

**POLARIS SOFTWARE LAB - GROUP**  
UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE  
QUARTER ENDED DECEMBER 31, 2010 PREPARED AS PER INDIAN GAAP

Rs. Lakhs

PARTICULARS	QUARTER ENDED		NINE MONTHS ENDED		YEAR ENDED
	Dec. 31, 2010	Dec. 31, 2009	Dec. 31, 2010	Dec. 31, 2009	March 31, 2010 Audited
<b>INCOME</b>					
Income from software services, products and Business Process Management	399,89.50	338,88.55	1,148,79.86	1,002,71.92	1,353,75.62
Other Operating Income / (Loss)	11,52.29	(4,20.38)	19,91.36	(26,08.98)	(26,41.96)
	<b>411,41.79</b>	<b>334,68.17</b>	<b>1,168,71.22</b>	<b>976,62.94</b>	<b>1,327,33.66</b>
<b>EXPENDITURE</b>					
Software development expenses	272,16.23	218,46.50	770,21.23	646,97.61	870,09.58
Selling and marketing expenses	43,27.16	36,10.04	123,26.71	106,36.09	145,03.20
General and Administrative expenses	32,07.13	29,54.39	94,11.12	85,50.11	116,61.02
<b>Total Expenditure</b>	<b>347,50.52</b>	<b>284,10.93</b>	<b>987,59.06</b>	<b>838,83.81</b>	<b>1,131,73.80</b>
<b>Profit before interest, depreciation &amp; amortisation</b>	<b>63,91.27</b>	<b>50,57.24</b>	<b>181,12.16</b>	<b>137,79.13</b>	<b>195,59.86</b>
Depreciation/Amortisation	8,73.84	8,64.57	24,97.30	25,82.37	35,01.53
Finance Charges	27.59	21.62	76.86	56.12	91.09
<b>Profit after interest, depreciation &amp; amortisation</b>	<b>54,89.84</b>	<b>41,71.05</b>	<b>155,38.00</b>	<b>111,40.64</b>	<b>159,67.24</b>
Other Income	5,33.70	4,99.56	16,17.02	13,33.56	19,11.88
Minority Interest / Share of profit / (loss) of Associate Companies	(2.62)	-	26.01	(41.61)	(41.61)
<b>Profit before tax</b>	<b>60,20.92</b>	<b>46,70.61</b>	<b>171,81.03</b>	<b>124,32.59</b>	<b>178,37.51</b>
Provision for taxation	10,08.03	6,63.22	26,92.81	17,22.06	25,53.27
<b>Profit after tax</b>	<b>50,12.89</b>	<b>40,07.39</b>	<b>144,88.22</b>	<b>107,10.53</b>	<b>152,84.24</b>
Earnings per share of Rs.5 each (Rs.)					
Basic	5.06	4.06	14.62	10.85	15.48
Diluted	5.02	4.02	14.52	10.76	15.34

**POLARIS SOFTWARE LAB LIMITED**  
AUDITED FINANCIAL (STANDALONE) RESULTS FOR THE QUARTER ENDED DECEMBER 31, 2010 PREPARED AS PER INDIAN GAAP

PARTICULARS	QUARTER ENDED		NINE MONTHS ENDED		YEAR ENDED
	Dec. 31, 2010	Dec. 31, 2009	Dec. 31, 2010	Dec. 31, 2009	March 31, 2010 Audited
<b>INCOME</b>					
Income from software services and products	348,27.80	292,62.71	997,23.45	849,82.86	1,143,47.69
Other Operating Income / (Loss)	11,54.33	(3,34.56)	24,21.11	(20,26.42)	(21,06.71)
	<b>359,82.13</b>	<b>289,28.15</b>	<b>1,021,44.56</b>	<b>829,56.44</b>	<b>1,122,40.98</b>
<b>EXPENDITURE</b>					
Software development expenses	242,92.02	194,37.66	701,92.20	584,55.80	783,33.74
Selling and marketing expenses	25,85.04	17,77.30	70,70.57	52,77.83	71,71.12
General and Administrative expenses	29,18.78	28,12.80	85,02.25	79,60.44	108,61.64
<b>Total Expenditure</b>	<b>297,95.84</b>	<b>240,27.76</b>	<b>857,65.02</b>	<b>716,94.07</b>	<b>963,66.50</b>
<b>Profit before interest, depreciation &amp; amortisation</b>	<b>61,86.29</b>	<b>49,00.39</b>	<b>163,79.54</b>	<b>112,62.37</b>	<b>158,74.48</b>
Depreciation / Amortisation	6,83.97	6,32.11	19,05.76	19,24.83	25,44.59
Finance Charges	5.39	11.81	18.13	34.31	47.42
<b>Profit after interest, depreciation &amp; amortisation</b>	<b>54,96.93</b>	<b>42,56.47</b>	<b>144,55.65</b>	<b>93,03.23</b>	<b>132,82.47</b>
Other Income	4,65.59	4,81.40	13,98.49	12,92.37	17,28.35
<b>Profit before tax</b>	<b>59,62.52</b>	<b>47,37.87</b>	<b>158,54.14</b>	<b>105,95.60</b>	<b>150,10.82</b>
Provision for taxation	8,32.77	4,19.72	22,56.40	12,28.97	19,46.50
<b>Profit after tax</b>	<b>51,29.75</b>	<b>43,18.15</b>	<b>135,97.74</b>	<b>93,66.63</b>	<b>130,64.32</b>
<b>Paid-up equity share capital</b>	<b>49,58.71</b>	<b>49,42.80</b>	<b>49,58.71</b>	<b>49,42.80</b>	<b>49,48.06</b>
<b>Reserves excluding revaluation reserves</b>	<b>868,27.81</b>	<b>714,75.24</b>	<b>868,27.81</b>	<b>714,75.24</b>	<b>730,60.37</b>
Earnings per share of Rs.5 each (Rs.)					
Basic	5.17	4.37	13.73	9.49	13.23
Diluted	5.14	4.34	13.62	9.41	13.11

PARTICULARS	QUARTER ENDED		NINE MONTHS ENDED		YEAR ENDED
	Dec. 31, 2010	Dec. 31, 2009	Dec. 31, 2010	Dec. 31, 2009	March 31, 2010 Audited
Public Shareholding					
Number of shares	70,396,038	70,077,938	70,396,038	70,077,938	70,182,988
Percentage of shareholding	70.98	70.89	70.98	70.89	70.92
Promoters and Promoter group shareholding					
a) Pledged / encumbered					
- Number of shares	Nil	Nil	Nil	Nil	Nil
- 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	28,778,159	28,778,159	28,778,159	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)	29.02%	29.11%	29.02%	29.11%	29.08%

SEGMENT INFORMATION	QUARTER ENDED		NINE MONTHS ENDED		YEAR ENDED
	Dec. 31, 2010	Dec. 31, 2009	Dec. 31, 2010	Dec. 31, 2009	March 31, 2010 Audited
<b>A) Segment revenue:</b>					
Banking & Financial services	326,99.07	273,42.93	935,12.77	788,85.43	1,058,48.06
Emerging verticals	21,28.73	19,19.78	62,10.68	60,97.43	84,99.63
<b>Total revenues</b>	<b>348,27.80</b>	<b>292,62.71</b>	<b>997,23.45</b>	<b>849,82.86</b>	<b>1,143,47.69</b>
<b>B) Segment results:</b>					
<b>Profit before interest and tax</b>					
Banking & Financial services	80,51.81	72,95.09	221,54.57	196,91.13	265,83.91
Emerging verticals	3,33.93	3,72.74	9,62.36	10,29.33	15,23.63
<b>Total</b>	<b>83,85.74</b>	<b>76,67.83</b>	<b>231,16.93</b>	<b>207,20.46</b>	<b>281,07.54</b>
a) Finance Charges	(5.39)	(11.81)	(18.13)	(34.31)	(47.42)
b) Other unallocable expenditure net of unallocable income	(24,17.83)	(29,18.15)	(72,44.66)	(100,90.55)	(130,49.30)
<b>Profit before tax</b>	<b>59,62.52</b>	<b>47,37.87</b>	<b>158,54.14</b>	<b>105,95.60</b>	<b>150,10.82</b>
<b>C) Capital employed:**</b>	<b>917,86.52</b>	<b>764,18.04</b>	<b>917,86.52</b>	<b>764,18.04</b>	<b>780,08.43</b>

\*\*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 January 21, 2011.
- The Standalone financial statements of the Company for the Quarter and nine months ended Dec 31, 2010 was audited by the Statutory Auditors of the Company.
- Stand alone staff costs for the quarter ended Dec 31, 2010 was Rs. 25,494.58 lakhs (Quarter ended Dec 31, 2009 was Rs 20,725.54 lakhs).
- Provision for taxation includes current tax, deferred tax, MAT and FBT wherever applicable.
- No. of Complaints pending at the beginning of the quarter Nil
- No. of Complaints received during the quarter 26
- No. of Complaints disposed off during the quarter 26
- No. of Complaints lying unresolved at the end of the quarter Nil
- The Company has allotted 52,600 shares under Associate Stock Option Plans of the Company during the Quarter ended Dec 31, 2010.
- Figures of the earlier periods, wherever necessary, have been regrouped to conform with those of the current periods.

Place : Chennai  
Date : January 21, 2011

For Polaris Software Lab Limited

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**R. Srikanth**  
President & Chief Financial Officer

**Arun Jain**  
Chairman & Managing Director