

Polaris Software Lab Limited - Group
Consolidated Balance Sheet as at

Rs. in Lacs

	December 31, 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	70,000.89	60,815.11
	<u>74,934.72</u>	<u>65,748.86</u>
LOAN FUNDS		
Secured Loans	45.46	82.58
DEFERRED TAX LIABILITY		
	1.40	99.83
	<u>74,981.58</u>	<u>65,931.27</u>
APPLICATION OF FUNDS		
FIXED ASSETS		
Cost	54,112.84	46,671.60
Less: Depreciation and amortisation	30,514.51	25,833.24
Net Book Value	23,598.33	20,838.36
Capital Work in Progress	255.18	495.58
	<u>23,853.51</u>	<u>21,333.94</u>
INVESTMENTS	21,179.26	9,696.60
DEFERRED TAX ASSET	275.18	206.14
CURRENT ASSETS, LOANS AND ADVANCES		
Sundry Debtors	22,128.55	21,044.82
Cash and Bank balances	9,593.74	7,676.00
Loans and Advances	24,176.14	24,450.30
	<u>55,898.43</u>	<u>53,171.12</u>
CURRENT LIABILITIES AND PROVISIONS		
Current Liabilities	21,398.22	14,005.07
Provisions	4,826.58	4,471.46
	<u>26,224.80</u>	<u>18,476.53</u>
NET CURRENT ASSETS	<u>29,673.63</u>	<u>34,694.59</u>
	<u>74,981.58</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 December 31,		Nine months ended December 31,	
	2008	2007	2008	2007
INCOME				
Software development services and products				
- Overseas	33,467.03	24,634.68	92,328.62	71,555.20
- Domestic	2,356.24	1,993.87	6,841.26	5,938.36
Income from Business Process Management (BPM)				
- Overseas	26.29	14.16	65.65	198.70
- Domestic	1,408.24	1,571.44	4,834.40	3,622.02
	37,257.80	28,214.15	104,069.93	81,314.28
EXPENDITURE				
Software development and BPM expenses	23,234.77	18,696.56	67,618.93	54,914.88
Selling, Administrative and other General expenses	6,482.80	6,136.77	19,278.15	17,810.79
	29,717.57	24,833.33	86,897.08	72,725.67
Operating profit before interest, depreciation and amortisation	7,540.23	3,380.82	17,172.85	8,588.61
Finance charges	17.77	23.77	54.99	60.14
Depreciation and amortisation	880.01	1,123.98	4,196.17	3,471.18
	897.78	1,147.75	4,251.16	3,531.32
Operating profit after interest, depreciation and amortisation	6,642.45	2,233.07	12,921.69	5,057.29
Other income, net	(2,388.06)	150.43	(1,632.03)	1,420.35
Profit before taxation	4,254.39	2,383.50	11,289.66	6,477.64
Income taxes - Current tax	454.54	364.00	1,481.32	1,057.00
- Deferred tax	35.45	9.57	(156.11)	(55.21)
- Fringe benefit tax	71.30	74.69	204.95	218.00
Profit after taxation	3,693.10	1,935.24	9,759.50	5,257.85
Share of Profit / (Loss) of Associate Companies	23.63	(23.44)	101.11	(81.78)
Net Profit for the year	3,716.73	1,911.80	9,860.61	5,176.07
Profit brought forward from previous year	33,701.35	25,758.16	27,557.47	22,493.89
Balance carried to Balance Sheet	37,418.08	27,669.96	37,418.08	27,669.96
Appropriations				
Dividend	1,480.14	-	1,480.14	-
Tax on dividend	251.55	-	251.55	-
Amount transferred to General Reserve	758.42	-	758.42	-
Balance carried to Balance Sheet	34,927.97	27,669.96	34,927.97	27,669.96
	37,418.08	27,669.96	37,418.08	27,669.96
Earnings per share				
(equity shares par value Rs 5 each)				
Basic	3.77	1.94	9.99	5.25
Diluted	3.77	1.93	9.99	5.22
Number of shares used in computing earnings per share				
Basic	98,676,197	98,665,448	98,675,574	98,628,180
Diluted	98,676,595	99,109,209	98,676,322	99,071,792

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

Particulars	December 31, 2008	March 31, 2008
Cash flows from operating activities		
Profit before taxation	11,390.77	8,932.54
Interest and dividend income	(749.07)	(439.86)
Exchange differences on foreign exchange translation of cash and cash equivalents	819.61	(268.03)
Depreciation	4,196.17	4,602.48
Provision for doubtful debts & bad debts written off	524.00	35.55
(Profit) / Loss on sale of fixed assets	118.22	132.61
(Profit) / Loss on sale of Investments	(1,293.98)	-
Lease finance charges	4.74	9.67
Share of loss/(profit) on associate companies	(101.11)	16.75
Changes in current assets and liabilities		
Decrease / (Increase) in sundry debtors & Revenue accrued but not billed	(1,308.85)	(1,947.99)
Decrease/ (Increase) in loans and advances	571.39	(2,777.05)
Increase/(Decrease) in current liabilities and provisions	7,807.74	2,769.09
Net Taxes paid/Refund received	(2,170.86)	(2,449.39)
Net cash flows from operating activities	19,808.77	8,616.39
Cash flows from financing activities		
Proceeds from share capital issued on exercise of stock options	0.08	4.64
Proceeds from share premium on exercise of stock options	1.15	72.18
Change in secured loans	(37.13)	(46.12)
Lease finance charges	(4.74)	(9.67)
Dividends paid during the year	(1,725.45)	(1,236.01)
Net cash flows from financing activities	(1,766.09)	(1,214.98)
Cash flows from investing activities		
Proceeds from sale of fixed assets	54.07	131.77
Purchase of fixed assets and changes in capital work in progress	(6,827.64)	(3,897.88)
Investment in associates	2,306.15	(185.00)
Interest and dividend received	749.07	439.86
Net cash flows from investing activities	(3,718.34)	(3,511.25)
Effect of exchange differences on foreign exchange translation of cash and cash equivalents		
	(20.27)	(106.43)
Total increase / (decrease) in cash and equivalents during the year	14,304.07	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	29,808.87	15,504.80

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