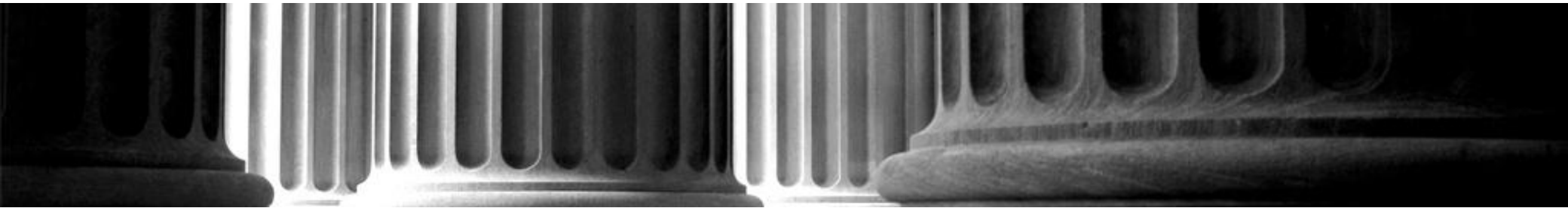




Polaris Financial Technology Limited



Performance for Financial Year &
Fourth Quarter ended March 31, 2013



Disclaimer



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



Q4 FY13 & FY13

Highlights



Polaris FT – Executive Summary : Q4-FY13



- **FT 8012 -- World's first Design Center dedicated to Financial Technology** created to bring the two powerful forces of Design and Collaboration together
- **Country Expansion** -- Expanded its geography presence in New Zealand
- **Near Shore RIDC** – Research, Innovation & Development Centre launched at Belfast, UK
- **Partnership** – Signed with US based **Numerix**, a leading provider of cross-asset analytics for derivatives valuations and risk management
- **New Client wins – 17--** includes **11** FT Intellect clients and **6** FT Sourcing Clients
- **Head Count -- 13,076** as of 31st March'13
- **Dividend** – The Board has recommended 100% dividend for FY13 (100% in FY12)



FY13 - Snapshot

- Polaris FT Revenue stands at INR 2,308 Cr : 13% Growth
- Polaris FT EBITDA stands at INR 424 Cr (Excludes AS 30 Impact)
- Polaris FT PAT at INR 201 Cr
- Revenue – FT Sourcing @ INR 1,780 Cr; FT Intellect @ INR 528 Cr
- Gross Margins - FT Sourcing @ 33%; FT Intellect @ 49%
- EPS for the year stands at INR 20.19
- Cash & Cash Equivalent stands at INR 490 Cr (from INR 390 Cr in FY12)

Q4 FY13 - Snapshot

- Polaris FT Revenue stands at INR 555 Cr : 7% YoY Growth
- Polaris FT EBITDA stands at INR 93 Cr (Excludes AS 30 Impact)
- Polaris FT PAT at INR 44 Cr
- Revenue – FT Sourcing @ INR 438 Cr; FT Intellect @ INR 117Cr
- Gross Margins - FT Sourcing @ 32% ; FT Intellect @ 50%
- EPS for the Quarter @ INR 4.4

Polaris FT - Consolidated Financials



Rs.Lakhs

Particulars	QUARTER ENDED			YEAR ENDED	
	March 31, 2013	December 31, 2012	March 31, 2012	March 31, 2013	March 31, 2012
INCOME					
Gross Income from software services, products and Business Process Management	55,473.01	57,288.49	51,669.54	230,833.36	204,915.14
Forex impact on Hedge accounting	(1,189.05)	(1,230.35)	-	(4,970.26)	-
Net Income from software services, products and Business Process Management	54,283.96	56,058.14	51,669.54	225,863.10	204,915.14
EXPENDITURE					
Software development expenses	35,714.13	36,655.79	32,751.12	145,672.43	129,212.57
Selling and marketing expenses	6,634.24	6,952.91	6,415.44	27,877.34	22,507.74
General and Administrative expenses	3,834.94	4,261.65	3,475.74	14,864.30	13,592.88
Total Expenditure	46,183.31	47,870.35	42,642.30	188,414.07	165,313.19
Profit before interest, depreciation & amortisation	8,100.65	8,187.79	9,027.24	37,449.03	39,601.95
Research & development expenses	2,629.59	2,741.02	2,559.00	10,772.77	10,657.00
Depreciation/ Amortisation	1,390.46	1,392.02	1,342.71	5,369.09	4,723.07
Finance Charges	57.94	53.90	64.32	249.08	170.55
Profit after interest, depreciation & amortisation	4,022.66	4,000.85	5,061.21	21,058.09	24,051.33
Other Income	902.33	966.21	1,942.99	3,250.86	4,292.17
Minority Interest/ Share of profit/(loss) of Associate Companies	452.01	41.04	6.37	675.04	27.65
Profit before tax	5,377.00	5,008.10	7,010.57	24,983.99	28,371.15
Provision for taxation	993.22	941.46	896.46	4,903.67	6,300.29
Profit after tax	4,383.78	4,066.64	6,114.11	20,080.32	22,070.86

Polaris FT – FT Sourcing -- Business Ratios



	Q4 FY13	Q3 FY13	Q2 FY13	Q1 FY13	FY 13
Revenue (USD)	80.75	82.17	82.34	83.08	328.34
Revenue (INR Cr)	437.54	444.93	448.78	449.13	1,780.37
Software Dev Exp	298.74	294.03	294.14	298.27	1,185.19
SDE%	68.3%	66.1%	65.5%	66.4%	66.5%
Gross Margin	138.79	150.89	154.64	150.86	595.18
Gross Margin %	31.7%	33.9%	34.5%	33.6%	33.4%
S&M Costs	38.35	39.89	41.87	41.16	161.27
G&A Costs	18.28	16.58	16.50	19.10	70.47
EBITDA	82.16	94.42	96.25	90.61	363.44
EBITDA%	18.8%	21.2%	21.4%	20.2%	20.4%
R&D Costs	6.89	5.81	5.68	8.11	26.49
Dep & Fin charges	9.06	8.65	8.56	8.86	35.12
Profit	66.22	79.96	82.01	73.64	301.83

Note: FT Sourcing Revenue includes revenues from BPO. All revenue related reporting includes AS30 Impact

Polaris FT – FT Intellect -- Business Ratios



	Q4 FY13	Q3 FY13	Q2 FY13	Q1 FY13	FY 13
Revenue (USD)	21.63	23.63	27.58	24.51	97.35
Revenue (INR Cr)	117.19	127.96	150.3	132.5	527.96
Software Dev Exp	58.40	72.5	72.96	67.64	271.52
SDE%	49.8%	56.66%	48.54%	51.05%	51.4%
Gross Margin	58.80	55.43	77.33	64.87	256.44
Gross Margin %	50.20%	43.33%	51.44%	48.96%	48.60%
S&M Costs	27.99	29.64	30.13	29.74	117.50
G&A Costs	20.06	26.03	16.82	15.25	78.17
EBITDA	10.74	(0.24)	30.38	19.88	60.77
EBITDA%	9.20%	(0.20)%	20.23%	15.00%	11.50%
R&D Costs	19.41	21.6	19.52	20.71	81.24
Dep & Fin charges	5.44	5.8	4.39	4.06	21.07
Profit	(14.11)	(27.65)	5.86	(5.64)	(41.54)



Polaris FT Q4FY13 & FY13

**Business Highlights, Key Wins,
Accolades & Management Vision**



Polaris FT - Key Wins : Q4-FY13



- **Polaris FT Intellect** -- A leading Canadian based global financial institution chose **Intellect CBX** to enhance their Wholesale Banking Division
- **Polaris FT Intellect** -- Leading private sector bank in India chose **Intellect Treasury Management System (ITMS)** covering Domestic and Forex treasury functions across front, middle and back office with a single database and balance sheet
- **Polaris FT Intellect** -- One of the four mega banks in Japan selected **Intellect Loan Services Hub** to implement in China and has more importantly set the precedent of Polaris being the first Indian product vendor for its requirements
- **Polaris FT Sourcing** -- One of the largest banking groups in UK with strong positions in a number of sectors chose Polaris as its preferred partner for its **transformational initiatives**
- **Polaris FT Sourcing** -- A leading provider of fraud prevention and intelligent transaction, handling solutions, serving online payment service providers chose Polaris for its Authentic & Fractals Product **Testing services**
- **Polaris FT Sourcing** -- One of the oldest institutions in Hong Kong chose Polaris' **Enterprise Content Management**

Polaris FT - Management View : Q4-FY13



Arun Jain, Founder, Chairman & CEO, Polaris Financial Technology Limited said, “The year has been quite a challenging one as we have had to face Vendor consolidation in engagements that are purely focused on cost rationalization. On the other hand, we have had some exciting wins in the ‘Value-build’ engagements. Given that these two situations offset each other to some extent, we have not been able to grow as aggressively as we had planned”

Govind Singhal, President & COO, Polaris Financial Technology Limited said, “We launched the world's first Design Center FT 8012 dedicated to Financial technology in March. This center is being envisaged as the hub of technology modernization initiatives for Banks & Financial Institutions. The Center offers technologies that will define the way the world banks in the next few years. The Center has begun to garner the attention of the CIO fraternity with its signature design workshops and customized research wings for banks embarking on modernization initiatives.”

Nat Narayanasamy, Group CFO, Polaris Financial Technology Limited said, “Our growth engines have now reached critical mass and the next phase of our journey would see sharper focus on leveraging the potential of these engines by tapping the right investment levers. The business has been able to generate and grow cash reserves from Rs. 390 crore to Rs. 490 crore”



Polaris FT Financial & Operational Metrics



Polaris FT - Revenue Segmentation



Break up by Segments (\$ mn)	Q4FY13	Q3FY13	Q4 FY12	FY13
FT Sourcing	79.58	80.92	79.09	323.93
BPO	1.17	1.25	0.68	4.42
FT Intellect	21.63	23.63	23.03	97.35
Total	102.38	105.80	102.80	425.70

Break up by Segments	Q4 FY13	Q3 FY13	Q4 FY12	FY13
FT Sourcing	77.7%	76.5%	76.9%	76.1%
BPO	1.1%	1.2%	0.7%	1.0%
FT Intellect	21.2%	22.3%	22.4%	22.9%

Polaris FT - Client Metrics



Client Concentration	Q4 FY13	Q3 FY13	Q2 FY13	Q1 FY13	Q4 FY12
Top 5	41.20%	39.20%	39.50%	39.30%	38.97%
Top 10	52.30%	51.60%	52.30%	52.70%	52.77%
US\$ 1+ Mn accounts	41	43	34	37	34
US\$ 3+ Mn accounts	10	11	10	6	8
US\$ 5+ Mn accounts	8	6	5	6	6
US\$ 10+ Mn accounts	5	7	9	8	8
US\$ 25+ Mn accounts	3	3	3	3	3
Active FT Clients	270	265	269	267	266

Polaris FT – Financial Info



	Q4 FY13	Q3 FY13	Q2 FY13	Q1 FY13	Q4 FY12
Cash & Cash Eqv (INR Cr)	490	480	420	329	390
Major Cash Outflow Items	<ul style="list-style-type: none"> • Capex 9Cr • Employee Annual Payment 3 Cr 	<ul style="list-style-type: none"> • Capex 21Cr • Dividend 35Cr • Employee Annual Payment 13 Cr 	<ul style="list-style-type: none"> • Capex 9 Cr 	<ul style="list-style-type: none"> • Capex 17 Cr • Employee Annual Payment 73 Cr • Employee Trust 20 Cr 	<ul style="list-style-type: none"> • Capex 21 Cr • Dividend 23 Cr • Acquisition 11 Cr

DSO Days	Billed	63	64	69	75	63
	Unbilled	48	44	43	43	49
	Total	111	108	112	118	112

USD INR Rate	Q4 FY13	Q3 FY13	Q2 FY13	Q1 FY13	Q4 FY12
Average Rate	54.19	54.15	54.50	54.06	50.26
Closing Rate	54.29	55.00	52.86	55.62	50.88

HR Metrics	Q4 FY13	Q3 FY13	Q2 FY13	Q1 FY13	Q4 FY12
Attrition	18.2%	17.9%	18.1%	15.1%	15.6%
Capacity Utilisation	77.3%	80.1%	81.2%	81.0%	81.0%



FT Sourcing Metrics



Polaris FT – FT Sourcing Metrics



FT Sourcing Geo Split	Q4 FY13	Q3 FY13	Q4 FY12	FY13
Americas	53.4%	51.9%	52%	53%
Europe	21.3%	23.2%	25%	23%
India	8.7%	6.6%	7%	6%
Rest of World	16.7%	18.3%	16%	18%

Polaris FT – FT Sourcing Metrics



Revenue Break up by Vertical	Q4 FY13	Q3 FY13	Q4 FY 12	FY 13
Retail Banking	17.3%	20.1%	19.4%	19.8%
Corporate Banking	27.9%	29.7%	28.9%	29.2%
Treasury & Capital Markets	41.8%	39.1%	41.1%	39.6%
Insurance & others	13.0%	10.11%	10.6%	11.4%

Polaris FT – FT Sourcing Metrics



Break up of Service Revenues	Q4 FY13	Q3 FY13	Q4 FY12	FY13
App Main	38.3%	36.5%	38.1%	37.9%
App Dev	40.7%	39.2%	40.7%	41.5%
Testing	18.3%	22.4%	19.7%	18.4%
Others	2.7%	1.9%	1.5%	2.2%

Revenue by	Q4 FY13	Q3 FY13	Q4 FY 12	FY13
Fixed Bid	32.2%	31.1%	31.0%	31.6%
Time & Material	67.8%	68.9%	69.0%	68.4%



FT Intellect Metrics



Polaris FT – FT Intellect Metrics

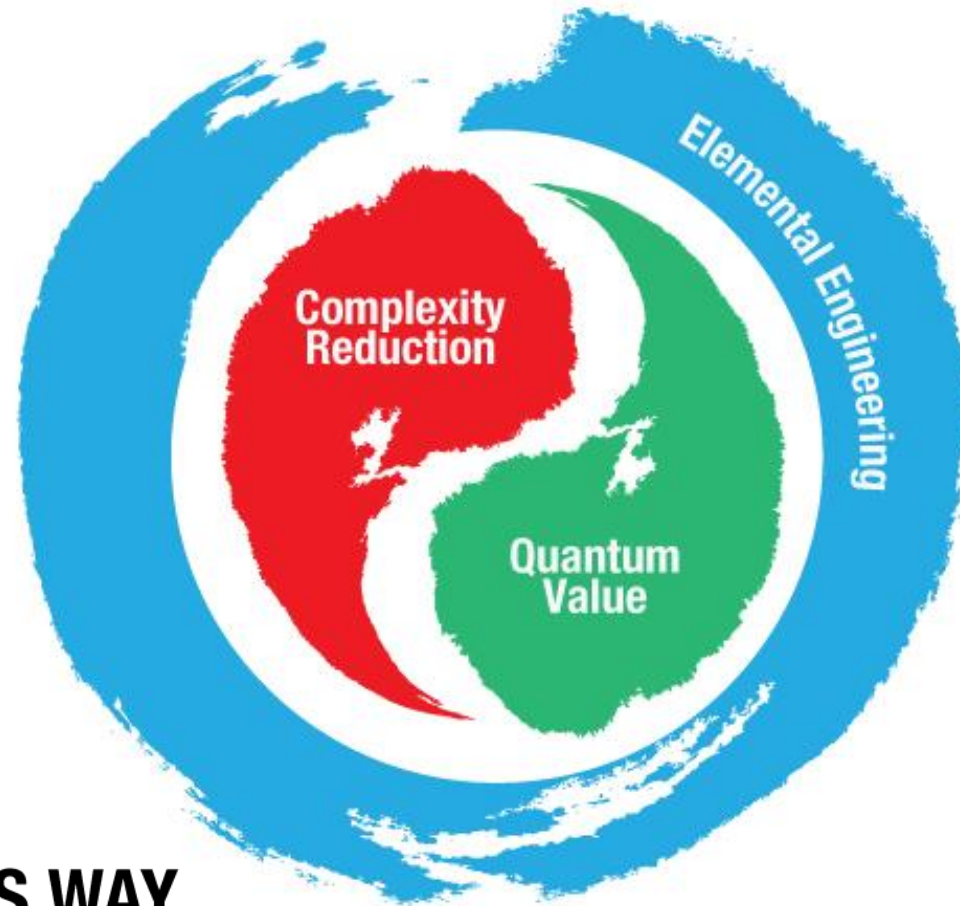


FT INTELLECT Geo Split	Q4 FY13	Q3 FY13	Q4 FY12	FY13
AMERICAS	17.5%	19.9%	18%	18.7%
EUROPE	23.3%	19.8%	25%	21.9%
India	20.5%	15.6%	15%	15.8%
Rest of World	38.7%	44.7%	42%	43.6%

Polaris FT – FT Intellect Metrics



Break up of FT Intellect Revenue	Q4 FY13	Q3 FY13	Q4 FY12	FY13
License	9.3%	11.1%	7.8%	13.6%
Professional Service	47.3%	47.1%	48.4%	47.7%
Support & Maintenance	42.5%	40.4%	40.6%	37.0%
SI	0.9%	1.4%	3.2%	1.7%



THE POLARIS WAY... High Performance FT

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Thank You

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