

**Polaris Software Lab Limited - Group**  
**Consolidated Balance Sheet as at**

Rs. in Lacs

	June 30, 2009	March 31, 2009
<b>SOURCES OF FUNDS</b>		
<b>SHAREHOLDERS' FUNDS</b>		
Share capital	4,933.81	4,933.81
Share application money pending allotment	9.39	-
Reserves and surplus	75,292.85	72,333.38
	<u>80,236.05</u>	<u>77,267.19</u>
<b>LOAN FUNDS</b>		
Secured loans	26.82	35.71
<b>DEFERRED TAX LIABILITY</b>		
	677.11	664.74
	<b><u>80,939.98</u></b>	<b><u>77,967.64</u></b>
<b>APPLICATION OF FUNDS</b>		
<b>FIXED ASSETS</b>		
Cost	54,337.32	52,834.86
Less: Depreciation and amortisation	32,055.07	31,374.21
Net book value	22,282.25	21,460.65
Capital-work-in progress	426.68	1,430.28
	<u>22,708.93</u>	<u>22,890.93</u>
<b>GOOD WILL</b>	1,987.62	1,987.62
<b>INVESTMENTS</b>	30,978.26	24,424.70
<b>DEFERRED TAX ASSET</b>	948.44	969.63
<b>CURRENT ASSETS, LOANS AND ADVANCES</b>		
Sundry debtors	17,563.86	20,312.66
Cash and bank balances	10,135.01	10,539.21
Other current assets, loans and advances	19,665.93	21,935.36
	<u>47,364.80</u>	<u>52,787.23</u>
<b>CURRENT LIABILITIES AND PROVISIONS</b>		
Current liabilities	18,532.53	20,431.16
Provisions	4,515.54	4,661.31
	<u>23,048.07</u>	<u>25,092.47</u>
<b>NET CURRENT ASSETS</b>	<u>24,316.73</u>	<u>27,694.76</u>
	<b><u>80,939.98</u></b>	<b><u>77,967.64</u></b>

**Polaris Software Lab Limited - Group**  
**Consolidated Profit and Loss Account for the period**

Rs. in Lacs except per share data

	<b>Quarter ended</b>	
	<b>June 30, 2009</b>	<b>June 30, 2008</b>
<b>INCOME</b>		
Software development services and products		
- Overseas	29,556.52	27,646.66
- Domestic	1,956.36	2,243.95
Income from Business Process Management (BPM)		
- Overseas	21.97	16.47
- Domestic	1,017.97	1,790.91
	<b>32,552.82</b>	<b>31,697.99</b>
<b>EXPENDITURE</b>		
Software development and BPM expenses	20,785.67	21,467.17
Selling, administrative and other general expenses	6,244.11	6,348.65
	<b>27,029.78</b>	<b>27,815.82</b>
<b>OPERATING PROFIT BEFORE INTEREST, DEPRECIATION AND AMORTISATION</b>	<b>5,523.04</b>	<b>3,882.17</b>
Finance charges	17.23	20.71
Depreciation and amortisation	844.13	1,063.44
	<b>861.36</b>	<b>1,084.15</b>
<b>OPERATING PROFIT AFTER INTEREST, DEPRECIATION AND AMORTISATION</b>	<b>4,661.68</b>	<b>2,798.02</b>
Other income, net	429.06	182.67
Foreign exchange gains / (losses), net	(1,330.44)	(55.31)
<b>PROFIT BEFORE TAX</b>	<b>3,760.30</b>	<b>2,925.38</b>
Income taxes - Current tax	512.70	437.78
- Deferred tax	9.73	(130.80)
- Fringe benefit tax	54.35	63.17
- MAT credit entitlement	-	-
<b>PROFIT AFTER TAX</b>	<b>3,183.52</b>	<b>2,555.23</b>
Share of profit / (loss) of associate companies	-	145.92
<b>NET PROFIT FOR THE YEAR</b>	<b>3,183.52</b>	<b>2,701.15</b>
Profit brought forward from previous year	35,583.68	27,557.47
<b>Balance carried to balance sheet</b>	<b>38,767.21</b>	<b>30,258.62</b>
<b>Earnings per share</b> (equity shares par value Rs 5 each)		
Basic	3.23	2.74
Diluted	3.22	2.73
<b>Number of shares used in computing earnings per share</b>		
Basic	98,676,197	98,674,597
Diluted	98,836,679	98,888,874

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

Rs. in Lacs

Particulars	June 30, 2009	March 31, 2009
<b>Cash flows from operating activities</b>		
Profit before taxation	3,760.30	15,156.86
Adjustments for:		
Interest and dividend income	(387.86)	(1,120.11)
Exchange differences on translation of foreign currency cash and cash equivalents	(59.70)	(204.61)
Unrealised exchange (gain) / loss	(280.35)	(644.27)
Depreciation	844.13	5,051.42
Provision for doubtful debts & bad debts written off	75.00	907.90
( Profit) / Loss on sale of fixed assets	(4.01)	117.55
( Profit) / Loss on sale of AIG and others	-	(1,306.15)
Lease finance charges	0.87	5.82
Share of loss/(profit) on associate companies	-	(91.09)
<b>Changes in current assets and liabilities</b>		
Decrease / (Increase) in sundry debtors & Revenue accrued but not billed	2,771.14	224.96
Decrease/ (Increase) in loans and advances	2,397.53	2,078.81
Increase/(Decrease) in current liabilities and provisions	(1,908.98)	7,006.22
Net Taxes paid/Refund received	(623.26)	(3,013.93)
<b>Net cash flows from operating activities</b>	<b>6,584.81</b>	<b>24,169.38</b>
<b>Cash flows from investing activities</b>		
Purchase of fixed assets and changes in capital work in progress	(792.29)	(3,553.48)
Investment in SEEC	-	(3,700.00)
Proceeds from sale of fixed assets	4.48	58.13
Sale proceeds / (Purchase) of other long term investments	-	2,305.97
Interest and dividend received	387.86	1,120.11
<b>Net cash flows from investing activities</b>	<b>(399.94)</b>	<b>(3,769.27)</b>
<b>Cash flows from financing activities</b>		
Proceeds from share capital issued on exercise of stock options	9.39	0.08
Proceeds from share premium on exercise of stock options	-	1.15
Change in secured loans	(8.88)	(46.88)
Lease finance charges	(0.87)	(5.82)
Dividends paid during the year	(5.04)	(3,442.62)
<b>Net cash flows from financing activities</b>	<b>(5.41)</b>	<b>(3,494.09)</b>
Exchange differences on translation of foreign currency cash and cash equivalents	59.70	204.61
Exchange differences on translation of foreign subsidiaries	(89.79)	1,389.41
<b>Total increase / (decrease) in cash and equivalents during the year</b>	<b>6,149.37</b>	<b>18,500.03</b>
Cash and cash equivalents at the beginning of the Period/Year	34,004.83	15,504.80
<b>Cash and cash equivalents at the end of the Period/Year</b>	<b>40,154.20</b>	<b>34,004.83</b>

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

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