

<b>POLARIS POLARIS FINANCIAL TECHNOLOGY – GROUP</b> (Formerly Known as Polaris Software Lab – Group) UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER ENDED SEPTEMBER 30, 2012 PREPARED AS PER INDIAN GAAP Rs. In Lakhs						
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 AUDITED
<b>Income</b>						
Gross Income from Operations	599,07.95	581,63.91	509,73.68	1,180,71.86	959,92.55	2,049,15.14
Forex impact on Hedge accounting	(13,18.21)	(12,32.65)	-	(25,50.86)	-	-
<b>Net Income from Operations</b>	<b>585,89.74</b>	<b>569,31.26</b>	<b>509,73.68</b>	<b>1,155,21.00</b>	<b>959,92.55</b>	<b>2,049,15.14</b>
<b>Expenditure</b>						
Employee cost	416,25.79	416,47.27	360,19.24	832,73.06	681,04.81	1,441,64.60
Depreciation	12,94.87	12,91.74	11,18.45	25,86.61	20,74.80	47,23.07
Other Expenditure	92,23.14	85,31.29	88,23.20	177,54.43	160,74.63	326,55.51
<b>Total</b>	<b>521,43.80</b>	<b>514,70.30</b>	<b>459,60.89</b>	<b>1,036,14.10</b>	<b>862,54.24</b>	<b>1,815,43.18</b>
<b>Profit from Operations before Other Income, Interest &amp; Tax</b>	<b>64,45.94</b>	<b>54,60.96</b>	<b>50,12.79</b>	<b>119,06.90</b>	<b>97,38.31</b>	<b>233,71.96</b>
Other Income	3,03.31	23,43.91	22,89.81	26,47.22	37,33.72	51,42.09
<b>Profit before Interest and Tax</b>	<b>67,49.25</b>	<b>78,04.87</b>	<b>73,02.60</b>	<b>145,54.12</b>	<b>134,72.03</b>	<b>285,14.05</b>
Finance cost	61.79	75.44	35.25	1,37.23	57.98	1,70.55
<b>Profit before tax</b>	<b>66,87.46</b>	<b>77,29.43</b>	<b>72,67.35</b>	<b>144,16.89</b>	<b>134,14.05</b>	<b>283,43.50</b>
Tax expenses	13,40.89	16,28.08	18,84.82	29,68.97	35,77.30	63,00.29
<b>Net Profit after tax</b>	<b>53,46.57</b>	<b>61,01.35</b>	<b>53,82.53</b>	<b>114,47.92</b>	<b>98,36.75</b>	<b>220,43.21</b>
Minority interest/Share of profit/(loss) of Associate companies	1,66.59	15.40	11.08	1,81.99	12.89	27.65
<b>Net Profit for the period</b>	<b>55,13.16</b>	<b>61,16.75</b>	<b>53,93.61</b>	<b>116,29.91</b>	<b>98,49.64</b>	<b>220,70.86</b>
<b>Earning Per Share (EPS) of Rs.5 each (Rs.)</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

**POLARIS FINANCIAL TECHNOLOGY LIMITED**  
(Formerly Known as Polaris Software Lab Limited)  
Regd Office : Carex Centre, 244 (Old no. 713) Anna Salai, Chennai 600 006  
AUDITED FINANCIAL (STANDALONE) RESULTS FOR THE QUARTER ENDED SEPTEMBER 30, 2012 PREPARED AS PER INDIAN GAAP

Particulars	QUARTER ENDED			HALF YEAR ENDED		YEAR ENDED
	September 30, 2012	June 30, 2012 UNAUDITED	September 30, 2011	September 30, 2012	September 30, 2011	March 31, 2012
<b>Income</b>						
Gross Income from Operations	474,34.31	483,71.32	446,29.14	958,05.63	837,78.44	1,762,09.31
Forex impact on Hedge accounting	(13,18.21)	(12,32.65)	-	(25,50.86)	-	-
<b>Net Income from Operations</b>	<b>461,16.10</b>	<b>471,38.67</b>	<b>446,29.14</b>	<b>932,54.77</b>	<b>837,78.44</b>	<b>1,762,09.31</b>
<b>Expenditure</b>						
Employee cost	360,93.57	363,93.94	324,18.08	724,87.51	614,32.31	1,285,88.97
Depreciation	11,29.76	11,13.54	8,85.05	22,43.30	16,31.59	39,32.83
Other Expenditure	63,48.87	53,75.91	66,85.04	117,24.78	118,32.06	234,69.73
<b>Total</b>	<b>435,72.20</b>	<b>428,83.39</b>	<b>399,88.17</b>	<b>864,55.59</b>	<b>748,95.96</b>	<b>1,559,91.53</b>
<b>Profit from Operations before Other Income, Interest &amp; Tax</b>	<b>25,43.90</b>	<b>42,55.28</b>	<b>46,40.97</b>	<b>67,99.18</b>	<b>88,82.48</b>	<b>202,17.78</b>
Other Income	3,53.16	20,46.97	18,89.61	24,00.13	32,55.14	35,39.59
<b>Profit before Interest &amp; Tax</b>	<b>28,97.06</b>	<b>63,02.25</b>	<b>65,30.58</b>	<b>91,99.31</b>	<b>121,37.62</b>	<b>237,57.37</b>
Finance Cost	52.35	61.89	19.19	1,14.24	23.34	1,09.11
<b>Profit before Tax</b>	<b>28,44.71</b>	<b>62,40.36</b>	<b>65,11.39</b>	<b>90,85.07</b>	<b>121,14.28</b>	<b>236,48.26</b>
Tax expenses	4,25.77	12,60.03	16,96.36	16,85.80	32,29.76	47,96.83
<b>Net Profit for the period</b>	<b>24,18.94</b>	<b>49,80.33</b>	<b>48,15.03</b>	<b>73,99.27</b>	<b>88,84.52</b>	<b>188,51.43</b>
<b>Paid-up Equity share Capital</b>						
Equity shares of Rs 5 each	49,73.62	49,73.46	49,66.50	49,73.62	49,66.50	49,72.10
Reserves excluding revaluation reserves	989,27.79	951,13.79	964,35.89	989,27.79	964,35.89	979,19.55
<b>Earning Per Share (EPS) of Rs.5 each (Rs.)</b>						
Basic	2.43	5.01	4.85	7.45	8.95	18.98
Diluted	2.43	4.99	4.82	7.42	8.90	18.92

Public Shareholding						
Number of shares	70,479,138	70,479,638	70,437,438	70,479,138	70,437,438	70,452,538
Percentage of shareholding	70.85%	70.86%	70.91%	70.85%	70.91%	70.85%
Promoters and Promoter group shareholding						
a) Pledged / encumbered						
- Number of shares	Nil	Nil	Nil	Nil	Nil	Nil
- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	Nil	Nil	Nil	Nil	Nil	Nil
- Percentage of shares (as a % of the total share capital of the company)	Nil	Nil	Nil	Nil	Nil	Nil
b) Non - encumbered						
- Number of shares	28,993,359	28,989,559	28,892,559	28,993,359	28,892,559	28,989,559
- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
- Percentage of shares (as a % of the total share capital of the company)	29.15%	29.14%	29.09%	29.15%	29.09%	29.15%

SEGMENT INFORMATION	QUARTER ENDED			HALF YEAR ENDED		YEAR ENDED
	September 30, 2012	June 30, 2012 UNAUDITED	September 30, 2011	September 30, 2012	September 30, 2011	March 31, 2012
<b>A) Segment revenue:</b>						
Banking, Financial services and Insurance	436,03.00	446,89.05	423,59.35	882,92.05	796,61.94	1,670,20.00
Emerging verticals	25,13.10	24,49.62	22,69.79	49,62.72	41,16.50	91,89.31
<b>Total Revenues</b>	<b>461,16.10</b>	<b>471,38.67</b>	<b>446,29.14</b>	<b>932,54.77</b>	<b>837,78.44</b>	<b>1,762,09.31</b>
<b>B) Segment profit before depreciation, interest &amp; tax</b>						
Banking & Financial services	88,15.89	121,79.38	108,45.37	209,95.27	197,42.79	430,24.00
Emerging verticals	3,19.08	4,22.85	2,62.68	7,41.93	6,75.35	15,88.70
<b>Total</b>	<b>91,34.97</b>	<b>126,02.23</b>	<b>111,08.05</b>	<b>217,37.20</b>	<b>204,18.14</b>	<b>446,12.70</b>
a) Finance Charges	(52.35)	(61.89)	(19.19)	(1,14.24)	(23.34)	(1,09.11)
b) Other unallocable expenditure net of unallocable income	(62,37.91)	(62,99.98)	(45,77.47)	(125,37.89)	(82,80.52)	(208,55.33)
<b>Profit before tax</b>	<b>28,44.71</b>	<b>62,40.36</b>	<b>65,11.39</b>	<b>90,85.07</b>	<b>121,14.28</b>	<b>236,48.26</b>
<b>C) Capital employed:**</b>	<b>1,039,01.41</b>	<b>1,000,87.25</b>	<b>1,014,02.39</b>	<b>1,039,01.41</b>	<b>1,014,02.39</b>	<b>1,028,91.65</b>

\*\*The assets & liabilities of the Company cannot be classified under any specific segment as they are used / contracted interchangeably, hence segment wise capital employed is not disclosed.

STATEMENT OF ASSETS AND LIABILITIES	CONSOLIDATED		STANDALONE	
	September 30, 2012 UNAUDITED	March 31, 2012 AUDITED	September 30, 2012 AUDITED	March 31, 2012 AUDITED
<b>EQUITY AND LIABILITIES</b>				
<b>SHAREHOLDERS' FUNDS</b>				
Share capital	49,73.62	49,72.10	49,73.62	49,72.10
Share capital suspense	1.01	1.01	1.01	1.01
Reserves and surplus	1,225,81.84	1,165,58.25	989,27.79	979,19.55
	<b>1,275,56.47</b>	<b>1,215,31.36</b>	<b>1,039,02.42</b>	<b>1,028,92.66</b>
<b>SHARE APPLICATION MONEY PENDING ALLOTMENT</b>	-	2.82	-	2.82
<b>MINORITY INTEREST</b>	41.04	2,23.03	-	-
<b>NON-CURRENT LIABILITIES</b>				
Long - term borrowings	1,84.56	2,33.95	-	-
Deferred tax liabilities (Net)	6,86.24	3,56.23	6,76.59	3,47.00
Long - term provisions	6,18.82	13,20.78	5,25.60	12,54.19
<b>CURRENT LIABILITIES</b>				
Short -term borrowings	105,72.00	101,81.09	105,72.00	101,81.09
Trade payables	212,64.12	199,03.48	157,87.28	138,81.18
Other current liabilities	178,58.95	180,82.74	110,82.29	99,54.27
Short-term provisions	146,08.43	69,73.22	130,88.15	59,01.31
<b>TOTAL</b>	<b>1,933,90.63</b>	<b>1,788,08.70</b>	<b>1,556,34.33</b>	<b>1,444,14.52</b>

<b>ASSETS</b>				
<b>NON-CURRENT ASSETS</b>				
<b>Fixed assets</b>				
- Tangible assets	327,37.35	329,35.27	286,44.86	290,22.74
- Intangible assets	11,69.98	12,76.74	9,36.82	9,79.59
- Capital work-in-progress	51,16.35	37,15.21	51,05.96	36,29.14
- Intangible assets under development	5,74.14	3,86.12	-	-
	<b>395,97.82</b>	<b>383,13.34</b>	<b>346,87.64</b>	<b>336,31.47</b>
Non-current investments	31,20.06	31,20.06	231,41.26	231,36.27
Deferred tax assets (Net)	4,85.23	4,79.49	-	-
Long-term loans and advances	122,20.62	105,11.15	103,22.62	86,93.90
Other non-current assets	-	15,00.00	-	15,00.00
Goodwill	181,47.09	181,47.09	-	-
<b>CURRENT ASSETS</b>				
Current investments	190,33.12	149,08.47	190,33.12	149,08.48
Trade receivables	460,45.66	372,24.51	358,90.05	276,53.12
Cash and bank balance	211,01.99	207,43.58	70,93.64	78,44.28
Short-term loans and advances	46,83.39	46,65.37	74,31.06	67,83.94
Other current assets	289,55.65	291,95.64	180,34.94	202,63.06
<b>TOTAL</b>	<b>1,933,90.63</b>	<b>1,788,08.70</b>	<b>1,556,34.33</b>	<b>1,444,14.52</b>

- NOTES:
- The above results were reviewed by the Audit committee and approved by the Board of Directors at its meeting held on October 22, 2012.
  - The Stand-alone financial results of the Company for the quarter ended September 30, 2012 were audited by the Statutory Auditors of the Company.
  - Provision for taxation includes current tax, deferred tax and MAT, wherever applicable.
  - No. of Complaints pending at the beginning of the quarter Nil  
No. of Complaints received during the quarter 5  
No. of Complaints disposed off during the quarter 5  
No. of Complaints lying unresolved at the end of the quarter Nil
  - The Company has allotted 3,300 shares under Associate Stock Option Plan 2003 of the Company during the Quarter ended September 30, 2012.
  - The Company had filed a petition before The Hon'ble High Court of Madras ("High Court") on April 23, 2012 for the demerger of the BPO division, of its subsidiary Company Optimus Global Services Limited into the Company, subsequent to the shareholders consent obtained at a meeting convened on April 9, 2012 under the direction of the High Court. The High Court had sanctioned the Scheme of Arrangement (demerger) on July 20, 2012 with effect from October 1, 2011 and the scheme was given effect to in the audited financial statements for the year ended March 31, 2012. Accordingly, the Comparative figures for the quarter ended June 2012 have been re-stated and include the results of the said BPO division.
  - Figures of the earlier period, wherever necessary, have been regrouped to confirm with those of the current periods.
  - Function wise classification of statement of Profit and Loss for the Group

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>INCOME</b>						
Gross Income from software services, products and Business Process Management	599,07.95	581,63.91	509,73.68	1,180,71.86	959,92.55	2,049,15.14
Forex impact on Hedge accounting	(13,18.21)	(12,32.65)	-	(25,50.86)	-	-
<b>Net Income from software services, products and Business Process Management</b>	<b>585,89.74</b>	<b>569,31.26</b>	<b>509,73.68</b>	<b>1,155,21.00</b>	<b>959,92.55</b>	<b>2,049,15.14</b>
<b>EXPENDITURE</b>						
Software development expenses	367,11.83	365,90.09	333,18.21	733,01.92	622,12.99	1,292,12.57
Selling and marketing expenses	72,00.17	70,90.03	54,15.80	142,90.20	104,93.12	225,07.74
General and Administrative expenses	33,32.73	34,34.99	33,18.88	67,67.72	66,42.66	135,92.88
<b>Total Expenditure</b>	<b>472,44.73</b>	<b>471,15.11</b>	<b>420,52.89</b>	<b>943,59.84</b>	<b>793,48.77</b>	<b>1,653,13.19</b>
<b>Profit before interest, depreciation &amp; amortisation</b>	<b>113,45.01</b>	<b>98,16.15</b>	<b>89,20.79</b>	<b>211,61.16</b>	<b>166,43.78</b>	<b>396,01.95</b>
Research & development expenses	25,20.15	28,82.01	27,27.00	54,02.16	46,86.00	106,57.00
Depreciation/Amortisation	12,94.87	12,91.74	11,18.45	25,86.61	20,74.80	47,23.07
Finance Charges	61.79	75.44	35.25	1,37.23	57.98	1,70.55
<b>Profit after interest, depreciation &amp; amortisation</b>	<b>74,68.20</b>	<b>55,66.96</b>	<b>50,40.09</b>	<b>130,35.16</b>	<b>98,25.00</b>	<b>240,51.33</b>
Other Income	(7,80.74)	21,6				