

Polaris Software Lab Limited - Group
Consolidated Balance Sheet as at September 30, 2011

Rs. in Lacs

	September 30, 2011	March 31, 2011
SOURCES OF FUNDS		
SHAREHOLDERS' FUNDS		
Share capital	4,966.50	4,959.78
Share application money pending allotment	0.20	-
Reserves and surplus	109,572.17	98,294.72
	<u>114,538.87</u>	<u>103,254.50</u>
MINORITY INTEREST	241.27	254.16
LOAN FUNDS		
Secured loans	784.71	572.04
Unsecured loans	11,478.60	-
DEFERRED TAX LIABILITIES (NET)	220.30	220.84
	<u>127,263.75</u>	<u>104,301.54</u>
APPLICATION OF FUNDS		
FIXED ASSETS		
Gross block	70,224.15	60,796.74
Less: Accumulated depreciation and amortisation	42,902.43	37,922.39
Net block	27,321.72	22,851.90
Capital-work-in progress including capital advances	5,882.24	6,537.03
	<u>33,203.96</u>	<u>29,366.48</u>
GOODWILL	19,255.40	6,440.33
INVESTMENTS	25,796.30	38,429.51
DEFERRED TAX ASSETS (NET)	1,037.84	1,154.75
CURRENT ASSETS, LOANS AND ADVANCES		
Sundry debtors	32,649.26	22,718.54
Cash and bank balances	17,174.78	14,225.44
Other current assets	25,185.68	18,383.35
Loans and advances	12,667.03	11,635.80
	<u>87,676.75</u>	<u>66,963.13</u>
Less: CURRENT LIABILITIES AND PROVISIONS		
Current liabilities	35,870.78	29,168.46
Provisions	3,835.72	8,884.20
	<u>39,706.50</u>	<u>38,052.66</u>
NET CURRENT ASSETS	<u>47,970.25</u>	<u>28,910.47</u>
	<u>127,263.75</u>	<u>104,301.54</u>

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

	Half year ended		Quarter ended	
	Sept 30, 2011	Sept 30, 2010	Sept 30, 2011	Sept 30, 2010
	H1 - FY 12	H1 - FY 11	Q2 - FY 12	Q2 - FY 11
INCOME				
Software development services and products				
- Overseas	83,587.97	66,407.64	43,280.87	34,328.40
- Domestic	11,788.07	7,532.83	7,387.86	4,091.57
Income from Business Process Management (BPM)				
- Overseas	13.49	94.16	6.76	43.53
- Domestic	603.02	855.74	298.19	370.37
Other income, net	3,589.05	1,922.39	2,227.26	498.65
	99,581.60	76,812.76	53,200.94	39,332.52
EXPENDITURE				
Software development and BPM expenses	66,898.99	49,805.00	36,045.21	25,509.65
Selling, administrative and other general expens	17,088.74	14,203.56	8,713.08	7,261.90
	83,987.73	64,008.56	44,758.29	32,771.55
INTEREST, DEPRECIATION AND AMORTISATION				
	15,593.87	12,804.20	8,442.65	6,560.97
Finance charges	105.02	49.27	56.85	25.57
Depreciation and amortisation	2,074.80	1,623.46	1,118.45	842.65
	2,179.82	1,672.73	1,175.30	868.22
PROFIT BEFORE TAX				
	13,414.05	11,131.47	7,267.35	5,692.75
Income taxes - Current tax	3,459.87	2,283.63	1,844.62	1,220.22
- Deferred tax	117.43	(27.98)	40.20	3.16
- MAT credit entitlement	-	(570.86)	-	(324.15)
PROFIT AFTER TAX	9,836.75	9,446.68	5,382.53	4,793.52
Minority Interest	12.89	28.63	11.08	21.70
Share of profit / (loss) of associate companies	-	-	-	-
NET PROFIT FOR THE YEAR	9,849.64	9,475.31	5,393.61	4,815.22
Profit brought forward from previous year	58,673.69	45,510.39	63,129.72	50,170.49
Amount available for appropriation	68,523.33	54,985.70	68,523.33	54,985.71
APPROPRIATIONS				
Residual dividend	3.70	1.21	3.70	1.21
Tax on Residual dividend	0.60	(6.49)	0.60	(6.49)
Balance carried to balance sheet	68,519.03	54,990.98	68,519.03	54,990.99
	68,523.33	54,985.70	68,523.33	54,985.71
EARNINGS PER SHARE (equity shares par value Rs 5 each)				
Basic	9.92	9.57	5.43	4.86
Diluted	9.86	9.49	5.40	4.82
Number of shares used in computing earnings per share				
Basic	99,271,568	99,035,520	99,315,683	99,074,116
Diluted	99,851,295	99,868,527	99,895,410	99,907,123

Polaris Software Lab Limited - Group
Statement of cash flows for the Quarter ended September 30, 2011

Rs in Lacs

	September 30, 2011	March 31, 2011
Cash flows from operating activities		
Profit before taxation	13,414.05	23,815.91
Adjustments for:		
Depreciation	2,074.80	3,365.86
Interest income	(224.23)	(240.56)
Dividend income	(747.84)	(1,778.69)
(Profit) / Loss on sale of fixed assets	(643.08)	(1,061.16)
Provision for doubtful debts & Bad debts written off	210.00	367.99
Interest on borrowings	42.00	-
Exchange differences on translation of foreign currency cash and cash equivalents	(109.66)	270.41
Unrealised exchange (gain) / loss	(466.30)	402.51
Changes in current assets and liabilities		
Decrease / (Increase) in sundry debtors	(8,317.53)	(5,839.24)
Decrease/ (Increase) in loans and advances	(8,898.80)	(7,759.69)
Increase/(Decrease) in current liabilities and provisions	599.28	4,405.45
Net Taxes paid/Refund received	(1,937.61)	(5,346.27)
Net cash flows from operating activities	(5,004.91)	10,602.52
Cash flows from investing activities		
Purchase of fixed assets and changes in capital work in progress	(5,373.68)	(9,413.90)
Acquisition of Subsidiary	(8,812.50)	(2,303.47)
Sale proceeds / (Purchase) of other long term investments	-	(331.51)
Proceeds from sale of fixed assets	695.72	1,189.73
Interest received	224.23	240.56
Dividend received	747.84	1,778.69
Net cash flows used in investing activities	(12,518.39)	(8,839.90)
Cash flows from financing activities		
Proceeds from share capital issued on exercise of stock options	6.72	11.72
Proceeds from share premium on exercise of stock options	110.62	190.68
Change in secured loans	212.67	326.45
Proceeds / (Repayment) of other borrowings	9,411.84	-
Interest on borrowings	(42.00)	-
Dividends paid during the year	(5,186.21)	(2,022.99)
Dividend tax paid during the year	-	-
Net cash flows used in investing activities	4,513.64	(1,494.14)
Exchange differences on translation of foreign currency cash and cash equivalents	109.66	(270.41)
Exchange differences on translation of foreign subsidiaries	995.27	669.16
Total increase / (decrease) in cash and equivalents during the year	(11,904.73)	667.23
Cash balance of subsidiaries on acquisition	2,220.88	317.01
Cash and cash equivalents at the beginning of the Period/Year	51,405.61	50,421.37
Cash and cash equivalents at the end of the Period/Year	41,721.76	51,405.61

* The balances include Rs 68.73 (March 31, 2011: Rs 62.70) which are not available for use by the Company as they represent corresponding unpaid dividend liabilities.

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