

PFTL/SEC/2014-15

October 15, 2014

1. **The National Stock Exchange of India Ltd.,**
Exchange Plaza, 5th Floor, Plot No. C/1, G Block, Bandra Kurla Complex,
Bandra (E), Mumbai – 400 051.
2. **The Bombay Stock Exchange Ltd.**
1st Floor, New Trade Ring, Rotunda Building, PJ Towers,
Dalal Street, Fort, Mumbai – 400 001.
3. **Madras Stock Exchange Ltd.,**
Exchange Building, No.11 Second Line Beach, Chennai – 600 001.

Dear Sirs,

Sub: **Note for the attention of Company's Shareholders**

Please find enclosed herewith a detailed note for the attention of Company's Shareholders dated October 15, 2014.

Kindly take the above information on record.

Thanking you,

Yours truly,
for Polaris Financial Technology Limited




Arun Jain
Chairman and Managing Director

Encl: as above

CMJ

Polaris Financial Technology Limited, Regd. Office: 'Polaris House', 244, Anna Salai, Chennai - 600 006. India. Tel: +91-44-3987 4000, Fax: +91-44-2852 3280
Corporate Headquarters: 'Foundation', 34, IT High way, Chennai - 603 103. India. Tel: +91-44-2743 5001 /+91-44-3987 3000, Fax: +91-44-2743 5166

India: Bangalore, Chennai, Hyderabad, Mangalore, Mumbai, New Delhi, Pune, Thane | Australia: Melbourne, Sydney | Canada: Mississauga, Toronto
Chile: Santiago | China: Guangzhou, Shanghai | France: Paris | Germany: Frankfurt | Hong Kong | Indonesia: Jakarta | Ireland: Wicklow | Japan: Tokyo
Kenya: Nairobi | Malaysia: Kuala Lumpur | Netherlands: Utrecht | New Zealand: Wellington | Philippines: Pasing city | Saudi Arabia: Riyadh | Singapore
South Africa: Mondeor | Spain: Madrid | Switzerland: Neuchate | Thailand: Bangkok | UAE: Dubai | United Kingdom: Belfast, London
USA: Chicago, New Jersey, Pittsburgh, Tampa | Vietnam: Ho Chi Minh City

POLARIS FINANCIAL TECHNOLOGY LIMITED

Registered Office: 244, Anna Salai, Chennai – 600 006

Tele: 044 - 3987400 Fax: 044 - 28523280

Website: www.polarisft.com | Email: company.secretary@polarisft.com

CIN No: L65993TN1993PLC024142

FOR THE ATTENTION OF COMPANY'S SHAREHOLDERS

The Hon'ble High Court of Madras, vide its Order dated 15th September 2014 has approved the Scheme of Arrangement Cum Demerger ("Scheme") under section 391 to 394 of the Companies Act, 1956 between Polaris Financial Technology Limited ("Polaris" or the "Demerged Company") and Intellect Design Arena Limited ("Intellect" or "Resulting Company") and their respective shareholders and creditors for demerger of the Product Business Undertaking and vesting of the said business in favour of Intellect, with effect from 1st April 2014 (Appointed Date)

In terms of the Scheme, Intellect is required to issue and allot to each Shareholder of Polaris whose name is recorded in the Register of Members and records of the depository as members of Polaris on the Record Date, equity shares of Intellect in the ratio of 1 (one) equity share of the face value of Rs.5 (Rupees Five) each credited as fully paid up for every 1 (one) equity share of Rs. 5 (Rupees 5) each fully paid up, held by such member in Polaris.

Polaris had fixed 10th October 2014, as the Record Date to determine its Shareholders who would be entitled to the Shares of Intellect as aforesaid, pursuant to the Scheme.

Accordingly, Intellect has on 15th October 2014, allotted equity shares to the shareholders of Polaris in the ratio of 1 (one) equity share of the face value of Rs.5 (Rupees Five) each credited as fully paid up for every 1 (one) equity share of Rs. 5 (Rupees Five) each of Polaris, held as on the Record Date.

The communication is being issued for general guidance of the Shareholders of Polaris in relation to the method of calculation and apportionment of the cost of acquisition of Polaris Shares between the shares of Polaris and Intellect as per the provisions of the Income Tax Act, 1961.

For the Purpose of determining the post demerger cost of acquisition of the equity shares of Polaris and the cost of equity shares of Intellect under the Income Tax Act, 1961, the Shareholders are advised to apportion their Pre-Demerger cost of acquisition of Polaris shares in the following manner:

Name of the Company	% of Cost of Acquisition of Polaris Shares
Polaris Financial Technology Limited	72%
Intellect Design Arena Limited	28%
Total	100%

The Company has been advised that as per Section 47 (vid) of the Income Tax Act, 1961, the issue of Shares by Intellect in the Scheme of Demerger to the Shareholders of Polaris in consideration of Demerger of the Product Business Undertaking will not be regarded as transfer. Accordingly, the date of acquisition of shares of Polaris will be deemed to be the date of acquisition for the equity shares of Intellect too.

This communication is merely for the guidance of the shareholders, and should not be considered as substitute for any independent opinion that the shareholders may obtain. The concerned regulatory, statutory or judicial authority, including any assessing officer/appropriate appellate authority, could take a different view. The Company takes no express or implied liability in relation to this guidance.

Arun Jain
Chairman and Managing Director
Polaris Financial Technology Limited
Chennai, 15th October, 2014.