

PARTICULARS	QUARTER ENDED		HALF YEAR ENDED		YEAR ENDED
	September 30, 2011	September 30, 2010	September 30, 2011	September 30, 2010	March 31, 2011 Audited
INCOME					
Income from software services, products and Business Process Management	509,73.68	388,33.87	959,92.55	748,90.37	1,586,33.14
Other Operating Income / (Loss)	13,38.17	(38.59)	18,98.27	8,39.06	25,38.28
	523,11.85	387,95.28	978,90.82	757,29.43	1,611,71.42
EXPENDITURE					
Software development expenses	360,45.21	255,09.65	668,98.99	498,05.00	1,072,39.25
Selling and marketing expenses	54,15.80	41,03.28	104,93.12	79,99.55	173,47.75
General and Administrative expenses	32,97.28	31,58.62	65,95.62	62,04.01	126,56.45
Total Expenditure	447,58.29	327,71.55	839,87.73	640,08.56	1,372,43.45
Profit before interest, depreciation & amortisation	75,53.56	60,23.73	139,03.09	117,20.87	239,27.97
Depreciation/Amortisation	11,18.45	8,42.65	20,74.80	16,23.46	33,65.86
Finance Charges	56.85	25.57	1,05.02	49.27	1,14.87
Profit after interest, depreciation & amortisation	63,78.26	51,55.51	117,23.27	100,48.14	204,47.24
Other Income	8,89.09	5,37.24	16,90.78	10,83.33	33,68.67
Minority Interest / Share of profit / (loss) of Associate Companies	11.08	21.70	12.89	28.63	18.16
Profit before tax	72,78.43	57,14.45	134,26.94	111,60.10	238,34.07
Provision for taxation	18,84.82	8,99.23	35,77.30	16,84.79	35,88.10
Profit after tax	53,93.61	48,15.22	98,49.64	94,75.31	202,45.97
Earnings per share of Rs.5 each (Rs.)					
Basic	5.43	4.86	9.92	9.57	20.43
Diluted	5.40	4.82	9.86	9.49	20.28

POLARIS SOFTWARE LAB LIMITED
AUDITED FINANCIAL (STANDALONE) RESULTS FOR THE QUARTER ENDED SEPTEMBER 30, 2011 PREPARED AS PER INDIAN GAAP

PARTICULARS	QUARTER ENDED		HALF YEAR ENDED		YEAR ENDED
	September 30, 2011	September 30, 2010	September 30, 2011	September 30, 2010	March 31, 2011 Audited
INCOME					
Income from software services and products	446,29.14	339,33.64	837,78.44	648,95.65	1,375,96.45
Other Operating Income / (Loss)	10,46.86	2,96.12	16,64.80	12,66.78	31,91.37
	456,76.00	342,29.76	854,43.24	661,62.43	1,407,87.82
EXPENDITURE					
Software development expenses	328,80.33	236,55.42	609,98.94	459,00.16	980,20.65
Selling and marketing expenses	30,60.64	23,61.16	61,10.36	44,85.54	100,90.63
General and Administrative expenses	31,37.86	28,46.49	61,09.36	55,83.47	114,56.70
Total Expenditure	390,78.83	288,63.07	732,18.66	559,69.17	1,195,67.98
Profit before interest, depreciation & amortisation	65,97.17	53,66.69	122,24.58	101,93.26	212,19.84
Depreciation / Amortisation	8,85.06	6,41.86	16,31.59	12,21.79	26,43.66
Finance Charges	30.43	7.16	43.56	12.74	34.21
Profit after interest, depreciation & amortisation	56,81.68	47,17.67	105,49.43	89,58.73	185,41.97
Other Income	8,29.71	4,57.05	15,64.85	9,32.90	30,75.80
Profit before tax	65,11.39	51,74.72	121,14.28	98,91.63	216,17.77
Provision for taxation	16,96.36	7,77.94	32,29.76	14,23.63	29,14.99
Profit after tax	48,15.03	43,96.78	88,84.52	84,68.00	187,02.78
Paid-up equity share capital	49,66.50	49,56.08	49,66.50	49,56.08	49,59.78
Reserves excluding revaluation reserves	964,35.89	817,11.35	964,35.89	817,11.35	867,51.03
Earnings per share of Rs.5 each (Rs.)					
Basic	4.85	4.44	8.95	8.55	18.87
Diluted	4.82	4.40	8.90	8.48	18.74

PARTICULARS	QUARTER ENDED		HALF YEAR ENDED		YEAR ENDED
	September 30, 2011	September 30, 2010	September 30, 2011	September 30, 2010	March 31, 2011 Audited
Public Shareholding					
Number of shares	70,437,438	70,343,438	70,437,438	70,343,438	70,417,438
Percentage of shareholding	70.91%	70.97%	70.91%	70.97%	70.99%
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	28,892,559	28,778,159	28,892,559	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)	29.09%	29.03%	29.09%	29.03%	29.01%

SEGMENT INFORMATION	QUARTER ENDED		HALF YEAR ENDED		YEAR ENDED
	September 30, 2011	September 30, 2010	September 30, 2011	September 30, 2010	March 31, 2011 Audited
A) Segment revenue:					
Banking & Financial services	423,59.35	317,53.18	796,61.94	608,13.70	1,292,47.19
Emerging verticals	22,69.79	21,80.46	41,16.50	40,81.95	83,49.26
Total revenues	446,29.14	339,33.64	837,78.44	648,95.65	1,375,96.45
B) Segment results:					
Profit before interest and tax					
Banking & Financial services	108,45.37	73,29.59	197,42.79	141,02.75	288,13.69
Emerging verticals	2,62.68	2,98.12	6,75.35	6,28.43	13,24.86
Total	111,08.05	76,27.71	204,18.14	147,31.18	301,38.55
a) Finance Charges	(30.43)	(7.16)	(43.56)	(12.74)	(34.21)
b) Other unallocable expenditure net of unallocable income	(45,66.23)	(24,45.83)	(82,60.30)	(48,26.81)	(84,86.57)
Profit before tax	65,11.39	51,74.72	121,14.28	98,91.63	216,17.77
C) Capital employed:**	1,014,02.39	866,67.43	1,014,02.39	866,67.43	917,10.81

STATEMENT OF ASSETS AND LIABILITIES	STANDALONE (AUDITED)		CONSOLIDATED (UNAUDITED)	
	September 30, 2011	September 30, 2010	September 30, 2011	September 30, 2010
SHAREHOLDERS' FUNDS				
Share Capital	49,66.50	49,56.08	49,66.50	49,56.08
Share application money pending allotment	0.20	0.30	0.20	0.30
Reserves and Surplus	964,35.89	817,11.35	1,095,72.17	924,86.64
	1,014,02.59	866,67.73	1,145,38.87	974,43.02
MINORITY INTEREST				
	-	-	2,41.27	2,43.69
LOAN FUNDS:				
Secured Loans	98,03.24	-	7,84.71	4,59.97
Unsecured Loans	-	-	114,78.60	-
DEFERRED TAX LIABILITY (NET)				
	-	90.64	2,20.30	3,11.33
TOTAL	1,112,05.83	867,58.37	1,272,63.75	984,58.01
FIXED ASSETS	281,23.93	221,78.72	332,03.96	262,32.65
GOODWILL	-	-	192,55.40	55,74.77
INVESTMENTS	491,51.87	508,37.59	257,96.30	374,55.48
DEFERRED TAX ASSET (NET)	1,17.88	-	10,37.84	8,31.27
OTHER CURRENT ASSETS, LOANS AND ADVANCES				
Sundry debtors	245,68.95	136,38.24	326,49.26	194,08.05
Cash and bank balances	68,96.95	29,79.43	171,74.78	113,72.21
Other current assets	183,63.61	102,64.29	251,85.68	147,06.12
Loans and advances	117,01.15	79,77.53	126,67.03	105,26.39
	615,30.66	348,59.49	876,76.75	560,12.77
Less: CURRENT LIABILITIES AND PROVISIONS				
Liabilities	245,10.26	181,60.56	358,70.78	241,95.65
Provisions	32,08.25	29,56.87	38,35.72	34,53.28
	277,18.51	211,17.43	397,06.50	276,48.93
NET CURRENT ASSETS	338,12.15	137,42.06	479,70.25	283,63.84
TOTAL	1,112,05.83	867,58.37	1,272,63.75	984,58.01

**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 22, 2011.
- The Standalone financial statements of the Company for the Quarter ended September 30, 2011 was audited by the Statutory Auditors of the Company.
- Standalone Staff Costs for the quarter ended September 30, 2011 was Rs. 32,418.08 lakhs (Quarter ended September 30, 2010 was Rs. 24,659.58 lakhs).
- Provision for taxation includes current tax, deferred tax, and MAT wherever applicable.
- No. of Complaints pending at the beginning of the quarter
No. of Complaints received during the quarter
No. of Complaints disposed off during the quarter
No. of Complaints lying unresolved at the end of the quarter
- The Company has allotted 53,300 shares under Associate Stock Option Plans of the Company during the Quarter ended September 30, 2011.
- The Company, subsequent to the financial half year closure date, has received an order from the Assistant Commissioner of Income-tax for the assessment year 2007-08 wherein certain adjustments were made under transfer pricing rules resulting in a net demand of Rs. 4,219 lakhs plus interest. The matter is being contested by the Company by way of a writ petition in the High Court of Madras. Considering the facts and the nature of transfer pricing adjustments and based on legal advice, the Company believes that the final outcome of the dispute will be in its favour and will not have any material impact on the financial results of the Company.
- The Board of Directors of the Company has approved in-principle the proposal to de-merge the Information Technology Enabled Services business of its subsidiary, Optimus Global Services Limited (Optimus) into the Company. Accordingly, the Company is in the process of preparing a Scheme of Arrangement ("Scheme") to obtain approval of the High Court and complete other necessary legal requirements. As at September 30, 2011, the Company has investments aggregating Rs. 4,684 lakhs in Optimus. Optimus has accumulated losses of Rs. 3,058 lakhs as at September 30, 2011 (unaudited). The above financial results do not include adjustments, if any, that may be required on the stand-alone financial results on account of the proposed scheme of de-merger. However, this has no effect on the consolidated financial results of the Company.
- Figures of the earlier periods, wherever necessary, have been regrouped to conform with those of the current periods.

Place : Chennai

Date : October 22, 2011

For Polaris Software Lab Limited

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R. Srikanth
President & Chief Financial Officer

Arun Jain
Chairman & Managing Director