

PARTICULARS	QUARTER ENDED		HALF YEAR ENDED		YEAR ENDED
	September 30, 2008	September 30, 2007	September 30, 2008	September 30, 2007	March 31, 2008
	Rs.Lakhs				
Income from software services, Products and Business Process Management	351,14.14	273,55.08	668,12.13	531,00.13	1,099,30.05
Other Operating Income	(6,72.71)	4,11.04	(5,45.34)	12,69.92	18,11.01
Total Income	344,41.43	277,66.12	662,66.79	543,70.05	1,117,41.06
Expenditure					
Software development expenses	229,16.99	184,69.20	443,84.16	362,18.32	744,65.26
Selling and marketing expenses	34,35.30	31,50.01	66,15.62	62,52.99	125,13.35
General and Administrative expenses	30,11.40	27,19.99	61,79.73	54,21.03	111,32.07
Total expenditure	293,63.69	243,39.20	571,79.51	478,92.34	981,10.68
Profit before depreciation & interest	50,77.74	34,26.92	90,87.28	64,77.71	136,30.38
Depreciation	10,79.45	11,89.43	21,42.90	23,47.20	46,02.48
Finance Charges	16.50	18.85	37.22	36.37	78.61
Profit after depreciation & interest	39,81.79	22,18.64	69,07.16	40,94.14	89,49.29
Share of Profit / (Loss) of Associate Companies	(68.44)	(21.52)	77.48	(58.34)	(16.75)
Profit on sale of Investments	13,01.37	-	13,01.37	-	-
Intangible Assets - Amortised fully	(11,73.27)	-	(11,73.27)	-	-
Profit before tax	40,41.45	21,97.12	71,12.74	40,35.80	89,32.54
Provision for taxation	5,98.72	3,74.77	9,68.86	7,71.53	16,11.04
Profit after tax	34,42.73	18,22.35	61,43.88	32,64.27	73,21.50
Earnings per share - of Rs.5 each (Rs.)					
Basic	3.49	1.85	6.22	3.31	7.42
Diluted	3.48	1.83	6.21	3.29	7.40

POLARIS SOFTWARE LAB LIMITED					
AUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED SEPTEMBER 30, 2008 PREPARED AS PER INDIAN GAAP					
PARTICULARS	QUARTER ENDED		HALF YEAR ENDED		YEAR ENDED
	September 30, 2008	September 30, 2007	September 30, 2008	September 30, 2007	March 31, 2008
	Income from Software services and products	300,31.56	236,43.28	567,43.28	459,34.36
Other Operating Income	(9,98.48)	5,01.05	(8,33.74)	13,79.50	19,62.42
Total Income	290,33.08	241,44.33	559,09.54	473,13.86	957,64.20
Expenditure					
Software development expenses	210,10.65	173,77.83	404,50.88	339,52.15	690,21.62
Selling and marketing expenses	16,81.99	15,55.00	31,56.69	31,09.52	62,04.94
General and Administrative expenses	27,06.68	25,52.01	56,60.70	49,90.67	100,60.03
Total expenditure	253,99.32	214,84.84	492,68.27	420,52.34	852,86.59
Profit before depreciation & interest	36,33.76	26,59.49	66,41.27	52,61.52	104,77.61
Depreciation	8,94.00	10,35.38	17,66.64	20,50.03	39,07.15
Finance Charges	13.68	11.24	27.93	22.04	60.32
Profit after depreciation & interest	27,26.08	16,12.87	48,46.70	31,89.45	65,10.14
Provision for diminution in value of Investments	(39.66)	(69.77)	(71.13)	(69.77)	(1,02.60)
Profit on sale of Investments	19,79.45	-	19,79.45	-	-
Intangible Assets - Amortised fully	(11,73.27)	-	(11,73.27)	-	-
Profit before tax	34,92.60	15,43.10	55,81.75	31,19.68	64,07.54
Provision for taxation	4,95.70	2,86.50	6,85.30	5,56.55	11,44.21
Profit after tax	29,96.90	12,56.60	48,96.45	25,63.13	52,63.33
Paid-up equity share capital	49,33.81	49,32.44	49,33.81	49,32.44	49,33.73
Reserves excluding revaluation reserves	610,86.72	542,00.98	610,86.72	542,00.98	551,96.51
Earnings per share of Rs 5 each (Rs.)					
Basic	3.04	1.27	4.96	2.60	5.34
Diluted	3.03	1.26	4.95	2.58	5.32
Total Public Shareholding as defined under clause 40A of the Listing Agreement**					
Number of shares	69,902,588	71,171,380	69,902,588	71,171,380	70,676,436
Percentage of shareholding	70.84	72.15	70.84	72.15	71.63
Face value per share (Rs.)	5.00	5.00	5.00	5.00	5.00

SEGMENT INFORMATION	QUARTER ENDED		HALF YEAR ENDED		YEAR ENDED
	September 30, 2008	September 30, 2007	September 30, 2008	September 30, 2007	March 31, 2008
	A) Segment revenue:				
Banking & Financial services	271,78.21	208,82.66	511,34.23	406,71.23	837,87.19
Emerging verticals	28,53.35	27,60.62	56,09.05	52,63.13	100,14.59
Total Revenues	300,31.56	236,43.28	567,43.28	459,34.36	938,01.78
B) Segment results:					
Profit before interest and tax					
Banking & Financial services	82,91.77	50,65.13	151,20.70	104,21.54	223,18.53
Emerging verticals	7,20.13	4,66.48	15,70.42	7,13.52	14,59.92
Total	90,11.90	55,31.61	166,91.12	111,35.06	237,78.45
a) Finance Charges	(13.68)	(11.24)	(27.93)	(22.04)	(60.32)
b) Other unallocable expenditure net of unallocable income	(55,05.62)	(39,77.27)	(110,81.44)	(79,93.34)	(173,10.59)
Profit before tax	34,92.60	15,43.10	55,81.75	31,19.68	64,07.54
C) Capital employed : **	660,20.53	591,33.42	660,20.53	591,33.42	601,30.24

**The assets & liabilities of the Company cannot be classified under any specific segment as they are used / contracted interchangeably, hence segment wise capital employed is not disclosed.

NOTES :

- The above results were reviewed by the Audit committee and approved by the Board of Directors at its meeting held on October 21, 2008.
- The Stand alone financial statements of the Company for the Quarter ended September 30, 2008 was audited by the Statutory Auditors of the Company.
- Staff Costs Rs 21,748.30 Lakhs incurred for the Quarter ended September 30, 2008 (Quarter ended September 30, 2007 was Rs. 17,808.13 Lakhs).
- Provision for taxation includes current tax, deferred tax and fringe benefit tax.
- No. of Complaints pending at the beginning of the quarter Nil
No. of Complaints received during the quarter 57
No. of Complaints disposed off during the quarter 57
No. of Complaints lying unresolved at the end of the quarter Nil
- The Company has allotted 1600 shares under Associate Stock Option Plans of the Company during the Quarter ended September 30, 2008 .
- The Group has signed a definitive agreement to acquire SEEC Inc., a US based Insurance Technology Solutions Provider, during the quarter.
- The Company has divested its holding in AIG Systems Solutions Pvt. Ltd., for a consideration of Rs. 2,306.15 Lakhs during the quarter. Consolidated results for the quarter include a net gain of Rs. 1,301.37 Lakhs.
- The Company has revisited the useful life of intangible assets and accordingly an additional amount of Rs. 1,173.27 Lakhs amortised during the quarter.
- Figures of the earlier periods, wherever necessary, have been regrouped to conform with those of the current periods.

Place : Chennai
Date : October 21, 2008

For Polaris Software Lab Limited