

POLARIS CONSULTING & SERVICES LIMITED

CIN:L65993TN1993PLC024142

Regd Office : No 34, IT Highway, Navallur, Chennai - 603 103

Statement of Audited consolidated financial results for the quarter and year ended March 31, 2017

(Rs. in Lakhs, except per equity share data)

S. No	Particulars	THREE MONTHS ENDED			YEAR ENDED	
		March 31, 2017	December 31, 2016	March 31, 2016	March 31, 2017	March 31, 2016
		(Audited - refer note c)	(Unaudited)	(Audited - refer note c)	(Audited)	(Audited)
1.	Revenue from operations	55,207.05	51,544.79	49,913.87	207,974.23	205,135.16
2.	Other income	670.84	312.43	949.77	2,096.34	1,915.60
	Total income	56,777.89	51,857.22	50,863.64	210,060.57	207,050.76
3.	Expenses					
	(a) Employee benefits expenses	37,331.36	33,613.13	37,732.49	138,443.91	143,414.65
	(b) Subcontracting expenses	6,623.45	6,461.93	5,161.35	23,436.15	17,577.65
	(c) Depreciation and amortisation expense	493.22	685.88	635.53	2,333.00	2,643.32
	(d) Foreign exchange loss/ (gain)	1,697.91	(1,394.71)	(80.94)	171.38	(0.71)
	(e) Other expenses	6,066.73	5,665.49	4,898.21	22,087.96	20,783.49
	Total Expenses	52,212.68	45,031.72	48,346.54	186,472.40	184,418.40
4.	Profit before exceptional items, share of loss of equity accounted investee and tax (1+2-3)	4,565.21	6,825.50	2,517.00	23,588.17	22,632.36
5.	Exceptional items (refer note g)	-	-	(1,123.58)	-	(2,183.58)
6.	Profit before share of loss of equity accounted investees and tax (4-5)	4,565.21	6,825.50	1,393.42	23,588.17	20,448.78
7.	Share of loss of joint venture	(28.02)	(2.78)	(8.19)	(52.60)	(8.19)
8.	Profit before tax (6+7)	4,537.19	6,822.72	1,385.23	23,525.57	20,440.59
9.	Tax expenses					
	Current tax	1,159.46	2,006.36	1,432.01	6,600.17	7,663.56
	Provision for taxes relating to earlier years	-	-	1,832.45	-	1,832.45
	Deferred tax	85.20	51.49	(30.61)	691.06	739.69
10.	Net profit / (loss) for the period / year (8-9)	3,292.53	4,764.87	(1,848.62)	16,144.34	10,204.89
11.	Net profit / (loss) for the period / year attributable to:					
	Owners of the Company	3,292.53	4,764.87	(1,848.62)	16,144.34	10,210.21
	Non - Controlling Interest	-	-	-	-	(5.32)
	Net profit / (loss) for the period / year	3,292.53	4,764.87	(1,848.62)	16,144.34	10,204.89
12.	Other comprehensive income					
	(i) Items that will not be reclassified to profit or loss					
	Remeasurements of defined benefit obligation	5.97	-	31.68	5.97	33.13
	Equity investments through other comprehensive income - net change in fair value	(121.31)	-	231.43	(121.31)	(794.49)
	Gain on disposal of equity shares	-	0.86	1.05	3.12	19.84
	Income tax relating to items that will not be reclassified to profit or loss	(2.06)	-	(10.97)	(2.00)	(11.47)
	(ii) Items that will be reclassified to profit or loss					
	Exchange differences in translating financial statements of foreign operations	(1,255.27)	(1,183.60)	731.63	(2,910.88)	1,707.59
	Effective portion of gains (losses) on hedging instruments in cash flow hedges	1,929.78	(382.19)	(410.41)	2,854.41	(4,704.21)
	Debt instruments through other comprehensive income - net change in fair value	(0.86)	0.23	1.28	-	(160.94)
	Debt instruments through other comprehensive income - change in fair value reclassified to profit or loss	(2.10)	-	-	37.88	(691.53)
	Income tax relating to items that will be reclassified to profit or loss	(667.86)	125.83	141.82	(996.59)	1,827.88
	Other comprehensive income (net of taxes)	(113.71)	(1,418.87)	717.51	(1,129.46)	(2,774.20)
13.	Total comprehensive income attributable to:					
	Owners of the Company	3,178.82	3,346.00	(1,131.11)	15,014.88	7,430.01
	Non - Controlling Interest	-	-	-	-	(5.32)
	Total comprehensive income	3,178.82	3,346.00	(1,131.11)	15,014.88	7,430.69
14.	Paid-up Equity share Capital (Face value of Rs. 5 each)	5,106.04	5,079.62	5,068.34	5,106.04	5,068.34
15.	Reserves i.e. Other equity				104,024.23	88,358.51
16.	Earning Per Share of Rs.5 each (Rs.) (not annualised)					
	(a) Basic	3.24	4.69	(1.84)	15.90	10.19
	(b) Diluted	3.22	4.66	(1.84)	15.79	10.07
	See accompanying notes to the financial results					



POLARIS CONSULTING & SERVICES LIMITED
 Regd Office : No 34, IT Highway, Navallur, Chennai - 603 103
 Statement of Audited standalone financial results for the quarter and year ended March 31, 2017

(Rs. in Lakhs, except per equity share data)

S. No	Particulars	THREE MONTHS ENDED			YEAR ENDED	
		March 31, 2017	December 31, 2016	March 31, 2016	March 31, 2017	March 31, 2016
		(Audited - refer note c)	(Unaudited)	(Audited - refer note c)	(Audited)	(Audited)
1.	Revenue from operations	40,126.84	37,358.70	36,203.27	151,087.91	157,638.50
2.	Other income	544.87	258.51	1,753.89	1,973.21	2,583.29
	Total income	40,671.71	37,617.21	37,957.16	153,061.12	160,221.79
3.	Expenses					
(a)	Employee benefits expenses	29,912.96	26,973.26	30,193.27	109,791.41	113,560.41
(b)	Subcontracting expenses	1,534.81	1,425.84	2,029.35	7,166.54	11,120.84
(c)	Depreciation and amortisation expense	479.57	634.26	618.27	2,227.83	2,493.72
(d)	Foreign exchange loss/ (gain)	1,307.70	(705.11)	(451.23)	385.25	(583.60)
(e)	Other expenses	4,951.91	4,571.38	3,774.23	17,663.32	15,945.30
	Total Expenses	38,186.95	32,899.62	36,163.89	137,234.15	142,526.67
4.	Profit before exceptional items and tax (1+2-3)	2,484.76	4,717.59	1,793.27	15,836.97	17,695.12
5.	Exceptional items (refer note g)	-	-	(1,123.58)	-	(2,183.58)
6.	Profit before tax (4-5)	2,484.76	4,717.59	669.69	15,836.97	15,511.54
7.	Tax expenses					
	Current tax	851.92	1,708.31	1,105.47	5,239.43	6,400.56
	Provision for taxes relating to earlier years	-	-	1,832.45	-	1,832.45
	Deferred tax	254.66	(18.57)	(51.62)	663.78	585.05
8.	Net profit / (loss) for the period / year (6-7)	1,378.18	3,027.85	(2,216.61)	9,933.76	6,633.48
9.	Other comprehensive income					
(i)	<i>Items that will not be reclassified to profit or loss</i>					
	Remeasurements of defined benefit obligation	5.97	-	31.68	5.97	33.13
	Equity investments through other comprehensive income - net change in fair value	(121.31)	-	231.43	(121.31)	(794.49)
	Gain on disposal of equity shares	-	0.05	1.05	3.12	19.84
	Income tax relating to items that will not be reclassified to profit or loss	(2.06)	-	(10.97)	(2.06)	(11.47)
(ii)	<i>Items that will be reclassified to profit or loss</i>					
	Exchange differences in translating financial statements of foreign operations	(615.46)	512.13	(294.22)	(230.88)	341.10
	Effective portion of gains (losses) on hedging instruments in cash flow hedges	1,928.78	(362.18)	(410.41)	2,854.41	(4,704.21)
	Debt instruments through other comprehensive income - net change in fair value	(0.86)	0.23	1.28	-	(160.94)
	Debt instruments through other comprehensive income - change in fair value reclassified to profit or loss	(2.10)	-	-	37.88	(691.53)
	Income tax relating to items that will be reclassified to profit or loss	(667.86)	125.83	141.82	(996.59)	1,827.88
	Other comprehensive income (net of taxes)	326.10	276.86	(308.34)	1,550.54	(4,140.69)
10.	Total comprehensive income for the period / year (8+9)	1,704.28	3,304.71	(2,524.95)	11,484.30	2,492.79
11.	Paid-up Equity share Capital (Face value of Rs. 5 each)	5,106.04	5,079.62	5,068.34	5,106.04	5,068.34
12.	Reserves i.e. Other equity				79,882.88	58,572.88
13.	Earning Per Share of Rs.5 each (Rs.) (not annualised)					
(a)	Basic	1.36	2.98	(2.20)	9.78	6.62
(b)	Diluted	1.35	2.96	(2.20)	9.71	6.54
	See accompanying notes to the financial results					



STATEMENT OF ASSETS AND LIABILITIES		(Rs. In Lakhs, except per equity share data)			
S. No	Particulars	CONSOLIDATED		STANDALONE	
		As at March 31, 2017	As at March 31, 2016	As at March 31, 2017	As at March 31, 2016
		(Audited)	(Audited)	(Audited)	(Audited)
A	ASSETS				
1.	Non-current assets				
	(a) Property, plant and equipment	14,432.03	15,854.15	14,157.42	15,530.55
	(b) Investment property	5,309.09	5,309.09	5,309.09	5,309.09
	(c) Intangibles under development	277.41	-	277.41	-
	(d) Other intangible assets	203.85	275.66	203.85	275.66
	(e) Equity accounted investee	1,470.89	1,533.47	-	-
	(f) Financial assets				
	Investments	1,229.26	6,391.36	4,381.09	8,543.40
	Other bank balances	59.89	19.03	19.03	19.83
	Derivatives	-	554.62	-	554.62
	Loans	103.08	228.24	103.08	228.24
	Others financial assets	1,176.95	1,053.58	811.21	838.28
	(g) Income tax assets (net)	7,846.97	5,914.97	7,425.72	5,897.62
	(h) Deferred tax assets (net)	136.70	1,886.46	8.89	1,642.00
	(i) Other non-current assets	113.27	168.86	113.27	168.86
	Total non-current assets	32,359.19	38,190.29	32,810.86	39,008.15
2.	Current assets				
	(a) Financial Assets				
	Investments	12,871.98	12,246.15	12,871.98	11,932.55
	Trade receivables	31,554.93	25,183.82	22,891.98	19,434.30
	Unbilled revenue	21,501.47	19,888.31	13,875.30	15,089.78
	Cash and cash equivalents	32,124.24	25,178.12	16,178.87	3,883.20
	Other bank balances	7,530.45	1,848.11	486.85	482.64
	Derivatives	3,923.01	513.99	3,923.01	513.99
	Loans	527.58	1,180.62	405.65	819.61
	Others financial assets	319.71	2,294.11	122.83	5,530.39
	(b) Other current assets	1,970.26	2,926.79	1,516.81	2,334.37
	(c) Disposal group - assets held for sale	-	574.16	-	574.16
	Total current assets	112,323.63	91,832.18	72,273.28	80,574.97
	Total Assets (1 + 2)	144,682.82	130,022.47	105,084.14	99,583.12
B	EQUITY AND LIABILITIES				
1.	Equity				
	(a) Equity share capital	5,106.04	5,068.34	5,106.04	5,068.34
	(b) Other equity	104,024.23	88,358.51	70,882.88	58,572.68
	Total Equity	109,130.27	93,426.85	75,988.92	63,641.02
	Liabilities				
2.	Non-current liabilities				
	(a) Deferred tax liabilities (net)	134.98	148.39	134.98	138.02
	Total non-current liabilities	134.98	148.39	134.98	138.02
3.	Current liabilities				
	(a) Financial liabilities				
	Trade payables	16,820.30	13,464.53	15,548.93	18,480.23
	Other financial liabilities	6,890.50	8,867.82	5,290.08	7,489.70
	(b) Provisions	3,947.56	3,256.38	3,041.50	2,812.36
	(c) Current tax liabilities (net)	606.06	878.29	555.36	288.73
	(d) Other current liabilities	7,153.15	9,606.07	4,551.37	6,358.90
	(e) Disposal group - liabilities directly associated with assets held for sale	-	374.16	-	374.16
	Total current liabilities	35,417.57	36,447.23	28,960.24	35,804.08
	Total Equity and Liabilities (1 + 2 + 3)	144,682.82	130,022.47	105,084.14	99,583.12



PS



NOTES :

- a The standalone and consolidated financial results for the three months and year ended March 31, 2017 in respect of Polaris Consulting & Services Limited (the Company) have been reviewed by the Audit Committee and approved by the Board of Directors of the Company at their respective meetings held on May 15, 2017. The above results have been subjected to audit by the statutory auditors of the Company. The reports of the statutory auditors are unqualified.
- b These financial results have been prepared in accordance with Indian Accounting Standards ('Ind AS') prescribed under Section 133 of the Companies Act, 2013 read with the relevant rules thereunder and in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI Circular dated July 5, 2016.

The Company has prepared a reconciliation of the net profit for the corresponding period / year under the previously applicable Generally Accepted Accounting Principles (previous GAAP) with the total comprehensive income as reported in these financial results under Ind AS. The net profit reconciliations for the three months and year ended March 31, 2016 for standalone and consolidated financial results are presented below:

Net Profit Reconciliation	Three months ended March 31, 2016		Year ended March 31, 2016	
	Consolidated	Standalone	Consolidated	Standalone
Net Profit of the Company as per previous GAAP	510.34	213.88	12,702.08	8,975.84
Difference on account of revenue recognition	(329.97)	(542.39)	2,786.42	2,232.31
Mark to market adjustments on Investments	209.55	207.68	190.18	180.62
Actuarial gain on employee defined benefit plans recognised in OCI	(31.68)	(31.68)	(33.13)	(33.13)
Increase in compensation cost due to fair value accounting of share based payments	(149.14)	(37.59)	(1,379.19)	(709.54)
Effect of consolidation of employee welfare trusts	(2,142.19)	(2,142.19)	(3,244.10)	(3,244.10)
Others	20.17	-	136.01	-
Income tax impact on above adjustments	64.29	115.72	(953.38)	(768.52)
Net profit for the period / year as per Ind AS (A)	(1,848.62)	(2,216.61)	10,204.89	6,633.48
Other Comprehensive Income (OCI):				
Re-measurement gains on defined benefit plans	31.68	31.68	33.13	33.13
Exchange differences on translation of foreign operations	731.63	(294.22)	1,707.59	341.10
Net movement on cash flow hedges	(410.41)	(410.41)	(4,704.21)	(4,704.21)
Mark to market adjustments on investments	233.76	233.76	(1,627.12)	(1,627.12)
Income tax impact on above adjustments	130.85	130.85	1,818.41	1,818.41
Sub-total (B)	717.61	(308.34)	(2,774.20)	(4,140.69)
Total Comprehensive Income as reported under Ind AS (A + B)	(1,131.11)	(2,524.95)	7,430.69	2,492.79

The Company has also prepared an equity reconciliation between the equity for the comparative period under previous GAAP and the equity as reported in the statement of assets and liabilities under Ind AS. The equity reconciliation as at March 31, 2016 for the standalone and consolidated statement of assets and liabilities is as below:

Equity Reconciliation	As at March 31, 2016	
	Consolidated	Standalone
Equity under previous GAAP attributable to the shareholders of the Company	96,247.61	65,395.89
Difference on account of revenue recognition	(2,795.30)	(2,231.86)
Fair valuation of investments	(357.49)	251.86
Effect of consolidation of employee welfare trusts	268.72	268.72
Impact of applying expected credit loss model on financial assets	(397.42)	(386.83)
Income tax adjustments	460.73	343.24
Equity under Ind AS attributable to the shareholders of the Company	93,426.85	63,641.02

- c The figures for the three months ended March 31, 2017 and March 31, 2016 are the balancing figures between audited figures in respect of the full financial years and the published year to date figures upto the end of the nine months period of the relevant financial year. The standalone results for the nine months ended March 31, 2016 were subjected to audit. The consolidated and standalone results for the nine months ended March 31, 2017 and consolidated results for the nine months ended March 31, 2016 were subjected to review.

- d The consolidated financial results include the financial results of the parent company Polaris Consulting & Services Limited, and the financial results of the following subsidiaries:

- Optimus Global Services Limited
- Polaris Consulting & Services Pte Ltd
- Polaris Consulting and Services Japan K K
- Polaris Software Consulting & Services SDN BHD
- Polaris Software (Shanghai) Company Limited
- Polaris Consulting & Services Pty Ltd
- Polaris Consulting & Services Ltd, UK
- Polaris Consulting & Services Inc.
- Polaris Consulting & Services GmbH
- Polaris Consulting & Services Ireland Ltd
- Polaris Consulting & Services B.V.
- Polaris Consulting & Services Kft.
- Polaris Consulting & Services SA
- Polaris Consulting & Services FZ-LLC

In addition to the above, the consolidated financial results also include the financial results in respect of Associate Stock Option Plan (ASOP) Trust and Orbitech Employee Welfare Trust (OEWT). The Company has also accounted for its share of interest in the joint venture Intellect Polaris Design LLC under the equity method. Polaris Consulting & Services Limited, its subsidiaries and a joint venture are collectively referred to as 'the Group'.

- e The Company has allotted 528,390 shares under its stock option plans during the three months ended March 31, 2017 and 753,880 shares during the year ended March 31, 2017.
- f On March 3, 2016, Virtusa Consulting Services Private Limited ("Virtusa India"), a subsidiary of Virtusa Corporation ("Virtusa US"), completed the acquisition of 52.94% of the outstanding share capital of Polaris Consulting & Services Limited from certain shareholders of the Company for approximately INR 117,281 Lakhs (USD 180 million) in cash. In addition, under applicable Securities and Exchange Board of India (Substantial acquisition and take over regulations) 2015, Virtusa India made an unconditional mandatory offer to the public shareholders of the Company to purchase up to an additional 26% of the outstanding shares of the Company. Virtusa India accepted the purchase of 26,719,942 shares of Polaris common stock for INR 220.73 per share (USD 3.25 per share) for an aggregate purchase price of INR 58,979 Lakhs (USD 86.8 million). The mandatory open offer began on March 11, 2016 and closed on March 28, 2016 and was fully subscribed.
- g Exceptional items for the three months and year ended March 31, 2016 includes a sum of INR 457.55 lakhs and INR 1,517.55 lakhs respectively, incurred as transaction costs in connection with the acquisition of a majority stake in the Company by Virtusa India and a sum of INR 686.03 lakhs recognised as an impairment loss during the three months and year ended March 31, 2016, in the then proposed sale of the BPO business of the Company pursuant to the Business Transfer Agreement with M/s. Gamma Process Hub India Limited to transfer all of its legal and beneficial ownership in the BPO business as a going concern for a consideration of INR 200 lakhs. Subsequently, the transaction was consummated and the BPO business was transferred for a net consideration of INR 145 lakhs pursuant to a revised Business Transfer Agreement.
- h Segment Reporting in Consolidated financial results: Based on the "management approach" as defined in Ind AS 108-Operating Segments, the Chief Operating Decision Maker evaluates the Group's performance as a single business segment namely Software and Consultancy Services.
- i Prior period / year figures have been reclassified wherever required to conform to the classification of the current period / year.

Place : Chennai
Date : May 15, 2017



For Polaris Consulting & Services Limited
Rama Sivaraman
Director
Vaidyanathan N.M
Chief Financial Officer

B S R & Co. LLP

Chartered Accountants

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Auditor's Report on Quarterly and Annual Consolidated Financial Results of Polaris Consulting & Services Limited Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To
The Board of Directors of Polaris Consulting & Services Limited

We have audited the annual consolidated financial results (the "Statement") of Polaris Consulting & Services Limited ("the Company"), its subsidiaries and a joint venture (collectively referred to as 'the Group') (Refer to note 'd' of the Statement) for the year ended March 31, 2017, attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Attention is drawn to the fact that the figures for the quarter ended March 31, 2017 and the corresponding quarter in the previous year as reported in these consolidated financial results are the balancing figures between audited figures in respect of the full financial year and the published year to date figures up to the end of the third quarter of the relevant financial year. Also, the figures up to the end of the third quarter of the respective financial year have only been reviewed and not subjected to audit.

Attention is drawn to the fact that the figures for the corresponding quarter and year ended March 31, 2016 are based on the previously issued consolidated financial results or annual consolidated financial statements that were audited by the predecessor auditors (vide their unmodified audit report dated May 12, 2016) as adjusted for differences in the accounting principles adopted by the Company on transition to Indian Accounting Standards ('Ind AS'), which have been audited by us. These adjustments reconcile the net profit for the corresponding quarter and year ended March 31, 2016 under the previously applicable Generally Accepted Accounting Principles with the total comprehensive income as reported in the consolidated financial results under Ind AS.

These consolidated financial results have been prepared on the basis of consolidated Ind AS financial statements and reviewed consolidated quarterly financial results up to the end of the third quarter, which are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial results based on our audit of such consolidated Ind AS financial statements, which have been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standards, prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with requirements of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards requires that we plan and perform the audit to obtain reasonable assurance as to whether the Statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by the management. We believe that our audit provides a reasonable basis for our opinion.



B S R & Co. (a partnership firm with Registration No. BAB1223) converted into B S R & Co. LLP (a Limited Liability Partnership with LLP Registration No. AAB-8181) with effect from October 14, 2013

Registered Office :
1st Floor, Lodha Excelus
Apollo Mills Compound
N.M. Joshi Marg, Mahalakshmi
Mumbai - 400 011

Auditor's Report on Quarterly and Annual Consolidated Financial Results of Polaris Consulting & Services Limited Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (continued)

We did not audit the financial statements of eleven subsidiaries and a joint venture included in the consolidated financial results of the Group. These subsidiaries account for INR 20,413 lakhs of total assets as at March 31, 2017 and revenues from operations of INR 5,724 lakhs and INR 22,212 lakhs of revenue from operations for the quarter and year ended March 31, 2017, respectively. The financial results also include the Group's share of net loss of INR 28.02 lakhs and INR 62.60 lakhs for the quarter and year ended March 31, 2017, respectively, in respect of such joint venture. The financial statements of these eleven subsidiaries and the joint venture have been audited by the other auditors whose reports have been furnished to us. Our opinion on the consolidated financial results, to the extent they have been derived from such financial statements is based solely on the report of such auditors.

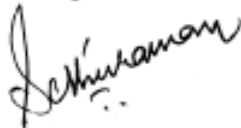
Based on the audit conducted as above, in our opinion and to the best of our information and according to the explanations given to us, these consolidated financial results:

- (i) are presented in accordance with the requirements of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI circular dated July 5, 2016 in this regard; and
- (ii) give a true and fair view of the consolidated financial performance including other comprehensive income and other financial information for the year ended March 31, 2017.

for **B S R & Co. LLP**

Chartered Accountants

ICAI Firm registration No. 101248W/W-100022



S Sethuraman

Partner

Membership No. 203491

Place: Chennai

Date: May 15, 2017

BSR & Co. LLP

Chartered Accountants

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Auditor's Report on Quarterly and Annual Standalone Financial Results of Polaris Consulting & Services Limited Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To
The Board of Directors of Polaris Consulting & Services Limited

We have audited the annual standalone financial results (the "Statement") of Polaris Consulting & Services Limited ("the Company") for the year ended March 31, 2017, attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Attention is drawn to the fact that the figures for the quarter ended March 31, 2017 and the corresponding quarter in the previous year as reported in these standalone financial results are the balancing figures between audited figures in respect of the full financial year and the published year to date figures up to the end of the third quarter of the relevant financial year. Also, the figures up to the end of the third quarter of the financial year March 31, 2016 have been audited and figures up to the end of the third quarter of the financial year March 31, 2017 have been subject to review and not audited.

Attention is drawn to the fact that the figures for the corresponding quarter and year ended March 31, 2016 are based on previously issued standalone financial results or annual standalone financial statements that were audited by the predecessor auditors (vide their unmodified audit report dated May 12, 2016) as adjusted for differences in the accounting principles adopted by the Company on transition to Indian Accounting Standards ('Ind AS'), which have been audited by us. These adjustments reconcile the net profit for the corresponding quarter and year ended March 31, 2016 under the previously applicable Generally Accepted Accounting Principles with the total comprehensive income as reported in the standalone financial results under Ind AS.

These standalone financial results have been prepared on the basis of standalone Ind AS financial statements and reviewed standalone quarterly financial results, up to the end of the third quarter, which are the responsibility of the Company's management. Our responsibility is to express an opinion on these standalone financial results based on our audit of such standalone annual Ind AS financial statements, which have been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standards, prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with requirements of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards requires that we plan and perform the audit to obtain reasonable assurance as to whether the Statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by the management. We believe that our audit provides a reasonable basis for our opinion.



B S R & Co. LLP

Auditor's Report on Quarterly and Annual Standalone Financial Results of Polaris Consulting & Services Limited Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (continued)

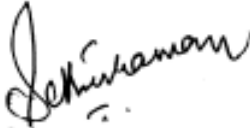
Based on the audit conducted as above, in our opinion and to the best of our information and according to the explanations given to us, these standalone financial results:

- (i) are presented in accordance with the requirements of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI circular dated July 5, 2016 in this regard; and
- (ii) give a true and fair view of the standalone financial performance including other comprehensive income and other financial information for the year ended March 31, 2017

for **B S R & Co. LLP**

Chartered Accountants

ICAI Firm registration No. 101248W/W-100022



S Sethuraman


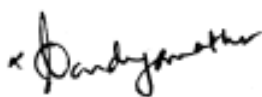


Partner

Membership No. 203491

Place: Chennai

Date: May 15, 2017

Format of covering Letter of the annual audit report with unmodified opinion

1	Name of the Company	Polaris Consulting & Services Limited
2	Annual financial statements for the year ended	March 31, 2017
3	Type of audit observation	Un-qualified
4	Frequency of observation	NA
5	<p>To be signed by-</p> <ul style="list-style-type: none"> ▪ Executive Director ▪ CFO ▪ Audit Committee Chairman ▪ Auditor of the Company 	<p>    For BSR & Co., LLP Chartered Accountants Firm Registration Number: 101248W/W-100022  per S Sethuraman Partner (Membership No. 203491) Chennai </p>