

POLARIS FINANCIAL TECHNOLOGY - GROUP (Formerly known as Polaris Software Lab - Group)						
UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUATER ENDED SEPTEMBER 30, 2013 PREPARED AS PER INDIAN GAAP						
Rs. In Lakhs						
PARTICULARS	QUARTER ENDED			HALF YEAR ENDED		YEAR ENDED
	September 30, 2013	June 30, 2013	September 30, 2012	September 30, 2013	September 30, 2012	March 31, 2013
Income						
Gross Income from Operations	643,37.31	566,80.15	599,07.95	1,210,17.46	1,180,71.86	2,308,33.36
Forex impact on Hedge accounting	(33,29.40)	(15,84.85)	(13,18.21)	(49,14.25)	(25,50.86)	(49,70.26)
Net Income from Operations	610,07.91	55,095.30	585,89.74	1,161,03.21	1,155,21.00	2,258,63.10
Expenditure						
Employee cost	455,17.43	423,08.82	416,25.79	878,26.25	832,73.07	1,663,11.67
Depreciation	13,55.40	12,97.69	12,94.88	26,53.09	25,86.61	53,69.09
Other Expenditure	93,98.89	72,80.53	93,23.79	163,52.71	168,75.51	330,38.23
Total	562,71.72	508,87.04	522,44.46	1,068,32.05	1,027,35.19	2,047,18.99
Profit from Operations before Other Income, Interest & Tax	47,36.19	42,08.26	63,45.28	92,71.16	127,85.81	211,44.11
Other Income	8,05.63	15,14.83	4,03.97	19,93.75	17,68.32	34,13.92
Profit before Interest and Tax	55,41.82	57,23.09	67,49.25	112,64.91	145,54.13	245,58.03
Finance cost	41.69	38.67	61.79	80.36	1,37.23	2,49.08
Profit from ordinary activities before tax	55,00.13	56,84.42	66,87.46	111,84.55	144,16.90	243,08.95
Tax expenses	8,85.69	12,65.78	13,40.89	21,51.47	29,68.98	49,03.67
Net Profit from ordinary activities after tax	46,14.44	44,18.64	53,46.57	90,33.08	114,47.92	194,05.28
Exceptional items						
Profit/(Loss) from discontinued operations	14,25.75	(18.04)	-	14,07.71	-	-
Net Profit after tax	60,40.19	44,00.60	53,46.57	104,40.79	114,47.92	194,05.28
Minority interest - (Share of Loss)	-	-	1,66.59	-	1,81.99	-
Share of profit/(loss) of Associate companies	(58.80)	(80.19)	-	(13,8.99)	-	4,52.01
Net Profit for the period	59,81.39	43,20.41	55,13.16	103,01.80	116,29.91	200,80.32
Net profit/(loss) attributable to discontinuing operations - refer note (g)	-	-	-	-	-	(21,27.50)
Earning Per Share (EPS) of Rs.5 each (Rs.)						
Basic	6.01	4.34	5.54	10.35	11.69	20.19
Diluted	6.00	4.33	5.53	10.34	11.66	20.15

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 QUATER ENDED SEPTEMBER 30, 2013 PREPARED AS PER INDIAN GAAP

PARTICULARS	QUARTER ENDED			HALF YEAR ENDED		YEAR ENDED
	September 30, 2013	June 30, 2013	September 30, 2012	September 30, 2013	September 30, 2012	March 31, 2013
Income						
Gross Income from Operations	540,33.34	488,79.14	474,34.31	1,029,12.48	958,05.63	1,903,69.44
Forex impact on Hedge accounting	(33,29.40)	(15,84.85)	(13,18.21)	(49,14.25)	(25,50.86)	(49,70.26)
Net Income from Operations	507,03.94	472,94.29	461,16.10	979,98.23	932,54.77	1,853,99.18
Expenditure						
Employee cost	400,50.18	375,54.62	360,93.57	776,04.80	724,87.51	1,426,56.29
Depreciation	12,36.70	11,90.72	11,29.76	24,27.42	22,43.30	46,34.35
Other Expenditure	67,93.44	55,43.22	63,48.87	123,36.66	117,24.78	211,95.95
Total	480,80.32	442,88.56	435,72.20	923,68.88	864,55.59	1,684,86.59
Profit from Operations before Other Income, Interest & Tax	26,23.62	30,05.73	25,43.90	56,29.35	67,99.18	169,12.59
Other Income	7,67.12	14,38.51	3,53.16	22,05.63	24,00.13	36,52.84
Profit before Interest & Tax	33,90.74	44,44.24	28,97.06	78,34.98	91,99.31	205,65.43
Finance Cost	36.88	38.49	52.35	75.37	1,14.24	1,90.50
Profit from ordinary activities before tax	33,53.86	44,05.75	28,44.71	77,59.61	90,85.07	203,74.93
Exceptional items						
Loss on divestment of discontinued business	(26,16.76)	-	-	(26,16.76)	-	-
Profit before tax	7,37.10	44,05.75	28,44.71	51,42.85	90,85.07	20,374.93
Tax expenses	4,26.81	12,11.44	4,25.77	16,38.25	16,85.80	36,69.23
Net Profit after tax	3,10.29	31,94.31	24,18.94	3,504.60	73,99.27	167,05.70
Paid-up Equity share Capital						
Equity shares of Rs 5 each	49,75.50	49,75.47	49,73.62	49,75.50	49,73.62	49,75.30
Reserves excluding revaluation reserves	1,015,59.63	1,029,15.97	989,27.79	1,015,59.65	989,27.79	1,037,89.14
Earning Per Share (EPS) of Rs.5 each (Rs.)						
Basic	0.31	3.21	2.43	3.52	7.45	16.79
Diluted	0.31	3.21	2.43	3.52	7.42	16.76
Public Shareholding						
Number of shares	70,516,614	70,514,014	704,79,138	70,516,614	70,479,138	70,512,714
Percentage of shareholding	70.86%	70.86%	70.85%	70.86%	70.85%	70.86%
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	28,993,360	28,993,360	289,93,359	28,993,360	28,993,359	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%	100.00%	100.00%
- percentage of shares (as a % of the total share capital of the company)	29.14%	29.14%	29.15%	29.14%	29.15%	29.14%

SEGMENT INFORMATION (FY 2013-14)	QUARTER ENDED			HALF YEAR ENDED
	September 30, 2013	June 30, 2013	September 30, 2012	September 30, 2013
A) Segment revenue (Gross Income from Operations)				
Product licenses and related revenues	103,31.52	87,17.10	190,48.62	
Software development, Support & BPO services	437,01.82	401,62.04	838,63.86	
Total Revenues	540,33.34	488,79.14	1,029,12.48	
B) Segment profit before interest and tax				
Product licenses and related revenues	(3,45.80)	(7,45.12)	(10,90.92)	
Software development, Support & BPO services	62,98.81	53,35.72	116,34.53	
Total	59,53.01	45,90.60	105,43.61	
Finance Charges	(36.88)	(3,8.49)	(75.37)	
Other unallocable expenditure net of unallocable income including Forex impact on Hedge accounting	(25,62.27)	(14,6.36)	(27,08.63)	
Profit before tax	33,53.86	44,05.75	77,59.61	
C) Capital employed:**	1,065,35.13	1,078,91.44	1,065,35.13	

SEGMENT INFORMATION (FY 2012-13)	QUARTER ENDED	HALF YEAR ENDED	YEAR ENDED
	September 30, 2012	September 30, 2012	March 31, 2013
A) Segment revenue:			
Banking , Financial services and Insurance	436,03.00	882,92.05	1,746,48.23
Emerging verticals	25,13.10	49,62.72	107,50.95
Total Revenues	461,16.10	932,54.77	1,853,99.18
B) Segment profit before depreciation, interest and tax			
Banking & Financial services	88,15.89	209,95.27	466,92.56
Emerging verticals	3,19.08	7,41.93	12,78.31
Total	91,34.97	217,37.20	479,70.87
a) Finance Charges	(52.35)	(1,14.24)	(1,90.50)
b) Other unallocable expenditure net of unallocable income	(62,37.91)	(125,37.89)	(274,05.44)
Profit before tax	28,44.71	90,85.07	203,74.93
C) Capital employed:**	1,039,01.41	1,039,01.41	1,087,64.44

With effect from this 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 period is not comparable with previous periods.

The segmentation between products 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.

STATEMENT OF ASSETS AND LIABILITIES	CONSOLIDATED		STANDALONE	
	September 30, 2013 (Unaudited)	March 31, 2013	September 30, 2013	March 31, 2013
EQUITY AND LIABILITIES				
SHAREHOLDERS' FUNDS				
Share capital	49,75.50	49,75.30	49,75.50	49,75.30
Reserves and surplus	1,352,74.87	1,292,97.15	1,015,59.63	1,037,89.14
	1,402,50.37	1,342,72.45	1,065,35.13	1,087,64.44
SHARE APPLICATION MONEY PENDING ALLOTMENT	13.55	-	13.55	-
MINORITY INTEREST				
NON-CURRENT LIABILITIES				
Long - term borrowings	-	57.81	-	-
Deferred tax liabilities (Net)	8,89.88	7,93.01	8,65.65	7,71.36
Long - term provisions	5,33.30	9,15.63	3,88.07	7,94.08
CURRENT LIABILITIES				
Short - term borrowings	56,34.90	115,54.24	56,34.90	108,58.00
Trade payables	225,59.18	206,27.56	215,00.18	187,33.23
Other current liabilities	157,39.36	184,23.91	159,31.39	127,87.45
Short-term provisions	163,13.14	153,12.51	150,15.84	143,73.30
TOTAL	2,019,33.68	2,019,57.12	1,658,84.71	1,670,81.86
ASSETS				
NON-CURRENT ASSETS				
Fixed assets				
- Tangible assets	327,03.88	337,22.84	288,49.92	296,89.22
- Intangible assets	11,97.41	13,68.35	9,41.16	11,16.66
- Capital work-in-progress	42,78.28	41,87.52	42,78.28	41,54.95
- Intangible assets under development	10,23.33	7,90.12	-	-
	392,02.90	400,68.83	340,69.36	349,60.83
Goodwill	76,38.12	212,47.89	-	-
Non-current investments	58,01.98	35,72.07	152,43.75	147,43.76
Deferred tax assets (net)	6,12.77	5,99.87	-	-
Long-term loans and advances	130,05.70	123,84.79	108,27.92	103,33.14
Other non-current assets	15,75.00	15,75.00	-	-
CURRENT ASSETS				
Current investments	304,98.23	265,39.01	304,98.23	353,51.51
Trade receivables	496,58.80	407,47.06	352,73.32	326,03.17
Cash and bank balance	154,75.55	205,66.10	44,97.66	39,66.04
Short-term loans and advances	55,29.70	53,90.18	104,81.58	121,52.66
Other current assets	329,34.93	308,41.32	234,17.89	229,70.75
TOTAL	2,019,33.68	2,019,57.12	1,658,84.71	1,670,81.86

NOTES :

a) The above results were reviewed by the Audit committee and approved by the Board of Directors at its meeting held on October 22, 2013.

b) The Stand-alone financial results of the Company for the quarter ended September 30, 2013 were audited by the Statutory Auditors of the Company.

c) Provision for taxation includes current tax, deferred tax and MAT, wherever applicable.

d) No. of Complaints pending at the beginning of the quarter Nil
No. of Complaints received during the quarter 10
No. of Complaints disposed off during the quarter 10
No. of Complaints lying unresolved at the end of the quarter Nil

e) The Company has allotted 600 shares under Associate Stock Option Plan 2003 of the Company during the Quarter ended September 30, 2013.

g) The Company on April 27, 2011 made an investment aggregating Rs. 8,813 lakhs comprising of 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 divest from IdenTrust Inc and subsequently completed the transaction on September 13, 2013. As a consequence to this event, the Company has recorded a loss of Rs 2,616.76 lakhs in its stand alone financial results for the quarter ended September 30, 2013 which has been disclosed as an exceptional item. The net impact of the divestment on the consolidated financial results aggregating to a profit of Rs 1,425.75 lakhs after considering the results of the operations of the subsidiary upto the date of the divestment have been disclosed separately.

h) Figures of the earlier period, wherever necessary, have been regrouped to conform with those of the current periods.

i) Function wise classification of statement of Profit and Loss for the Group (Unaudited).

Particulars	QUARTER ENDED			HALF YEAR ENDED		YEAR ENDED
	September 30, 2013	June 30, 2013	September 30, 2012	September 30, 2013	September 30, 2012	March 31, 2013
INCOME						
Gross Income from software services, products and Business Process Management	643,37.31	566,80.15	599,07.95	1,210,17.46	1,180,71.86	2,308,33.36
Income from operations	643,37.31	566,80.15	599,07.95	1,210,17.46	1,180,71.86	2,30