



POLARIS SOFTWARE LAB - GROUP

UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE PERIOD ENDED SEPTEMBER 30, 2005 PREPARED AS PER INDIAN GAAP

Rs. Lakhs

PARTICULARS	QUARTER ENDED		HALF YEAR ENDED		YEAR ENDED
	September 30, 2005 (Unaudited)	September 30, 2004 (Unaudited)	September 30, 2005 (Unaudited)	September 30, 2004 (Unaudited)	March 31, 2005 (Audited)
Income from Software services and products	21,355.56	20,189.42	42,293.81	38,148.49	78,712.33
Software development expenses	14,066.63	12,269.63	27,935.54	23,482.87	50,434.99
Gross Profit	7,288.93	7,919.79	14,358.27	14,665.62	28,277.34
Selling and marketing expenses	2,027.23	1,661.84	4,078.55	3,099.48	6,840.84
General and Administrative expenses	2,528.24	2,513.60	4,884.30	5,640.21	10,622.34
Exceptional expenses	--	582.00	--	595.00	595.00
Operating Profit before interest, depreciation & amortisation	2,733.46	3,162.35	5,395.42	5,330.93	10,219.16
Interest	12.34	32.14	33.27	68.73	112.67
Depreciation / Amortisation	1,247.44	934.33	2,472.48	1,805.83	4,069.97
Operating profit after interest, depreciation & amortisation	1,473.68	2,195.88	2,889.67	3,456.37	6,036.52
Provision for diminution in value of Investments	--	--	--	--	0.25
Share of Loss of Associate Companies	16.69	93.44	105.88	143.62	487.19
Profit before other income and tax	1,456.99	2,102.44	2,783.79	3,312.75	5,549.08
Other Income	206.00	(123.51)	417.11	1,377.04	1,330.82
Profit before tax	1,662.99	1,978.93	3,200.90	4,689.79	6,879.90
Provision for taxation	337.09	253.62	712.46	947.00	1,075.84
Profit after tax	1,325.90	1,725.31	2,488.44	3,742.79	5,804.06
Earnings per share - of Rs.5 each (Rs.)					
Basic	1.35	1.76	2.54	3.83	5.93
Diluted	1.35	1.75	2.53	3.80	5.90

POLARIS SOFTWARE LAB LIMITED

UNAUDITED FINANCIAL RESULTS FOR THE PERIOD ENDED SEPTEMBER 30, 2005

Rs. Lakhs

PARTICULARS	QUARTER ENDED		HALF YEAR ENDED		YEAR ENDED
	September 30, 2005 (Unaudited)	September 30, 2004 (Unaudited)	September 30, 2005 (Unaudited)	September 30, 2004 (Unaudited)	March 31, 2005 (Audited)
Income from Software services and products	17,572.78	16,941.58	35,037.04	32,588.60	66,896.58
Software development expenses	12,001.05	9,851.21	24,028.09	19,477.12	42,227.99
Gross Profit	5,571.73	7,090.37	11,008.95	13,111.48	24,668.59
Selling and marketing expenses	1,681.37	1,458.23	3,207.26	2,722.60	5,899.93
General and Administrative expenses	1,818.68	2,498.86	3,755.30	5,433.92	9,885.57
Exceptional Expenses	--	582.00	--	595.00	595.00
Operating Profit before interest, depreciation & amortisation	2,071.68	2,551.28	4,046.39	4,359.96	8,288.09
Interest	10.56	24.73	21.58	53.90	81.53
Depreciation / Amortisation	1,170.18	893.08	2,330.75	1,713.56	3,840.27
Operating profit after interest, depreciation & amortisation	890.94	1,633.47	1,694.06	2,592.50	4,366.29
Provision for diminution in value of investments	--	--	--	--	0.25
Profit before other income and tax	890.94	1,633.47	1,694.06	2,592.50	4,366.04
Other Income	104.74	26.62	323.55	1,534.48	1,605.17
Profit before tax	995.68	1,660.09	2,017.61	4,126.98	5,971.21
Provision for taxation	186.09	122.23	412.96	723.61	628.36
Profit after tax	809.59	1,537.86	1,604.65	3,403.37	5,342.85
Paid-up equity share capital	4,901.61	4,888.83	4,901.61	4,888.83	4,900.51
Reserves excluding revaluation reserves	49,701.58	47,967.81	49,701.58	47,967.81	48,035.08
Earnings per share of Rs 5 each (Rs.)					
Basic	0.83	1.57	1.64	3.48	5.46
Diluted	0.82	1.56	1.63	3.46	5.43
Aggregate of Non-promoter shareholding					
Number of shares	74,405,923	74,150,208	74,405,923	74,150,208	74,383,958
Percentage of shareholding	75.90	75.84	75.90	75.84	75.89
Face value per share (Rs.)	5.00	5.00	5.00	5.00	5.00

SEGMENT INFORMATION

	September 30, 2005 (Unaudited)	September 30, 2004 (Unaudited)	September 30, 2005 (Unaudited)	September 30, 2004 (Unaudited)	March 31, 2005 (Audited)
A) Segment revenue:					
Banking & Financial services	15,746.89	15,081.26	31,400.45	28,778.91	59,840.70
Emerging verticals	1,825.89	1,860.32	3,636.59	3,809.69	7,055.88
Total Revenues	17,572.78	16,941.58	35,037.04	32,588.60	66,896.58
B) Segment results:					
Profit/loss before tax and interest					
Banking & Financial services	4,901.26	4,842.70	9,089.02	8,853.75	17,355.73
Emerging verticals	403.38	187.41	670.93	428.59	828.49
Total	5,304.64	5,030.11	9,759.95	9,282.34	18,184.22
a) Interest	(10.56)	(24.73)	(21.58)	(53.90)	(81.53)
b) Other unallocable expenditure net of unallocable income	(4,298.40)	(3,345.29)	(7,720.76)	(5,101.46)	(12,131.48)
Total profit before tax	995.68	1,660.09	2,017.61	4,126.98	5,971.21
C) Capital employed : **	54,603.19	52,856.64	54,603.19	52,856.64	52,935.59

** 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 unaudited results were approved by the Board at its meeting held on October 21, 2005.
- The Statutory auditors of the Company have carried out a limited review of the stand alone financial statements of the Company for the Quarter ended September 30, 2005.
- Staff Costs for the Quarter ended September 30, 2005 was Rs.12,035.29 Lakhs (Quarter ended September 30, 2004 was Rs.10,652.36 Lakhs).
- Provision for taxation includes current tax, deferred tax and fringe benefit tax.
- Buyback of shares has been opened since June 1, 2005. However the company has not bought back any shares as of September 30, 2005.
- No. of Complaints pending at the beginning of the quarter Nil
No. of Complaints received during the quarter 51
No. of Complaints disposed off during the quarter 51
No. of Complaints lying unresolved at the end of the quarter Nil
- The company has allotted 10,860 equity shares of Rs.5 each on exercise of options by the employees / directors under ASOP 2000, 2001 & 2003 Schemes during the Quarter ended September 30, 2005. The Company has obtained the approval of the shareholders for the ASOP 2004 Scheme in the Annual General Meeting held on July 22, 2005.
- The Company has made additional investments of Rs. 100 lakhs in the form of preference shares capital during the quarter in Adrenalin eSystems Limited (an Associate Company) which are yet to be allotted
- Figures of the earlier periods, wherever necessary, have been regrouped and rearranged to conform with those of the current period's presentation.

Place : Chennai
Date : October 21, 2005

for Polaris Software Lab Limited
Arun Jain

POLARIS SOFTWARE LAB LIMITED
Registered Office : Polaris House, 244, Anna Salai, Chennai - 600 006. INDIA www.polaris.co.in

Chairman & Managing Director