

POLARIS SOFTWARE LAB - GROUP
UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER ENDED
JUNE 30, 2007 PREPARED AS PER INDIAN GAAP

PARTICULARS	Rs. Lakhs		
	Quarter Ended June 30, 2007 (Unaudited)	Quarter Ended June 30, 2006 (Unaudited)	Year ended March 31, 2007 (Audited)
INCOME			
Income from software services and products	257,45.05	232,04.02	1032,36.96
Other income	8,58.88	34.63	6,23.77
Total Income	266,03.93	232,39.45	1038,60.73
EXPENDITURE			
Software development expenses	177,49.12	149,96.15	658,27.61
Selling and marketing expenses	31,02.98	22,00.52	110,67.00
General and Administrative expenses	27,01.04	24,10.11	102,14.84
Total Expenditure	235,53.14	196,06.78	871,09.45
Profit before interest, depreciation & amortization	30,50.79	36,32.67	167,51.28
Finance Charges	17.52	18.41	83.93
Depreciation / Amortization	11,57.77	11,71.13	48,11.39
Profit after interest, depreciation & amortization	18,75.50	24,43.13	118,55.96
Share of Profit / (Loss) of Associate Companies	(36.81)	53.57	2,41.56
Profit before tax	18,38.69	24,96.70	120,97.52
Provision for taxation	3,96.76	4,69.21	19,91.03
Profit after tax	14,41.93	20,27.49	101,06.49
Earnings per share of Rs.5 each (Rs.)			
Basic	1.46	2.06	10.28
Diluted	1.45	2.05	10.17

POLARIS SOFTWARE LAB LIMITED
AUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2007 PREPARED AS PER INDIAN GAAP

PARTICULARS	Rs. Lakhs		
	Quarter Ended June 30, 2007 (Audited)	Quarter Ended June 30, 2006 (Unaudited)	Year ended March 31, 2007 (Audited)
INCOME			
Income from Software services and products	222,91.08	187,04.65	904,30.01
Other Income	8,78.45	2,56.28	4,73.15
Total Income	231,69.53	189,60.93	909,03.16
EXPENDITURE			
Software development expenses	165,74.32	126,83.11	626,88.45
Selling and marketing expenses	15,54.52	13,34.08	61,00.35
General and Administrative expenses	24,38.66	18,38.06	83,24.53
Total Expenditure	205,67.50	158,55.25	771,13.33
Profit before interest, depreciation & amortization	26,02.03	31,05.68	137,89.83
Finance Charges	10.80	11.17	56.68
Depreciation / Amortization	10,14.65	10,64.20	43,30.05
Profit after interest, depreciation & amortization	15,76.58	20,30.31	94,03.10
Provision for diminution in value of Investments	-	(3.38)	(18.30)
Profit before tax	15,76.58	20,26.93	93,84.80
Provision for taxation	2,70.05	2,77.98	14,25.98
Profit after tax	13,06.53	17,48.95	79,58.82
Paid-up equity share capital	49,29.11	49,12.05	49,29.11
Reserves excluding revaluation reserves	529,82.00	483,68.25	520,56.02
Earnings per share of Rs 5 each (Rs.)			
Basic	1.33	1.78	8.09
Diluted	1.31	1.77	8.01
Total Public Shareholding as defined under clause 40A of the Listing Agreement			
Number of shares	7,11,91,665	7,08,69,407	7,11,90,049
Percentage of shareholding	72.22	72.14	72.22
Face value per share (Rs.)	5.00	5.00	5.00

Segment Information	Quarter Ended June 30, 2007 (Audited)	Quarter Ended June 30, 2006 (Unaudited)	Year ended March 31, 2007 (Audited)
A) Segment revenue:			
Banking & Financial services	197,88.57	166,87.84	803,84.73
Emerging verticals	25,02.51	20,16.81	100,45.28
Total Revenues	222,91.08	187,04.65	904,30.01
B) Segment results:			
Profit before interest and tax			
Banking & Financial services	53,56.41	54,86.46	296,75.00
Emerging verticals	2,47.04	5,11.37	18,21.91
Total	56,03.45	59,97.83	314,96.91
a) Interest	(10.80)	(11.17)	(56.68)
b) Other unallocable expenditure net of unallocable income	(40,16.07)	(39,59.74)	(220,55.43)
Profit before tax	15,76.58	20,26.93	93,84.80
C) Capital employed:**	579,11.11	532,80.29	569,85.13

** 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 at its meeting held on July 18, 2007.
- The Stand alone financial statements of the Company for the Quarter ended June 30, 2007 were audited by the Statutory Auditors of the Company.
- Staff Costs for the Quarter ended June 30, 2007 was Rs.167,70.35 Lakhs (Quarter ended June 30, 2006 was Rs.124,47.08 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 32
No. of Complaints disposed off during the quarter 32
No. of Complaints lying unresolved at the end of the quarter Nil
- The Company has not allotted any shares under Associates Stock Option Plans of the Company during the quarter ended June 30, 2007.
- The Company, during the quarter, has made following additional investments in the subsidiary / associate companies:
 - Optimus Global Services Limited Rs.170 Lakhs (a subsidiary company, towards subscription money for optionally convertible redeemable preference shares)
 - NMS Works Software Private Limited Rs. 50 Lakhs (an associate company,towards subscription money for equity share capital)
 - Adrenalin eSystems Limited Rs. 10 Lakhs (an associate company towards equity share capital)
- Figures of the earlier periods, wherever necessary, have been regrouped to conform with those of the current periods.

For Polaris Software Lab Limited

R. Srikanth
Executive Vice President & Chief Financial Officer

Arun Jain
Chairman & Managing Director

Registered Office : Polaris House, 244, Anna Salai, Chennai - 600 006. Place : Chennai Date : July 18,2007