

**Polaris Financial Technology Limited - Group**  
(Formerly known as Polaris Software Lab Limited)  
Consolidated Balance Sheet as at

*Rupees in Lacs*

Particulars	June 30, 2012	March 31, 2012
<b>I. EQUITY AND LIABILITIES</b>		
<b>(1) SHAREHOLDERS' FUNDS</b>		
(a) Share Capital	4,973.46	4,972.10
(b) Reserves and Surplus	113,334.68	120,026.44
	<b>118,308.14</b>	<b>124,998.54</b>
<b>(2) SHARE APPLICATION MONEY PENDING ALLOTMENT</b>	-	2.82
<b>(3) MINORITY INTEREST</b>	208.64	224.03
<b>(4) NON-CURRENT LIABILITIES</b>		
(a) Long - term Borrowings	191.28	233.95
(b) Deferred Tax Liabilities (Net)	801.06	356.23
(c) Other Long Term Liabilities	11.70	11.70
(d) Long - term provisions	580.05	1,310.43
<b>(5) CURRENT LIABILITIES</b>		
(a) Short -term Borrowings	11,408.62	10,406.94
(b) Trade payables	18,214.99	19,889.97
(c) Other current liabilities	32,620.36	17,856.89
(d) Short-term provisions	3,415.98	3,515.36
<b>TOTAL</b>	<b>185,760.82</b>	<b>178,806.86</b>
<b>II. ASSETS</b>		
<b>(1) NON-CURRENT ASSETS</b>		
(a) Fixed assets		
- (i) Tangible assets	33,709.83	32,935.21
- (ii) Intangible assets	933.50	1,276.74
- (iii) Capital work-in-progress	3,791.32	3,715.21
- (iv) Intangible assets under development	502.61	386.12
	<b>38,937.25</b>	<b>38,313.33</b>
(b) Non-current investments	3,120.06	3,120.06
(c) Deferred tax assets (net)	769.10	760.97
(d) Long-term loans and advances	12,605.74	10,227.78
(e) Other non-current assets	-	1,500.00
(f) Goodwill	18,147.09	18,147.09
<b>(2) CURRENT ASSETS</b>		
(a) Current investments	12,100.71	14,908.47
(b) Trade receivables	48,304.44	37,224.51
(c) Cash and bank balance	18,965.80	20,743.58
(d) Short-term loans and advances	4,693.40	4,665.45
(e) Other current assets	28,117.23	29,195.62
<b>TOTAL</b>	<b>185,760.82</b>	<b>178,806.86</b>

**Polaris Financial Technology Limited - Group**  
(Formerly known as Polaris Software Lab Limited)  
**Consolidated Profit and Loss Account for the period ended**

*Rupees in Lacs*

	Particulars	April' 12 to June' 12	Jan' 12 to Mar' 12	April' 11 to June' 11	April' 11 to March' 12
I.	<b>Revenue from Operations</b>	56,931.26	52,027.52	45,018.87	205,273.12
II.	<b>Other Income</b>	2,343.90	1,841.97	1,443.91	5,142.38
III.	Total Revenue (I + II)	<b>59,275.16</b>	<b>53,869.49</b>	<b>46,462.78</b>	<b>210,415.50</b>
IV.	<b>Expenses</b>				
	Employee Benefit Expenses	41,647.27	37,550.63	32,085.57	144,522.57
	Other Expenses	8,531.28	7,905.73	7,251.43	32,653.92
	Finance Cost	75.44	64.32	22.73	170.55
	Depreciation and amortization expenses	1,291.74	1,342.71	956.35	4,723.07
	Total Expenses	<b>51,545.73</b>	<b>46,863.39</b>	<b>40,316.08</b>	<b>182,070.11</b>
V.	<b>Profit before exceptional and extraordinary items and tax (III - IV)</b>	<b>7,729.43</b>	<b>7,006.10</b>	<b>6,146.70</b>	<b>28,345.39</b>
VI.	Exceptional Items				
VII.	<b>Profit before extraordinary items and tax (V - VI)</b>	7,729.43	7,006.10	6,146.70	28,345.39
VIII.	Extraordinary Items				
IX.	<b>Profit/(Loss) before tax (VII - VIII)</b>	7,729.43	7,006.10	6,146.70	28,345.39
X.	<b>Tax Expenses</b>				
	Income taxes - Current tax	1,188.05	1,532.49	1,615.25	6,825.70
	- Deferred tax	440.03	423.40	77.23	534.02
	- MAT credit entitlement	-	(1,057.53)	-	(1,057.53)
XI.	<b>Profit / (Loss) for the period / year from Continuing Operations (IX - X)</b>	6,101.35	6,107.74	4,454.22	22,043.20
XII.	Minority Interest	(15.40)	(6.37)	(1.81)	(27.65)
XIII.	<b>Profit/(Loss) for the period (XI -XII)</b>	<b>6,116.75</b>	<b>6,114.11</b>	<b>4,456.03</b>	<b>22,070.85</b>
XIV.	<b>Earnings per share</b> (equity shares par value Rs 5 each)				
	Basic	6.15	6.15	4.49	22.22
	Diluted	6.13	6.13	4.46	22.15
	Number of shares used in computing earnings per share				
	Basic	99,460,311	99,403,638	99,226,969	99,323,973
	Diluted	99,795,726	99,765,099	99,974,982	99,658,873

**Polaris Financial Technology Limited - Group**

(Formerly known as Polaris Software Lab Limited)

Statement of cash flows for the year ended

*Rupees. in Lacs*

Particulars	June 30, 2012	March 31, 2012
<b>Cash flows from Operating activities</b>		
Profit before taxation	7,729.43	28,345.39
Adjustments for:		
Depreciation and amortisation	1,291.74	4,723.07
Interest income	(134.73)	(465.73)
Dividend income	(158.51)	(1,208.05)
Exchange differences on translation of foreign currency cash and cash equivalents	(2.49)	(198.78)
Unrealised exchange (gain) / loss	(705.37)	(1,025.49)
( Profit) / Loss on sale of fixed assets	(1,066.75)	(2,397.84)
( Profit) / Loss on sale of Investments	1.56	(389.73)
Provision for doubtful debts	120.00	(399.06)
Bad debts written off	-	842.29
Finance cost	75.44	170.55
<b>Changes in assets and liabilities</b>		
Decrease / (Increase) in Trade receivable	(9,908.75)	(14,276.45)
Decrease / (Increase) in loans and advances and other assets	(870.23)	(14,633.37)
Increase / (Decrease) in liabilities and provisions	12,190.18	5,690.54
Net Taxes paid / Refund received	(1,565.35)	(5,845.71)
<b>Net cash from Operating activities</b>	<b>6,996.17</b>	<b>(1,068.37)</b>
<b>Cash flows from Investing activities</b>		
Purchase of fixed assets, changes in capital work in progress and Capital advance	(1,672.72)	(14,704.54)
Proceeds from sale of fixed assets	1,150.29	2,622.31
Acquisition of Subsidiaries	(4.99)	(10,157.18)
Net Increase in Mutual fund investments	2,806.20	20,790.67
Investment in Bank deposits(having original maturity of more than 12 Months)	1,500.00	-
Interest received	134.73	465.73
Dividend received	158.51	1,208.05
<b>Net cash used in Investing activities</b>	<b>4,072.02</b>	<b>225.04</b>
<b>Cash flows from Financing activities</b>		
Proceeds from share capital issued on exercise of stock options	1.36	12.33
Proceeds from share premium on exercise of stock options	21.48	178.77
Proceeds / (Repayment) of Loans	335.23	9,928.63
Finance cost paid	(75.44)	(170.55)
Dividends paid during the year	(2.19)	(6,439.35)
Dividend tax paid during the year	-	(1,047.18)
<b>Net cash used in Financing activities</b>	<b>280.44</b>	<b>2,462.65</b>
Exchange differences on translation of foreign currency cash and cash equivalents	2.49	198.78
Exchange differences on translation of foreign subsidiaries	(13,133.90)	1,807.31
<b>Net increase / (decrease) in cash and equivalents during the year</b>	<b>(1,782.78)</b>	<b>3,625.41</b>
Cash balance of subsidiaries on acquisition	5.00	2,892.73
Cash and cash equivalents at the beginning of the year	20,743.58	14,225.44
<b>Cash and cash equivalents at the end of the period / year</b>	<b>18,965.80</b>	<b>20,743.58</b>