

POLARIS SOFTWARE LAB - GROUP
UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE
QUARTER ENDED SEPTEMBER 30, 2010 PREPARED AS PER INDIAN GAAP

Rs. Lakhs

PARTICULARS	QUARTER ENDED		HALF YEAR ENDED		YEAR ENDED
	Sept 30, 2010	Sept 30, 2009	Sept 30, 2010	Sept 30, 2009	March 31, 2010 Audited
INCOME					
Income from software services, products and Business Process Management	388,33.87	338,30.55	748,90.37	663,83.38	1,353,75.62
Other Operating Income / (Loss)	(38.59)	(8,58.16)	8,39.06	(21,88.60)	(26,41.96)
	387,95.28	329,72.39	757,29.43	641,94.78	1,327,33.66
EXPENDITURE					
Software development expenses	255,09.65	220,65.44	498,05.00	428,51.12	870,09.58
Selling and marketing expenses	41,03.28	35,51.65	79,99.55	70,26.04	145,03.20
General and Administrative expenses	31,58.62	28,26.01	62,04.01	55,95.73	116,61.02
Total Expenditure	327,71.55	284,43.10	640,08.56	554,72.89	1,131,73.80
Profit before interest, depreciation & amortisation	60,23.73	45,29.29	117,20.87	87,21.89	195,59.86
Depreciation/Amortisation	8,42.65	8,73.67	16,23.46	17,17.80	35,01.53
Finance Charges	25.57	17.27	49.27	34.50	91.09
Profit after interest, depreciation & amortisation	51,55.51	36,38.35	100,48.14	69,69.59	159,67.24
Other Income	5,37.24	4,04.94	10,83.33	8,34.00	19,11.88
Minority Interest / Share of profit / (loss) of Associate Companies	21.70	(41.61)	28.63	(41.61)	(41.61)
Profit before tax	57,14.45	40,01.68	111,60.10	77,61.98	178,37.51
Provision for taxation	8,99.23	4,82.06	16,84.79	10,58.84	25,53.27
Profit after tax	48,15.22	35,19.62	94,75.31	67,03.14	152,84.24
Earnings per share of Rs.5 each (Rs.)					
Basic	4.86	3.57	9.57	6.79	15.48
Diluted	4.82	3.55	9.49	6.76	15.34

POLARIS SOFTWARE LAB LIMITED
AUDITED FINANCIAL (STANDALONE) RESULTS FOR THE QUARTER ENDED SEPTEMBER 30, 2010 PREPARED AS PER INDIAN GAAP

PARTICULARS	QUARTER ENDED		HALF YEAR ENDED		YEAR ENDED
	Sept 30, 2010	Sept 30, 2009	Sept 30, 2010	Sept 30, 2009	March 31, 2010
INCOME					
Income from software services and products	339,33.64	286,44.41	648,95.65	557,20.15	1,143,47.69
Other Operating Income / (Loss)	2,96.12	(8,86.25)	12,66.78	(16,91.86)	(21,06.71)
	342,29.76	277,58.16	661,62.43	540,28.29	1,122,40.98
EXPENDITURE					
Software development expenses	236,55.42	199,48.85	459,00.16	390,18.14	783,33.74
Selling and marketing expenses	23,61.16	17,71.54	44,85.54	35,00.53	71,71.12
General and Administrative expenses	28,46.49	26,24.40	55,83.47	51,47.64	108,61.64
Total Expenditure	288,63.07	243,44.79	559,69.17	476,66.31	963,66.50
Profit before interest, depreciation & amortisation	53,66.69	34,13.37	101,93.26	63,61.98	158,74.48
Depreciation / Amortisation	6,41.86	6,59.02	12,21.79	12,92.72	25,44.59
Finance Charges	7.16	13.39	12.74	22.50	47.42
Profit after interest, depreciation & amortisation	47,17.67	27,40.96	89,58.73	50,46.76	132,82.47
Other Income	4,57.05	3,76.15	9,32.90	8,10.97	17,28.35
Profit before tax	51,74.72	31,17.11	98,91.63	58,57.73	150,10.82
Provision for taxation	7,77.94	3,57.75	14,23.63	8,09.25	19,46.50
Profit after tax	43,96.78	27,59.36	84,68.00	50,48.48	130,64.32
Paid-up equity share capital	49,56.08	49,34.42	49,56.08	49,34.42	49,48.06
Reserves excluding revaluation reserves	817,11.35	692,38.39	817,11.35	692,38.39	730,60.37
Earnings per share of Rs.5 each (Rs.)					
Basic	4.44	2.80	8.55	5.12	13.23
Diluted	4.40	2.78	8.48	5.09	13.11

PARTICULARS	QUARTER ENDED		HALF YEAR ENDED		YEAR ENDED
	Sept 30, 2010	Sept 30, 2009	Sept 30, 2010	Sept 30, 2009	March 31, 2010
Public Shareholding					
Number of shares	70,343,438	69,910,338	70,343,438	69,910,338	70,182,988
Percentage of shareholding	70.97	70.84	70.97	70.84	70.92
Promoters and Promoter group shareholding					
a) Pledged / encumbered	Nil	Nil	Nil	Nil	Nil
- Number of shares					
- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	Nil	Nil	Nil	Nil	Nil
- percentage of shares (as a % of the total share capital of the company)	Nil	Nil	Nil	Nil	Nil
b) Non - encumbered					
- Number of shares	28,778,159	28,778,159	28,778,159	28,778,159	28,778,159
- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	100%	100%	100%	100%	100%
- percentage of shares (as a % of the total share capital of the company)	29.03%	29.16%	29.03%	29.16%	29.08%

SEGMENT INFORMATION	QUARTER ENDED		HALF YEAR ENDED		YEAR ENDED
	Sept 30, 2010	Sept 30, 2009	Sept 30, 2010	Sept 30, 2009	March 31, 2010
A) Segment revenue:					
Banking & Financial services	317,53.18	266,06.34	608,13.70	515,42.50	1,058,48.06
Emerging verticals	21,80.46	20,38.07	40,81.95	41,77.65	84,99.63
Total revenues	339,33.64	286,44.41	648,95.65	557,20.15	1,143,47.69
B) Segment results:					
Profit before interest and tax					
Banking & Financial services	73,29.59	66,59.97	141,02.75	123,96.04	265,83.91
Emerging verticals	2,98.12	3,56.74	6,28.43	6,56.59	15,23.63
Total	76,27.71	70,16.71	147,31.18	130,52.63	281,07.54
a) Finance Charges	(7.16)	(13.39)	(12.74)	(22.50)	(47.42)
b) Other unallocable expenditure net of unallocable income	(24,45.83)	(38,86.21)	(48,26.81)	(71,72.40)	(130,49.30)
Profit before tax	51,74.72	31,17.11	98,91.63	58,57.73	150,10.82
C) Capital employed:**	866,67.43	741,72.81	866,67.43	741,72.81	780,08.43

STATEMENT OF ASSETS AND LIABILITIES	STANDALONE (AUDITED)		CONSOLIDATED (UNAUDITED)	
	Sept 30, 2010	Sept 30, 2009	Sept 30, 2010	Sept 30, 2009
Shareholders' funds				
Share capital	49,56.08	49,34.42	49,56.08	49,34.42
Share application money pending allotment	0.30	61.26	0.30	61.26
Reserves and surplus	817,11.35	692,38.39	924,86.64	790,60.36
	866,67.73	742,34.07	974,43.02	840,56.04
Minority interest	-	-	2,43.69	-
Loand funds : Secured loans	-	17.50	4,59.97	18.01
Deferred tax liability (net)	90.64	99.43	3,11.33	6,89.11
Total	867,58.37	743,51.00	984,58.01	847,63.16
Fixed assets	221,78.72	175,40.04	262,32.65	222,95.82
Goodwill	-	-	55,74.77	19,87.62
Investments	508,37.59	417,12.78	374,55.48	339,27.47
Deferred tax asset	-	-	8,31.27	10,20.94
Current assets, loans and advances				
Sundry debtors	136,38.24	122,93.06	194,08.05	179,07.35
Cash and bank balances	29,79.43	45,30.26	113,72.21	116,23.64
Other current assets	102,64.29	71,74.95	147,06.12	99,05.35
Loans and advances	79,77.53	75,89.58	105,26.39	79,03.32
	348,59.49	315,87.85	560,12.77	473,39.66
Less: Current liabilities and provisions				
Liabilities	181,60.56	134,15.33	241,95.65	183,46.92
Provisions	29,56.87	30,74.34	34,53.28	34,61.43
	211,17.43	164,89.67	276,48.93	218,08.35
Net current assets	137,42.06	150,98.18	283,63.84	255,31.31
Total	867,58.37	743,51.00	984,58.01	847,63.16

**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 19, 2010.
- The Standalone financial statements of the Company for the Quarter ended September 30, 2010 was audited by the Statutory Auditors of the Company.
- Standalone staff costs for the quarter ended September 30, 2010 was Rs 24,659.58 Lakhs, (Quarter ended September 30, 2009 was Rs. 20,767.15 lakhs).
- Provision for taxation includes current tax, deferred tax MAT and FBT wherever applicable.
- No. of Complaints pending at the beginning of the quarter Nil
No. of Complaints received during the quarter 43
No. of Complaints disposed off during the quarter 43
No. of Complaints lying unresolved at the end of the quarter Nil
- The Company has allotted 96,100 shares under Associate Stock option Plans of the Company during the Quarter ended September 30, 2010.
- Mr. Anil Nagu director resigned from the Board with effect from August 2, 2010. The Board expressed its appreciation for the services rendered by Mr. Anil Nagu during his tenure as director.

Place : Chennai
Date : October 19, 2010

For Polaris Software Lab Limited

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R. Srikanth
President & Chief Financial Officer

Arun Jain
Chairman & Managing Director