

Polaris Consulting & Services Limited

(Formerly known as Polaris Financial Technology Limited)

Consolidated Balance Sheet as at December 31, 2015

(All amounts are in Rupees in lakhs unless otherwise stated)

| Particulars | December 31, 2015 | March 31, 2015 |
|---|-------------------|-------------------|
| EQUITY AND LIABILITIES | | |
| Shareholders' Funds | | |
| Share capital | 5,013.33 | 4,995.73 |
| Reserves and surplus | 89,399.93 | 80,086.74 |
| | 94,413.26 | 85,082.47 |
| Share application money pending allotment | 20.54 | - |
| Minority Interest | 1,544.94 | 148.23 |
| Non-Current Liabilities | | |
| Deferred tax liabilities (net) | 265.32 | 250.63 |
| Current Liabilities | | |
| Trade payables | 18,988.49 | 18,026.95 |
| Other current liabilities | 9,289.38 | 11,494.35 |
| Short-term provisions | 2,936.27 | 14,527.70 |
| TOTAL | 127,458.20 | 129,530.33 |
| ASSETS | | |
| Non-Current Assets | | |
| Fixed assets | | |
| - Tangible assets | 23,977.16 | 22,954.64 |
| - Intangible assets | 361.51 | 513.12 |
| | 24,338.67 | 23,467.76 |
| Non-current investments | 5,713.16 | 11,488.22 |
| Deferred tax assets (net) | 971.04 | 807.95 |
| Long-term loans and advances | 8,636.60 | 9,128.70 |
| Other non-current assets | 151.42 | 244.26 |
| Current Assets | | |
| Current investments | 8,210.92 | 1,050.40 |
| Trade receivables | 27,220.73 | 23,821.16 |
| Cash and bank balance | 27,120.03 | 19,161.29 |
| Short-term loans and advances | 3,223.11 | 10,883.37 |
| Other current assets | 21,872.52 | 29,477.22 |
| TOTAL | 127,458.20 | 129,530.33 |

Polaris Consulting & Services Limited

(Formerly known as Polaris Financial Technology Limited)

Consolidated Statement of Profit and Loss for the period ended December 31, 2015

(All amounts are in Rupees in lakhs unless otherwise stated)

| Particulars | Quarter Ended | | | Nine months Ended | | Year Ended |
|--|-------------------|--------------------|-------------------|-------------------|-------------------|-------------------|
| | December 31, 2015 | September 30, 2015 | December 31, 2014 | December 31, 2015 | December 31, 2014 | March 31, 2015 |
| Revenue | | | | | | |
| Income from operations | 51,758.73 | 51,767.88 | 47,475.61 | 153,110.09 | 142,632.97 | 189,334.54 |
| Other income | 313.35 | 387.02 | 897.12 | 785.83 | 3,239.47 | 4,114.30 |
| Total Revenue | 52,072.08 | 52,154.90 | 48,372.73 | 153,895.92 | 145,872.44 | 193,448.84 |
| Expenses | | | | | | |
| Employee benefit expenses | 39,231.86 | 38,979.93 | 36,810.69 | 116,054.09 | 109,527.76 | 146,129.33 |
| Depreciation and amortisation expenses | 645.70 | 687.49 | 665.82 | 2,007.79 | 2,120.22 | 2,790.87 |
| Other expenses | 5,368.75 | 5,787.56 | 5,283.78 | 16,598.33 | 15,624.56 | 20,696.44 |
| Total Expenses | 45,246.31 | 45,454.98 | 42,760.29 | 134,660.21 | 127,272.54 | 169,616.64 |
| Profit before exceptional items and tax | 6,825.77 | 6,699.92 | 5,612.44 | 19,235.71 | 18,599.90 | 23,832.20 |
| Exceptional Items | (1,060.00) | - | - | (1,060.00) | (689.25) | (689.25) |
| Profit before tax | 5,765.77 | 6,699.92 | 5,612.44 | 18,175.71 | 17,910.65 | 23,142.95 |
| TAX EXPENSES | | | | | | |
| Income taxes - Current tax | 1,999.30 | 2,220.79 | 1,663.90 | 6,101.12 | 5,153.90 | 6,718.25 |
| - Adjustment of tax relating to earlier periods | 43.09 | - | - | 43.09 | (167.00) | (167.00) |
| - Deferred tax | 71.41 | (253.56) | 22.68 | (160.24) | (94.74) | (128.97) |
| Profit after tax before share of results of associates and minority interests | 3,651.97 | 4,732.69 | 3,925.86 | 12,191.74 | 13,018.49 | 16,720.67 |
| Add: Share of profit from Associate Company | - | - | - | - | - | 1.19 |
| Add: Minority Interest | 2.10 | 1.74 | - | 5.32 | - | 5.12 |
| Profit for the year | 3,654.07 | 4,734.43 | 3,925.86 | 12,197.06 | 13,018.49 | 16,726.98 |

Earnings per share (In Rs.) - (equity shares par value Rs 5 each)

| | | | | | | |
|---|-------------|-------------|-------------|-------------|-------------|-------------|
| Basic | 3.65 | 4.73 | 3.93 | 12.18 | 13.05 | 16.77 |
| Diluted | 3.57 | 4.64 | 3.83 | 11.95 | 12.72 | 16.39 |
| Number of shares used in computing earnings per share | | | | | | |
| Basic | 100,244,633 | 100,173,851 | 99,845,602 | 100,137,695 | 99,722,984 | 99,760,484 |
| Diluted | 102,253,520 | 101,992,964 | 102,483,272 | 102,109,975 | 102,347,575 | 102,064,912 |

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Consolidated cash flow statement for the period ended December 31, 2015

(All amounts are in Rupees in lakhs unless otherwise stated)

| Particulars | December 31, 2015 | March 31, 2015 |
|--|--------------------|-------------------|
| Cash flows from operating activities | | |
| Profit before tax | 18,175.71 | 23,142.95 |
| Adjustments for: | | |
| Depreciation and amortisation | 2,007.79 | 2,790.87 |
| Interest income | (325.49) | (694.70) |
| Dividend income | (38.63) | (1,514.67) |
| Unrealised exchange (gain) / loss | 174.22 | (554.53) |
| Exchange difference on translation of foreign operations | 771.13 | (2,690.45) |
| Profit on sale of fixed assets (net) | (3.64) | (13.82) |
| Profit on sale of Investments (net) | (280.59) | (483.36) |
| Provision for doubtful debts | 90.00 | 165.00 |
| Bad debts written off | - | 2.20 |
| Operating profit before working capital changes | 20,570.50 | 20,149.49 |
| Changes in assets and liabilities | | |
| Decrease / (Increase) in trade receivable | (3,492.58) | (911.98) |
| Decrease/ (Increase) in loans and advances and other assets | 11,116.00 | (22,947.86) |
| Increase / (Decrease) in liabilities and provisions | 4,059.75 | 14,552.61 |
| Cash generated from / (used in) operations | 32,253.67 | 10,842.26 |
| Taxes paid | (5,905.47) | (5,210.65) |
| Net cash from operating activities | 26,348.20 | 5,631.61 |
| Cash flows from Investing activities | | |
| Purchase of fixed assets, changes in capital work in progress and capital advance | (2,567.24) | (7,366.21) |
| Proceeds from sale of fixed assets | 34.92 | 97.08 |
| (Purchase) / sale of non-current investments | 7,361.54 | (2,500.00) |
| Redemption / (Purchase) of current investments | (7,075.81) | 9,752.14 |
| Interest received | 325.49 | 694.70 |
| Dividend received | 38.63 | 1,514.67 |
| Net cash flow from/ (used in) investing activities | (1,882.47) | 2,192.38 |
| Cash flows from financing activities | | |
| Proceeds from share capital issued on exercise of stock options | 17.60 | 18.22 |
| Proceeds from share premium on exercise of stock options | 352.91 | 428.74 |
| Dividends paid during the period | (14,966.65) | (6,219.89) |
| Dividend tax paid during the period | (2,037.20) | (1,701.14) |
| Net cash flow used in financing activities | (16,633.34) | (7,474.07) |
| Net increase in cash and equivalents during the period | 7,832.39 | 349.92 |
| Exchange differences on translation of cash and cash equivalents in foreign currency | 126.35 | 288.79 |
| Cash and cash equivalents at the beginning of the year | 19,161.29 | 23,132.93 |
| Cash and cash equivalents transferred on Demerger pursuant to Scheme of arrangement | - | (4,610.35) |
| Cash and cash equivalents at the end of the period | 27,120.03 | 19,161.29 |
| Components of Cash and cash equivalents | | |
| Cash on hand | 5.83 | 2.71 |
| Balance with banks | | |
| - On current account | 23,719.91 | 9,182.74 |
| - On deposit account | 3,256.13 | 4,881.84 |
| - On unpaid dividend account * | 138.16 | 5,094.00 |
| | 27,120.03 | 19,161.29 |

* The balance with banks include Rs.138.16 lakhs (March 31, 2015: Rs.5,094 lakhs), which are not available for use by the Company as they represent unpaid dividend liabilities Rs.138.16 lakhs (March 31, 2015: Rs 98.27 lakhs) and dividend payable Rs.Nil (March 31, 2015 interim dividend payable: Rs 4,995.73).