



BLUE STAR INFOTECH LIMITED

Consolidated Group Financial Results (Unaudited) for the Quarter Ended June 30, 2006

Particulars	(Rs. in Millions)		
	Quarter Ended		Year Ended (Audited)
	30.6.2006	30.6.2005	31.3.2006
Export Income	229.28	172.51	736.51
Domestic Income	50.46	35.93	173.91
Total Sales Revenue	279.74	208.44	910.42
Other Income	13.52	2.27	18.01
Total Income	293.26	210.71	928.43
Staff Cost	131.12	137.12	536.09
Professional Fees	63.89	17.35	132.37
Travel and Conveyance	20.74	11.89	57.85
Other Expenditure	40.35	28.84	117.74
Depreciation	5.31	5.87	24.39
Total Expenditure	261.41	201.07	868.44
Profit Before Taxation	31.85	9.64	59.99
Provision for Taxation (including Deferred and Foreign Tax)	6.58	5.73	14.59
Fringe Benefit Tax	0.90	-	3.77
Net Profit	24.37	3.91	41.63
Paid-up Equity Share Capital (face value Rs. 10)	100.00	100.00	100.00
Earning Per Share (Rupees) (Not Annualised)	2.44	0.39	4.16

Blue Star Infotech Ltd. - Unaudited Financial Results for the Quarter Ended June 30, 2006

Particulars	(Rs. in Millions)		
	Quarter Ended		Year Ended (Audited)
	30.6.2006	30.6.2005	31.3.2006
Export Income	126.49	116.05	474.67
Domestic Income	50.46	35.93	173.91
Total Sales Revenue	176.95	151.98	648.58
Other Income (refer note C (ii))	13.49	2.27	19.78
Total Income	190.44	154.25	668.36
Staff Cost	84.20	62.16	300.54
Service Charges to Overseas Subsidiaries	17.21	34.67	112.56
Travel and Conveyance	16.85	9.89	46.99
Other Expenditure	40.09	18.62	104.31
Depreciation	5.13	5.71	23.37
Total Expenditure	163.48	131.05	587.77
Profit Before Taxation	26.96	23.20	80.59
Provision for Taxation (including Deferred and Foreign Tax)	6.58	5.73	22.30
Fringe Benefit Tax	0.90	-	3.77
Net Profit	19.48	17.47	54.52
Paid-up Equity Share Capital (face value Rs. 10)	100.00	100.00	100.00
Reserves excluding revaluation reserves	-	-	469.64
Earnings Per Share (Rupees) -Basic and Diluted (Not Annualised)	1.95	1.75	5.45
Aggregate of public shareholding:			
- No. of shares	4,537,993	4,493,108	4,537,993
- Percentage of shareholding	45.38%	44.93%	45.38%

NOTES :

A) Segment Reporting

The Company has combined during the quarter its management structure into one business/geographic segment since the risk and rewards are similar.

B) Consolidated Reporting

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

C) General

i) The above results were reviewed by the audit committee and approved by the Board of Directors of the Company on July 31, 2006.

ii) Other Income includes gain on account of foreign currency revaluation - Rs. 9.64 Mn for the quarter ended June 30, 2006 (Rs. 0.49 Mn gain for the quarter ended June 30, 2005).

iii) In view of Accounting Standard 15 (revised 2005) "Employee benefits" (AS-15) issued by the ICAI which is applicable with effect from April 1, 2006, staff costs of the Company for the quarter ended June 30, 2006 includes charge of Rs 2.80 Mn towards leave obligations and gratuity on an estimated basis. The company is in the process of determining the liability towards employee benefits as at March 31, 2006 and effect will be given against the opening reserves in accordance with AS-15.

iv) No investor complaints were pending at the beginning and end of the period. During the quarter ended June 30, 2006, 4 investor complaints were received and disposed of.

Registered Office:

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For BLUE STAR INFOTECH LIMITED

Date: July 31, 2006
Place: Mumbai

Suneel M. Advani
Chairman and Managing Director

