

POLARIS FINANCIAL TECHNOLOGY - GROUP
UNAUDITED CONSOLIDATED FINANCIAL RESULTS
FOR THE QUARTER ENDED DECEMBER 31, 2013 PREPARED AS PER INDIAN GAAP

PARTICULARS	Rs. In Lakhs					
	QUARTER ENDED			NINE MONTHS ENDED		YEAR ENDED
	December 31, 2013	September 30, 2013	December 31, 2012	December 31, 2013	December 31, 2012	March 31, 2013 AUDITED
Income						
Gross Income from Operations	643,39.96	643,37.31	572,88.49	1,853,57.43	1,753,60.35	2,308,33.36
Forex impact on Hedge accounting	(29,15.84)	(33,29.40)	(12,30.35)	(78,30.09)	(37,81.21)	(49,70.26)
Net Income from Operations	614,24.12	610,07.91	560,58.14	1,775,27.34	1,715,79.14	2,258,63.10
Expenditure						
Employee cost	463,67.44	455,17.43	415,23.17	1,341,93.68	1,247,96.24	1,663,11.67
Depreciation	13,06.26	13,55.40	13,92.02	39,59.35	39,78.63	53,69.09
Other Expenditure	81,55.31	93,98.89	90,88.20	245,08.01	258,80.85	330,38.23
Total	558,29.01	562,71.72	520,03.39	1,626,61.04	1,546,55.72	2,047,18.99
Profit from Operations before Other Income, finance cost and exceptional items	55,95.11	47,36.19	40,54.75	148,66.30	169,23.42	211,44.11
Other Income	9,55.28	8,05.63	9,66.21	29,49.03	26,51.70	34,13.92
Profit before finance cost and exceptional items	65,50.39	55,41.82	50,20.96	178,15.33	195,75.12	245,58.03
Finance cost	27.96	41.69	53.90	1,08.32	1,91.13	2,49.08
Profit after finance cost but before exceptional items	65,22.43	55,00.13	49,67.06	177,07.01	193,83.99	243,08.95
Exceptional items						
Profit/(Loss) from discontinued operations - refer note (f)	-	14,25.75	-	14,07.71	-	-
Profit before tax expense	65,22.43	69,25.88	49,67.06	191,14.72	193,83.99	243,08.95
Tax expense	14,22.09	8,85.69	9,41.46	35,73.56	39,10.44	49,03.67
Net Profit after tax	51,00.34	60,40.19	40,25.60	155,41.16	154,73.55	194,05.28
Minority interest - (Share of Loss)	-	-	41.04	-	2,23.03	2,23.03
Share of profit/(loss) of Associate companies	(24.83)	(58.80)	-	(1,63.82)	-	4,52.01
Net profit after taxes/minority interest and share of profit of associates	50,75.51	59,81.39	40,66.64	153,77.34	156,96.58	200,80.32
Net profit/(loss) attributable to discontinuing operations - refer note (f)						(21,27.50)
Earning Per Share (EPS) of Rs.5 each (Rs.)						
Basic	5.10	6.01	4.09	15.45	15.78	20.19
Diluted	5.09	6.00	4.08	15.43	15.75	20.15

POLARIS FINANCIAL TECHNOLOGY LIMITED

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

AUDITED FINANCIAL (STANDALONE) RESULTS FOR THE QUARTER ENDED DECEMBER 31, 2013 PREPARED AS PER INDIAN GAAP

PARTICULARS	Rs. In Lakhs					
	QUARTER ENDED			NINE MONTHS ENDED		YEAR ENDED
	December 31, 2013	September 30, 2013	December 31, 2012	December 31, 2013	December 31, 2012	March 31, 2013
Income						
Gross Income from Operations	535,87.16	540,33.34	460,77.65	1,564,99.63	1,418,83.28	1,903,69.44
Forex impact on Hedge accounting	(29,15.84)	(33,29.40)	(12,30.35)	(78,30.09)	(37,81.21)	(49,70.26)
Net Income from Operations	506,71.32	507,03.94	448,47.30	1,486,69.54	1,381,02.07	1,853,99.18
Expenditure						
Employee cost	403,88.85	400,50.18	351,88.07	1,179,93.65	1,076,75.58	1,426,56.29
Depreciation	11,83.61	12,36.70	11,91.16	36,11.04	34,34.47	46,34.35
Other Expenditure	62,53.06	67,93.44	52,16.78	185,89.72	162,71.22	211,95.95
Total	478,25.52	480,80.32	415,96.01	1,401,94.41	1,273,81.27	1,684,86.59
Profit from Operations before Other Income, finance cost and exceptional items	28,45.80	26,23.62	32,51.29	84,75.13	107,20.80	169,12.59
Other Income	8,78.94	7,67.12	8,48.89	30,84.58	25,78.70	36,52.84
Profit before finance cost and exceptional items	37,24.74	33,90.74	41,00.18	115,59.71	132,99.50	205,65.43
Finance Cost	21.20	36.88	41.21	96.57	1,55.46	1,90.50
Profit after finance cost but before exceptional items	37,03.54	33,53.86	40,58.97	114,63.14	131,44.04	203,74.93
Exceptional items						
Loss on divestment of discontinued business - refer note (f)	-	(26,16.76)	-	(26,16.76)	-	-
Profit before tax expense	37,03.54	7,37.10	40,58.97	88,46.38	131,44.04	203,74.93
Tax expenses	10,41.78	4,26.81	6,58.44	26,80.02	23,44.24	36,69.23
Net Profit after tax	26,61.76	3,10.29	34,00.53	61,66.36	107,99.80	167,05.70
Paid-up Equity share Capital						
Equity shares of Rs.5 each	49,77.31	49,75.50	49,73.74	49,77.31	49,73.74	49,75.30
Reserves excluding revaluation reserves	1,095,46.23	1,015,59.63	1,011,08.97	1,095,46.23	1,011,08.97	1,037,89.14
Earning Per Share (EPS) of Rs.5 each (Rs.)						
Basic	2.67	0.31	3.42	6.20	10.86	16.79
Diluted	2.67	0.31	3.41	6.19	10.83	16.76
Public Shareholding						
Number of shares	70,550,414	70,516,614	70,481,514	70,550,414	70,481,514	70,512,714
Percentage of shareholding	70.87%	70.86%	70.85%	70.87%	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	28,995,760	28,993,360	28,993,360	28,995,760	28,993,360	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)	29.13%	29.14%	29.15%	29.13%	29.15%	29.14%

SEGMENT INFORMATION (FY 2013-14)	QUARTER ENDED			NINE MONTHS ENDED
	December 31, 2013	September 30, 2013	December 31, 2012	December 31, 2013
	A) Segment revenue (Gross Income from Operations)			
Product licenses and related revenues	110,20.61	103,31.52		300,69.23
Software development, Support & BPO services	425,66.55	437,01.82		1,264,30.40
Total Revenues	535,87.16	540,33.34		1,564,99.63
B) Segment profit before interest and tax				
Product licenses and related revenues	179.28	(3,45.80)		(911.64)
Software development, Support & BPO services	55,82.35	62,98.81		172,16.88
Total	57,61.63	59,53.01		163,05.24
Finance Charges	(21.20)	(36.88)		(96.57)
Other unallocable expenditure net of unallocable income including Forex impact on Hedge accounting & excluding exceptional items	(20,36.89)	(25,62.27)		(47,45.53)
Profit before tax	37,03.54	33,53.86		114,63.14
C) Capital employed:	1,145,23.54	1,065,35.13		1,145,23.54

SEGMENT INFORMATION (FY 2012-13)	QUARTER ENDED		NINE MONTHS ENDED	YEAR ENDED
	December 31, 2012	December 31, 2012	December 31, 2012	March 31, 2013
	A) Segment revenue:			
Banking , Financial Services and Insurance	418,66.08	1,301,58.12		1,746,48.23
Emerging Verticals	29,81.22	79,43.95		107,50.95
Total Revenues	448,47.30	1,381,02.07		1,853,99.18
B) Segment profit before depreciation, interest and tax				
Banking, Financial Services and Insurance	116,02.67	325,97.94		466,92.56
Emerging Verticals	2,20.30	9,62.23		12,78.31
Total	118,22.97	335,60.17		479,70.87
a) Finance Charges	(41.21)	(1,55.46)		(1,90.50)
b) Other unallocable expenditure net of unallocable income	(77,22.79)	(202,60.67)		(274,05.44)
Profit before tax	40,58.97	131,44.04		203,74.93
C) Capital employed:	1,060,82.71	1,060,82.71		1,087,64.44

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 / allocations as considered appropriate and certified / approved by the Company.

NOTES :

- The above results were reviewed by the Audit committee and approved by the Board of Directors at its meeting held on January 29, 2014.
- The Stand-alone financial results of the Company for the period ended December 31, 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 9
No. of Complaints disposed off during the quarter 9
No. of Complaints lying unresolved at the end of the quarter Nil
- The Company has allotted 40,100 shares under Associate Stock Option Plan 2003 of the Company for the period ended December 31, 2013.
- The Company on April 27, 2011 made an investment aggregating Rs 8,813 lacs 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 had made a decision to sell its investment in IdenTrust Inc and subsequently completed the transaction on September 13, 2013. As a consequence of the event, the Company had recorded a loss of Rs 2,616.76 Lakhs in its stand alone financial results for the quarter ended September 30, 2013 which had 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.
- Figures of the earlier periods, 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 (Unaudited)

PARTICULARS	QUARTER ENDED			NINE MONTHS ENDED	YEAR ENDED	
	December 31, 2013	September 30, 2013	December 31, 2012	December 31, 2013	December 31, 2012	March 31, 2013 AUDITED
	INCOME					
Gross Income from Software Services, Products and Business Process Management	643,39.96	643,37.31	572,88.49	1,853,57.43	1,753,60.35	2,308,33.36
Net Income from software services, products and Business Process Management	643,39.96	643,37.31	572,88.49	1,853,57.43	1,753,60.35	2,308,33.36
EXPENDITURE						
Software development expenses	406,02.30	401,21.23	366,55.79	1,173,26.90	1,099,58.28	1,456,72.43
Selling and marketing expenses	80,07.57	80,97.14	69,52.91	228,57.52	212,43.11	278,77.34
General and Administrative expenses	36,07.77	37,14.56	42,61.65	106,38.94	110,29.36	148,64.30
Total Expenditure	522,17.64	519,32.93	478,70.35	1,508,23.36	1,422,30.75	1,884,14.07
Profit before interest, depreciation & amortisation	121,22.32	124,04.38	94,18.14	345,34.07	331,29.60	424,19.29
Research & development expenses	23,05.11	26,56.67	27,41.02	78,78.33	81,43.18	107,72.77
Depreciation / Amortisation	13,06.26	13,55.40	13,92.02	39,59.35	39,78.63	53,69.09
Finance Charges	27.96	41.69	53.90	1,08.32	1,91.13	2,49.08
Profit after interest, depreciation & amortisation	84,82.99	83,50.62	52,31.20	225,88.07	208,16.66	260,28.35
Forex impact on Hedge accounting	(29,15.84)	(33,29.40)	(12,30.35)	(78,30.09)	(37,81.21)	(49,70.26)
Other Income including exceptional items	9,55.28	19,04.66	9,66.21	43,56.74	23,48.54	32,50.86
Minority Interest / Share of profit / (loss) of Associate Companies	(24.83)	(58.80)	41.04	(1,63.82)	2,23.03	6,75.04
Profit before tax	64,97.60	68,67.08	50,08.10	189,50.90	196,07.02	249,83.99
Provision for taxation	14,22.09	8,85.69	9,41.46	35,73.56	39,10.44	49,03.67
Profit after tax	50,75.51	59,81.39	40,66.64	153,77.34	156,96.58	200,80.32

For Polaris Financial Technology Limited

Place : Chennai
Date : January 29, 2014

S Swaminathan
Group Chief Financial Officer

Arun Jain
Chairman & Managing Director