

**Polaris Financial Technology Limited****Consolidated Balance Sheet as at June 30, 2014**

(All amounts are in Rupees in lakhs unless otherwise stated)

<b>Particulars</b>	<b>June 30, 2014</b>	<b>March 31, 2014</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Shareholders' Funds</b>		
Share capital	4,983.47	4,977.51
Reserves and surplus	156,608.64	149,763.58
	<b>161,592.11</b>	<b>154,741.09</b>
<b>Share application money pending allotment</b>	9.76	-
<b>Non-Current Liabilities</b>		
Deferred tax liabilities (Net)	896.97	1,070.99
Long - term provisions	570.46	544.24
<b>Current Liabilities</b>		
Short -term borrowings	616.38	403.15
Trade payables	19,305.52	24,208.47
Other current liabilities	13,210.68	14,042.22
Short-term provisions	10,268.30	12,181.66
<b>TOTAL</b>	<b>206,470.18</b>	<b>207,191.82</b>
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Fixed assets		
- Tangible assets	34,330.06	32,580.17
- Intangible assets	908.13	825.39
- Capital work-in-progress	3,517.73	3,493.50
- Intangible assets under development	987.89	973.93
	<b>39,743.81</b>	<b>37,872.99</b>
Goodwill on Consolidation	7,540.47	7,530.02
Non-current investments	12,405.00	8,799.72
Deferred tax assets (Net)	653.65	649.45
Long-term loans and advances	14,276.57	15,215.48
Other non-current assets	4,953.27	4,729.71
<b>Current Assets</b>		
Current investments	32,870.62	37,102.45
Trade receivables	35,279.11	36,220.67
Cash and bank balance	20,636.70	23,132.93
Short-term loans and advances	5,206.32	4,374.33
Other current assets	32,904.66	31,564.07
<b>TOTAL</b>	<b>206,470.18</b>	<b>207,191.82</b>

**Polaris Financial Technology Limited**

**Consolidated Statement of Profit and Loss for the period ended June 30, 2014**

(All amounts are in Rupees in lakhs unless otherwise stated)

Particulars	Quarter Ended			Year Ended
	June 30, 2014	Mar 31, 2014	June 30, 2013	Mar 31, 2014
<b>Revenue</b>				
Income from software services and products	60,177.65	61,939.42	56,796.65	242,369.65
Other income	1,020.25	1,023.96	1,502.78	3,235.24
<b>Total Revenue</b>	<b>61,197.90</b>	<b>62,963.38</b>	<b>58,299.43</b>	<b>245,604.89</b>
<b>Expenses</b>				
Employee benefit expenses	46,715.54	48,010.64	43,431.05	184,276.32
Other expenses	8,590.87	9,099.13	7,755.58	33,947.41
Finance costs	13.97	15.53	61.37	197.72
Depreciation and amortization expenses	1,282.97	1,332.81	1,385.08	5,444.03
<b>Total Expenses</b>	<b>56,603.35</b>	<b>58,458.11</b>	<b>52,633.08</b>	<b>223,865.48</b>
<b>Profit before exceptional &amp; extraordinary items and tax</b>	<b>4,594.55</b>	<b>4,505.27</b>	<b>5,666.35</b>	<b>21,739.41</b>
Exceptional Items	-	256.42	-	2,137.02
<b>Profit before extraordinary items and tax</b>	<b>4,594.55</b>	<b>4,761.69</b>	<b>5,666.35</b>	<b>23,876.43</b>
Extraordinary Items	-	-	-	-
<b>Profit before tax</b>	<b>4,594.55</b>	<b>4,761.69</b>	<b>5,666.35</b>	<b>23,876.43</b>
<b>TAX EXPENSES</b>				
Income taxes - Current tax	1,104.33	830.72	1,129.59	5,080.17
- Adjustment of tax relating to earlier periods	(167.00)	(689.91)	-	(1,328.30)
- Deferred tax	(175.12)	254.41	136.19	216.91
<b>Profit/(Loss) for the period from Continuing Operations</b>	<b>3,832.34</b>	<b>4,366.47</b>	<b>4,400.57</b>	<b>19,907.65</b>
Add/(Less): Share of Profit/(loss) on Associate Companies	-	175.38	(80.19)	11.55
<b>Profit for the year</b>	<b>3,832.34</b>	<b>4,541.85</b>	<b>4,320.38</b>	<b>19,919.20</b>
<b>Earnings per share (In Rs.) - (equity shares par value Rs 5 each)</b>				
Basic	3.85	4.56	4.34	20.01
Diluted	3.81	4.55	4.33	19.97
Number of shares used in computing earnings per share				
Basic	99,621,142	99,549,301	99,507,323	99,526,385
Diluted	100,541,073	99,777,975	99,662,808	99,747,254

## Polaris Financial Technology Limited

### Consolidated cash flow statement for the period ended June 30, 2014

(All amounts are in Rupees in lakhs unless otherwise stated)

Particulars	June 30, 2014	March 31, 2014
<b>Cash flows from operating activities</b>		
Profit before tax from continuing operations	4,594.55	23,876.43
Adjustments for:		
Depreciation and amortisation	1,282.97	5,444.03
Interest income	(250.61)	(1,173.40)
Dividend income	(522.23)	(1,663.73)
Unrealised exchange (gain) / loss	(481.87)	817.83
Exchange difference on translation of foreign operations	1,235.40	16,595.67
( Profit) / Loss on sale of fixed assets	(13.05)	(18.81)
( Profit) / Loss on sale of Investments	(226.51)	(95.85)
Provision for doubtful debts	186.00	(1,007.07)
Bad debts written off	-	1,734.00
Interest expenses	13.97	197.72
<b>Changes in assets and liabilities</b>		
Decrease / (Increase) in trade receivable	1,149.25	3,529.86
Decrease / (Increase) in loans and advances and other assets	(221.65)	(2,637.74)
Increase / (Decrease) in liabilities and provisions	(5,738.79)	(1,715.41)
Net Taxes paid	(2,258.00)	(6,740.25)
<b>Net cash from operating activities</b>	<b>(1,250.57)</b>	<b>37,143.28</b>
<b>Cash flows from Investing activities</b>		
Purchase of fixed assets, changes in capital work in progress and capital	(3,167.50)	(3,585.57)
Proceeds from sale of fixed assets	40.44	530.99
Acquisition of subsidiaries & Investment in Associates	-	6,959.49
(Purchase) / Divestment proceeds of other long term investments	(2,000.00)	-
Net decrease/(Increase) in in non-trade investments	2,853.02	(22,643.16)
Investment in long-term term deposits	-	(1,802.00)
Interest received	250.61	1,173.40
Dividend received	522.23	1,663.73
<b>Net cash used in investing activities</b>	<b>(1,501.20)</b>	<b>(17,703.12)</b>
<b>Cash flows from financing activities</b>		
Proceeds from share capital issued on exercise of stock options	5.96	2.21
Proceeds from share premium on exercise of stock options	122.07	22.88
Proceeds / (Repayment) of loans	213.23	(11,208.90)
Interest paid	(13.97)	(197.72)
Dividends paid during the year	(6.03)	(4,965.22)
Dividend tax paid during the year	-	(845.58)
<b>Net cash (used in) / from financing activities</b>	<b>321.26</b>	<b>(17,192.33)</b>
Exchange differences on translation of foreign currency cash and cash equivalents	(65.72)	319.00
<b>Net increase / (decrease) in cash and equivalents during the year</b>	<b>(2,496.23)</b>	<b>2,566.83</b>
Cash balance of subsidiaries on acquisitions	-	-
Cash and cash equivalents at the beginning of the year / period	23,132.93	20,566.10
<b>Cash and cash equivalents at the end of the year</b>	<b>20,636.70</b>	<b>23,132.93</b>
<b>Components of Cash and cash equivalents</b>		
Cash on hand	10.44	6.38
Balance with banks		
- On current account	14,025.49	15,850.03
- On deposit account *	6,518.04	7,187.76
- On unpaid dividend account **	82.73	88.76
	<b>20,636.70</b>	<b>23,132.93</b>

\* The balance on deposit accounts as of June 30, 2014 includes Rs. 1,889 lakhs which has been pledged as a security by the company for availing non-fund based facilities .

\*\* The balance in unpaid dividend account was Rs 82.73 lakhs (March 31, 2014: Rs 88.76 lakhs) which are not available for use by the Company as they represent corresponding unpaid dividend liabilities.