

AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED MARCH 31, 2006

CONSOLIDATED AUDITED FINANCIAL RESULTS

(Rs. in Millions)

Quarter Ended		Particulars	Year Ended	Year Ended
31.03.2006	31.03.2005		(Audited)	(Audited)
31.03.2006	31.03.2005		31.03.2006	31.03.2005
214.35	187.84	Export Income	736.51	913.70
51.24	43.06	Domestic Income	173.91	152.47
265.59	230.90	Total Sales Revenue	910.42	1,066.17
3.02	0.11	Other Income	18.01	3.49
268.61	231.01	Total Income	928.43	1,069.66
123.66	145.35	Staff Cost	536.09	606.47
72.46	3.31	Professional Services	132.37	72.38
10.35	25.62	Travel and Conveyance	57.85	96.64
34.85	39.71	Other Expenditure	117.74	142.21
6.87	9.66	Depreciation	24.39	26.80
248.18	223.65	Total Expenditure	868.44	944.51
20.43	7.36	Profit Before Taxation	59.99	125.15
(3.52)	2.69	Provision for Taxation	14.59	30.57
2.02	-	Fringe Benefit Tax	3.77	-
21.93	4.67	Net Profit	41.63	94.58
100.00	100.00	Paid-up Equity Share Capital (face value Rs.10)	100.00	100.00
2.19	0.47	Earnings Per Share (Rupees) - Basic and Diluted (Not Annualised)	4.16	9.46

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(Rs. in Millions)

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31.03.2006	31.03.2005		(Audited)	(Audited)
31.03.2006	31.03.2005		31.03.2006	31.03.2005
111.97	158.71	Export Income	474.67	686.86
58.15	43.06	Domestic Income	173.91	152.47
170.12	201.77	Total Sales Revenue	648.58	839.33
4.79	0.11	Other Income	19.78	3.49
174.91	201.88	TOTAL INCOME	668.36	842.82
83.32	63.45	Staff Cost	300.54	306.50
27.38	56.12	Service Charges to Overseas Subsidiaries	112.56	175.95
4.89	12.07	Travel and Conveyance	46.99	80.36
30.86	39.40	Other Expenditure	104.31	124.86
5.91	9.41	Depreciation	23.37	25.61
152.36	180.45	TOTAL EXPENDITURE	587.77	713.28
22.55	21.43	PROFIT BEFORE TAXATION	80.59	129.54
4.19	3.02	Provision for Taxation	22.30	28.77
2.02	-	Fringe Benefit Tax	3.77	-
16.34	18.41	PROFIT AFTER TAXATION	54.52	100.77
100.00	100.00	Paid-up Equity Share Capital (face value Rs. 10)	100.00	100.00
-	-	Reserves excluding revaluation reserves	469.64	437.93
1.63	1.84	Earnings Per Share (Rupees) - Basic and Diluted (Not Annualised)	5.45	10.08
		Aggregate of non-promoter shareholding		
		- No. of shares	4,537,993	4,493,108
4,537,993	4,493,108	- Percentage of shareholding	45.38%	44.93%

CONSOLIDATED SEGMENT REPORTING (AUDITED)

(Rs. in Millions)

Quarter Ended		Particulars	Year Ended	Year Ended
31.03.2006	31.03.2005		(Audited)	(Audited)
31.03.2006	31.03.2005		31.03.2006	31.03.2005
75.10	97.37	Revenue By Business Segment	321.36	370.49
77.66	84.57	Global Research & Development (GRD)	274.95	357.98
72.50	32.30	Business Application Practice (BAP)	187.64	185.57
40.33	16.66	Consulting Services Practice (CSP)	126.47	152.13
265.59	230.90	Total Revenue from Operations	910.42	1,066.17
		Segment Profit / (Loss) Before Tax and Interest		
13.53	41.16	Global Research & Development (GRD)	132.71	172.35
20.94	48.59	Business Application Practice (BAP)	112.56	171.09
36.84	29.58	Consulting Services Practice (CSP)	75.15	89.42
26.12	14.51	System Integration Practice (SIP)	51.41	74.16
97.43	133.85	Total	371.83	507.02
77.00	126.49	Less: Other Un-allocable Expenditure (Net of un-allocable income)	311.84	381.87
20.43	7.36	Operating Profit before Tax	59.99	125.15

CONSOLIDATED REVENUE DISTRIBUTION FOR THE YEAR ENDED MARCH 31, 2006

By Lines of Business		By Geographies		By Onsite/Offshore Projects	
GRD	35%	North America	53%	Offshore	79%
BAP	30%	Europe	17%	Onsite	21%
CSP	21%	Asia - Pacific	11%		
SIP	14%	India	19%		

NOTES:

A) Segment Reporting

- The revenues shown above have been classified into Lines of Business (LOB) to comprise the primary basis of segment information. In representing segment results, the 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.
- 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.
- The Company has merged the BFSI (Banking, Financial Services, Securities & Insurance) Line of Business into the BAP (Business Application Practice) Line of Business effective June 2005. Accordingly, figures for the previous period have been re-grouped.

B) Consolidated Reporting

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

C) General

- Other Income includes gain on account of foreign currency fluctuation - Rs.0.94 Mn for the quarter ended March 31, 2006 (Rs.0.09 Mn gain for the quarter ended March 31, 2005)
- The above results were reviewed by the audit committee and approved by the Board of Directors of the Company on June 20, 2006.
- No investor complaints were pending at the beginning of the period. During the quarter ended March 31, 2006, 7 investor complaints were received and disposed of.
- The Board has recommended dividend at the rate of Rs.2/- per share of Rs.10 each.

For BLUE STAR INFOTECH LIMITED

Sd/-

Date : June 20, 2006

SUNEEL M ADVANI

Place : Mumbai

www.bsil.com

CHAIRMAN & MANAGING DIRECTOR