

Polaris Software Lab Limited - Group
Consolidated Balance Sheet as at September 30, 2010

Rs. in Lacs

	September 30, 2010	March 31, 2010
SOURCES OF FUNDS		
SHAREHOLDERS' FUNDS		
Share capital	4,956.08	4,948.06
Share application money pending allotment	0.30	-
Reserves and surplus	92,486.64	82,298.81
	<u>97,443.02</u>	<u>87,246.87</u>
MINORITY INTEREST	243.69	-
LOAN FUNDS		
Secured loans	459.97	245.60
DEFERRED TAX LIABILITIES (NET)	311.33	302.54
	<u>98,458.01</u>	<u>87,795.01</u>
APPLICATION OF FUNDS		
FIXED ASSETS		
Gross block	57,996.36	55,989.08
Less: Accumulated depreciation and amortisation	36,651.91	34,520.36
Net block	21,344.45	21,468.72
Capital-work-in progress including capital advances	4,888.20	1,245.68
	<u>26,232.65</u>	<u>22,714.40</u>
GOODWILL	5,574.77	5,057.45
INVESTMENTS	37,455.48	38,967.06
DEFERRED TAX ASSETS (NET)	831.27	644.67
CURRENT ASSETS, LOANS AND ADVANCES		
Sundry debtors	19,408.05	17,463.24
Cash and bank balances	11,372.21	12,372.13
Other current assets, loans and advances	25,232.51	20,835.15
	<u>56,012.77</u>	<u>50,670.52</u>
Less: CURRENT LIABILITIES AND PROVISIONS		
Current liabilities	24,195.65	24,618.65
Provisions	3,453.28	5,640.44
	<u>27,648.93</u>	<u>30,259.09</u>
NET CURRENT ASSETS	<u>28,363.84</u>	<u>20,411.43</u>
	<u>98,458.01</u>	<u>87,795.01</u>

Polaris Software Lab Limited - Group

Consolidated Profit and Loss Account for the period ended September 30, 2010

Rs. in Lacs except per share data

	Quarter Ended		Half Year Ended	
	Sep 30, 2010	Sep 30, 2009	Sep 30, 2010	Sep 30, 2009
INCOME				
Software development services and products				
- Overseas	34,328.40	30,610.67	66,407.64	60,167.19
- Domestic	4,091.57	2,280.50	7,532.83	4,236.87
Income from Business Process Management (BPM)				
- Overseas	43.53	252.16	94.16	274.13
- Domestic	370.37	687.22	855.74	1,705.19
Other income, net	498.65	(453.22)	1,922.39	(1,354.60)
	39,332.52	33,377.33	76,812.76	65,028.78
EXPENDITURE				
Software development and BPM expenses	25,509.65	22,065.44	49,805.00	42,851.12
Selling, administrative and other general expenses	7,261.90	6,377.66	14,203.56	12,621.77
	32,771.55	28,443.10	64,008.56	55,472.89
OPERATING PROFIT BEFORE INTEREST, DEPRECIATION AND AMORTISATION				
	6,560.97	4,934.23	12,804.20	9,555.89
Finance charges	25.57	17.27	49.27	34.50
Depreciation and amortisation	842.65	873.67	1,623.46	1,717.80
	868.22	890.94	1,672.73	1,752.30
PROFIT BEFORE TAX				
	5,692.75	4,043.29	11,131.47	7,803.59
Income taxes - Current tax	1,220.22	745.85	2,283.63	1,258.55
- Deferred tax	3.16	(57.08)	(27.98)	(47.35)
- Fringe benefit tax	-	(54.35)	-	-
- MAT credit entitlement	(324.15)	(152.36)	(570.86)	(152.36)
PROFIT AFTER TAX	4,793.52	3,561.23	9,446.68	6,744.75
Minority Interest	21.70	-	28.63	-
Share of profit / (loss) of associate companies	-	(41.61)	-	(41.61)
NET PROFIT FOR THE PERIOD	4,815.22	3,519.62	9,475.31	6,703.14
Profit brought forward from previous year	50,170.49	38,767.20	45,510.40	35,583.68
Amount available for appropriation	54,985.71	42,286.82	54,985.71	42,286.82
APPROPRIATIONS				
Residual dividend	1.21	-	1.21	-
Reversal of excess provision for tax on dividend	(6.49)	-	(6.49)	-
Balance carried to balance sheet	54,990.99	42,286.82	54,990.99	42,286.82
	54,985.71	42,286.82	54,985.71	42,286.82
EARNINGS PER SHARE (equity shares par value Rs 5 each)				
Basic	4.86	3.57	9.57	6.79
Diluted	4.82	3.55	9.49	6.76
Number of shares used in computing earnings per share				
Basic	99,074,116	98,686,492	99,035,520	98,681,372
Diluted	99,907,123	99,230,059	99,868,527	99,222,606

Polaris Software Lab Limited - Group

Statement of cash flows for the period ended September 30, 2010

Rs in Lacs

	Sep 30, 2010	March 31, 2010
Cash flows from operating activities		
Profit before taxation	11,131.47	17,879.12
Adjustments for:		
Depreciation	1,623.46	3,501.53
Interest income	(85.69)	(156.35)
Dividend income	(819.40)	(1,481.31)
(Profit) / Loss on sale of fixed assets	(25.10)	(40.24)
Provision for doubtful debts & Bad debts written off	185.00	355.65
Lease finance charges	-	2.44
Exchange differences on translation of foreign currency cash and cash equivalents	(272.22)	(197.97)
Unrealised exchange (gain) / loss	44.91	151.28
Changes in current assets and liabilities		
Decrease / (Increase) in sundry debtors	(2,178.69)	3,560.62
Decrease/ (Increase) in loans and advances	(3,828.41)	2,480.36
Increase/(Decrease) in current liabilities and provisions	(701.45)	2,251.33
Net Taxes paid/Refund received	(2,099.12)	(2,904.67)
Net cash flows from operating activities	2,974.76	25,401.79
Cash flows from investing activities		
Purchase of fixed assets and changes in capital work in progress	(5,071.40)	(3,466.27)
Acquisition of Subsidiary	(800.75)	(3,471.95)
Investment of 2.5% equity shares in Tyfone Inc., US	(241.79)	-
Proceeds from sale of fixed assets	29.69	75.94
Interest received	85.69	156.35
Dividend received	819.40	1,481.31
Net cash flows used in investing activities	(5,179.16)	(5,224.62)
Cash flows from financing activities		
Proceeds from share capital issued on exercise of stock options	8.02	14.25
Proceeds from share premium on exercise of stock options	131.99	225.62
Change in secured loans	214.37	142.82
Lease finance charges	-	(2.44)
Dividends paid during the year / period	(2,015.86)	(3,460.39)
Net cash flows used in financing activities	(1,661.48)	(3,080.14)
Exchange differences on translation of foreign currency cash and cash equivalents	272.22	197.97
Exchange differences on translation of foreign subsidiaries	526.96	(1,123.77)
Total increase / (decrease) in cash and equivalents during the year / period	(3,066.70)	16,171.23
Cash balance of subsidiaries on acquisition	313.41	245.31
Cash and cash equivalents at the beginning of the Period/Year	50,421.37	34,004.83
Cash and cash equivalents at the end of the Period/Year	47,668.08	50,421.37

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