

Polaris Software Lab Limited - Group
Consolidated Balance Sheet as at

Rs. in Lacs

	September 30, 2009	March 31, 2009
SOURCES OF FUNDS		
SHAREHOLDERS' FUNDS		
Share capital	4,934.42	4,933.81
Share application money pending allotment	61.26	-
Reserves and surplus	79,060.36	72,333.38
	<u>84,056.04</u>	<u>77,267.19</u>
LOAN FUNDS		
Secured loans	18.01	35.71
DEFERRED TAX LIABILITY		
	689.11	664.74
	<u>84,763.16</u>	<u>77,967.64</u>
APPLICATION OF FUNDS		
FIXED ASSETS		
Cost	54,604.76	52,834.86
Less: Depreciation and amortisation	32,812.54	31,374.21
Net book value	21,792.22	21,460.65
Capital-work-in progress	503.60	1,430.28
	<u>22,295.82</u>	<u>22,890.93</u>
GOOD WILL		
	1,987.62	1,987.62
INVESTMENTS		
	33,927.47	24,424.70
DEFERRED TAX ASSET		
	1,020.94	969.63
CURRENT ASSETS, LOANS AND ADVANCES		
Sundry debtors	17,907.35	20,312.66
Cash and bank balances	11,623.64	10,539.21
Other current assets, loans and advances	17,808.67	21,935.36
	<u>47,339.66</u>	<u>52,787.23</u>
CURRENT LIABILITIES AND PROVISIONS		
Current liabilities	18,346.92	20,431.16
Provisions	3,461.43	4,661.31
	<u>21,808.35</u>	<u>25,092.47</u>
NET CURRENT ASSETS		
	<u>25,531.31</u>	<u>27,694.76</u>
	<u>84,763.16</u>	<u>77,967.64</u>

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

Rs. in Lacs except per share data

	Quarter ended		Half year ended	
	Sep 30, 2009	Sep 30, 2008	Sep 30, 2009	Sep 30, 2008
INCOME				
Software development services and products				
- Overseas	30,610.67	31,214.93	60,167.20	58,861.59
- Domestic	2,280.50	2,241.08	4,236.86	4,485.02
Income from Business Process Management (BPM)				
- Overseas	252.16	22.89	274.13	39.36
- Domestic	687.22	1,635.24	1,705.19	3,426.16
	33,830.55	35,114.14	66,383.38	66,812.13
EXPENDITURE				
Software development and BPM expenses	22,065.44	22,916.99	42,851.12	44,384.16
Selling, administrative and other general expenses	6,377.66	6,446.70	12,621.77	12,795.35
	28,443.10	29,363.69	55,472.89	57,179.51
OPERATING PROFIT BEFORE INTEREST, DEPRECIATION AND AMORTISATION	5,387.45	5,750.45	10,910.49	9,632.62
Finance charges	17.27	16.50	34.50	37.22
Depreciation and amortisation	873.67	2,252.72	1,717.80	3,316.17
	890.94	2,269.22	1,752.30	3,353.39
OPERATING PROFIT AFTER INTEREST, DEPRECIATION AND AMORTISATION	4,496.51	3,481.23	9,158.19	6,279.23
Other income, net	404.94	1,398.78	834.00	1,581.45
Foreign exchange gains / (losses), net	(858.16)	(770.12)	(2,188.60)	(825.42)
PROFIT BEFORE TAX	4,043.29	4,109.89	7,803.59	7,035.26
Income taxes - Current tax	706.89	589.00	1,219.58	1,026.78
- Deferred tax	(57.09)	(60.76)	(47.35)	(191.56)
- Fringe benefit tax	(54.35)	70.48	-	133.64
- MAT credit entitlement	(113.39)	-	(113.39)	-
PROFIT AFTER TAX	3,561.23	3,511.17	6,744.75	6,066.40
Share of profit / (loss) of associate companies	(41.61)	(68.44)	(41.61)	77.48
NET PROFIT FOR THE PERIOD	3,519.62	3,442.73	6,703.14	6,143.88
Profit brought forward from previous year	38,767.20	30,258.63	35,583.68	27,557.47
Balance carried to balance sheet	42,286.82	33,701.36	42,286.82	33,701.35
Earnings per share (equity shares par value Rs 5 each)				
Basic	3.57	3.49	6.79	6.22
Diluted	3.55	3.48	6.76	6.21
Number of shares used in computing earnings per share				
Basic	98,686,492	98,675,919	98,681,372	98,675,261
Diluted	99,230,059	98,893,831	99,222,606	98,889,093

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

Rs. in Lacs

	September 30, 2009	September 30, 2008
Cash flows from operating activities		
Profit before taxation	7,761.98	7,112.74
Adjustments for:		
Interest and dividend income	(762.73)	(345.84)
Exchange differences on translation of foreign currency cash and cash equivalents	(283.61)	(1,215.39)
Unrealised exchange (gain) / loss	609.69	(1,393.88)
Depreciation	1,717.80	3,316.16
Provision for doubtful debts & bad debts written off	150.00	449.00
(Profit) / Loss on sale of fixed assets	(0.80)	114.19
(Profit) / Loss on sale of AIG and others	-	(1,301.37)
Lease finance charges	1.55	3.40
Share of loss/(profit) on associate companies	41.61	(77.48)
Changes in current assets and liabilities		
Decrease / (Increase) in sundry debtors	2,320.96	(3,957.49)
Decrease/ (Increase) in loans and advances	4,147.00	(471.25)
Increase/(Decrease) in current liabilities and provisions	(2,496.29)	4,285.95
Net Taxes paid/Refund received	(1,068.20)	(1,689.93)
Net cash flows from operating activities	12,138.96	4,828.81
Cash flows from investing activities		
Purchase of fixed assets and changes in capital work in progress	(1,207.47)	(1,796.03)
Proceeds from sale of fixed assets	8.91	52.05
Sale proceeds / (Purchase) of other long term investments	-	2,306.15
Interest and dividend received	762.73	345.84
Net cash flows from investing activities	(435.83)	908.01
Cash flows from financing activities		
Proceeds from share capital issued on exercise of stock options	0.62	0.10
Proceeds from share premium on exercise of stock options	8.78	1.15
Change in secured loans	(17.70)	(25.54)
Lease finance charges	(1.55)	(3.40)
Dividends paid during the year	(1,438.27)	(1,468.71)
Net cash flows from financing activities	(1,448.13)	(1,496.41)
Exchange differences on translation of foreign currency cash and cash equivalents	283.61	1,215.39
Exchange differences on translation of foreign subsidiaries	90.20	1,526.97
Total increase / (decrease) in cash and equivalents during the year	10,628.81	6,982.77
Cash and cash equivalents at the beginning of the Period	34,004.84	15,504.80
Cash and cash equivalents at the end of the Period	44,633.65	22,487.57