

Q4 Results – Key Coverages

Mainlines - Deccan Chronicle

Polaris net profit is Rs 73 crore

By OUR CORRESPONDENT

Chennai, April 23: Polaris Software Lab Ltd, an IT company engaged in specialty application development in banking, financial and insurance sectors, has reported a total income of Rs 290.06 crore and operating profit of Rs 36.21 crore for fourth quarter of 2007-08. The Chennai-headquartered company has posted a total income of Rs 1,117.41 crore for fiscal 2007-08 with a net profit of Rs 73.21 crore.

During Q4, the company recorded 14 new wins and also signed a master services agreement with a For-

tune 10 bank in North America. Mr Arun Jain, chairman & CEO, Polaris said, "With the knee jerk reaction to subprime crisis happening in large banks, our strategy to invest into products has the potential to explore markets beyond US and UK. We are planning to expand our distribution footprint through partnerships and by exploring new markets."

The board has decided to defer its decision on the buy-back of equity shares and appointed a committee of the board to give recommendations to enable the Board to take a decision at its next meeting.

Financials – The Hindu Business Line

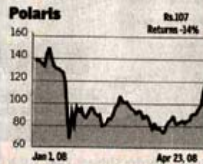
Strong rupee weighs on Polaris net profit

Pegs guidance at 20%; gets better pricing

Our Bureau

Chennai, April 23

Despite a slowdown in the banking and financial services markets in the US, Polaris Software Labs has posted 19 per cent growth in dollar terms for the quarter ending March 2008, compared to the same quarter last year.



A strong rupee has, however, resulted in a marginal revenue growth of about 6 per cent in rupee terms and a less than one per cent growth in net profit.

Deals for the quarter were billed at Rs 39.83 a dollar, Rs

4.92 less than that the billing rate in the same quarter in the previous year.

Mr R. Srikanth, Executive Vice-President & Chief Financial Officer, Polaris, attributed the growth in the current quarter to the company's focus on profitability as in dollar terms net profit had grown by 12 per cent. Polaris bagged 14 new deals in the quarter including a master services agreement with a Fortune 10 bank in North America. It also increased its utilisation rate by 200 basis points to 76.55 per cent on a q-o-q basis.

"Our revenues for the next year are hedged at an average rate of Rs 40.07 against the dollar," he said.

Performance for the year ending March 2008 was relatively cheerful with the company missing the guidance by only three percentage points to grow at 22 per cent year-on-year. Net profit, however,

Scorecard

	Jan-Mar 08 (Rs. Cr.)	Jan-Mar 07 (Rs. Cr.)	Inc/Dec(%)	Year Ending Mar08 (Rs Cr)	Year Ending Mar 07 (Rs Cr)	Inc/Dec(%)
Turnover	286.15	270.77	56	1,099.30	1,032.36	6.5
Net profit	21.45	21.40	02	73.21	101.1	-27.6

was hit by the fluctuating currency. "Though revenues have grown y-o-y, profits have taken the brunt of currency fluctuations," Mr Srikanth said.

Revenues from the sale of the Intellect range of banking products comprised 19.6 per cent of total revenues for the year ending March 2008 with 12 installations in areas like wealth management, credit cards and core banking solutions. "We have been able to maintain this in the 20 per cent range," he said. The company plans to extend this range of products beyond US and UK is expanding its dis-

tribution network accordingly.

'NO CANCELLATIONS'

When asked if there were any delays or cancellations by clients, Mr Srikanth said there were no cancellations but delays of a "few weeks." "But we have been able to get better pricing for our offerings," he said adding that every quarter they had got increased pricing from 2-3 clients. Polaris has given a guidance of 20 per cent CAGR for the current year.

The company's board have recommended a final dividend of 30 per cent on the

paid-up capital for fiscal 2008. The board considered a proposal of buy-back of its equity shares and had discussions on this subject. In the course of the discussions, members drew attention to the real estate investments made by the company and suggested that best options to maximise shareholder value from these investments be explored.

Accordingly the board decided to defer its decision on the buy-back of equity shares and appointed a committee to give recommendations to enable the board to take a decision at its next meeting.

Online



Polaris reports Rs 21.45 cr profit

Polaris Software Lab Limited announced its Q4 and FY 2007-08 results. The company announced that it has reported a net profit of Rs Rs 21.45 crore in the quarter ended March 31, 2008.

The company has also reported revenue of Rs 290.06 crore in the quarter ended March 31, 2008. For the year ended March 31, 2008 the company has reported a net profit of Rs 73.21 crore. The company has also reported revenue of Rs 1,117.41 crore.

The Intellect Business contributed 20% to revenues. Its BPO business showed a growth of 90% YoY. During the quarter, the company recorded 14 new wins. The company also signed a Master Services Agreement with a Fortune 10 Bank in North America.



Polaris Q4 net profit up at Rs 21.45 cr

Polaris Software Lab has declared its fourth quarter results. The company's consolidated Q4 net profit was up at Rs 21.45 crore versus 19.1 crore, QoQ and net sales up at Rs 286.16 crore versus Rs 282 crore, QoQ. The company has deferred its buyback plan. Polaris board has recommended unlocking shareholder value from real estate investments.



Polaris Q4 consolidated earnings flat at Rs 214.54 mn (Update)

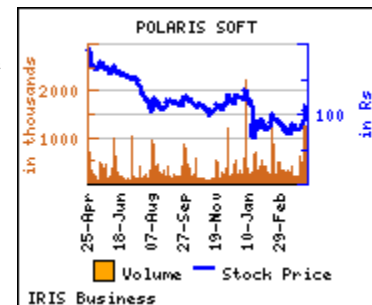
Chennai-based **Polaris Software Lab**, leader in specialty application development software in banking, financial and insurance sector announced a near flat growth in consolidated net profit for the quarter ended March 2008 due to pressure on margin and marginal sales growth. During the quarter, the profit of the company rose marginally 0.26% to Rs 214.54 million compared with Rs 213.80 million in the same quarter previous year. The consolidated earnings per share in the

quarter remained flat at Rs 2.17.

Consolidated net sales for the quarter climbed 5.68% to Rs 2,861.6 million, while total income on consolidated basis for the quarter rose 5.79% to Rs 2,900.64 million, when compared with the prior year period.

During the quarter, the company recorded 14 new wins. The company also signed a master services agreement with a Fortune 10 bank in North America.

For the financial year 2008, the company posted a 39.18% decline in consolidated net profit over fiscal 2007 to Rs 732.15 million. The earnings per share (EPS) for the year stood at Rs 7.42, registering 27.82% fall over fiscal 2007. Consolidated net sales during the year climbed 6.48% over previous year to Rs 10,993 million, while total income on consolidated basis in the year rose 7.59% over last year to Rs 11,174.12 million.



The board of directors recommended a final dividend of 30% on the paid up capital of the company for fiscal 2008.

The board has considered a proposal of buy-back of its equity shares and had discussions on this subject. In the course of the discussions, members of the board drew attention to the real estate investments made by the company and suggested that the best options to maximize shareholder value from these investments should also be explored.

The board accordingly decided to defer its decision on the buy-back of equity shares and appointed a committee of the board to give recommendations to enable the board to take a decision at its next meeting.

Arun Jain, chairman & CEO said, “With the knee jerk reaction to subprime crisis happening in large banks, our strategy to invest into products has the potential to explore markets beyond US and UK. We are planning to expand our distribution footprint through partnerships and by exploring new markets.”

“We have doubled our strategic account landscape from 40 accounts two years back to 80 accounts currently. We completed 12 critical lighthouse implementations of Intellect this year”, **Arup Gupta**, President & COO said.

R Srikanth, executive vice president & CFO said, “Our singular focus on the profitability levers has resulted in the increase in net profit for the quarter by 12%. Our revenues for the next year are hedged at an average rate of Rs. 40.07 against USD.”

Shares of the company declined Rs 1.2, or 1.1%, to settle at Rs 107.9. The total volume of shares traded was 1,768,959 at the BSE (Wednesday).