

**POLARIS FINANCIAL TECHNOLOGY – GROUP**  
(Formerly known as Polaris Software Lab - Group)  
UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2013 PREPARED AS PER INDIAN GAAP  
Rs. In Lakhs

PARTICULARS	QUARTER ENDED			YEAR ENDED
	June 30, 2013	March 31, 2013	June 30, 2012	March 31, 2013 (Audited)
<b>Income</b>				
Gross Income from Operations	583,81.50	554,73.01	581,63.91	2,308,33.36
Forex impact on Hedge accounting	(15,84.85)	(11,89.05)	(12,32.65)	(49,70.26)
<b>Net Income from Operations</b>	<b>567,96.65</b>	<b>542,83.96</b>	<b>569,31.26</b>	<b>2,258,63.10</b>
<b>Expenditure</b>				
Employee cost	434,31.05	415,15.43	416,47.27	1,663,11.67
Depreciation	13,85.08	13,90.46	12,91.74	53,69.09
Other Expenditure	77,55.58	72,97.45	85,31.29	330,38.23
<b>Total</b>	<b>525,71.71</b>	<b>502,03.34</b>	<b>514,70.30</b>	<b>2,047,18.99</b>
<b>Profit from Operations before Other Income, Interest &amp; Tax</b>	<b>42,24.94</b>	<b>40,80.62</b>	<b>54,60.96</b>	<b>211,44.11</b>
Other Income	15,02.78	9,02.32	23,43.91	34,13.92
<b>Profit before Interest and Tax</b>	<b>57,27.72</b>	<b>49,82.94</b>	<b>78,04.87</b>	<b>245,58.03</b>
Finance cost	61.37	57.94	75.44	2,49.08
<b>Profit before tax</b>	<b>56,66.35</b>	<b>49,25.00</b>	<b>77,29.43</b>	<b>243,08.95</b>
Tax expenses	12,65.78	9,93.23	16,28.08	49,03.67
<b>Net Profit after tax</b>	<b>44,00.57</b>	<b>39,31.77</b>	<b>61,01.35</b>	<b>194,05.28</b>
Minority interest – Share of Loss	-	-	15.40	2,23.03
Share of profit / (Loss) of Associate companies	(80.19)	4,52.01	-	4,52.01
<b>Net Profit for the period</b>	<b>43,20.38</b>	<b>43,83.78</b>	<b>61,16.75</b>	<b>200,80.32</b>
<b>Net profit/(loss) attributable to discontinuing operations - refer note (g)</b>	<b>(18.04)</b>	<b>(49.91)</b>	<b>(4,24.93)</b>	<b>(21,27.50)</b>
<b>Earning Per Share (EPS) of Rs.5 each (Rs.)</b>				
Basic	4.34	4.41	6.15	20.19
Diluted	4.33	4.40	6.13	20.15

**POLARIS FINANCIAL TECHNOLOGY LIMITED**  
(Formerly known as Polaris Software Lab Limited)

Regd Office : Polaris House, 244 (Old No. 713) Anna Salai, Chennai 600 006

AUDITED STAND-ALONE FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2013 PREPARED AS PER INDIAN GAAP

PARTICULARS	QUARTER ENDED			YEAR ENDED
	June 30, 2013	March 31, 2013	June 30, 2012 (Unaudited)	March 31, 2013
<b>Income</b>				
Gross Income from Operations	488,79.14	484,86.15	483,71.32	1,903,69.44
Forex impact on Hedge accounting	(15,84.85)	(11,89.05)	(12,32.65)	(49,70.26)
<b>Net Income from Operations</b>	<b>472,94.29</b>	<b>472,97.10</b>	<b>471,38.67</b>	<b>1,853,99.18</b>
<b>Expenditure</b>				
Employee cost	375,54.62	349,80.72	363,93.94	1,426,56.29
Depreciation	11,90.72	11,99.88	11,13.54	46,34.35
Other Expenditure	55,43.22	49,47.18	53,75.91	211,95.95
<b>Total</b>	<b>442,88.56</b>	<b>411,27.78</b>	<b>428,83.39</b>	<b>1,684,86.59</b>
<b>Profit from Operations before Other Income, Interest &amp; Tax</b>	<b>30,05.73</b>	<b>61,69.32</b>	<b>42,55.28</b>	<b>169,12.59</b>
Other Income	14,38.51	10,96.61	20,46.97	36,52.84
<b>Profit before Interest &amp; Tax</b>	<b>44,44.24</b>	<b>72,65.93</b>	<b>63,02.25</b>	<b>205,65.43</b>
Finance Cost	38.49	35.04	61.89	1,90.50
<b>Profit before Tax</b>	<b>44,05.75</b>	<b>72,30.89</b>	<b>62,40.36</b>	<b>203,74.93</b>
Tax expenses	12,11.44	13,24.99	12,60.03	36,69.23
<b>Net Profit for the period</b>	<b>31,94.31</b>	<b>59,05.90</b>	<b>49,80.33</b>	<b>167,05.70</b>
<b>Paid-up Equity share Capital</b>				
Equity shares of Rs 5 each	49,75.47	49,75.30	49,73.46	49,75.30
Reserves excluding revaluation reserves	1,029,15.97	1,037,89.14	951,13.79	1,037,89.14
<b>Earning Per Share (EPS) of Rs.5 each (Rs.)</b>				
Basic	3.21	5.94	5.01	16.79
Diluted	3.21	5.92	4.99	16.76
Public Shareholding				
Number of shares	70,514,214	70,512,714	70,479,638	70,512,714
Percentage of shareholding	70.86%	70.86%	70.86%	70.86%
Promoters and Promoter group shareholding				
a) Pledged / encumbered				
- Number of shares	Nil	Nil	Nil	Nil
- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	Nil	Nil	Nil	Nil
- Percentage of shares (as a % of the total share capital of the company)	Nil	Nil	Nil	Nil
b) Non-encumbered				
- Number of shares	28,993,360	28,993,360	28,989,559	28,993,360
- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	100.00%	100.00%	100.00%	100.00%
- Percentage of shares (as a % of the total share capital of the company)	29.14%	29.14%	29.14%	29.14%

**SEGMENT INFORMATION (FY 2013-14)**

QUARTER ENDED  
June 30, 2013

<b>A) Segment revenue (Gross Income from Operations)</b>				
Product licenses and related revenues				87,17.10
Software development, Support & BPO services				401,62.04
<b>Total Revenues</b>				<b>488,79.14</b>
<b>B) Segment profit before interest and tax</b>				
Product licenses and related revenues				(7,45.12)
Software development, Support & BPO services				53,35.72
<b>Total</b>				<b>45,90.60</b>
a) Finance Charges				(38.49)
b) Other unallocable expenditure net of unallocable income including Forex impact on Hedge accounting				(1,46.36)
<b>Profit before tax</b>				<b>44,05.75</b>
<b>C) Capital employed**</b>				<b>1,078,91.44</b>

**SEGMENT INFORMATION (FY 2012-13)**

QUARTER ENDED  
March 31, 2013

PARTICULARS	QUARTER ENDED		YEAR ENDED
	March 31, 2013	June 30, 2012 (Unaudited)	March 31, 2013
<b>A) Segment revenue:</b>			
Banking, Financial services & Insurance	444,90.11	446,89.05	1,746,48.23
Emerging verticals	28,06.99	24,49.62	107,50.95
<b>Total Revenues</b>	<b>472,97.10</b>	<b>471,38.67</b>	<b>1,853,99.18</b>
<b>B) Segment profit before depreciation, interest and tax</b>			
Banking, Financial services & Insurance	140,94.61	121,79.38	466,92.56
Emerging verticals	3,16.08	4,22.85	12,78.31
<b>Total</b>	<b>144,10.69</b>	<b>126,02.23</b>	<b>479,70.87</b>
a) Finance Charges	(35.04)	(61.89)	(1,90.50)
b) Other unallocable expenditure net of unallocable income	(71,44.76)	(62,99.98)	(274,05.44)
<b>Profit before tax</b>	<b>72,30.89</b>	<b>62,40.36</b>	<b>203,74.93</b>
<b>C) Capital employed**</b>	<b>1,087,64.44</b>	<b>1,000,87.25</b>	<b>1,087,64.44</b>

With effect from this financial year, the Company restructured the business into Product and Services for effective monitoring and management. In view of this change, the product and services segment information is provided as against the business vertical segmentation followed till previous financial year. Due to this change, the segment information for the current quarter is not comparable with the previous periods.

The segmentation between Product Licenses & related revenues and Software development, Support & BPO Services is based on internal management reports and includes estimates / allocation as considered appropriate and certified / approved by the Company.

\*\*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.

Notes:

- The above results were reviewed by the Audit committee and approved by the Board of Directors at its meeting held on July 30, 2013.
- The Stand-alone results for the Quarter ended June 30, 2013 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 7  
No. of Complaints disposed off during the quarter 7  
No. of Complaints lying unresolved at the end of the quarter Nil
- The Company has allotted 3,300 shares under ASOP 2003 of the Company during the Quarter ended June 30, 2013.
- During this quarter, Mr. V. Balaraman was inducted as an Additional Director in the Board w.e.f. April 27, 2013.
- The Company on April 27, 2011 made an investment aggregating Rs. 8,813 Lakhs 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 (CFIUS), the Board 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. As this transaction would qualify as an initial disclosure event, within the meaning of Accounting Standard 24 on Discontinuing Operations, the loss attributable to the discontinuing operations included in the Consolidated Financials has been quantified and disclosed separately. Consolidated revenue for the quarter ended June 30, 2013 includes Rs. 1,701.36 Lakhs attributable to the discontinuing operations.
- The comparative figures of Stand-alone results for the quarter ended June 30, 2012, have been restated to include the results of BPO division as per the sanctioned Scheme of Arrangement (demerger) approved on July 20, 2012 by 'The Hon'ble High Court of Madras' with effect from October 1, 2011.
- Figures of the earlier periods, wherever necessary, have been regrouped to conform with those of the current period.
- Function wise classification of statement of Profit and Loss for the Group.

PARTICULARS	QUARTER ENDED			YEAR ENDED
	June 30, 2013	March 31, 2013	June 30, 2012	March 31, 2013
<b>INCOME</b>				
Gross Income from software services, products and Business Process Management	583,81.50	554,73.01	581,63.91	2,308,33.36
Forex impact on Hedge accounting	(15,84.85)	(11,89.05)	(12,32.65)	(49,70.26)
<b>Net Income from software services, products and Business Process Management</b>	<b>567,96.65</b>	<b>542,83.96</b>	<b>569,31.26</b>	<b>2,258,63.10</b>
<b>EXPENDITURE</b>				
Software development expenses	374,45.37	357,14.11	365,90.09	1,456,72.43
Selling and marketing expenses	70,09.81	66,34.24	70,90.03	278,77.34
General and Administrative expenses	38,14.90	38,34.94	34,34.99	148,64.30
<b>Total Expenditure</b>	<b>482,70.08</b>	<b>461,83.29</b>	<b>471,15.11</b>	<b>1,884,14.07</b>
<b>Profit before interest, depreciation &amp; amortisation</b>	<b>85,26.57</b>	<b>81,00.67</b>	<b>98,16.15</b>	<b>374,49.03</b>
Research & development expenses	29,16.55	26,29.59	28,82.01	107,72.77
Depreciation / Amortisation	13,85.08	13,90.46	12,91.74	53,69.09
Finance Charges	61.37	57.94	75.44	2,49.08
<b>Profit after interest, depreciation &amp; amortisation</b>	<b>41,63.57</b>	<b>40,22.68</b>	<b>55,66.96</b>	<b>210,58.09</b>
Other Income	15,02.78	9,02.32	21,62.47	32,50.86
Minority Interest / Share of profit / (loss) of Associate Companies	(80.19)	4,52.01	15.40	6,75.04
<b>Profit before tax</b>	<b>55,86.16</b>	<b>53,77.01</b>	<b>77,44.83</b>	<b>249,83.99</b>
Provision for taxation	12,65.78	9,93.23	16,28.08	49,03.67
<b>Profit after tax</b>	<b>43,20.38</b>	<b>43,83.78</b>	<b>61,16.75</b>	<b>200,80.32</b>

Place : Chennai

Date : July 30, 2013

For Polaris Financial Technology Limited

**POLARIS FINANCIAL TECHNOLOGY LIMITED**

Regd. Office: Polaris House, 244, Anna Salai, Chennai-600006.

**Natarajan Narayanasamy**

Group Chief Financial Officer

**Arun Jain**

Chairman & Managing Director