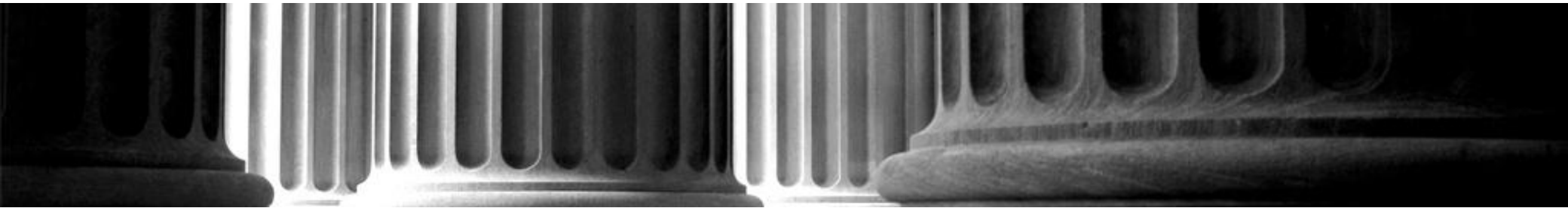




Polaris Financial Technology Limited

Consolidated Business



Performance for Financial Year &
Fourth Quarter ended March 31, 2014

April 30, 2014

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.

Polaris : Annual Revenue Crosses INR 2500 Cr



Q4 FY14

- **Polaris Board recommends 125% dividend for FY14**
- **Revenue** stands at **INR 646 Cr; 16%** YoY Growth
- **EBITDA** stands at **INR 109 Cr ; 17%** YoY Growth
- **Net Income** at **INR 45 Cr**
- **EPS** for the Quarter stands at **INR 4.56**
- **Strong Cash conversion** and significant **improvement in DSO's**
- **Head count** stands at **11,820** as of 31st March'14

FY14

- **Revenue** stands at **INR 2,528 Cr; 10%** YoY Growth
- **Revenue** stands at **INR 2,499 Cr** (excluding IdenTrust Revenue – divested in Sep'13)
- **EBITDA** stands at **INR 454 Cr ; 7%** YoY Growth
- **Net Income** at **INR 199 Cr**
- **EPS** for the Year stands at **INR 20.01**

Q4 FY14 - Consolidated Business Financials

Particulars	QUARTER ENDED			YEAR ENDED	
	March 31, 2014	December 31, 2013	March 31, 2013	March 31, 2014	March 31, 2013
INCOME					
Gross Income from software services, products and Business Process Management	64,549.22	64,339.96	55,473.01	249,906.65	230,833.36
Income from Operations	64,549.22	64,339.96	55,473.01	249,906.65	230,833.36
EXPENDITURE					
Software development expenses	41,761.95	40,602.30	35,714.13	159,088.85	145,672.43
Selling & Marketing and General & Administrative Expenses	11,924.40	11,615.34	10,469.18	45,420.84	42,741.64
Total Expenditure	53,686.35	52,217.64	46,183.31	204,509.69	188,414.07
Profit before interest, depreciation & amortization	10,862.87	12,122.32	9,289.70	45,396.96	42,419.29
Research & development expenses	2,545.67	2,305.11	2,629.59	10,423.99	10,772.77
Depreciation/ Amortization	1,332.81	1,306.26	1,390.46	5,292.18	5,369.09
Finance Charges	15.53	27.96	57.94	123.85	249.08
Profit after interest, depreciation & amortization	6,968.86	8,482.99	5,211.71	29,556.94	26,028.35
Forex impact on Hedge accounting (AS30)	(2,609.80)	(2,915.84)	(1,189.05)	(10,439.89)	(4,970.26)
Other Income	402.63	955.28	902.33	4,759.38	3,250.86
Minority Interest/ Share of profit/(loss) of Associate Companies	175.38	(24.83)	452.01	11.55	675.04
Profit before tax	4,937.07	6,497.60	5,377.00	23,887.98	24,983.99
Provision for taxation	395.22	1,422.09	993.22	3,968.78	4,903.67
Profit after tax	4,541.85	5,075.51	4,383.78	19,919.20	20,080.32

*** Instead of line wise consolidation of the financial results of IdenTrust Inc up to the date of divestment, the net impact on the divestment has been considered in 'Other Income including exceptional items'. As a result, the function wise classification for the year ended 31 March 2014 is not comparable with the previous year and with the audited Consolidated financial results for the year ended March 31, 2014

Q4 FY14 - Revenue Segmentation



Break up by Segments (INR Cr)	Q4 FY14	Q3 FY14	Q2 FY14	Q1 FY14	FY14
Services	515	497	504	450	1,966
Products	131	146	139	117	533
Total	646	643	643	567	2,499

Break up by Segments	Q4 FY14	Q3 FY14	Q2 FY14	Q1 FY14	FY14
Services	79.7%	77.3%	78.4%	79.4%	78.7%
Products	20.3%	22.7%	21.6%	20.6%	21.3%

Q4 FY14 - Client Metrics



Client Concentration	Q4 FY14	Q3 FY14	Q2 FY14	Q1 FY14	Q4 FY13
Top 5	44.4%	42.4%	41.8%	40.50%	41.20%
Top 10	57.9%	57.5%	55.8%	53.20%	52.30%
US\$ 1+ Mn accounts	36	32	39	43	41
US\$ 3+ Mn accounts	11	15	13	8	10
US\$ 5+ Mn accounts	7	6	8	8	8
US\$ 10+ Mn accounts	6	6	4	5	5
US\$ 25+ Mn accounts	3	3	3	3	3

Q4 FY14 - Financial Metrics



	Q4 FY14	Q3 FY14	Q2 FY14	Q1 FY14	Q4 FY13
Cash & Cash Eqv (INR Cr)	691	569	518	571	490
Major Cash Outflow Items	<ul style="list-style-type: none"> • Loan repayment – INR 56 Cr • Capex – 7.6 Cr • Employee Annual Payout – 3.54 Cr 	<ul style="list-style-type: none"> • Capex – 7 Cr • Employee Annual Payout – 7Cr 	<ul style="list-style-type: none"> • Dividend payout - INR 58 Cr • Capex - 7Cr 	<ul style="list-style-type: none"> • Capex 13Cr • Employee Annual Payout – 37Cr 	<ul style="list-style-type: none"> • Capex - 9Cr • Employee Annual Payout - 3 Cr

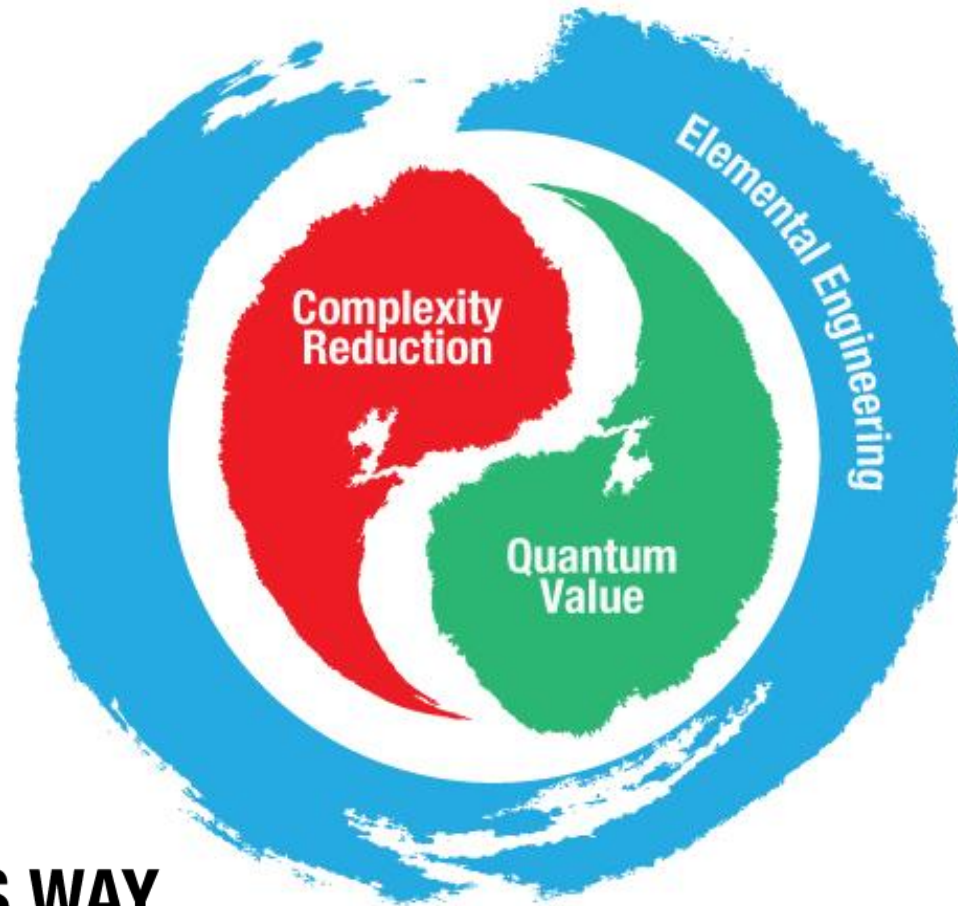
DSO Days	Billed	48	72	68	59	63
	Unbilled	41	42	44	48	48
	Total	89	114	112	107	111

USD INR Rate	Q4 FY14	Q3 FY14	Q2 FY14	Q1 FY14	Q4 FY13
Average Rate	61.79	61.99	62.06	55.96	54.19
Closing Rate	59.92	61.81	62.61	59.39	54.29



Arun Jain, Founder, Chairman & Group CEO, Polaris Financial Technology Limited said, “We restructured the company into independent Services and Product businesses, with the clear objective of moving to a customer centric organization, and to propel the next level of growth and value creation. Despite the major restructuring exercise the company has undertaken, we have been able to protect our revenues and sustain margin levels. Our sweet spot in the Services business will be around Digital Banking, Payments and Risk Management. We have three flagship products in Consumer Banking, three in Global Transaction Banking, two in Risk & Treasury management and two Products in Insurance that will drive the Products business’ growth in the coming year.”

S Swaminathan, CFO, Polaris Financial Technology Limited said, “We had excellent collections in the last quarter and were able to generate additional cash of over Rs. 170 Cr, bringing the cash position to Rs. 691 Cr after payout of Rs. 54 Cr towards the PCFC loan. Profit after tax was at Rs 199 Cr after absorbing hedging losses of Rs. 104 Cr. We expect to see an upside to EPS in the coming year as hedging losses move out.”



THE POLARIS WAY... High Performance FT

Thank You

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