

| PARTICULARS   | QUARTER ENDED     |                    |                   | NINE MONTHS ENDED  |                    | YEAR ENDED             |
|---|-------------------|--------------------|-------------------|--------------------|--------------------|------------------------|
|   | December 31, 2012 | September 30, 2012 | December 31, 2011 | December 31, 2012  | December 31, 2011  | March 31, 2012 AUDITED |
| <b>Income</b>   |                   |                    |                   |                    |                    |                        |
| Gross Income from Operations  | 572,88.49         | 599,07.95          | 572,53.05         | 1,753,60.35        | 1,532,45.60        | 2,049,15.14            |
| Forex impact on Hedge accounting                                      | (12,30.35)        | (13,18.21)         | -                 | (37,81.21)         | -                  | -                      |
| <b>Net Income from Operations</b>                                     | <b>560,58.14</b>  | <b>585,89.74</b>   | <b>572,53.05</b>  | <b>1,715,79.14</b> | <b>1,532,45.60</b> | <b>2,049,15.14</b>     |
| <b>Expenditure</b>  |                   |                    |                   |                    |                    |                        |
| Employee cost   | 415,23.17         | 416,25.79          | 388,67.13         | 1,247,96.24        | 1,069,71.92        | 1,441,64.60            |
| Depreciation  | 13,92.02          | 12,94.87           | 13,05.57          | 39,78.63           | 33,80.36           | 47,23.07               |
| Other Expenditure   | 90,88.20          | 93,23.80           | 98,86.61          | 258,80.85          | 239,19.67          | 326,55.51              |
| <b>Total</b>  | <b>520,03.39</b>  | <b>522,44.46</b>   | <b>500,59.31</b>  | <b>1,546,55.72</b> | <b>1,342,71.95</b> | <b>1,815,43.18</b>     |
| <b>Profit from Operations before Other Income, Interest &amp; Tax</b> | <b>40,54.75</b>   | <b>63,45.28</b>    | <b>71,93.74</b>   | <b>169,23.42</b>   | <b>189,73.65</b>   | <b>233,71.96</b>       |
| Other Income  | 9,66.21           | 4,03.97            | 7,79.75           | 26,51.70           | 24,71.87           | 51,42.09               |
| <b>Profit before Interest and Tax</b>                                 | <b>50,20.96</b>   | <b>67,49.25</b>    | <b>79,73.49</b>   | <b>195,75.12</b>   | <b>214,45.52</b>   | <b>285,14.05</b>       |
| Finance cost  | 53.90             | 61.79              | 48.25             | 1,91.13            | 1,06.23            | 1,70.55                |
| <b>Profit before tax</b>  | <b>49,67.06</b>   | <b>66,87.46</b>    | <b>79,25.24</b>   | <b>193,83.99</b>   | <b>213,39.29</b>   | <b>283,43.50</b>       |
| Tax expenses  | 9,41.46           | 13,40.89           | 18,26.53          | 39,10.44           | 54,03.83           | 63,00.29               |
| <b>Net Profit after tax</b>   | <b>40,25.60</b>   | <b>53,46.57</b>    | <b>60,98.71</b>   | <b>154,73.55</b>   | <b>159,35.46</b>   | <b>220,43.21</b>       |
| Minority interest/Share of profit / (loss) of Associate companies     | 41.04             | 1,66.59            | 8.39              | 2,23.03            | 21.28              | 27.65                  |
| <b>Net Profit for the period</b>                                      | <b>40,66.64</b>   | <b>55,13.16</b>    | <b>61,07.10</b>   | <b>156,96.58</b>   | <b>159,56.74</b>   | <b>220,70.86</b>       |
| <b>Earning Per Share (EPS) of Rs.5 each (Rs.)</b>                     |                   |                    |                   |                    |                    |                        |
| Basic   | 4.09              | 5.54               | 6.15              | 15.78              | 16.07              | 22.22                  |
| Diluted   | 4.08              | 5.53               | 6.12              | 15.75              | 16.00              | 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 (STAND-ALONE) RESULTS FOR THE QUARTER ENDED DECEMBER 31, 2012 PREPARED AS PER INDIAN GAAP**

| PARTICULARS  | QUARTER ENDED     |                    |                                       | NINE MONTHS ENDED  |                                       | YEAR ENDED         |
|--|-------------------|--------------------|---------------------------------------|--------------------|---------------------------------------|--------------------|
|  | December 31, 2012 | September 30, 2012 | December 31, 2011<br>[Refer Note-(g)] | December 31, 2012  | December 31, 2011<br>[Refer Note-(g)] | March 31, 2012     |
| <b>Income</b>  |                   |                    |                                       |                    |                                       |                    |
| Gross Income from Operations   | 460,77.65         | 474,34.31          | 494,50.62                             | 1,418,83.28        | 1,332,29.07                           | 1,762,09.31        |
| Forex impact on Hedge accounting   | (12,30.35)        | (13,18.21)         | -                                     | (37,81.21)         | -                                     | -                  |
| <b>Net Income from Operations</b>  | <b>448,47.30</b>  | <b>461,16.10</b>   | <b>494,50.62</b>                      | <b>1,381,02.07</b> | <b>1,332,29.07</b>                    | <b>1,762,09.31</b> |
| <b>Expenditure</b>   |                   |                    |                                       |                    |                                       |                    |
| Employee cost  | 351,88.07         | 360,93.57          | 342,64.82                             | 1,076,75.58        | 956,97.14                             | 1,285,88.97        |
| Depreciation   | 11,91.16          | 11,29.76           | 11,36.83                              | 34,34.47           | 27,68.41                              | 39,32.83           |
| Other Expenditure  | 52,16.78          | 63,48.87           | 80,43.58                              | 162,71.22          | 181,85.34                             | 234,69.73          |
| <b>Total</b>   | <b>415,96.01</b>  | <b>435,72.20</b>   | <b>434,45.23</b>                      | <b>1,273,81.27</b> | <b>1,166,50.89</b>                    | <b>1,559,91.53</b> |
| <b>Profit from Operations before Other Income, Interest &amp; Tax</b>                    | <b>32,51.29</b>   | <b>25,43.90</b>    | <b>60,05.39</b>                       | <b>107,20.80</b>   | <b>165,78.18</b>                      | <b>202,17.78</b>   |
| Other Income   | 8,48.89           | 3,53.16            | 7,51.80                               | 25,78.70           | 23,16.65                              | 35,39.59           |
| <b>Profit before Interest &amp; Tax</b>  | <b>41,00.18</b>   | <b>28,97.06</b>    | <b>67,57.19</b>                       | <b>132,99.50</b>   | <b>188,94.83</b>                      | <b>237,57.37</b>   |
| Finance Cost   | 41.21             | 52.35              | 32.72                                 | 1,55.46            | 56.07                                 | 1,09.11            |
| <b>Profit before Tax</b>   | <b>40,58.97</b>   | <b>28,44.71</b>    | <b>67,24.47</b>                       | <b>131,44.04</b>   | <b>188,38.76</b>                      | <b>236,48.26</b>   |
| Tax expenses   | 6,58.44           | 4,25.77            | 16,33.87                              | 23,44.24           | 48,63.63                              | 47,96.83           |
| <b>Net Profit for the period</b>   | <b>34,00.53</b>   | <b>24,18.94</b>    | <b>50,90.60</b>                       | <b>107,99.80</b>   | <b>139,75.13</b>                      | <b>188,51.43</b>   |
| <b>Paid-up Equity share Capital</b>  |                   |                    |                                       |                    |                                       |                    |
| Equity shares of Rs 5 each   | 49,73.74          | 49,73.62           | 49,68.98                              | 49,73.74           | 49,68.98                              | 49,72.10           |
| Reserves excluding revaluation reserves  | 1,011,08.97       | 989,27.79          | 968,58.06                             | 1,011,08.97        | 968,58.06                             | 979,19.55          |
| <b>Earning Per Share (EPS) of Rs.5 each (Rs.)</b>  |                   |                    |                                       |                    |                                       |                    |
| Basic  | 3.42              | 2.43               | 5.13                                  | 10.86              | 14.08                                 | 18.98              |
| Diluted  | 3.41              | 2.43               | 5.10                                  | 10.83              | 14.00                                 | 18.92              |
| <b>Public Shareholding</b>   |                   |                    |                                       |                    |                                       |                    |
| Number of shares   | 70,481,514        | 70,479,138         | 70,392,944                            | 70,481,514         | 70,392,944                            | 70,452,538         |
| Percentage of shareholding   | 70.85%            | 70.85%             | 70.83%                                | 70.85%             | 70.83%                                | 70.85%             |
| <b>Promoters and Promoter group shareholding</b>   |                   |                    |                                       |                    |                                       |                    |
| 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   | 28,993,360        | 28,993,359         | 28,986,753                            | 28,993,360         | 28,986,753                            | 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%            | 29.15%             | 29.17%                                | 29.15%             | 29.17%                                | 29.15%             |

| SEGMENT INFORMATION  | QUARTER ENDED      |                    |                                       | NINE MONTHS ENDED  |                                       | YEAR ENDED         |
|--|--------------------|--------------------|---------------------------------------|--------------------|---------------------------------------|--------------------|
|  | December 31, 2012  | September 30, 2012 | December 31, 2011<br>[Refer Note-(g)] | December 31, 2012  | December 31, 2011<br>[Refer Note-(g)] | March 31, 2012     |
| <b>A) Segment revenue:</b>                                     |                    |                    |                                       |                    |                                       |                    |
| Banking, Financial services and Insurance                      | 418,66.08          | 436,03.00          | 470,20.59                             | 1,301,58.12        | 1,266,82.53                           | 1,670,20.00        |
| Emerging verticals   | 29,81.22           | 25,13.10           | 24,30.03                              | 79,43.95           | 65,46.54                              | 91,89.31           |
| <b>Total Revenues</b>  | <b>448,47.30</b>   | <b>461,16.10</b>   | <b>494,50.62</b>                      | <b>1,381,02.07</b> | <b>1,332,29.07</b>                    | <b>1,762,09.31</b> |
| <b>B) Segment profit before depreciation, interest and tax</b> |                    |                    |                                       |                    |                                       |                    |
| Banking, Financial services and Insurance                      | 116,02.67          | 88,15.89           | 148,42.37                             | 325,97.94          | 345,85.16                             | 430,24.00          |
| Emerging verticals   | 2,20.30            | 3,19.08            | 3,33.46                               | 9,62.23            | 10,08.81                              | 15,88.70           |
| <b>Total</b>   | <b>118,22.97</b>   | <b>91,34.97</b>    | <b>151,75.83</b>                      | <b>335,60.17</b>   | <b>355,93.97</b>                      | <b>446,12.70</b>   |
| a) Finance Charges   | (41.21)            | (52.35)            | (32.72)                               | (1,55.46)          | (56.07)                               | (1,09.11)          |
| b) Other unallocable expenditure net of unallocable income     | (77,22.79)         | (62,37.91)         | (84,18.64)                            | (202,60.67)        | (166,99.14)                           | (208,55.33)        |
| <b>Profit before tax</b>                                       | <b>40,58.97</b>    | <b>28,44.71</b>    | <b>67,24.47</b>                       | <b>131,44.04</b>   | <b>188,38.76</b>                      | <b>236,48.26</b>   |
| <b>C) Capital employed:**</b>                                  | <b>1,060,82.71</b> | <b>1,039,01.41</b> | <b>1,018,27.04</b>                    | <b>1,060,82.71</b> | <b>1,018,27.04</b>                    | <b>1,028,91.65</b> |

\*\*The assets &amp; 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.

- NOTES:
- The above results were reviewed by the Audit committee and approved by the Board of Directors at its meeting held on January 22, 2013
  - The Stand-alone financial results of the Company for the quarter ended December 31, 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  
No. of Complaints received during the quarter  
No. of Complaints disposed off during the quarter  
No. of Complaints lying unresolved at the end of the quarter
  - Mr. Rajesh Mehta has been appointed as an Additional Director (non-executive and independent) of the Company with effect from October 22, 2012.
  - The Company has allotted 2,100 shares under Associate Stock Option Plan 2003 of the Company during the Quarter ended December 31, 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 December 2011 have been re-stated and include the results of the said BPO division.
  - The Company on April 27, 2011 made an investment aggregating Rs 88 Crores comprising a 85.30% stake in IdenTrust Inc a company engaged in the business of trusted Identity solutions and digital identity authentication services based in the United States. Pursuant to an order received from the Committee of Foreign Investment in the United States, the boards of directors have made a decision to sell its investment in IdenTrust Inc and are in the process of finalizing a prospective buyer and completing the transaction. Management is confident of being able to complete the transaction shortly and expects a positive return on such sale. The statutory auditors have modified their report on the stand-alone financial results as they are unable to comment on the above matter pending disposal of the investment.
  - Figures of the earlier period, wherever necessary, have been regrouped to conform with those of the current periods.
  - Function wise classification of statement of Profit and Loss for the Group

| PARTICULARS  | QUARTER ENDED     |                    |                   | NINE MONTHS ENDED  |                    | YEAR ENDED         |
|--|-------------------|--------------------|-------------------|--------------------|--------------------|--------------------|
|  | December 31, 2012 | September 30, 2012 | December 31, 2011 | December 31, 2012  | December 31, 2011  | March 31, 2012     |
| <b>INCOME</b>  |                   |                    |                   |                    |                    |                    |
| Gross Income from software services, products and Business Process Management      | 572,88.49         | 599,07.95          | 572,53.05         | 1,753,60.35        | 1,532,45.60        | 2,049,15.14        |
| Forex impact on Hedge accounting   | (12,30.35)        | (13,18.21)         | -                 | (37,81.21)         | -                  | -                  |
| <b>Net Income from software services, products and Business Process Management</b> | <b>560,58.14</b>  | <b>585,89.74</b>   | <b>572,53.05</b>  | <b>1,715,79.14</b> | <b>1,532,45.60</b> | <b>2,049,15.14</b> |
| <b>EXPENDITURE</b>   |                   |                    |                   |                    |                    |                    |
| Software development expenses  | 366,55.79         | 367,11.83          | 342,48.46         | 1,099,58.28        | 964,61.46          | 1,292,12.57        |
| Selling and marketing expenses   | 69,52.91          | 72,00.17           | 55,99.18          | 212,43.11          | 160,92.30          | 225,07.74          |
| General and Administrative expenses  | 42,61.65          | 33,32.73           | 34,74.48          | 110,29.36          | 101,17.14          | 135,92.88          |
| <b>Total Expenditure</b>   | <b>478,70.35</b>  | <b>472,44.73</b>   | <b>433,22.12</b>  | <b>1,422,30.75</b> | <b>1,226,70.90</b> | <b>1,653,13.19</b> |
| <b>Profit before interest, depreciation &amp; amortisation</b>                     | <b>81,87.79</b>   | <b>113,45.01</b>   | <b>139,30.93</b>  | <b>293,48.39</b>   | <b>305,74.70</b>   | <b>396,01.95</b>   |
| Research & development expenses  | 27,41.02          | 25,20.15           | 34,12.00          | 81,43.18           | 80,98.00           | 106,57.00          |
| Depreciation / Amortisation  | 13,92.02          | 12,94.87           | 13,05.57          | 39,78.63           | 33,80.36           | 47,23.07           |
| Finance Charges  | 53.90             | 61.79              | 48.25             | 1,91.13            | 1,06.23            | 1,70.55            |
| <b>Profit after interest, depreciation &amp; amortisation</b>                      | <b>40,00.85</b>   | <b>74,68.20</b>    | <b>91,65.11</b>   | <b>170,35.45</b>   | <b>189,90.11</b>   | <b>240,51.33</b>   |
| Other Income   | 9,66.21           | 4,03.97            | 7,79.75           | 23,48.54           | 23,49.18           | 42,92.17           |
| Minority Interest / Share of profit / (loss) of Associate Companies                | 41.04             | 1,66.59            | 8.39              | 2,23.03            | 21.28              | 27.65              |
| <b>Profit before tax</b>   | <b>50,08.10</b>   | <b>68,54.05</b>    | <b>79,33.63</b>   | <b>196,07.02</b>   | <b>213,60.57</b>   | <b>283,71.15</b>   |
| Provision for taxation   | 9,41.46           | 13,40.89           | 18,26.53          | 39,10.44           | 54,03.83           | 63,00.29           |
| <b>Profit after tax</b>  | <b>40,66.64</b>   | <b>55,13.16</b>    | <b>61,07.10</b>   | <b>156,96.58</b>   | <b>159,56.74</b>   | <b>220,70.86</b>   |

 Place : Chennai  
 Date : January 22, 2013

For Polaris Financial Technology Limited