

## BLUE STAR INFOTECH LIMITED

CONSOLIDATED AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED MARCH 31, 2004

Quarter Ended			Nine Months Ended	(Rs in Million)	
31.03.2004	31.3.2003			Year Ended (Audited)	Year Ended (Audited)
		Particulars	31.12.2003	31.03.2004	31.3.2003
264.67	160.74	Export Income	630.03	894.70	613.16
42.40	42.41	Domestic Income	113.09	155.49	162.39
<b>307.07</b>	<b>203.15</b>	<b>Total Sales Revenue</b>	<b>743.12</b>	<b>1,050.19</b>	<b>775.55</b>
9.14	12.22	Other Income	37.74	46.88	20.78
<b>316.21</b>	<b>215.37</b>	<b>Total Income</b>	<b>780.86</b>	<b>1,097.07</b>	<b>796.33</b>
163.77	126.77	Staff Cost	406.51	570.28	416.60
34.94	6.41	Professional Services	43.06	78.00	27.35
26.09	13.05	Travel and conveyance	53.47	79.56	52.32
40.31	19.84	Other Expenditure	71.31	111.62	96.89
7.32	4.97	Depreciation	16.68	24.00	18.12
<b>272.43</b>	<b>171.04</b>	<b>Total Expenditure</b>	<b>591.03</b>	<b>863.46</b>	<b>611.28</b>
<b>43.78</b>	<b>44.33</b>	<b>Profit Before Taxation</b>	<b>189.83</b>	<b>233.61</b>	<b>185.05</b>
3.97	8.95	Provision for Taxation	30.66	34.63	24.52
<b>39.81</b>	<b>35.38</b>	<b>Net Profit</b>	<b>159.17</b>	<b>198.98</b>	<b>160.53</b>
100.00	100.00	Paid-up Equity Share Capital (face value Rs. 10)	100.00	100.00	100.00
3.98	3.54	Earnings Per Share (Rupees) -Basic and Diluted (Not Annualised)	15.92	19.90	16.05

### Consolidated Segment Reporting (Unaudited)

Quarter Ended			Nine Months Ended	(Rs in Million)	
31.03.2004	31.3.2003			Year Ended (Audited)	Year Ended (Audited)
		Particulars	31.12.2003	31.03.2004	31.3.2003
Revenue By Business Segment					
89.62	64.32	Global Research & Development (GRD)	202.04	291.66	193.30
86.63	73.60	Business Application Practice (BAP)	250.68	337.31	308.70
46.90	14.88	Consulting Services Practice (CSP)	67.24	114.14	79.56
32.33	19.43	Banking, Financial Services & Insurance (BFSI)	76.92	109.25	85.27
51.59	30.92	System Integration Practice (SIP)	146.24	197.83	108.72
<b>307.07</b>	<b>203.15</b>	<b>Total</b>	<b>743.12</b>	<b>1,050.19</b>	<b>775.55</b>
-	-	<b>Less : Inter-Segment Revenue</b>	-	-	-
<b>307.07</b>	<b>203.15</b>	<b>Net Revenue from Operations</b>	<b>743.12</b>	<b>1,050.19</b>	<b>775.55</b>
Segment Profit / (Loss) Before Tax and Interest					
46.29	37.89	Global Research & Development (GRD)	119.09	165.38	111.93
31.33	34.23	Business Application Practice (BAP)	107.46	138.79	154.10
21.28	4.26	Consulting Services Practice (CSP)	33.21	54.49	29.82
14.09	7.90	Banking, Financial Services & Insurance (BFSI)	34.22	48.31	28.59
30.06	20.30	System Integration Practice (SIP)	85.49	115.55	70.09
<b>143.05</b>	<b>104.58</b>	<b>Total</b>	<b>379.47</b>	<b>522.52</b>	<b>394.53</b>
-	-	Less : Interest	-	-	-
99.27	60.25	Less : Other Un-allocable Expenditure (Net of un-allocable income)	189.64	288.91	209.48
<b>43.78</b>	<b>44.33</b>	<b>Operating Profit before Tax</b>	<b>189.83</b>	<b>233.61</b>	<b>185.05</b>

**Blue Star Infotech Limited - Audited Financial Results for the Year Ended March 31, 2004**

(Rs. In Million)

Quarter Ended		Particulars	Nine Months Ended	Year Ended (Audited)	Year Ended (Audited)
31.03.2004	31.3.2003				
203.74	124.53	Export Income	449.36	653.10	472.54
42.40	42.41	Domestic Income	113.09	155.49	162.39
<b>246.14</b>	<b>166.94</b>	<b>Total Sales Revenue</b>	<b>562.45</b>	<b>808.59</b>	<b>634.93</b>
8.43	6.48	Other Income	39.48	47.91	15.04
<b>254.57</b>	<b>173.42</b>	<b>TOTAL INCOME</b>	<b>601.93</b>	<b>856.50</b>	<b>649.97</b>
88.59	50.31	Staff Cost	196.28	284.87	177.63
54.49	36.63	Service Charges to Overseas Subsidiaries	88.99	143.48	148.77
23.93	12.10	Travel and conveyance	47.99	71.92	41.63
27.37	16.52	Other Expenditure	79.52	106.89	74.34
7.20	4.52	Depreciation	15.79	22.99	16.52
<b>201.58</b>	<b>120.08</b>	<b>TOTAL EXPENDITURE</b>	<b>428.57</b>	<b>630.15</b>	<b>458.89</b>
<b>52.99</b>	<b>53.34</b>	<b>PROFIT BEFORE TAXATION</b>	<b>173.36</b>	<b>226.35</b>	<b>191.08</b>
6.60	6.84	Provision for Taxation	26.10	32.70	22.50
<b>46.39</b>	<b>46.50</b>	<b>PROFIT AFTER TAXATION</b>	<b>147.26</b>	<b>193.65</b>	<b>168.58</b>
100.00	100.00	Paid-up Equity Share Capital (face value Rs. 10)	100.00	100.00	100.00
-	-	Reserves excluding revaluation reserves	-	-	302.05
4.64	4.65	Earnings Per Share (Rupees) -Basic and Diluted (Not Annualised)	14.73	19.36	16.86
<b>Aggregate of non-promoter shareholding</b>					
4,519,872	4,534,166	- No. of shares	4,521,191	4,519,872	4,534,166
45.20%	45.34%	- Percentage of shareholding	45.21%	45.20%	45.34%

**CONSOLIDATED REVENUE DISTRIBUTION FOR THE YEAR ENDED MARCH 31, 2004**

By Lines of Business		By Geography		By Onsite/Offshore Projects	
GRD	28%	North America	52%	Offshore	89%
BAP	32%	Europe	20%	Onsite	11%
CSP	11%	Asia-Pacific	13%		
BFSI	10%	India	15%		
SIP	19%				

**NOTES :**

**A) Segment Reporting**

Fixed Assets used in the company's business or liabilities contracted have not been identified to any reportable segments, as the fixed assets and services are used interchangeably between segments. It is not practical to allocate total assets and liabilities segmentwise, and hence segmental capital employed is not given.

**B) Consolidated Reporting**

1 The consolidated financial data (unaudited) includes the wholly owned subsidiaries Blue Star Infotech America Inc., Blue Star Infotech (UK) Limited in the USA and UK respectively, and Blue Star Infotech (Malaysia) Sdn. Bhd., a 51% subsidiary of the Company.

2 Blue Star Infotech Limited (BSIL) has entered into 'Sale and Purchase Agreement' on March 30, 2004 for selling its holding of 51% in equity share capital of Blue Star Infotech (Malaysia) Sdn. Bhd., a company incorporated in Malaysia, which was jointly controlled by BSIL and Arab Malaysian Banking Group. However, BSIL has no beneficial interest / management right in the Joint Venture after December 31, 2003. Hence only the income and expenses, upto the aforementioned date, of the Joint venture, to the extent of share of BSIL, has been included in the consolidated financial statements and appropriately adjusted for cessation of control.

3 Cost of onsite consultants, amounting to Rs. 12.46 million, employed through subcontractors, which was previously grouped under "Staff Cost" has been reclassified under "Professional Services" in the "9 months" column.

**C) General**

1 The above results were reviewed by the audit committee and taken on record by the Board of Directors of the Company on May 10, 2004.

2 In view of changes in the Income Tax Law, Company has moved most of its investments in Income based mutual funds from Growth option to Dividend option. Reported other income for the year ended March 31, 2004 is higher compared to corresponding previous period on account of redemption/switch of investments and receipt of dividend.  
The diminution in NAV of Investments amounting to Rs 10.42 million, post declaration of dividend, has been reflected under "Other Expenditure".

3 No investor complaints were pending at the beginning of the period. During the quarter ended March 31, 2004, 21 investor complaints were received and disposed of.

4 The Board has recommended dividend at the rate of Rs. 9 per share of Rs 10 each.

**Registered Office:**

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Worli,  
Mumbai 400 030.  
Website : www.bsil.com

For BLUE STAR INFOTECH LIMITED

**Suneel M. Advani**  
Chairman

Date: May 10, 2004

Place: Mumbai