from software services and products

Particulars	As at March 31, 2015	As at March 31, 2014
Income from software products	-	50,959.09
Income from software services	189,334.54	191,410.56
Total revenue from operations	189,334.54	242,369.65

26. Other Income

Particulars	March 31, 2015	Mar 31, 2014
<i>Interest Income</i>		
Interest received on deposits with banks	76.95	333.47
Interest on others	617.75	839.93
<i>Dividend Income</i>		
Dividends received from investments	1,514.67	1,663.73
<i>Net gain/(Loss) from sale of investments</i>		
Profit on sale of current investments, net	460.98	176.52
Adjustments to the carrying amount of current investments	22.38	(80.67)
<i>Other non-operating Income</i>		
Miscellaneous Income, Net	224.95	283.45
Profit / (loss) on sale of Fixed assets, net	13.82	18.81
Net Gain on foreign currency transaction and translation (other than considered as finance cost)	1,182.80	-
Total other income	4,114.30	3,235.24

27. Employee Benefit Expenses

Particulars	March 31, 2015	Mar 31, 2014
Salaries and incentives		
Salaries and bonus	117,917.84	151,711.56
Cost of technical sub-contractors	16,754.87	19,629.40
Contribution to		
Provident fund	2,028.79	2,897.91
Superannuation scheme	662.71	832.05
Other funds	2,989.29	2,953.54
Gratuity contribution scheme	511.88	252.62
Social security and other benefit plans for overseas employees	211.43	335.12
Staff welfare expenses	5,052.52	5,664.12
Total Employee benefit Expenses	146,129.33	184,276.32

28. Finance Costs

Particulars	March 31, 2015	Mar 31, 2014
Interest expenses	-	197.72
Total finance costs	-	197.72

29. Other Expenses

Particulars	March 31, 2015	March 31, 2014
Cost of software packages, consumable and maintenance	400.37	847.27
Travelling expenses	7,176.28	11,255.98
Communication expenses	1,682.98	2,225.70
Professional and Legal charges	3,063.70	5,035.17
Power and fuel	1,363.89	2,292.81
Rent	1,986.80	3,385.57
Repairs - Plant and machinery	729.22	1,178.28
Repairs - Building	61.74	73.50
Repairs - Others	554.97	955.61
Business promotion	825.85	1,697.78
Office maintenance	811.07	1,149.70
Provision for doubtful debts	165.00	119.93
Bad debts / advances written off	2.20	-
Less: Out of provisions for earlier years	-	(1,734.00)
Insurance	294.14	323.94
Printing and stationery	117.89	232.17
Rates and taxes excluding Taxes on Income	248.16	392.71
Donations *	334.28	210.62
Payment to the auditors		
- auditor	44.00	52.00
- for other services	24.75	14.00
- for reimbursement of expenses	2.86	1.70
Directors' sitting fees	8.62	17.84
Bank charges & commission	55.05	130.03
Miscellaneous expenses	742.62	1,612.60
Net Loss on foreign currency transaction and translation (other than considered as finance cost)	-	135.50
Total other expenses	20,696.44	33,947.41

* Includes contributions for CSR activities- Refer Note-36

30. Segment Reporting

Consequent to the demerger of the product business undertaking mentioned in note 34 below, the Company's operations predominately relates to IT services only and accordingly this is the only primary reportable segment.

Primary segment information

Particulars	March 31, 2015	March 31, 2014
Segment revenue (Gross Income from Operations)		
Product licenses and related revenues	-	50,959.09
Software development, Support & BPO services	189,334.54	191,410.56
Total Revenues	189,334.54	242,369.65
Segment profit before interest and tax		
Product licenses and related revenues	-	(4,360.95)
Software development, Support & BPO services	23,832.20	26,097.03
Total	23,832.20	21,736.08
Finance Charges	-	197.72
Other unallocable expenditure net of unallocable (income)	689.25	(2,338.07)
Profit before tax	23,142.95	23,876.43
Income taxes including deferred tax	(6,422.28)	(3,968.78)
Profit after tax	16,720.67	19,907.65

Customer relationships are driven based on the location of the respective client. The geographical segments comprise:

- a) United States of America
- b) Europe
- c) Asia Pacific
- d) India and Middle East.

Secondary Segment Information

Year ended March 31, 2015	India	Asia Pacific	Europe	United States	Eliminations	Total
Revenue	48,095.40	27,806.73	40,989.49	102,420.29	(29,977.37)	189,334.54
Other segment information						
Total assets	88,226.42	16,917.89	13,826.61	34,163.41	(23,603.99)	129,530.33
Capital expenditure:						
Tangible fixed assets & intangible assets	4,020.85	10.19	10.63	3,280.06	-	7,321.72

Year ended March 31, 2014	India	Asia Pacific	Europe	United States	Eliminations	Total
Revenue	83,126.41	43,775.81	56,752.54	117,451.38	(58,736.49)	242,369.65
Other segment information						
Total assets	158,921.02	23,414.27	23,553.11	25,152.34	(23,848.92)	207,191.82
Capital expenditure:						
Tangible fixed assets & intangible assets	4,408.82	170.08	60.23	126.07	-	4,765.20

31. Gratuity

The certain entities in the Group has defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. A trust by name "Polaris Software Lab group gratuity trust" has been constituted to administer the gratuity fund.

The following tables summarise the components of net benefit expense recognised in the Statement of profit and loss and the funded status and amounts recognised in the balance sheet for the respective plans.

Particulars	Year Ended	Year Ended
	March 31, 2015	March 31, 2014
Obligations at the beginning of the year	1,764.91	2,835.85
Obligations at the beginning of the year for the subsidiary acquired during the year	-	-
Current service cost	325.57	262.62
Interest cost	126.50	243.01
Actuarial (gain) / losses	64.34	(27.54)
Benefits paid	(261.10)	(342.11)
Obligations at the year end	2,020.21	2,971.83

Particulars	Year Ended March 31, 2015	Year Ended March 31, 2014
Change in plan assets		
Plan assets at year beginning, at fair value	1,450.98	1,560.68
Expected Return on plan assets	131.29	171.08
Actuarial gain / (loss)	(126.77)	50.70
Contributions	388.12	865.38
Benefits paid	(259.01)	(331.75)
Plan assets at year end, at fair value	1,584.61	2,316.09
Fair Value of plan assets at the end of the year	1,584.61	2,316.09
Present value of defined benefit obligations at the end of the year	(2,020.21)	(2,971.83)
Asset/(Liability) recognized in the balance sheet	(435.60)	(655.74)
Gratuity cost for the year		
Current service cost	325.57	262.62
Interest cost	126.50	243.01
Expected return on plan assets	(131.29)	(170.33)
Actuarial (gain) / losses	191.10	(82.68)
Net gratuity cost	511.88	252.62
Experience adjustments on plan liabilities	64.34	(27.54)
Experience adjustments on plan assets	(126.77)	50.70
Actual return on plan assets	4.52	916.08
Assumptions:		
Discount rate	7.95%	9.12%
Estimated return on plan assets	16.00%	16.00%

Particulars	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012	March 31, 2011
The present value of defined benefit obligation	(1,584.61)	2,971.83	2,835.85	2,446.67	1,978.78
Fair value of plan assets	(2,020.21)	2,316.09	1,560.68	796.38	466.72
Surplus/(deficit)	(435.60)	(655.74)	(1,275.17)	(1,650.29)	(1,512.06)
Experience adjustment on plan assets	(126.77)	50.70	0.58	4.41	2.89
Experience adjustment on plan liabilities	64.34	(27.54)	(15.93)	(23.16)	(39.77)

The amount expected to be contributed to the gratuity fund in the next financial year is Rs. 435.60 lakhs and hence classified as short term provisions.

The fund are invested in the form of a prescribed insurance policy with ICICI Prudential and Life Insurance Corporation of India ("LIC"). The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

The estimates of future salary increases, considered in actuarial valuation, taken account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

32. Discontinuing Operations

(a) The Company on April 27, 2011 made an investment aggregating Rs. 8,813 lakhs comprising of 85.30% stake in IdenTrust Inc a company engaged in the business of trusted Identity solutions and digital identity authentication services based in the United States. Pursuant to an order received from the Committee of Foreign Investment in the United States (CFIUS), the Board of Directors had made a decision to divest its investment in IdenTrust Inc and subsequently completed the transaction on September 13, 2013. The impact of the divestment on the consolidated financial results for the year ended March 31, 2014 aggregates to a profit of Rs.2,438.14 Lakhs which excludes operational results of IdenTrust Inc. from April 01, 2013 till the date of divestment Rs.472.88 Lakhs.

Revenue, profits and expenses attributable to discontinuing operations of IdenTrust

Particulars	April 01, 2013 to September 13, 2013
Revenue including other income	2,911.02
Employee benefit expenses	(2,072.00)
Other expenses	(1,086.18)
Loss from operating activities	(247.16)
Finance costs	(73.87)
Depreciation and amortization expenses	(151.85)
Loss before tax	(472.88)
Income tax expense	-
Loss after tax	(472.88)

(b) The Board of Directors of the Company at its meeting held on March 18, 2014 have approved a Scheme of Arrangement between Polaris Financial Technology Limited and Intellect Design Arena Limited ('Intellect') (formerly known as Fin Tech Grid Limited), a wholly owned subsidiary of the Company and their respective shareholders which inter alia envisages demerger of the Product business undertaking along with related assets and liabilities into Intellect with effect from April 1, 2014 in accordance with the provisions of the Companies Act, 1956 read with related provisions of the Companies Act, 2013. The following table shows the estimated revenue, expenses and the loss attributable to the Products division for the year ended March 31, 2014. The above scheme has received the approval from the Madras High court on September 15, 2014.

Revenue, expenses and loss attributable to discontinuing operations - Products Division

Particulars	Year ended March 31, 2014
Revenue for the year	50,959.09
Expenses for the year	51,937.09
Loss before Tax	(978.00)
Tax Credit	67.00
Loss after tax	(911.00)

33. Leases

The Group has taken certain offices and residential premises for the employees under operating leases, which expires at various dates in future years and renewable for further periods at the option of the Group. There are no restrictions imposed by the lease arrangements. The minimum lease rental payments to be made in respect of these leases are as follows.

Particulars	Year Ended March 31, 2015	Year Ended March 31, 2014
Lease payments for the year	1,976.30	2,330.95
Minimum Lease Payments :		
Not later than one year	1,462.38	1,516.28
Later than one year and not later than five years	2,665.50	2,531.28
Later than five years	844.29	1,175.65
Total	4,972.17	5,223.21

34. Scheme of Arrangement (De-merger) between the Company and Intellect Design Arena Limited

The Company (Demerged Company) had entered into a Scheme of Arrangement ('the Scheme') with Intellect Design Arena Limited ('Resulting Company', 'Intellect') to demerge the Product Business Undertaking into Intellect. In consideration for the vesting of the Product business undertaking to Intellect as per the terms of the Scheme, each member of the demerged company shall receive one equity share of Rs.5/- each in the resulting company for every one equity share of Rs.5/- each held in the demerged company.

The Scheme was approved by the Honourable High Court of Madras on September 15, 2014. The Company has filed the order approved by the High Court with the Registrar of the Companies, Chennai (ROC) on September 24, 2014. The ROC had approved the said demerger on September 25, 2014. The Scheme has accordingly been given effect to in these financial statements with retrospective effect from April 1, 2014.

The following assets and liabilities have been divested into the Resulting Company from Polaris Consulting & Services Limited with effect from April 1, 2014 pursuant to the Scheme.

Particulars	April 1, 2014
LIABILITIES	
MINORITY INTEREST	0.49
Non-Current Liabilities	
Deferred tax liabilities (Net)	1,363.27
Current Liabilities	
Short -term borrowings	403.15
Trade payables	6,992.60
Other current liabilities	7,363.37
Short-term provisions	1,623.52
Total liabilities (A)	17,746.41
ASSETS	
Non-Current Assets	
Fixed assets	
-Tangible assets	13,890.39
- Intangible assets	320.89
- Capital work-in-progress	3,483.90
- Intangible assets under development	973.93
	18,669.11
Goodwill on consolidation	7,530.02
Non-current investments	2,504.44
Deferred tax assets (net)	560.91
Long-term loans and advances	3,052.80
Other non-current assets	1,802.00
Current Assets	
Trade receivables	13,445.76
Cash and bank balances	28,702.36
Short-term loans and advances	3,506.41
Other current assets	9,143.63
Total assets (B)	88,917.44
Net assets (B-A)	71,171.03

The Net Assets relating to the Product Business undertaking amounting to Rs.71,171.03 lakhs divested into the Resulting Company as at April 1, 2014, pursuant to the scheme of arrangement has been adjusted as per the terms of the Scheme against the Reserves of the Company as under;

(i) Securities Premium Account	19,156.40
(ii) General Reserve	17,065.13
(iii) Foreign currency translation reserve account	3,850.44
(iv) Surplus from the Statement of profit & loss	31,099.06
Total	71,171.03

35. Exceptional Items

Particulars	Year Ended March 31, 2015	Year Ended March 31, 2014
(a) Re-structuring expenses*	-	(243.47)
(b) De-merger expenses*	(689.25)	(57.65)
(c) Profit on divestment of IdenTrust#	-	2,438.14
Total	(689.25)	2,137.02

* The Company restructured the organization in terms of structure, people, processes and systems to orient around the customer with specific focus towards the services segments of its business. Due to the significance of the amount and its non-routine nature, the same has disclosed separately as an exceptional item.

Refer Note 32 (a) on Discontinuing Operations.

36. Corporate Social Responsibility (CSR)

As per Section 135 of the Companies Act, 2013, a CSR committee has been formed by the company. During the year, the Company contributed an amount of Rs.331.25 Lakhs to Ullas trust, a Polaris Inclusive Corporate Social Responsibility initiative. The primary motive of the Ullas is to recognize academic excellence in students from the economically challenged sections of our society and encourage the 'Can do' spirit towards chasing their dreams and aspirations. The funds were primarily allocated to a corpus and utilised through the year on these activities which are specified in Schedule VII of the Companies Act, 2013.

37. Earnings per Share (EPS)

Reconciliation of basic and diluted shares used in computing EPS:

Particulars	Year Ended March 31, 2015	Year Ended March 31, 2014
(i) Weighted average number of equity shares outstanding during the year - For basic EPS	99,760,484	99,526,385
Add: Effect of dilutive shares - Stock options granted under ASOP.	2,304,428	220,869
(ii) Weighted average number of equity shares outstanding during the year - For diluted EPS	102,064,912	99,747,254
(iii) The net profit for the period attributable to equity shareholders - For basic and diluted EPS	16,726.98	19,919.20
Earnings per Share (in Rs.)		
Basic earnings per share (iii)/(i)	16.77	20.01
Diluted earnings per share (iii)/(ii)	16.39	19.97
(iv) The net profit for the period attributable to equity shareholders after excluding discontinuing operations- Refer Note- 32	16,726.98	18,864.94
For basic and diluted EPS		
Basic earnings per share (iv)/(i)	16.77	18.95
Diluted earnings per share (iv)/(ii)	16.39	18.91

38. Additional Disclosure requirement under Section 129 of the Companies Act, 2013

Name of the entity	Net Assets		Share in Profit or Loss	
	As a % of the Consolidated net assets	Amount (Rs in Lakhs)	As a % of the consolidated profit or loss	Amount (Rs in Lakhs)
Parent				
Polaris Consultancy & Services Limited	66%	59,328.80	75%	13,071.75
Subsidiaries				
<i>Indian</i>				
Optimus Global Services Limited	0%	(82.43)	0%	(2.92)
<i>Foreign</i>				
Polaris Consulting and Services GmbH, Germany	1%	934.64	0%	45.51
Polaris Consulting & Services Pty Ltd, Australia	3%	2,872.73	2%	434.52
Polaris Consulting & Services Ireland Limited, Ireland	3%	2,425.63	1%	127.51
Polaris Consulting and Services Japan K.K	2%	1,596.22	1%	155.98
Polaris Consulting & Services Inc, Canada	3%	2,628.55	3%	578.25
Intellect Polaris Design LLC, USA	3%	3,022.00	-1%	(102.44)
Polaris Consulting & Services Pte Ltd, Singapore	10%	8,711.17	10%	1,713.90
Polaris Software Lab (Shanghai) Limited, China	0%	(330.12)	0%	(8.98)
Polaris Software Consulting & Services Sdn Bhd, Malaysia	1%	1,238.28	3%	449.09
Polaris Consulting & Services Limited, UK	8%	6,747.56	5%	918.26
Polaris Consulting & Services B.V, Netherlands	0%	14.31	0%	23.32
Polaris Consulting & Services kft, Hungary	0%	7.82	0%	(0.53)
Minority Interest in all Subsidiaries	0%	148.23	0%	5.12

39. Previous period Comparatives

Consequent to the Scheme of De-merger of Product Business Undertaking effective from April 1 2014, the figures for the year ended March 31, 2015 are not comparable with the corresponding figures disclosed under previous year ended March 31, 2014. The previous period figures have been regrouped / reclassified, wherever necessary to conform to the current period presentation.

As per our report of even date
For **S. R. BATLIBOI & ASSOCIATES LLP**
Chartered Accountants
ICAI Firm Registration number: 101049W

For and on behalf of the Board of Directors of
Polaris Consulting & Services Limited

per **Bharath N S**
Partner
Membership No. 210934
Chennai
April 30, 2015

R C Bhargava
Director

Jitin Goyal
Executive Director

Vaidyanathan N. M
Chief Financial Officer
Chennai
April 30, 2015

Christina Pauline Beulah
Company Secretary

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MANAGEMENT DISCUSSION & ANALYSIS

SECTION A

FY 2015 was challenging due to our demerger and subsequent repositioning as a consulting led IT transformation company. During this period, the management was committed to maintain our core business.

Notable Client Wins and Accomplishments

Over the past year we added 24 new clients, which was a significant expansion of our business. We have many notable accomplishments around the globe. Some examples:

- In Asia, we developed a breakthrough insurance portal for a major monetary authority. This is an example of our Digital Outside practices which provides simple user experience across many insurance companies, enabling consumers to have greater selection, greater ability to compare and ultimately save on insurance premiums.
- In Japan, we transformed our customer's order management platform by merging multiple disparate systems, and as a result, increased their sales agent's productivity by 30%.
- In Europe, we worked with a major Dutch bank to digitise their application process for common banking products. This is expected to significantly reduce their expense while speeding up their processes.
- In the US we displaced a major solution provider, the incumbent vendor at a top five global bank in the transaction banking part of their business.

The variety of these customer engagements demonstrates the early signs of success of our digital transformation strategy. Our deep knowledge of systems, especially in the financial services sector, and the synergistic nature of the Centres of Excellence (CoEs) that we are investing in, positions us well for the future.

Industry Recognition

In addition to winning business, we have also received several accolades from leading industry analyst firms. Among the most notable are the following:

- Celent report on Banking in North America for 2014 featured PCSL amongst top IT services vendors.
- Celent's IT 'Services Report—EMEA & LATAM' featured PCSL amongst the top global IT services vendors.
- Everest rated PCSL as a 'Major Contender' in its 'IT Outsourcing Banking—Service Provider Landscape with PEAK Matrix Assessment 2014' report.
- Everest ranked PCSL Capital Markets CoE as a 'Major Contender'.
- Everest featured PCSL among leading providers of regulatory compliance services in its report 'Regulatory Compliance in Banking and Capital Markets—All About Good Data Governance'.
- Forrester featured two case studies from PCSL on risk management & regulatory compliance for functional solutions in its report titled 'Big Data in Banking: It's time to Act'.

Strengthening Our Governance and Management Ranks

Over the past year we have made several significant additions to our Board of Directors and our Executive Management ranks with individuals who are well known for their accomplishments and visionary perspectives.

Our New Board Members are:

- Dr. Theodore Roosevelt Malloch Jr., who is currently a Professor and Fellow in Management Practice at the Said Business School, The University of Oxford. He has served on the executive board of the World Economic Forum (DAVOS) and has held an ambassadorial level position at the United Nations in Geneva, Switzerland. Ted is also the Vice Chairman of PCSL.
- Mr. Jon Beyman, who was Managing Director, Global Head of Operations and Technology, Institutional Clients Group for Citi. His experience in driving technology at Citi and his accomplishments as a digital transformation evangelist will be tremendously valuable.
- Ms. Uma Ratnam Krishnan has held leadership roles at Royal Bank of Scotland, most notably as Director, Global Operations for RBS' Retail, Corporate and Commercial banking. Her rich experience in developing strategy, building and leading large cross-functional teams will be an asset to PCSL as we continue to build our organisation around the world.

As PCSL continues its transformation process into a world-class consulting-led IT transformation company, we will benefit from the guidance and direction that these new board members will provide us.

We have also strengthened our corporate leadership team with experienced and effective executives who will execute our strategic plans. Over the past year we have added the following members to our leadership team:

- Mr. N.M. Vaidyanathan, our new Chief Financial Officer, is a seasoned finance and operations leader with more than 20 years of experience across several industry sectors. Prior to joining PCSL Vaidyanathan was Group CFO at Vivimed Labs Ltd., an India-based global supplier of specialty chemicals and pharmaceuticals.
- Mr. Sanjay Vatsa, our new Chief Strategy Officer, is a renowned industry veteran with extensive global and domestic experience in top-tier financial services firms. Most recently, Mr. Vatsa was Global Head of Transformation, Centre of Excellence, Data & Operations Strategy at SFS in Citigroup.
- Mr. George Ravich, our new Chief Marketing Officer, has a rich background in marketing financial technology globally. Prior to joining PCSL, Mr. Ravich was the Head of Global Marketing for Computer Science Corp's Consulting Division.
- Sharad Verma, our new Global Head – Human Resources, has over 20 years of HR experience in the IT industry and financial services, most recently as Senior Director, Human Resources for SunGard Global Technology.

Our expanded leadership team brings new skills and a fresh perspective to the organisation, and will ensure that we are developing our operating strategies with best practices from across the industry.

Focusing Our Company Culture for Success

The PCSL management team is striving to build a world-class company that will be shoulder to shoulder with the best-of-breed and highly innovative organisations that are setting the direction in the emerging digital economy.

In summary, the theme for our future is Digital Transformation, and we are taking steps to ensure that we have the resources, capabilities, partnerships and branding to be seen as leaders in the market.

SECTION B

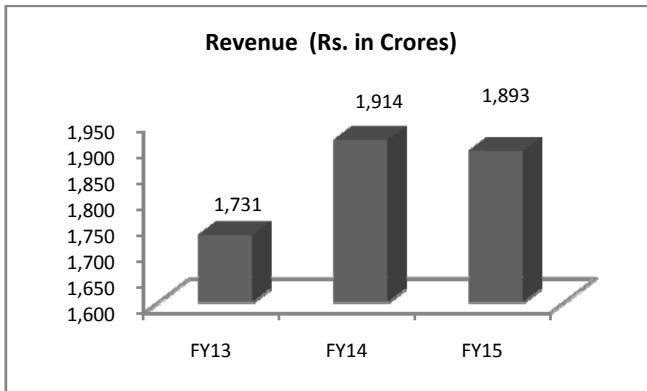
Financial Position

Highlights

- The Board of Directors of the Company at its meeting held on March 18, 2014 had approved a Scheme of Arrangement between Polaris Consulting & Services Limited and Intellect Design Arena Limited (formerly known as Fintech Grid Limited) a wholly owned subsidiary of Polaris Consulting & Services Limited, and their respective shareholders which inter alia envisaged demerger of the Product business undertaking along with related assets and liabilities into Intellect Design Arena Limited with effect from April 1, 2014 in accordance with the provisions of the Companies Act, 1956. The above scheme has received the approval of the Madras High court on September 15, 2014. Consequently, the assets and liabilities which vest with Intellect Design Arena Limited have been excluded from the Balance Sheet of the company. Similarly, the Statement of Profit and Loss for the year ended March 31, 2015 does not include the results of the product business undertaking. The consolidated financial results for the year ended March 31, 2014 included an estimated loss of Rs.9.11 Cr (net of tax credit of Rs.0.67 Cr) and the Standalone financial results for the year ended March 31, 2014 includes an estimated loss Rs.42.93 Cr (net of tax credit of Rs.1.38 Cr) in relation to the product business. In view of the Scheme of Arrangement coming effective from April 1, 2014, the figures for the current year are not comparable with FY14.
- FY15 revenue stood at Rs.1,893 Cr as against FY14 revenue of Rs.1,914 Cr (services revenue)
- Earnings per share stood at Rs.16.77
- The book value per share reduced to Rs. 85.31 in FY15 from Rs. 155.47 in FY14, consequent to the demerger of the Product Business during the year.
- Based on the NSE prices, market capitalization was Rs. 1,653 Cr as on March 31, 2015. (Rs. 1,921 Cr as of March 31, 2014)
- Dividend paid / recommended during the year stands at 300% , Rs.15 per share as against 125%, Rs.6.25 per share in FY 14

Revenue

Revenue from software services amounted to Rs.1,893 Cr in the current financial year growing from Rs.1,731 Cr in FY13, when the business of the Company was restructured into separate divisions for software services and products



Sources of Funds

1. Share Capital

As at March 31, 2015:

The Authorized share capital of the company was Rs. 65 Cr.

- Equity shares of Rs.60 Cr. (120,000,000 equity shares of Rs.5/- each)
- 11% Preference shares of Rs.5 Cr. (10,000,000 Preference shares of Rs.5/- each)
- The issued, subscribed & paid-up capital was Rs. 49.96 Cr (99,914,624) equity shares of Rs 5 each).
- Associates and Directors were allotted 364,350 equity shares under Associate Stock Option Plans during the year. Other than equity shares allotted under the Associate Stock Option plan there has been no movement in the paid-up share capital during the year.

(The details of the options granted, outstanding and vested are provided in the notes to the consolidated financial statements in this Annual Report).

2. Reserves and Surplus

Reserves & Surplus stood at Rs. 800.87 Cr in FY15. (Rs.1, 497.64 Cr in FY14). Consequent to the demerger, Reserves of Rs.711.71 Cr was transferred to the resulting company on the effective date April 1, 2014 as per the Scheme of Arrangement approved by the High Court of Madras.

2.1 General Reserve

As of March 31, 2015 General Reserves stood at Nil (Rs. 170.65 Cr in FY14). Consequent to the demerger of Product Business as per Scheme of Arrangement approved by the High Court of Madras, General reserves amounting to Rs.170.65 Cr was transferred to the resulting Company with effect from April 1, 2014.

2.2 Foreign currency translation reserve

The balance of foreign currency translation reserve reduced to Rs.14.49 Cr as on March 31, 2015 from Rs. 75.76 Cr as on March 31, 2014. The reduction is account of transfer of Rs. 38.50 Cr to Product Business as per Scheme of Arrangement approved by High Court of Madras and Rs.22.76 Cr due to changes in reserves arising from translation of non-integral overseas subsidiaries / branches into reporting currency in line with Accounting Standard 11 of Institute of Chartered Accountants of India.

2.3 Securities premium account

As of March 31, 2015 securities premium account stood at Rs.4.29 Cr (Rs.191.56 Cr in FY14). The amount lying in this account represents premium on the issue of shares during the year under ASOP schemes. Consequent to the demerger of Product Business as per Scheme of Arrangement approved by the High Court of Madras, Securities premium amounting to Rs.191.56 Cr was transferred to the resulting company with effect from April 1, 2014.

2.4 Hedge Fluctuation Reserve

Hedge Fluctuation Reserve balance stood at Rs.57.73 Cr. Reserves are recognized when the changes in the fair value of the forward contracts that is designated and effective as hedges of future cash flows. The increase in reserve is due to increase in fair value of the open forward contracts as at March 31, 2015.

2.5 Profit and Loss account

As of March 31, 2015:

- The balance retained in the profit and loss account is Rs. 724.36 Cr. (Rs.1,045.60 Cr in FY14) after providing for
 - Interim dividend of Rs 49.96 Cr
 - Proposed dividend of Rs. 99.91 Cr
 - Dividend tax of Rs. 26.77 Cr
 - Adjustment consequent to the demerger of Product Undertaking of Rs. 310.99 Cr
 - Depreciation on account of aligning the useful life of the fixed assets in accordance with the Schedule of the Companies Act, 2013 including tax impact Rs 0.80 Cr.
 - Dividend payout increasing by Rs 87.73 Cr, the total amount of profits appropriated towards dividend stood at Rs. 149.95 Cr (Rs. 62.22 Cr in FY14)

2.5 Shareholder funds

As of March 31, 2015:

- The total shareholder funds stood at Rs. 850.82 Cr (Rs. 1,547.41 Cr in FY14)
- The book value per share stood at Rs. 85.31 (Rs. 155 in FY14)

3. Secured Loans

There were no secured loans outstanding as at March 31, 2015 (Rs. 4.03 Cr in FY14).

Application of Funds

4. Fixed assets

4.1 Capital expenditure

The capital expenditure for FY15 is Rs. 73.66 Cr (Rs. 35.86 Cr in FY14)

4.2 Additions to fixed assets

Gross additions of Rs. 73.12 Cr to our gross block comprise the following:

- Rs. 50.59 Cr for land & buildings. This includes Rs.23.58 Cr towards purchase of property in Gurgoan and Rs. 26.78 Cr towards purchase of property in New Jersey, USA.
- Rs.14.91 Cr for plant, machinery, Office equipments, furniture & electrical fittings
- Rs. 4.39 Cr for intangible assets
- Rs. 3.23 Cr for vehicles

Capital Advances stood at Rs.1.50 Cr and Capital work-in-progress was Nil as at March 31, 2015.

5. Goodwill on Consolidation

The excess of consideration paid over the net asset value acquired is recognized as goodwill in accordance with Accounting Standard (AS) 21 consolidated financial statements. Goodwill as at March 31, 2014 stood at Rs. Nil (Rs.75.30 Cr in FY14). The reduction in the Goodwill was due to

demerger of product business in to a separate company as per the Scheme of Arrangement approved by High court of Madras during the year.

6. Strategic Business Acquisition

Inorganic Growth Strategy

Growth is often accelerated through increased innovation, to compete and align with those companies that are developing the innovative technology or have an access to customer base. The Company is looking forward to grow inorganically given the right M&A candidates that would either help us build depth, breadth and scale in our capabilities.

7. Sundry Debtors

- Sundry debtors amount to Rs. 238.21 Cr net of provision for doubtful debts amounting to Rs. 4.05 Cr as at March 31, 2015 (Rs. 362.21 Cr in FY14 net of provision for doubtful debts amounting to Rs. 11.82 Cr in FY14)
- For the year ended March 31, 2015 debtors were 12.58% of the revenues
- At the end of FY15, the days of sales outstanding (DSO) were 44 days

8. Cash & Cash Equivalents

Cash and Cash equivalents includes the Bank balances, both rupee accounts and foreign currency accounts and mutual fund investments. Cash and cash equivalents stood at Rs. 314.43 Cr as at March 31, 2015. The treasury policy calls for investing in highly rated mutual fund debt instruments and banks. The company has earned interest / dividend income of Rs.13.92 Cr in FY15 from the investments.

8.1 Liquidity and Capital

The company continues to maintain its practice of utilizing cash generated from operations to meet the growth, normal capital expenditure requirements, investments in product portfolio and the funding needs of its Group Companies. Based on the present cash reserves and future operating income, the company does not foresee any requirement of financial support / borrowing from any institutions.

9. Loans & Advances

As on March 31, 2015, Loans and advances were Rs. 200.12 Cr (Rs. 195.90 Cr in FY14), which included mainly Advance Tax (Net of provisions), Employee loans, Security deposits and advances.

10. Current Liabilities

Current liabilities stood at Rs. 295.21 Cr (Rs. 386.54 Cr FY14)

- Other current liabilities Rs.114.94 Cr includes mainly unclaimed interim dividend of Rs.49.96 Cr, Billings in excess of revenues Rs.35.09 Cr and Statutory liabilities Rs.18.60 Cr
- Trade payables Rs.180.27 Cr consists of Sundry creditors for services / goods Rs. 37.84 Cr, accrued salaries & benefits Rs.75.61 Cr and other payables Rs 66.82 Cr.

11. Provisions

Provisions at the year-end stood at Rs.145.28 Cr includes mainly Gratuity and Leave salary provisions of Rs. 20.05 Cr, Provision for taxation (net off advance tax) Rs.4.98 Cr and Proposed dividend including dividend distribution tax amounting to Rs.120.25 Cr. payable, upon approval by our shareholders in the ensuing Annual General Meeting.

12. Net Current Assets

As at March 31, 2015:

- The net current assets were Rs. 403.44 Cr. (Rs. 815.59 Cr FY14)
- The current ratio was 1.92 (2.60 in FY14)

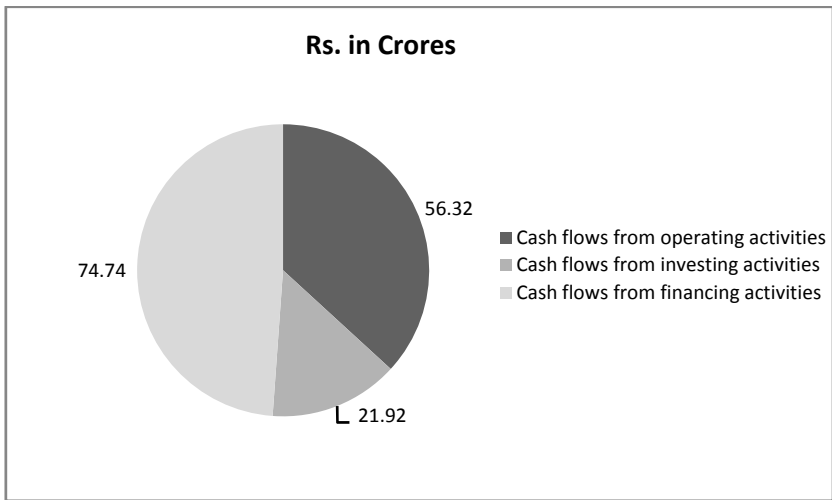
13. Deferred Tax Assets / Liability

As on March 31, 2015, the company recorded net Deferred Tax Asset aggregating Rs. 5.57 Cr (Rs. 4.22 Cr Net of Deferred Tax Liability in FY14). Deferred tax assets/ liabilities represent timing differences between the financial and tax books arising out of depreciation on assets, carry forward losses and provisions for sundry debtors. The Company assesses the likelihood based on the continuous growth and improved profitability that the deferred tax asset will be adjusted from future taxable income.

14. Cash Flow Analysis

Cash flows are reported by adjusting net profit before tax for effect of non-cash transactions, changes in working capital, income taxes paid, cash transactions of capital nature and cash transactions relating to investing and financing activities. Cash flows from operating, investing and financing activities of the Company are identified and reported separately.

Cash Flow Chart



Cash Flow from operating activities

Net Cash of Rs. 56.32 Cr was generated from operating activities by the company in FY15. Net cash provided by operating activities was after utilization of cash for tax and working capital requirements, driven by business needs in the current year.

Cash Flow from investing activities

In FY15, the company generated Rs. 21.92 Cr on investing activities. The net cash generated from current & non-current investments during the year Rs.72.52 Cr. This cash was utilized mainly for the purchase of fixed assets Rs.73.66 Cr.

Cash Flow from financing activities

In FY15, the Company used Rs. 74.74 Cr in financing activities. The substantial amount of cash used for the payment of final dividend of FY14 and interim dividend of FY 15 including tax on dividend during the current year.

Cash equivalents of Rs. 314.43 Cr were reported after considering the cash flow from operating activities, financing activities and investing activities and the short term investment balances as at the end of the year.

SECTION C

Results of operations

1. Revenue

The total revenue for the year ended March 31, 2015 stands at Rs. 1,893.35 Cr, with 89.37% of the total revenue coming from Export business and 10.63% coming from domestic market. During the year ended March 31, 2014 the total revenue of the Company was Rs. 2,423.70 Cr which included Rs. 509.59 Cr from the Product Division, which was demerged into a separate entity with effect from April 1, 2014, pursuant to the Scheme of Arrangement approved by High Court of Madras.

2. Other income

The Company's other income amounts to Rs. 41.14 Cr.

This comprises of:

- Rs. 6.95 Cr from interest on bank deposits and others
- Rs. 19.98 Cr dividend received from investments.
- Rs. 2.25 Cr through miscellaneous income
- Rs. 0.14 Cr from profit on sale of assets
- Rs. 11.83 Cr through net gain on foreign currency transactions and translations.

3. Expenditure

3.1 Employee benefit expenses

Employee benefit expenses primarily consist of:

- Salaries & Bonus
- Software development expenses
- Consultancy charges
- Contribution to Provident Fund, Superannuation and other funds, Group Gratuity scheme.
- Social security and other benefit plans for overseas employees.
- Expense on Employee Stock Option Scheme (ESOP) and Employee Stock Purchase Plan (ESPP)
- Staff welfare expenses

During the year our employee benefit expenses were Rs. 1,461.29 Cr at 77.18% of revenue against Rs. 1,842.76 Cr at 76.03% of revenue in the previous year.

3.2 Other Expenses

Other expenses include Operating, General & Other Administrative expenses. General and administrative expense primarily consists of rent, power & fuel, repairs & maintenance, travelling & communication expenses, rates & taxes, professional & legal charges.

4. Depreciation & Amortization

Depreciation on fixed assets is provided using the straight-line method based on rates specified in Schedule II of the Companies Act, 2013. In accordance with the requirement of the Companies Act 2013, the Company has re-assessed the useful lives of the fixed assets and revised the same in line with the life of fixed assets specified under Schedule II.

Depreciation has been provided for Rs. 27.91 Cr (Rs. 54.44 Cr in FY14), representing 1.47% (2.25% in FY14) of total revenues.

5. Research and Development

The Company is incurring expenses on various Research and Development activities consisting primarily of salaries and related expenses for our research and development staff, outsourcing cost and allocated overhead. We continue to focus our research and development efforts on adding new features and services, developing new delivery methodology and frameworks that would lead to delivery efficiencies, increasing product functionality and enhancing the ease of use of our products and services. During the year a sum of Rs. 10.53 Cr was spent on Research and Development expenses as compared to Rs.17.21 Cr spent towards Services and deliveries during the last financial year.

6. Income Taxes

Income tax includes current tax and deferred tax. Details of the same are given below:

The company has calculated the tax liability after considering MAT in line with section 115 JB of Income Tax Act, 1961.

Rs. in Cr

Particulars	March 31, 2015	March 31, 2014
Tax	64.22	39.69
Profit before tax (PBT)	231.43	238.76
% of tax on PBT	27.75%	16.62%

7. Profit after tax

The Net Profit after tax for the year 2014-15 stood at Rs. 167.27 Cr as against Rs. 199.19 Cr for the year 2013-14.

8. Dividends

Our company has a track record of delivering dividends to the shareholders in a consistent manner. The table below shows the trend on dividend payouts.

Dividend Payout

	2014-15	2013-14	2012 -13	2011-12	2010-11
Dividend %	300	125	100	100	90
Dividend payout %	90	31	25	23	22

9. Capital Markets

The Capital Market Information relating to the company's shares such as stock exchanges in which they are listed/traded, trading volume, stock price movements etc., has been provided in the Report on Corporate Governance (under the heading "General Shareholder Information") which forms part of the Annual Report 2014-15.

10. Subsidiary Companies

For subsidiary details refer the Report on Subsidiaries under Section 129 of the Companies Act, 2013, included as an Annexure to the Directors report.

SECTION D

Strengths

Polaris' consistent focus on disciplined execution and sustained innovation has been a hallmark in every Customer engagement. Our focused efforts in ensuring knowledge up-gradation by way of in-house training, workshops etc. got strengthened with Polaris entering into an Executive education program with Saïd Business School, University of Oxford. The Oxford Polaris Digital Academy aims to prepare executives towards the next wave of Digital Transformational. We consider the following our strengths:

- A strong leadership team that has clear vision and direction to lead the company to its goals
- Scientific frameworks and methodologies that are built to ensure seamless delivery
- Demonstrated expertise and deep domain knowledge in Banking, Financial Services & Insurance verticals enhanced with the experience of working with world-class customers
- Strong technical know-how and quick adaptability to internalize technology changes and constantly working in research mode to ensure we are future-fit
- Conscious engagements in Digital Transformation space which is the biggest focus for Banks, Financial Services and Insurance companies around the world
- The Demerger of the Products business (Intellect) into a separate company has brought sharper focus to embark on the growth journey led by Digital Transformation for our clients

Competition

Polaris with its strategic focus on four areas of- Digital, Payments, Risk & Compliance and Data with HPO (High performance outsourcing) as the Operational Model makes us strongly positioned in the extremely competitive BFSI (banking, financial services and insurance) space.

With Banks and Insurance Companies embracing for digital transformation for competitive advantage, Polaris aims to be leader in the change with Digital IN and Digital OUT.

Polaris has also earned its stripes, as a specialized player in the financial services outsourcing space. With the singular focus on financial services, Polaris has built strong vertical focused service capabilities across Treasury & Capital markets, Corporate Banking, Retails Banking and Insurance. Strong customer engagement models have enabled Polaris differentiate itself with superior service offerings, solutions and deliveries.

Polaris competes with global outsourcing vendors viz. IBM, CapGemini and Cognizant, and Indian outsourcing vendors such as TCS, Infosys, Wipro and HCL.

Threat

The global financial industry continues to pass through uncertain times. The tighter regulation to combat this uncertainty has led to protectionist tendencies in some of our markets. It may pose the threat of visa issues in Onsite deployment. New projects continue to face budget constraints for IT investments as the focus is still on regulatory compliance. However, since our focus has been in getting work done offshore, the threat to our business due to fewer visas is mitigated. Also, our domain focus on BFSI enables us to provide outcome based solutions which help us win in the more competitive markets.

The operations and execution teams continuously watch for such developments and constraints to business strategy and plans. Strategy and operational plans are continuously recalibrated to minimise the impact of such threats to business objectives and goals.

Risks & Concern

Risks are evaluated under the following four categories:

- a) Market risk
 - i) Vendor Consolidation risk
 - ii) Reduction in IT budget
- b) Cost increase
- c) Exchange risk
- d) Compliance risk

Risk	Impact	Mitigation
Market Risk	<ul style="list-style-type: none"> • Consolidation of IT Vendors which put midsized companies like ours to risk • Smaller budget for IT 	Polaris increasingly focuses on domain led solutions. This allows us to win projects in the face of competition from larger players. Domain led solutions space does not have vendor consolidation. Our improved productivity & offshore leverage allows us to deliver more for less.
Cost increase	High inflation in India leads to high salary	We use productivity tools and better program and project management techniques to improve productivity.
Exchange Risk	Fluctuation is exchange risk	1. Quotations in local currencies have been highly controlled. A policy on Forex is being formulated. 2. We have hedged a portion of our Forex earnings.
Compliance Risk	<ul style="list-style-type: none"> • IT Security requirements of our customers • Government regulations 	<ul style="list-style-type: none"> • We have strengthened our ISAG team which can pass the audit of the most stringent customers. • We have strengthened our legal and Compliance team so that any unintended lapse is avoided. • Statutory Compliance of international Subsidiaries is strongly monitored by internal tool and reported on timely manner

Exchange Risk Policy

Under ongoing effort to improve our risk framework, the Exchange risk policy is implemented and running.

Internal Control Systems and their Adequacy

The Company has disclosure controls and procedures in place that are designed to provide reasonable assurance that material information relating to Polaris is disclosed on a timely basis. Management has reviewed the Company's disclosure controls and concluded that they were effective during the reporting period.

The Chief Executive Officer (CEO) and the Chief Financial Officer (CFO) have evaluated the effectiveness of the Company's disclosure controls and procedures related to the preparation of Management's Discussion and Analysis and the consolidated financial statements. They have concluded that the Company's disclosure controls and procedures were effective, at a reasonable assurance level, to ensure that material information relating to the Company and its consolidated subsidiaries would be made known to them by others within those entities, particularly during the period in which the management's discussion and analysis and the consolidated financial statements contained in this report were being prepared.

The Company's management, with the participation of its CEO and CFO, are also responsible for establishing and maintaining adequate internal control over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with Indian GAAP. Under the supervision of the CEO and CFO, the Company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the Indian GAAP.

There have been no changes in the Company's disclosure controls or internal controls over financial reporting during FY2015 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting. The Company's CEO and CFO expect to certify Polaris' annual filings with the Indian securities regulatory authorities.

The company also has a robust financial control in place through a combination of internal control and processes. The controls ensure that transactions are recorded in timely manner, they are complete in all aspects, effectively utilizes the resources of the company and safeguarding the assets.

The Company has a well reputed firm as the Internal Auditor. The internal Audit scope includes review of the procedure and policies in place as designed by the management across all functional areas, and assessing the internal control strength in all areas.

Also the Internal Auditor findings are discussed with the process owners and corrective action is taken as necessary.

In addition to above controls, the company also has a strong Internal Quality team that works on Delivery Quality Assurance increasing operational efficiency, reducing delivery related risk and optimization of processes.

Notice

Notice is hereby given that the 22nd Annual General Meeting of members of the Company will be held on Tuesday, 23rd June, 2015 at 03:00 pm at "Rani Seethai Hall", No. 603, First Floor, Anna Salai, Thousand Lights, Chennai – 600 006, Tamil Nadu, India to transact the following businesses:

Ordinary Business

1. To receive, consider and adopt :
 - (i) the audited financial statements of the Company for the Financial year ended 31st March, 2015 and the reports of the Board of Directors and Auditors thereon.
 - (ii) the audited Consolidated Financial statements of the Company for the Financial Year ended 31st March, 2015
2. To confirm the payment of 1st interim dividend of 100% (Rs. 5/- per equity share), and to declare a final dividend of 200% (Rs.10/- per equity share), for the financial year ended 2014-15.
3. To appoint a Director in place of Mr. Abhay Kumar Agarwal, (DIN 00042882) who retires by rotation and being eligible, has offered himself for re-appointment.
4. To appoint a Director in place of Mr. Rajesh Mehta, (DIN 06410765) who retires by rotation and being eligible, has offered himself for re-appointment.
5. To ratify the appointment of Auditors of the Company who were appointed at the 21st Annual General Meeting to hold office for a period of 2 years (i.e) till the conclusion of next Annual General Meeting of the company to be held in the calendar year 2016, and to authorize the Board of Directors to fix their remuneration and to pass the following thereof as an Ordinary Resolution

"RESOLVED THAT pursuant to the provisions of Section 139 of the Companies Act, 2013 read with Rule 6 of

the Companies (Audit and Auditors) Rules, 2014, and other applicable provisions of the Companies Act, 2013, the appointment of M/s S.R. Batliboi & Associates LLP, Chartered Accountants (Registration No. 101049W), who were appointed as auditors of the Company at the 21st Annual General Meeting, to hold office till the conclusion of the next Annual General Meeting of the company to be held in the Calendar Year 2016, be and is hereby ratified, and that they shall be paid a remuneration as fixed by the Board of Directors of the Company."

Special business

6. To appoint Ms. Uma Ratnam Krishnan as an Independent Director

To consider and if thought fit, to pass with or without modification (s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT, Ms. Uma Ratnam Krishnan (holding DIN 00370425), appointed as an Additional Director with effect from 19th March 2015, and who holds office until the date of this Annual General Meeting pursuant to the applicable provisions of the Companies Act, 2013 including any Schedules and the relevant Rules thereof and in respect of whom the Company has received a notice in writing under the applicable provisions of the Companies Act, 2013 and the Rules thereof (including any statutory modification(s) or re-enactment thereof) proposing her candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 3 (three) years for a term upto the conclusion of 25th Annual General Meeting of the Company whose term of office shall not liable to be determined by rotation."

7. To approve the appointment of Mr. Jitin Goyal as a Director, not liable to retire by rotation, and to approve the appointment of Mr. Jitin Goyal as an

Executive Director of the Company and to approve the remuneration payable:

To consider and if thought fit, to pass with or without modification (s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT, Mr. Jitin Goyal (DIN 02851976), who was appointed as an Additional Director with effect from 7th November 2014, and who holds office until the date of this Annual General Meeting pursuant to the applicable provisions of the Companies Act, 2013 including any Schedules and the relevant Rules thereof (including any statutory modification(s) or re-enactment thereof) and who has given a notice in writing to the Company proposing himself as a candidate for the office of a Director, be and is hereby appointed as a Director of the Company whose period of office shall not be liable to be determined by rotation.

RESOLVED FURTHER THAT, pursuant to the applicable provisions of the Companies Act, 2013 including any Schedules and the relevant Rules thereof (including any statutory modification(s), enactment(s) or re-enactment(s) thereof for the time being in force) and subject to the approval of the Central Government, and such other consents and permission as may be necessary and subject to such modifications, variations as approved and acceptable to Mr. Jitin Goyal and the Company, the consent of the Members of the Company be and is hereby accorded for the appointment of Mr. Jitin Goyal as an Executive Director of the Company with effect from 7th November 2014, at such remuneration on the terms and conditions approved by the Nomination and Remuneration Committee and the appointment be upon terms and conditions as set out in the existing employment contract and as stated in the Explanatory Statement.

RESOLVED FURTHER THAT, all actions taken by the Board of Directors

(including any Committee thereof) and all matters related thereto are specifically approved and ratified.

RESOLVED FURTHER THAT, wherever in any Act, Articles, Contract or otherwise it has been provided that any item relating to above matters shall have express approval of the Shareholders of the Company or the Company could carry out that transaction/activity only if the Shareholders so authorizes, then and in that case, this resolution hereby expressly authorizes and approves those transactions and it shall be deemed that such transactions/activities have been approved and permitted without any further action from the Shareholders.

RESOLVED FURTHER THAT, the Board of Directors (including any Committee thereof) be and is hereby authorised to do all such things, deeds, matters and acts as may be required to give effect to this resolution and all things incidental and ancillary thereto including but not limited to the power to alter or amend or revise or vary the terms of remuneration from time to time and obtaining the Central Government’s approval if any and to do all things incidental and ancillary thereto.”

8. To appoint Dr.Theodore Roosevelt Malloch Jr. (**DIN 07011292**) as Director

To consider and if thought fit, to pass with or without modification (s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 and all other applicable provisions of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) Dr.Theodore Roosevelt Malloch Jr (DIN 07011292) who was appointed as an additional director by the Board, at its meeting held on 7th November, 2014, and in respect of whom the Company has received a

notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director be and is hereby appointed as a Director of the Company, whose term of office is liable to be determined by rotation.”

9. To appoint Mr. Jonathan Eric Beyman (DIN 07066811) as Director

To consider and if thought fit, to pass with or without modification (s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 and all other applicable provisions of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) Mr. Jonathan Eric Beyman (DIN 07066811) who was appointed as an Additional Director by the board at its meeting held on January 22, 2015, and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director be and is hereby appointed as a Director of the Company, whose term of office is liable to be determined by rotation.”

By Order of the Board
For **Polaris Consulting & Services Limited**
(Formerly known as Polaris Financial
Technology Ltd.)

Christina Pauline Beulah
Company Secretary & Compliance Officer

Place: Chennai
Date: April 30, 2015

Notes

1. The statement pursuant to Section 102 (1) of the Companies Act, 2013 with respect to the special business set out in the Notice is annexed
2. A member entitled to attend and vote at the Annual General Meeting is entitled to appoint another person as a proxy to attend and vote on this behalf in the meeting and such person can act as a proxy on behalf of members of the company not exceeding 50 (Fifty) and holding in aggregate not more than 10% (Ten percent) of the total shares. A member holding more than 10% (Ten percent) of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
3. The instrument appointing the Proxy, duly completed must be deposited at the Company's registered office not less than 48 hours before the commencement of the meeting. A proxy form for the ANNUAL GENERAL MEETING is enclosed.
4. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a member would be entitled to inspect the proxies lodged at any time during the business hours of the company, provided that not less than three days of notice in writing is given to the Company.
5. Members/proxies should bring the duly filled Attendance Slip enclosed herewith to attend the meeting.
6. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013, will be available for inspection by the members at the ANNUAL GENERAL MEETING.
7. The Register of Contracts or Arrangements in which Directors are interested, maintained under Section 189 of the Companies Act, 2013 will be available for inspection by the members at the ANNUAL GENERAL MEETING.
8. The certificate from the Auditors of the Company certifying that the Company's Associate Stock Option Plan(s) are being implemented in accordance with the SEBI (Employee Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999 and SEBI (Employee Share Benefits) Rules, 2014 as applicable and in accordance with the resolution of the Members in the General Meeting is available for inspection by the Members at the Annual General Meeting.
9. The Register of Members and Share Transfer Books of the Company will remain closed from 12th June, 2015 to 23rd June, 2015 (both days inclusive) in terms of the provisions of Section 91 of the Companies Act, 2013 and the applicable clauses of the Listing Agreement entered into with the Stock Exchanges.
10. Subject to the provisions of the Companies Act, 2013, dividend as recommended by the Board of Directors, if declared at the meeting, will be paid within a period of 30 days from the date of declaration, those members whose names appear on the Register of Members of the Company as on 12th June, 2015; and in respect of shares held in electronic form, the dividend will be payable to the beneficial owners of the shares as on closing hours of business on 12th June 2015 as per the details furnished by National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL), the Depositories, for this purpose.
11. Members whose shareholding is in the electronic mode are requested to direct change of address notifications and updates of savings bank account details to their respective Depository Participant(s). Members are encouraged to utilize the Electronic Clearing System (ECS) for receiving dividends.

12. Members are requested to quote their Registered Folio Number or Demat Account Number & Depository Participant (DP) ID number on all correspondences with the Company. The transfer deeds, communication for change of address, bank details, ECS details, mandates (if any), should be lodged with the Registrar & Share Transfer Agents (RTA) of the Company, M/s Karvy Computershare Private Limited, Hyderabad. Members whose shares are held in the electronic mode are requested to intimate the same to their respective Depository Participants.
13. The Company is concerned about the environment and utilizing natural resources in a suitable way. We request you to update your email address with your Depository participant to enable us to send you the quarterly reports and other communications via email.
14. Annual Report 2015 with Attendance Slip and Proxy form are being sent by electronic mode only to all the members whose email address are registered with the Company/Depository Participant (s) for communication purpose unless a member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for 2015 are being sent by the permitted mode.
15. Pursuant to the provisions of Section 123 of the Companies Act, 2013 dividends which remained unclaimed after the prescribed period of 7 years shall be transferred to the Investor Education Protection Fund (IEPF) of the Central Government. Members who have not encashed their dividend warrants are requested to correspond with RTA. It is requested to note that once unclaimed dividend is transferred to IEPF pursuant to Section 205C of the Companies Act, 1956, no further claim shall be entertained. Information in respect of such unclaimed dividend when due for transfer to IEPF of Government of India including the unclaimed amount since 2007, are given in Corporate Governance Report.
16. Members may note that the Notice of the 22nd Annual General Meeting and the Annual Report 2015 will also be available on the Company's website www.polarisft.com. The physical copies of the aforesaid documents will also be available at the Company's Registered Office in Chennai for inspection during normal business hours on working days. Members who require communication in physical form in addition to e-communication, or have any other queries, may write to us at shareholder.query@polarisft.com / company.secretary@polarisft.com.
17. Additional information pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges in respect of the Directors seeking appointment at the ANNUAL GENERAL MEETING are furnished and forms part of the Notice. The directors have furnished the requisite consents/declarations for their appointment/re-appointment.
18. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company.
19. The Company has provided e-voting facility to the shareholders to enable them to vote on the resolutions listed in the notice and evoting platform will be open from June 20th 2015 to June 22nd 2015. The Company shall be making arrangements for the members to cast their votes in respect to the businesses either through electronic voting system or through poll, for members attending the meeting who have not cast their vote by remote voting and voting by way of InstaPoll also will be provided at the venue of the Annual General Meeting in accordance with the Circular issued by MCA.

Statement pursuant to Section 102 (1) of the Companies Act, 2013

Item No.6

Ms.Uma Ratnam Krishnan joined the Board of Directors of the Company on 19th March, 2015 as Additional Director of the Company pursuant to Section 161 of the Companies Act, 2013. Pursuant to the provisions of Section 161 of the Companies Act, 2013, Ms.Uma Ratnam Krishnan will hold office up to the date of ensuing AGM.

In terms of Section 149 read with Schedule IV and all other applicable provisions of the Companies Act, 2013, Ms.Uma Ratnam Krishnan (DIN 00370425) is proposed to be appointed as an Independent Director for a term of 3 years.

The Company has received a notice in writing under the provisions of Section 160 of the Companies Act, 2013, from herself along with a deposit of Rs. 100,000/- (Rupees One Lacs only) proposing the candidature of herself for office of Director to be appointed as such under the provisions of Section 149 of the Companies Act, 2013 read with Schedule IV and all other applicable provisions of the Companies Act, 2013.

The Company has received from Ms.Uma Ratnam Krishnan (i) Consent in writing to act as director in Form DIR 2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules, 2014, (ii) intimation in Form DIR 8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that she is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013, (iii) Declaration of independence, that she meet the criteria of independence as provided in Section 149 (6) of the Companies Act, 2013.

A copy of the draft letter for appointment of Ms.Uma Ratnam Krishnan as director setting out terms and conditions is available for inspection without any fee by the members at the Company's Registered Office during normal business hours on working days up to the date of the ANNUAL GENERAL MEETING.

The Board considers that her continued association would be of immense benefit to the Company and it is desirable to continue to avail the services of Ms. Uma Ratnam Krishnan as a women director and Independent Director.

No Director, Key Managerial Personnel, or their relatives, except Ms. Uma Ratnam Krishnan to whom the resolution relates, is interested or concerned in the resolution.

The Board recommends the resolution set forth in Item No. 6 for the approval of the members.

Item No. 7

Mr.Jitin Goyal joined the Board of Directors of the Company on 7th November, 2014 as Additional Director of the Company pursuant to Section 161 of the Companies Act, 2013. Pursuant to the provisions of Section 161 of the Companies Act, 2013, Mr.Jitin Goyal will hold office up to the date of the ensuing AGM.

In terms of Section 149 read with Schedule V and all applicable provisions of the Companies Act, 2013, Mr. Jitin Goyal (DIN 02851976) is proposed to be appointed as an Executive Director for a term of 3 (three) years.

The Company has received notice in writing under the provisions of Section 160 of the Companies Act, 2013, from himself along with a deposit of Rs. 100,000/- (Rupees One Lacs Only) proposing the candidature of himself for office of Director to be appointed as such under the provisions of Section 149 of the Companies Act, 2013 read with Schedule V and all other applicable provisions of the Companies Act, 2013.

The Company has received from Mr.Jitin Goyal (i) consent in writing to act as director in Form DIR-2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules, 2014, (ii) intimation in Form DIR 8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013.

Brief Terms of Appointment of Mr. Jitin Goyal ("Jitin") as Executive Director

1. The appointment of Jitin (a Non-resident Indian within the meaning of Foreign Exchange Management Act, 1999) as Executive Director is with effect from 7th November 2014 and his term of office shall be not be liable to be determined by rotation, and shall be for a period of 3 years, ending with 6th November 2017. He will be a Member of the Board of Directors of the Company entrusted with powers of management having control on general conduct and management of the business affairs of the Company.
2. Jitin will be based at London, United Kingdom ("UK"), and will undertake such travel in and outside UK, as may be necessary from time to time in relation to the business of the Company.
3. Jitin shall perform such duties and responsibilities as may be entrusted to him from time to time subject to the superintendence and control of the Board of Directors of the Company in connection with and in the best interests of the business of the Company and the business of any one or more of its associated companies and/or subsidiaries, including performing duties as assigned by the Chairman and/or the Board from time to time, by serving on the Boards of such associated companies and/or subsidiaries or any other executive body or any committee of such a company.
4. No sitting fee shall be paid to Jitin as Director for attending the meetings of the Board of Directors or any Committee/s thereof.
5. Termination of Contract - May be terminated earlier by either Party by giving to the other Party three months' notice of such termination OR the Company paying three months' remuneration in lieu of such notice.

Brief Terms of Remuneration payable to Jitin as an Executive Director:

1. Base Pay: Annual Base salary of Gross GBP 260,000/- p.a. to be paid monthly in accordance with the Company's normal payroll practices and subject to withholdings.
2. Variable Pay: Annual variable pay at a target level of Gross GBP 140,000/- p.a. (or such other sum as may be decided by the Board) each fiscal year, less applicable withholdings, subject to the Company's achievement of certain fiscal year milestones as determined by the Board (or its Committee) in its sole discretion. The Board (or its Committee) may reserve the authority to set such milestones on a GAAP or non-GAAP basis.
3. Stock Options: 1,000,000 Stock Options under Swarnam 21 plan and 100,000 options under Swarnam 11 plan.
4. Employee Benefits: Jitin will be entitled to participate in the employee benefit plans currently and hereafter maintained by the Company of general applicability to other whole-time directors of the Company. The Company may reserve the right to cancel or amend the benefits plans and programs it offers to its whole-time directors.
5. Vacation: Jitin will be entitled to paid vacation in accordance with the Company's vacation policy as applicable to its whole-time directors.
6. Expenses: The Company will reimburse him for reasonable travel, entertainment or other expenses incurred by him in the furtherance of or in connection with the performance of his duties, in accordance with the Company's expense reimbursement policy for whole time-directors as in effect from time to time.

The above payments for all the financial years are subject to all appropriate and/or authorized deductions as per prevailing law(s). The aggregate amounts of Managerial Remuneration for all the financial years to Jitin individually, shall always be within the overall ceiling laid down under the applicable provisions of the Companies Act, 2013

including any Schedules and the relevant Rules thereof (including any statutory modification(s), enactment(s) or re-enactment(s) thereof for the time being in force) and is commensurate with the responsibility in a Company of this size and extent of business operations.

Where if in any financial year the Company has no profits or its profits are inadequate, Jitin shall be entitled to receive the same enhanced Managerial Remuneration so long as it is within the limits specified in Section II of Part II of Schedule V to the Companies Act, 2013 (including any statutory modifications or re-enactments thereof, for the time being in force), or such other limits as may be prescribed by the Government from time to time as minimum remuneration. For any increase in the remuneration of Jitin, the Company would seek approval of Shareholders or the Nomination and Remuneration Committee of the Board, as may be applicable.

A copy of the draft letter for appointment of Mr. Jitin Goyal as director setting out terms and conditions is available for inspection without any fee by the members at the Company's Registered Office during normal business hours on working days up to the date of the ANNUAL GENERAL MEETING.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail the services of Mr. Jitin Goyal as an Executive Director.

No Director, Key Managerial Personnel, or their relatives, except Mr. Jitin Goyal to whom the resolution relates, is interested or concerned in the resolution.

The Board recommends the resolution set forth in Item No. 7 for the approval of the members.

Item No. 8

Dr. Theodore Roosevelt Malloch Jr. joined the Board of Directors of the Company on 7th November, 2014 as Additional Director of the Company pursuant to Section 161 of the Companies Act, 2013. Pursuant to the provisions of Section 161 of the Companies Act, 2013. Pursuant to the provisions of

Section 161 of the Companies Act, 2013, Dr. Theodore Roosevelt Malloch Jr. will hold office up to the date of the ensuing AGM.

The resolution seeks the approval of members for appointment of Dr. Theodore Roosevelt Malloch Jr. (DIN 07011292) as a Director (Non-Executive) liable to retire by rotation.

The Company has received a notice in writing under the provisions of Section 160 of the Companies Act, 2013, from a member along with a deposit of Rs. 100,000/- (Rupees One Lacs Only) proposing the candidature of Dr. Theodore Roosevelt Malloch Jr. for office of Director to be appointed under the provisions of the Companies Act, 2013.

The Company has received from Dr. Theodore Roosevelt Malloch Jr. (i) consent in writing to act as director in Form DIR-2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules, 2014, (ii) intimation in Form DIR 8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013.

A copy of the draft letter for appointment of Roosevelt Malloch Jr as director setting out terms and conditions is available for inspection without any fee by the members at the Company's Registered Office during normal business hours on working days up to the date of the ANNUAL GENERAL MEETING.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail the services of Dr. Theodore Roosevelt Malloch Jr as Non-Executive Director.

No Director, Key Managerial Personnel, or their relatives, except Dr. Theodore Roosevelt Malloch Jr. to whom the resolution relates, is interested or concerned in the resolution.

The Board recommends the resolution set forth in Item No. 8 for the approval of the members.

Item No. 9

Mr. Jonathan Eric Beyman joined the Board of Directors of the Company on 22nd January, 2015 as Additional Director of the Company pursuant to Section 161 of the Companies Act, 2013. Pursuant to the provisions of Section 161 of the Companies Act, 2013, Mr. Jonathan Eric Beyman will hold office up to the date of the ensuing AGM.

The resolution seeks the approval of members for the appointment of Mr. Jonathan Eric Beyman (DIN 07066811) as Director (Non-Executive) liable to retire by rotation.

The Company has received a notice in writing under the provisions of Section 160 of the Companies Act, 2013, from a member along with a deposit of Rs. 100,000/- (Rupees One Lacs Only) proposing the candidature of Mr. Jonathan Eric Beyman for office of Director to be appointed under the provisions of the Companies Act, 2013.

The Company has received from Mr. Jonathan Eric Beyman (i) consent in writing to act as director in Form DIR-2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules, 2014, (ii) intimation in Form DIR 8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013.

A copy of the draft letter for appointment of Mr. Jonathan Eric Beyman as director setting out terms and conditions is available for inspection without any fee by the members at the Company's Registered Office during normal business hours on working days up to the date of the ANNUAL GENERAL MEETING.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail the services of Mr. Jonathan Eric Beyman as Non-Executive Director.

No Director, Key Managerial Personnel of the Company, or and their relatives are concerned or interested, financial or otherwise other, other than Mr. Jonathan Eric Beyman (along with his relatives) to whom the resolution relates, who is interested or concerned in the resolution.

The Board recommends the resolution set forth in Item No. 9 for the approval of the members.

By Order of the Board
For Polaris Consulting & Services Limited
 (formerly known as Polaris Financial
 Technology Limited)

Christina Pauline Beulah
 Company Secretary & Compliance Officer

Place: Chennai

Date: April 30, 2015

DETAILS OF THE DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING (IN PURSUANCE) OF CLAUSE 49 VII (E) OF THE LISTING AGREEMENT

At the Annual General Meeting, Mr. Abhay Kumar Agarwal (DIN 00042882) and Mr. Rajesh Mehta (DIN 06410765), Directors of the Company retire by rotation and being eligible offer themselves for re-appointment. Ms. Uma Ratnam Krishnan (DIN 00370425), Mr. Jitin Goyal (DIN 02851976), Dr. Theodore Roosevelt Malloch Jr (DIN 07011292) and Mr. Jonathan Eric Beyman (DIN 07066811) were appointed as Additional Directors by the Board of Directors who hold office till the Annual General Meeting and in respect of whom Company has received notices in writing under Section 160 of the Companies Act, 2013 from the member herself / himself (in respect of Ms. Uma Ratnam Krishnan & Mr. Jitin Goyal) and from a member proposing their candidature for the office of the Director. The brief resume, experience and functional expertise and the membership on various Board and Committee of Directors proposed to be appointed / re-appointed at serial number 3, 4, 6, 7, 8 and 9 of the Notice convening 22nd Annual General Meeting, as per the Corporate Governance Code as defined under Clause 49 of the Listing Agreement are furnished below:

Name of the Director	Mr. Abhay Kumar Agarwal	Mr. Rajesh Mehta	Ms. Uma Ratnam Krishnan	Mr. Jitin Goyal	Dr. Theodore Roosevelt Malloch JR	Jonathan Eric Bayman
Date of Birth	07.04.1961	02.05.1961	18.02.1962	12.09.1970	22.09.1952	31.12.1955
Age	54	54	53	44	62	59
Date of first appointment	12-05-1995	19-11-2012	19-03-2015	07-11-2014	07-11-2014	22-01-2015
Experience in specific functional areas	Well experienced in the areas of accounting, finance, management, and corporate advisory services.	29 years of experience and has held numerous roles across the globe throughout career.	27 years rich experience in the Financial services sector. Developing strategy and vision, conceptualizing, building and leading cross-functional geographically diverse teams	18 years of industry experience. He has spent more than 10 years at Infosys with stints in the US, UK and Continental Europe, serving as the head of Sales for Europe, Middle East and Africa and as Head of Financial Services for Europe.	Worked in the US State Department and US Senate, did capital markets at Salomon Brothers on Wall Street.	Global head of operations and Chief Information Officer, also an in charge of Global Investment Banking Operations
Number of shares held in the company	31,622	NIL	10,000	NIL	NIL	NIL
Qualification	Chartered Accountant (CA)	Bachelor degree in Economics from St. Stephen's College, Delhi University and MBA from The Indian Institute of Management, Ahmedabad	MBA from The Indian Institute of Management, Bangalore	MBA in Finance & Strategy from the Indian Institute of Management, Calcutta and BE in Electronics from Thapar Institute of Engineering & Technology	Ph.D in International Political Economy from the university of Toronto and BA from Gordon College and an M.Litt from the University of Aberdeen on a St. Andrews Fellowship.	Bachelor's Program from the University of Connecticut School of Business, MBA in Finance from the Johnson Graduate School of management
List of Companies in which directorship held	Nineteen	NIL	Two	Two	NIL	NIL
Chairman / Members of the Committee of the Board of Companies in which he is a director	Two	NIL	NIL	NIL	NIL	NIL

POLARIS CONSULTING & SERVICES LIMITED
(formerly known as Polaris Financial Technology Limited)
(CIN: L65993TN1993PLC024142)

Registered Office: No.244, Anna Salai, Chennai – 600 006
Email id: shareholder.query@polarisft.com, company.secretary@polarisft.com
Website: www.polarisft.com ; Phone : 044 - 3984 3400, Fax: 044 - 2852 3280

22nd Annual General Meeting to be held on 23rd June, 2015 at 03:00 PM
“RANI SEETHAI HALL”, NO. 603, FIRST FLOOR, ANNA SALAI, THOUSAND LIGHTS,
CHENNAI – 600 006

Registered Folio No :(or)

Demat Account No.D.P.ID.No.....

Name of Shareholder(s)

I/We certify that I am/we are the Member(s) / Proxy of the Member(s) of the Company holding _____ Shares.

.....
Signature of Member(s) / Proxy

- A member or his duly appointed Proxy wishing to attend the meeting must complete this Admission Slip and hand it over at the entrance of the meeting hall.
- Name of the Proxy in BLOCK letters
(in case a Proxy attends the meeting)
- Those who hold shares in Demat form to quote their Demat Account No. and Depository Participant (D.P.) ID. No.

.....
Form No. MGT-11
Proxy Form

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN: L65993TN1993PLC024142

Name of the Company: Polaris Consulting & Services Limited

Registered office: 244, Anna Salai, Chennai – 600 006

Name of the Member (s)

Registered Address

E-mail ID

Folio No./ Client Id & DP. ID

I/We being the Member(s) of _____ shares of the above named Company, hereby appoint

1. Name : _____

Address : _____

E-mail ID : _____

Signature : _____, or failing him _____

2. Name : _____
Address : _____
E-mail ID : _____
Signature : _____, or failing him _____

3. Name : _____
Address : _____
E-mail ID : _____
Signature : _____, or failing him _____

as my/ our proxy to attend and vote for me/us and on my/our behalf at the Annual General Meeting of the Company, to be held on **Tuesday, the 23rd June, 2015 at 03:00 p.m. at “Rani Seethai Hall”, No. 603, First Floor, Anna Salai, Thousand Lights, Chennai – 600 006** and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution Nos.

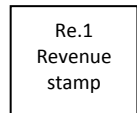
- 1 Adoption of financial statements
2. Declaration of Dividend
3. Re-appointment of retiring Director – Mr. Abhay Kumar Aggarwal
4. Re-appointment of retiring Director – Mr. Rajesh Mehta
5. Ratification of the appointment of Statutory Auditors
- 6.To appoint Ms.Uma Ratnam Krishnan as Independent Director under Section 149 of the Companies Act, 2013
7. To appoint Mr.Jitin Goyal as Executive Director
8. To appoint Dr.Theodore Roosevelt Malloch Jr. as Non-Executive Director
9. To appoint Mr.Jonathan Eric Beyman as Non-Executive Director

Signed this _____ day of _____ 2015.

Affix Revenue Stamp

Signature of shareholder(s)

Signature of Proxy holder(s)



Notes:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the meeting.
2. For the resolutions, Explanatory Statement and Notes, please refer to the Notice of the Annual General Meeting.



Corporate Headquarters
Polaris Consulting & Services Ltd.
'Foundation' #34, IT Highway
Chennai - 603 103
India

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91.44.3987 3000

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