

Polaris announces demerger of Products Business

Chennai (India), March 18, 2014: Polaris Financial Technology Ltd, a leader in products, solutions and services that enable unprecedented operational productivity for the global Financial Services industry, announced today the demerger of its Products (Intellect) business into an independent entity.

The company will be filing the Scheme of Demerger with the Stock Exchanges, SEBI and High Court as per extant regulations. After demerger and subject to approval from regulatory authorities and shareholders, the Product Company will be known as **Intellect Design Arena Ltd (Intellect)** and comprise of four distinct businesses : Global Universal Banking; Risk and Treasury Management; Global Transaction Banking and Insurance. **Polaris Financial Technology Ltd (Polaris)** will continue to run the Services Business with a strong vertical and solution focus.

As consideration for the Demerger (technically called a Vertical Split), every shareholder of Polaris Financial Technology Limited, will receive **one share of Intellect**. The Product business is significantly different from the Services stream, in terms of investments into product development, talent and sales & distribution. Given this, the Polaris Board, taking into consideration the recommendations made by the Special Committee comprising of independent directors of the Board as well as the Audit Committee, has decided to offer a special option to the shareholders of **Intellect** to exchange the shares (should they wish to) allotted pursuant to the Demerger against fully secured non-convertible debentures (NCD). These NCDs shall have a face value of Rs.42/- , with a coupon of 7.75% p.a., redeemable at par after 90 days

The company announced the next phase of its growth journey, i.e., **Polaris 4.0**, as the culmination of its annual visioning exercise (Lakshya) in Jan 2012. Since then, the company has taken measured steps in four stages that led to the decision to de-merge. Stage 1 (January - June 2012) involved identifying major opportunities and the constraints in leveraging them. Stage 2 (July - December 2012), focussed on Strategy design, anchored by the Polaris Board and Boston Consulting Group (BCG). In Stage 3 (January - June 2013), a special Task Force was set up internally to work on the Change Design. Between July 2013 and January 2014 (Stage 4), the business of the company was re-organised into distinct Services and Products businesses, with independent CEOs.

Arun Jain, Executive Chairman, Polaris Financial Technology Ltd. said, “This is a decisive step towards unlocking the potential of the company to respond to emerging opportunities in Financial Technologies in the coming decade. In fact, it is a win-win for customers, employees and investors alike. From a customer perspective, this new structure aligns investments, competencies, decision making and processes to drive the next level of value creation. On one side, the customer will be able to enjoy deeper focus for his specific needs, say Services, while he would be able to accelerate his change-the-business agenda with truly next-gen Products.

From an employee perspective, alignment to their individual talent and interests will become a lot sharper, opening up clear streams for career advancement. From an investor perspective, on

one hand, the shareholder will get an additional share of Intellect, a new horizon business. On the other hand, expanded leadership capacity, greater customer centricity and sharper focus will drive higher value in each of the Businesses. "

As announced at the time of restructuring, Jitin Goyal will continue as Chief Executive Officer of the Services business, and will be based in London. In the Products entity, Manish Maakan will continue as Chief Executive Officer of the Intellect Global Transaction Banking (iGTB) business operating out of London; Jaideep Billa and Venkatesh Srinivasan will continue to be Joint Chief Executive Officers of Intellect Global Universal Banking and Intellect Risk & Treasury business, operating out of Singapore and Mumbai respectively; and Pranav Pasricha will continue to be Chief Executive Officer of the Intellect Insurance product business, based in New York.

Polaris Holdings Pvt. Ltd., whose name has been changed to **Polaris Banyan Holding Pvt. Ltd.**, will continue to be the promoter of both the companies. Both companies therefore will operate as Polaris Group Companies, each with its independent management team and Board of Directors.

Investor Conference Call

The company would host an Investors Conference Call on **19th March 2014**, where the Senior Management of Polaris will convey the message from the Board and reply to the queries.

The conference call will take place at 14:30 Hrs IST on Wednesday, 19th March, 2014.

The dial-in numbers to join the conference call:

Conference Name	:	Polaris Investor call
Date	:	19th March, 2014
Time	:	14:30 HRS IST
Conference ID	:	15233958

ACCESS NUMBERS

MUMBAI	:	Primary Access Toll Number	:	02230360400
BANGALORE	:	Primary Access Toll Number	:	08030360400
DELHI	:	Primary Access Toll Number	:	01130360400
CHENNAI	:	Primary Access Toll Number	:	04430360400
INDIA	:	Primary Access Toll free Number	:	180030131313
AUSTRALIA	:	Primary Access Toll free Number	:	1800209057
HONK KONG	:	Primary Access Toll free Number	:	800901420
MALAYSIA	:	Primary Access Toll free Number	:	1800813370
SINGAPORE	:	Primary Access Toll free Number	:	8001011906
SOUTH AFRICA	:	Primary Access Toll free Number	:	0800982330
THAILAND	:	Primary Access Toll free Number	:	0018001562054396
UAE	:	Primary Access Toll free Number	:	8000174397
US and Canada	:	Primary Access Toll free Number	:	18663944523
UK	:	Primary Access Toll free Number	:	08081681758

About Polaris Financial Technology Ltd

Polaris Financial Technology Limited is a global leader in Financial Technology for Banking, Insurance and other Financial Services. With over 25 years of expertise in building a comprehensive portfolio of products, smart legacy modernization services and consulting, Polaris owns the largest set of Intellectual Properties for a comprehensive product suite, Intellect[®] Global Universal Banking (GUB) M180. Intellect[®] is the world's first pure play Service Oriented Architecture (SOA) based application suite for Retail, Corporate, Investment banking and Insurance. Its acclaimed products, solutions and services enable unprecedented operational productivity for the global Financial Services Industry by Building, Maintaining, Expanding and Extending highly complex and Integrated Financial Technology Infrastructure.

This makes Polaris the chosen partner for 9 of the top 10 global banks and 7 of the top 10 global insurance companies. The company has a global presence through its 40 relationship offices across 30 countries, 6 international development centers and 8 fully owned Business Solution centers. Polaris has a talent strength of over 12,500 solution architects, domain and technology experts.

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