

Polaris Software Lab Limited - Group
Consolidated Balance Sheet as at

Rs. in Lacs

	September 30, 2008	March 31, 2008
SOURCES OF FUNDS		
SHAREHOLDERS' FUNDS		
Share Capital	4,933.81	4,933.73
Share application money pending allotment	0.02	0.02
Reserves and Surplus	68,615.70	60,815.11
	<u>73,549.53</u>	<u>65,748.86</u>
LOAN FUNDS		
Secured Loans	57.04	82.58
DEFERRED TAX LIABILITY		
	1.19	99.83
	<u>73,607.76</u>	<u>65,931.27</u>
APPLICATION OF FUNDS		
FIXED ASSETS		
Cost	48,247.37	46,671.60
Less: Depreciation and amortisation	28,952.37	25,833.24
Net Book Value	19,295.00	20,838.36
Capital Work in Progress	481.72	495.58
	<u>19,776.72</u>	<u>21,333.94</u>
INVESTMENTS		
	12,067.70	9,696.60
DEFERRED TAX ASSET		
	302.08	206.14
CURRENT ASSETS, LOANS AND ADVANCES		
Sundry Debtors	25,629.40	21,044.82
Cash and Bank balances	11,360.37	7,676.00
Loans and Advances	25,382.17	24,450.30
	<u>62,371.94</u>	<u>53,171.12</u>
CURRENT LIABILITIES AND PROVISIONS		
Current Liabilities	18,109.60	14,005.07
Provisions	2,801.08	4,471.46
	<u>20,910.68</u>	<u>18,476.53</u>
NET CURRENT ASSETS		
	<u>41,461.26</u>	<u>34,694.59</u>
	<u>73,607.76</u>	<u>65,931.27</u>

Polaris Software Lab Limited - Group

Consolidated Profit and Loss Account for the period

Rs. in Lacs except per share data

	Quarter Ended September 30,		Half Year Ended September 30,	
	2008-09	2007-08	2008-09	2007-08
INCOME				
Software development services and products				
- Overseas	31,214.93	24,171.65	58,861.59	46,920.52
- Domestic	2,241.08	1,953.24	4,485.02	3,944.49
Income from Business Process Management (BPM)				
- Overseas	22.89	85.05	39.36	184.54
- Domestic	1,635.24	1,145.14	3,426.16	2,050.58
Other income, net	628.66	411.04	756.03	1,269.92
	35,742.80	27,766.12	67,568.16	54,370.05
EXPENDITURE				
Software development and BPM expenses	22,916.99	18,469.20	44,384.16	36,218.32
Selling, Administrative and other General expenses	6,446.70	5,870.00	12,795.35	11,674.02
	29,363.69	24,339.20	57,179.51	47,892.34
Operating profit before interest, depreciation and amortisation	6,379.11	3,426.92	10,388.65	6,477.71
Finance charges	16.50	18.85	37.22	36.37
Depreciation and amortisation	2,252.72	1,189.43	3,316.17	2,347.20
	2,269.22	1,208.28	3,353.39	2,383.57
Profit before taxation	4,109.89	2,218.64	7,035.26	4,094.14
Income taxes - Current tax	589.00	371.38	1,026.78	693.00
- Deferred tax	(60.76)	(71.50)	(191.56)	(64.78)
- Fringe benefit tax	70.48	74.89	133.64	143.31
Profit after taxation	3,511.17	1,843.87	6,066.40	3,322.61
Share of Profit / (Loss) of Associate Companies	(68.44)	(21.52)	77.48	(58.34)
Net Profit for the year	3,442.73	1,822.35	6,143.88	3,264.27
Profit brought forward from previous year	30,258.63	23,935.81	27,557.47	22,493.89
Balance carried to Balance Sheet	33,701.36	25,758.16	33,701.35	25,758.16
Earnings per share (equity shares par value Rs 5 each)				
Basic	3.49	1.85	6.22	3.31
Diluted	3.48	1.83	6.21	3.29
Number of shares used in computing earnings per share				
Basic	98,675,919	98,636,465	98,675,261	98,609,445
Diluted	98,893,831	99,337,644	98,889,093	99,310,623

Polaris Software Lab Limited - Group
Statement of cash flows for the Period / Year ended

Rs in Lacs

	September 30, 2008	March 31, 2008
Cash flows from operating activities		
Profit before taxation	7,112.75	8,932.54
Interest and dividend income	(345.84)	(439.86)
Exchange differences on foreign exchange translation of cash and cash equivalents	(1,082.71)	(268.03)
Depreciation and amortisation	3,316.16	4,602.48
Provision for doubtful debts & bad debts written off	449.00	35.55
(Profit) / Loss on sale of fixed assets	114.19	132.61
(Profit) / Loss on sale of Investments	(1,301.37)	-
Lease finance charges	3.40	9.67
Share of loss/(profit) on associate companies	(77.48)	16.75
Net Taxes paid/Refund received	(1,689.93)	(2,449.39)
<i>Changes in current assets and liabilities</i>		
Decrease / (Increase) in sundry debtors	(3,957.49)	(2,728.14)
Decrease / (Increase) in loans and advances	(471.25)	(1,996.90)
Increase / (Decrease) in current liabilities and provisions	4,285.95	2,769.25
Net cash flows from operating activities	6,355.38	8,616.55
Cash flows from financing activities		
Proceeds from share capital issued on exercise of stock options	0.10	4.64
Proceeds from share premium on exercise of stock options	1.15	72.18
Payment of secured loans	(25.54)	(46.12)
Lease finance charges	(3.40)	(9.67)
Dividends paid during the year	(1,468.71)	(1,236.01)
Net cash flows from financing activities	(1,496.41)	(1,215.14)
Cash flows from investing activities		
Proceeds from sale of fixed assets	52.05	131.77
Purchase of fixed assets and changes in capital work in progress	(1,796.03)	(3,897.88)
(Purchase) / Sale of Investment in associates	2,306.15	(185.00)
Interest and dividend received	345.84	439.86
Net cash flows from investing activities	908.01	(3,511.25)
Effect of exchange differences on foreign exchange translation of cash and cash equivalents	1,215.79	(106.43)
Total increase / (decrease) in cash and equivalents during the year	6,982.77	3,783.72
Cash and cash equivalents at the beginning of the Period/Year	15,504.80	11,721.08
Cash and cash equivalents at the end of the Period/Year *	22,487.57	15,504.80

Previous year/period figures have been regrouped to confirm to current year/period presentation

Note: * - include mutual fund investments, which is included in Investments.