

Polaris CMD Arun Jain released

Media reports – Tol web site and CNBC TV news channel -- indicate that Polaris CMD Arun Jain has been released by the Indonesian Police and has been taken to the Indian Embassy in Jakarta. Nothing specific has been mentioned about Rajiv Malhotra, the other Polaris personnel who was arrested along with Arun Jain. But, as the CMD has been released, we believe Rajiv may have also been released.

It appears that intervention by the Indian Government has helped. As mentioned earlier by us, the legal tussle between Polaris and the Bank Artha Graha seeking resolution of their commercial dispute would be a long drawn out affair. We expect the cost of the battle to be limited mainly to legal fees; we don't expect any major punitive damages to be awarded to either party. Although, Polaris has been bruised by the incident, we don't see any major implication on Polaris' relationship with its major clients, like Citigroup. On the other hand, the dispute has tarnished the reputation of the Indonesian Government for allowing such an arrest take place, apparently on no legal grounds. World business community does not take such incidents lightly.

Polaris CMD is expected to make a statement to the press or TV media soon.

The release does indicate that the dispute was purely a commercial one and there seems to be little grounds for criminal charges against Arun Jain. We maintain our **Market Performer** rating on the stock.

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Stock Ratings Absolute Returns

Buy	:	> 25%
Out Performer	:	16 - 25%
Market Performer	:	0 - 15%
Under Performer	:	< 0%

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