

**Polaris Financial Technology Limited**  
(Formerly known as Polaris Software Lab Limited)  
Consolidated Balance Sheet as at September 30, 2012

*Rupees in Lacs*

Particulars	September 30, 2012	March 31, 2012
<b>EQUITY AND LIABILITIES</b>		
<b>SHAREHOLDERS' FUNDS</b>		
Share capital	4,973.62	4,972.10
Reserves and surplus	122,581.84	116,558.25
Share capital suspense	1.01	1.01
	<b>127,556.47</b>	<b>121,531.36</b>
<b>SHARE APPLICATION MONEY PENDING ALLOTMENT</b>	-	2.82
<b>MINORITY INTEREST</b>	41.04	223.03
<b>NON-CURRENT LIABILITIES</b>		
Long - term borrowings	184.56	233.95
Deferred tax liabilities (Net)	686.24	356.23
Long - term provisions	618.82	1,320.78
<b>CURRENT LIABILITIES</b>		
Short -term borrowings	10,572.00	10,181.09
Trade payables	21,264.12	19,903.48
Other current liabilities	17,858.95	18,082.74
Short-term provisions	14,608.43	6,973.22
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>193,390.63</b>	<b>178,808.70</b>
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Fixed assets		
- Tangible assets	32,737.35	32,935.27
- Intangible assets	1,169.98	1,276.74
- Capital work-in-progress	5,116.35	3,715.21
- Intangible assets under development	574.14	386.12
	<b>39,597.82</b>	<b>38,313.34</b>
Non-current investments	3,120.06	3,120.06
Deferred tax assets (Net)	485.23	479.49
Long-term loans and advances	12,220.62	10,511.15
Other non-current assets	-	1,500.00
Goodwill	18,147.09	18,147.09
<b>CURRENT ASSETS</b>		
Current investments	19,033.12	14,908.47
Trade receivables	46,045.66	37,224.51
Cash and bank balance	21,101.99	20,743.58
Short-term loans and advances	4,683.39	4,665.37
Other current assets	28,955.65	29,195.64
<b>TOTAL ASSETS</b>	<b>193,390.63</b>	<b>178,808.70</b>

**Polaris Financial Technology Limited**  
(Formerly known as Polaris Software Lab Limited)

Consolidated Statement of Profit and Loss Account for the period ended September 30, 2012

*Rupees in Lacs*

Particulars	Quarter ended			Half year ended		Year ended
	September 30, 2012	June 30, 2012	September 30, 2011	September 30, 2012	September 30, 2011	March 31, 2012
<b>Revenue from operations</b>	58,589.74	56,931.26	50,973.68	115,521.00	95,992.55	204,915.14
<b>Other income</b>	303.31	2,343.91	2,289.81	2,647.22	3,733.72	5,142.09
<b>Total Revenue</b>	<b>58,893.05</b>	<b>59,275.17</b>	<b>53,263.49</b>	<b>118,168.22</b>	<b>99,726.27</b>	<b>210,057.23</b>
<b>Expenses</b>						
Employee benefit expenses	41,625.79	41,647.27	36,019.24	83,273.06	68,104.81	144,164.60
Other expenses	9,223.14	8,531.29	8,823.20	17,754.43	16,074.63	32,655.51
Finance costs	61.79	75.44	35.25	137.23	57.98	170.55
Depreciation and amortization expenses	1,294.87	1,291.74	1,118.45	2,586.61	2,074.80	4,723.07
<b>Total Expenses</b>	<b>52,205.59</b>	<b>51,545.74</b>	<b>45,996.14</b>	<b>103,751.33</b>	<b>86,312.22</b>	<b>181,713.73</b>
<b>Profit before exceptional and extraordinary items and tax</b>	<b>6,687.46</b>	<b>7,729.43</b>	<b>7,267.35</b>	<b>14,416.89</b>	<b>13,414.05</b>	<b>28,343.50</b>
Exceptional Items						
<b>Profit before extraordinary items and tax</b>	<b>6,687.46</b>	<b>7,729.43</b>	<b>7,267.35</b>	<b>14,416.89</b>	<b>13,414.05</b>	<b>28,343.50</b>
Extraordinary Items						
<b>Profit before tax</b>	<b>6,687.46</b>	<b>7,729.43</b>	<b>7,267.35</b>	<b>14,416.89</b>	<b>13,414.05</b>	<b>28,343.50</b>
<b>TAX EXPENSES</b>						
Income taxes - Current tax	1,453.12	1,188.05	1,844.61	2,641.17	3,459.87	6,542.32
- Deferred tax	(112.23)	440.03	40.21	327.80	117.43	815.50
- MAT credit entitlement	-	-	-	-	-	(1,057.53)
<b>Profit for the year before Minority interest adjustment</b>	<b>5,346.57</b>	<b>6,101.35</b>	<b>5,382.53</b>	<b>11,447.92</b>	<b>9,836.75</b>	<b>22,043.21</b>
Minority Interest	(166.59)	(15.40)	(11.08)	(181.99)	(12.89)	(27.65)
<b>Profit for the period/year</b>	<b>5,513.16</b>	<b>6,116.75</b>	<b>5,393.61</b>	<b>11,629.91</b>	<b>9,849.64</b>	<b>22,070.86</b>
<b>Earnings per share (In Rs.) - (equity shares par value Rs 5 each)</b>						
Basic	5.54	6.15	5.43	11.69	9.92	22.22
Diluted	5.53	6.13	5.40	11.66	9.86	22.15
Number of shares used in computing earnings per share						
Basic	99,470,394	99,460,311	99,315,683	99,465,379	99,271,568	99,323,973
Diluted	99,734,250	99,795,726	99,895,410	99,724,221	99,851,295	99,658,873

**Polaris Financial Technology Limited**

(Formerly known as Polaris Software Lab Limited)

**Consolidated cash flow statement for the period ended September 30, 2012***Rupees in Lacs*

<b>Particulars</b>	<b>September 30, 2012</b>	<b>March 31, 2012</b>
<b>Cash flows from operating activities</b>		
Profit before taxation	14,416.89	28,343.50
Adjustments for:		
Depreciation and amortisation	2,586.61	4,723.07
Interest income	(280.37)	(465.73)
Dividend income	(363.33)	(1,208.05)
Unrealised exchange (gain) / loss	977.98	(1,224.27)
Exchange difference on translation of foreign operations	1,103.79	1,807.31
( Profit) / Loss on sale of fixed assets	(1,072.43)	(2,397.84)
( Profit) / Loss on sale of Investments	(25.28)	(389.73)
Provision for doubtful debts	240.00	(399.06)
Bad debts written off	-	842.29
Interest expenses	137.23	170.55
<b>Changes in assets and liabilities</b>		
Decrease / (Increase) in trade receivable	(9,751.06)	(14,276.45)
Decrease / (Increase) in loans and advances and other assets	(1,912.19)	(14,633.37)
Increase / (Decrease) in liabilities and provisions	862.07	5,692.43
Net Taxes paid / Refund received	(3,252.52)	(5,845.71)
<b>Net cash from operating activities</b>	<b>3,667.39</b>	<b>738.94</b>
<b>Cash flows from Investing activities</b>		
Purchase of fixed assets, changes in capital work in progress and capital advance	(2,527.39)	(14,704.54)
Proceeds from sale of fixed assets	1,196.52	2,622.31
Acquisition of subsidiaries & Investment in Associates	(4.99)	(10,157.18)
(Purchase) / sale proceeds of other long term investments	-	-
Net decrease/(Increase) in in non-trade investments	(4,099.40)	20,790.67
Investment in long-term term deposits	1,500.00	-
Interest received	280.37	465.73
Dividend received	363.33	1,208.05
<b>Net cash used in investing activities</b>	<b>(3,291.56)</b>	<b>225.04</b>
<b>Cash flows from financing activities</b>		
Proceeds from share capital issued on exercise of stock options	1.52	12.33
Proceeds from share premium on exercise of stock options	24.75	178.77
Proceeds / (Repayment) of loans	269.52	9,928.63
Interest expenses	(137.23)	(170.55)
Dividends paid during the year	(8.69)	(6,439.35)
Dividend tax paid during the year	-	(1,047.18)
<b>Net cash used in financing activities</b>	<b>149.87</b>	<b>2,462.65</b>

## Polaris Financial Technology Limited

(Formerly known as Polaris Software Lab Limited)

Consolidated cash flow statement for the period ended September 30, 2012

*Rupees in Lacs*

Particulars	September 30, 2012	March 31, 2012
Exchange differences on translation of foreign currency cash and cash equivalents	(172.29)	198.78
<b>Net increase / (decrease) in cash and equivalents during the year</b>	<b>353.41</b>	<b>3,625.41</b>
Cash balance of subsidiaries on acquisitions	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 year</b>	<b>21,101.99</b>	<b>20,743.58</b>
<b>Components of Cash and cash equivalents</b>		
(a) Cash on hand	42.84	36.08
(b) Balance with banks		
- On current account	14,978.59	12,807.87
- On deposit account	6,008.94	7,821.15
- On unpaid dividend account *	71.62	78.48
	<b>21,101.99</b>	<b>20,743.58</b>

\* The balance in unpaid dividend account was Rs 69.79 (March 31, 2012: Rs 78.48) which are not available for use by the Company as they represent corresponding unpaid dividend liabilities.