

Unaudited Consolidated Group Financial Results (Provisional) for the quarter ended December 31, 2005

Quarter Ended		Particulars	(Rs. in Million)		
31.12.05	31.12.04		Nine months Ended		Year Ended (Audited)
31.12.05	31.12.04		31.12.05	31.12.04	31.03.05
185.10	213.53	Export Income	522.16	725.86	913.70
42.19	36.82	Domestic Income	122.67	109.41	152.47
227.29	250.35	Total Sales Revenue	644.83	835.27	1,066.17
2.97	0.02	Other Income	14.99	3.38	3.49
230.26	250.37	Total Income	659.82	838.65	1,069.66
133.42	149.28	Staff Cost	412.43	461.12	606.47
22.37	15.07	Professional Fees	59.91	69.07	72.38
12.24	21.22	Travel and Conveyance	47.50	71.02	96.64
36.25	35.05	Other Expenditure	82.89	102.50	142.21
6.70	5.70	Depreciation	17.52	17.14	26.80
210.98	226.32	Total Expenditure	620.25	720.85	944.51
19.28	24.05	Profit Before Taxation	39.57	117.80	125.15
		Provision for Taxation			
4.87	5.13	Taxes (Including Foreign Tax) - Deferred & Current	18.11	27.88	30.57
0.80	-	Fringe Benefit Tax	1.75	-	-
13.61	18.92	Net Profit	19.71	89.92	94.58
100.00	100.00	Paid-up Equity Share Capital (face value Rs. 10)	100.00	100.00	100.00
1.36*	1.89*	Earnings Per Share (Rupees) -Basic and Diluted	1.97*	8.99*	9.46

* Not Annualised

Consolidated Segment Reporting (Unaudited)

Quarter Ended		Particulars	(Rs. in Million)		
31.12.05	31.12.04		Nine months Ended		Year Ended (Audited)
31.12.05	31.12.04		31.12.05	31.12.04	31.03.05
		Revenue By Business Segment			
83.89	80.54	Global Research & Development (GRD)	246.26	273.12	370.49
72.61	84.44	Business Application Practice (BAP)	197.29	273.41	357.98
44.85	45.05	Consulting Services Practice (CSP)	115.14	153.27	185.57
25.94	40.32	System Integration Practice (SIP)	86.14	135.47	152.13
227.29	250.35	Total	644.83	835.27	1,066.17
-	-	Less : Inter-Segment Revenue	-	-	-
227.29	250.35	Net Revenue from Operations	644.83	835.27	1,066.17
		Segment Profit / (Loss) Before Tax and Interest			
35.93	37.42	Global Research & Development (GRD)	119.18	131.19	172.35
30.43	38.17	Business Application Practice (BAP)	91.62	122.50	171.09
11.07	17.21	Consulting Services Practice (CSP)	38.31	59.84	89.42
5.76	15.67	System Integration Practice (SIP)	25.29	59.65	74.16
83.19	108.47	Total	274.40	373.18	507.02
63.91	84.42	Less : Other Un-allocable Expenditure (Net of un-allocable income)	234.83	255.38	381.87
19.28	24.05	Operating Profit before Tax	39.57	117.80	125.15

Blue Star Infotech Ltd. - Unaudited Financial Results (provisional) for the quarter ended December 31, 2005					
Quarter Ended		Particulars	(Rs. in Million)		
			Nine Months Ended		Year Ended (Audited)
31.12.05	31.12.04		31.12.05	31.12.04	31.03.05
112.73	163.76	Export Income	362.70	528.15	686.86
35.28	36.82	Domestic Income	115.76	109.41	152.47
148.01	200.58	Total Sales Revenue	478.46	637.56	839.33
2.97	0.52	Other Income	14.99	3.38	3.49
150.98	201.10	Total Income	493.45	640.94	842.82
74.64	83.21	Staff Cost	217.22	243.05	306.50
24.32	39.08	Service Charges to Overseas Subsidiaries	85.18	119.83	175.95
9.81	20.74	Travel and Conveyance	42.10	68.29	80.36
22.38	33.08	Other Expenditure	73.45	85.46	124.86
6.64	5.53	Depreciation	17.46	16.20	25.61
137.79	181.64	Total Expenditure	435.41	532.83	713.28
13.19	19.46	Profit Before Taxation	58.04	108.11	129.54
		Provision for Taxation			
4.87	4.64	Taxes (Including Foreign Tax) - Deferred & Current	18.11	25.75	28.77
0.80	-	Fringe Benefit Tax	1.75	-	-
7.52	14.82	Net Profit	38.18	82.36	100.77
100.00	100.00	Paid-up Equity Share Capital (face value Rs. 10)	100.00	100.00	100.00
-	-	Reserves excluding revaluation reserves	-	-	437.93
0.75*	1.48*	Earnings Per Share (Rupees) -Basic and Diluted	3.82*	8.24*	10.08
* Not Annualised					
		Aggregate of non-promoter shareholding :			
4,490,930	4,493,108	- No. of shares	4,490,930	4,493,108	4,493,108
44.91%	44.93%	- Percentage of shareholding	44.91%	44.93%	44.93%

UNAUDITED CONSOLIDATED REVENUE DISTRIBUTION FOR THE QUARTER ENDED DECEMBER 31, 2005

By Lines of Business		By Geography		By Onsite/Offshore Projects	
GRD	38%	North America	54%	Offshore	82%
BAP	31%	Europe	15%	Onsite	18%
CSP	18%	Asia-Pacific	11%		
SIP	13%	India	20%		

NOTES :

A) Segment Reporting

i) The consolidated revenue shown above has been classified into Lines of Business (LOB) to comprise the primary basis of segment information. In representing segment results, expenses on common facilities in India and overseas, inclusive of expenses of common staff used interchangeably for all geographies, is shown as unallocable expenditure and the same has not been apportioned across the Lines of Business (LOBs).

ii) 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 practicable to allocate total assets and liabilities segmentwise, and hence segmental capital employed is not given.

iii) The Company has merged the BFSI (Banking, Financial Services, Securities & Insurance) LOB into the BAP (Business Application Practice) LOB effective June 2005. Accordingly, figures for the previous period have been re-grouped.

B) Consolidated Reporting

The consolidated financial data (unaudited) includes the wholly owned subsidiaries Blue Star Infotech America Inc. and Blue Star Infotech (UK) Limited in the USA and UK respectively.

C) General

i) Other Income includes gain on account of foreign currency fluctuation - Rs. 2.79 Mn & Rs. 10.83 Mn for the quarter and nine-month period ended December 31, 2005 respectively (Rs. 3.68 Mn & Rs. 0.49 (loss) for the quarter and nine-month period ended December 31, 2004 respectively).

ii) The above results were reviewed by the Audit Committee and approved by the Board of Directors of the Company at their respective meetings held on January 31, 2006.

iii) These results of Blue Star Infotech Limited for the quarter ended December 31, 2005 have been reviewed by the Statutory Auditors.

iv) No investor complaints were pending at the beginning and end of the period. During the quarter ended December 31, 2005, 6 investor complaints were received and disposed off.

Registered Office:

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For BLUE STAR INFOTECH LIMITED

Date: January 31, 2006
Place: Mumbai

Suneel M. Advani
Chairman and Managing Director