

BLUE STAR INFOTECH LIMITED

Consolidated Unaudited Group Financial Results for the quarter and half year ended September 30, 2006					
Quarter Ended		Particulars	(Rs. in Millions)		
			Half Year Ended		Year Ended (Audited)
30.09.06	30.09.05		30.9.2006	30.9.2005	31.3.2006
256.69	164.55	Export Income	485.97	337.06	736.51
41.96	44.55	Domestic Income	92.42	80.48	173.91
298.65	209.10	Total Sales Revenue	578.39	417.54	910.42
9.10	9.75	Other Income	22.62	12.02	18.01
307.75	218.85	Total Income	601.01	429.56	928.43
145.79	141.89	Staff Cost	276.91	279.01	536.09
66.70	20.19	Professional Fees	130.59	37.54	132.37
31.33	23.37	Travel and Conveyance	52.07	35.26	57.85
38.77	17.80	Other Expenditure	79.12	46.64	117.74
6.13	4.95	Depreciation & Amortisation	11.44	10.82	24.39
288.72	208.20	Total Expenditure	550.13	409.27	868.44
19.03	10.65	Profit Before Taxation	50.88	20.29	59.99
0.66	7.69	Provision for Taxation (including Deferred and Foreign Tax)	7.24	13.24	14.59
0.90	0.77	Fringe Benefit Tax	1.80	0.95	3.77
17.47	2.19	Net Profit	41.84	6.10	41.63
100.00	100.00	Paid-up Equity Share Capital (face value Rs. 10)	100.00	100.00	100.00
1.75	0.22	Earnings Per Share (Rupees) -Basic and Diluted (Not Annualised)	4.18	0.61	4.16

Blue Star Infotech Limited (stand-alone) - Unaudited Financial Results for the quarter and half year ended September 30, 2006					
Quarter Ended		Particulars	(Rs. in Millions)		
			Half Year Ended		Year Ended (Audited)
30.9.2006	30.9.2005		30.9.2006	30.9.2005	31.3.2006
157.50	133.92	Export Income	283.99	249.97	474.67
41.96	44.55	Domestic Income	92.42	80.48	173.91
199.46	178.47	Total Sales Revenue	376.41	330.45	648.58
8.98	9.75	Other Income (Refer Note C (i))	22.47	12.02	19.78
208.44	188.22	Total Income	398.88	342.47	668.36
104.21	80.42	Staff Cost	188.41	142.58	300.54
14.65	26.19	Service Charges to Overseas Subsidiaries	31.86	60.86	112.56
28.94	22.40	Travel and Conveyance	45.79	32.29	46.99
38.42	32.45	Other Expenditure	78.51	51.07	104.31
5.86	5.11	Depreciation & and Amortisation	10.99	10.82	23.37
192.08	166.57	Total Expenditure	355.56	297.62	587.77
16.36	21.65	Profit Before Taxation	43.32	44.85	80.59
0.66	7.69	Provision for Taxation (including Deferred and Foreign Tax)	7.24	13.24	22.29
0.90	0.77	Fringe Benefit Tax	1.80	0.95	3.78
14.80	13.19	Net Profit	34.28	30.66	54.52
100.00	100.00	Paid-up Equity Share Capital (face value Rs. 10)	100.00	100.00	100.00
-	-	Reserves excluding revaluation reserves	-	-	469.65
1.48	1.32	Earnings Per Share (Rupees) -Basic and Diluted (Not Annualised)	3.43	3.07	5.45
Aggregate of public shareholding:					
4,510,763	4,490,930	- No. of shares	4,510,763	4,490,930	4,537,993
45.11%	44.91%	- Percentage of shareholding	45.11%	44.91%	45.38%

NOTES :

A) Segment Reporting

The Company considers its entire business / geographical operations as a single segment.

B) Consolidated Reporting

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

C) General

i) Other Income for the quarter ended September 30, 2006 includes rent income on lease of office premises - Rs.5.02 Million (Mn) (Rs. Nil for the quarter ended September 30, 2005) and gain on account of foreign currency fluctuation - Rs. 3.34 Mn (Rs. 8.53 Mn for the quarter ended September 30, 2005)

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

iii) In accordance with the requirements of Clause 41 of the Listing Agreement with the Stock Exchanges, the Statutory Auditors have performed a limited review of the financial results of Blue Star Infotech Limited (stand-alone) for the quarter ended September 30, 2006. There are no qualifications in the limited review report issued for the said period.

iv) In view of Accounting Standard 15 (revised 2005) "Employee benefits" (AS-15) issued by the Institute of Chartered Accountants of India which is applicable from April 1, 2006, staff cost of the Company for the quarter and half year ended September 30, 2006 includes charges of Rs. 3.70 Mn and Rs. 6.80 Mn, respectively, on an estimated basis. The Company is in the process of determining the liability towards employee benefits as at March 31, 2006 under AS-15 (revised 2005) and the corresponding effect will be accordingly adjusted against the revenue reserves as at March 31, 2006.

v) No investor complaints were pending at the beginning of the current quarter. During the quarter ended September 30, 2006, 10 investor complaints were received and disposed of.

Registered Office:

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For BLUE STAR INFOTECH LIMITED

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Suneel M. Advani

Chairman and Managing Director

Date: October 31, 2006

Place: Mumbai