

Polaris Financial Technology Limited - Group
Consolidated Balance Sheet as at December 31, 2011

Rs. in Laacs

	December 31, 2011	March 31, 2011
SOURCES OF FUNDS		
SHAREHOLDERS' FUNDS		
Share capital	4,968.98	4,959.78
Share application money pending allotment	-	-
Reserves and surplus	114,996.10	98,294.72
	<u>119,965.08</u>	<u>103,254.50</u>
MINORITY INTEREST	-	254.16
LOAN FUNDS		
Secured loans	536.59	572.04
Unsecured loans	12,443.94	-
DEFERRED TAX LIABILITIES (NET)	220.84	220.84
	<u>133,166.45</u>	<u>104,301.54</u>
APPLICATION OF FUNDS		
FIXED ASSETS		
Gross block	78,265.70	60,774.29
Less: Accumulated depreciation and amortisation	44,483.10	37,944.84
Net block	33,782.60	22,829.45
Capital-work-in progress including capital advances	5,417.38	6,537.03
	<u>39,199.98</u>	<u>29,366.48</u>
GOODWILL	19,962.98	6,440.33
INVESTMENTS	19,958.53	38,429.51
DEFERRED TAX ASSETS (NET)	1,048.44	1,154.75
CURRENT ASSETS, LOANS AND ADVANCES		
Sundry debtors	35,734.97	22,718.54
Cash and bank balances	23,177.79	14,225.44
Other current assets	27,851.53	18,383.35
Loans and advances	14,810.37	11,635.80
	<u>101,574.66</u>	<u>66,963.13</u>
Less: CURRENT LIABILITIES AND PROVISIONS		
Current liabilities	42,551.58	29,168.46
Provisions	6,026.56	8,884.20
	<u>48,578.14</u>	<u>38,052.66</u>
NET CURRENT ASSETS	<u>52,996.52</u>	<u>28,910.47</u>
	<u>133,166.45</u>	<u>104,301.54</u>

Polaris Financial Technology Limited - Group
Consolidated Profit and Loss Account for the period ended

	Dec 31, 2011	Dec 31, 2010	Oct to Dec' 11	Oct to Dec' 10
	YTD - FY 12	YTD - FY 12	Q3- FY 12	Q3- FY 11
INCOME				
Software development services and products				
- Overseas	134,554.70	101,668.95	50,966.73	35,261.31
- Domestic	17,697.55	11,868.50	5,909.48	4,335.67
Income from Business Process Management (BPM)			-	
- Overseas	21.00	119.09	7.51	24.93
- Domestic	972.35	1,223.32	369.33	367.59
Other income, net	2,349.18	3,608.38	(1,239.87)	1,685.99
	155,594.78	118,488.24	56,013.18	41,675.49
EXPENDITURE				
Software development and BPM expenses	104,559.45	77,021.23	37,660.46	27,216.23
Selling, administrative and other general expenses	26,129.26	21,737.83	9,040.52	7,534.29
	130,688.71	98,759.06	46,700.98	34,750.52
OPERATING PROFIT BEFORE INTEREST, DEPRECIATION AND AMORTISATION				
	24,906.07	19,729.18	9,312.20	6,924.97
Finance charges	186.42	76.86	81.40	27.59
Depreciation and amortisation	3,380.36	2,497.30	1,305.56	873.84
	3,566.78	2,574.16	1,386.96	901.43
PROFIT BEFORE TAX				
	21,339.29	17,155.01	7,925.24	6,023.53
Income taxes - Current tax	5,293.21	3,711.60	1,833.34	1,427.97
- Deferred tax	110.62	(95.22)	(6.81)	(67.24)
- MAT credit entitlement	-	(923.57)	-	(352.70)
PROFIT AFTER TAX	15,935.46	14,462.21	6,098.71	5,015.51
Minority Interest	21.28	26.01	8.39	(2.62)
Share of profit / (loss) of associate companies	-	-	-	-
NET PROFIT FOR THE YEAR	15,956.74	14,488.22	6,107.10	5,012.89
Profit brought forward from previous year	58,673.71	45,510.40	68,519.05	54,990.99
Amount available for appropriation	74,630.45	59,998.62	74,626.15	60,003.88
APPROPRIATIONS				
Dividend				
- Interim	1,987.59	-	1,987.59	-
- Final	-	-	-	-
Tax on dividend	322.44	-	322.44	-
Residual dividend	3.70	1.21	-	-
Tax on Residual dividend	0.60	(6.49)	-	-
Amount transferred to general reserve	1,406.31	-	1,406.31	-
Balance carried to balance sheet	70,909.81	60,003.90	70,909.81	60,003.88
	74,630.45	59,998.62	74,626.15	60,003.88
		0.02		
EARNINGS PER SHARE (equity shares par value Rs 5 each)				
Basic	16.07	14.62	6.15	5.06
Diluted	16.00	14.52	6.12	5.02
Number of shares used in computing earnings per share				
Basic	99,297,612	99,072,431	99,349,419	99,145,854
Diluted	99,700,112	99,814,665	99,755,903	99,888,088

Polaris Financial Technology Limited - Group
Statement of cash flows for the Quarter ended December 31, 2011

Rs in Lacs

	December 31, 2011	March 31, 2011
Cash flows from operating activities		
Profit before taxation	21,339.29	23,815.91
Adjustments for:		
Depreciation	3,380.36	3,365.86
Interest income	(335.22)	(240.56)
Dividend income	(1,020.85)	(1,778.69)
(Profit) / Loss on sale of fixed assets	(791.02)	(1,061.16)
Provision for doubtful debts & Bad debts written off	330.00	367.99
Interest on borrowings	82.58	-
Exchange differences on translation of foreign currency cash and cash equivalents	(282.50)	270.41
Unrealised exchange (gain) / loss	(446.32)	402.51
Changes in current assets and liabilities		
Decrease / (Increase) in sundry debtors	(11,614.54)	(5,839.24)
Decrease/ (Increase) in loans and advances	(13,543.52)	(7,759.69)
Increase/(Decrease) in current liabilities and provisions	8,316.22	4,405.45
Net Taxes paid/Refund received	(3,539.81)	(5,346.27)
Net cash flows from operating activities	1,874.67	10,602.52
Cash flows from investing activities		
Purchase of fixed assets and changes in capital work in progress	(12,600.22)	(9,413.90)
Acquisition of Subsidiary	(9,918.42)	(2,303.47)
Sale proceeds / (Purchase) of other long term investments	-	(331.51)
Proceeds from sale of fixed assets	883.89	1,189.73
Interest received	335.22	240.56
Dividend received	1,020.85	1,778.69
Net cash flows used in investing activities	(20,278.68)	(8,839.90)
Cash flows from financing activities		
Proceeds from share capital issued on exercise of stock options	9.20	11.72
Proceeds from share premium on exercise of stock options	140.39	190.68
Change in secured loans	(35.45)	326.45
Proceeds / (Repayment) of other borrowings	8,894.20	-
Interest on borrowings	(82.58)	-
Dividends paid during the year	(5,184.70)	(2,022.99)
Dividend tax paid during the year	-	-
Net cash flows used in investing activities	3,741.06	(1,494.14)
Exchange differences on translation of foreign currency cash and cash equivalents	282.50	(270.41)
Exchange differences on translation of foreign subsidiaries	2,437.25	669.16
Total increase / (decrease) in cash and equivalents during the year	(11,943.20)	667.23
Cash balance of subsidiaries on acquisition	2,424.58	317.01
Cash and cash equivalents at the beginning of the Period/Year	51,405.61	50,421.37
Cash and cash equivalents at the end of the Period/Year	41,886.99	51,405.61

* The balances include Rs 70.24 (March 31, 2011: Rs 62.70) which are not available for use by the Company as they represent corresponding unpaid dividend liabilities.

Previous year/period figures have been regrouped to confirm to current year/period presentation