

**BLUE STAR INFOTECH LIMITED**
**Consolidated Un-audited Group Financial Results for the quarter and nine months ended December 31, 2006**

Quarter Ended		Particulars	(Rs. in Millions)		
31.12.2006	31.12.2005		Nine Months Ended		Year Ended (Audited)
31.12.2006	31.12.2005		31.12.2006	31.12.2005	31.3.2006
209.60	185.10	Export Income	695.57	522.16	736.51
54.35	42.19	Domestic Income	146.77	122.67	173.91
<b>263.95</b>	<b>227.29</b>	<b>Total Sales Revenue</b>	<b>842.34</b>	<b>644.83</b>	<b>910.42</b>
6.50	2.97	Other Income	18.33	14.99	18.01
<b>270.45</b>	<b>230.26</b>	<b>Total Income</b>	<b>860.67</b>	<b>659.82</b>	<b>928.43</b>
134.92	133.42	Staff Cost	411.83	412.43	536.09
48.97	22.37	Professional Fees	179.56	59.91	132.37
24.97	12.24	Travel and Conveyance	77.04	47.50	57.85
39.51	36.25	Other Expenditure	107.84	82.89	117.74
6.50	6.70	Depreciation and Amortisation	17.94	17.52	24.39
<b>254.87</b>	<b>210.98</b>	<b>Total Expenditure</b>	<b>794.21</b>	<b>620.25</b>	<b>868.44</b>
<b>15.58</b>	<b>19.28</b>	<b>Profit Before Taxation</b>	<b>66.46</b>	<b>39.57</b>	<b>59.99</b>
0.11	4.87	Provision for Taxation (including Deferred and Foreign Tax)	7.35	18.11	14.59
0.79	0.80	Fringe Benefit Tax	2.59	1.75	3.77
<b>14.68</b>	<b>13.61</b>	<b>Net Profit</b>	<b>56.52</b>	<b>19.71</b>	<b>41.63</b>
<b>100.00</b>	<b>100.00</b>	Paid-up Equity Share Capital (face value Rs. 10)	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>
1.47	1.36	Earning Per Share (Rupees) ( Not Annualised)	5.65	1.97	4.16

**Blue Star Infotech Limited (stand-alone) - Un-audited Financial Results for the quarter and nine months ended December 31, 2006**

Quarter Ended		Particulars	(Rs. in Millions)		
31.12.2006	31.12.2005		Nine Months Ended		Year Ended (Audited)
31.12.2006	31.12.2005		31.12.2006	31.12.2005	31.3.2006
144.25	112.73	Export Income	428.24	362.70	474.67
54.35	35.28	Domestic Income	146.77	115.76	173.91
<b>198.60</b>	<b>148.01</b>	<b>Total Sales Revenue</b>	<b>575.01</b>	<b>478.46</b>	<b>648.58</b>
5.52	2.97	Other Income (Refer Note C (i) )	17.20	14.99	19.78
<b>204.12</b>	<b>150.98</b>	<b>Total Income</b>	<b>592.21</b>	<b>493.45</b>	<b>668.36</b>
101.76	74.64	Staff Cost	290.17	217.22	300.54
17.16	24.32	Service Charges to Overseas Subsidiaries	49.02	85.18	112.56
21.34	9.81	Travel and Conveyance	67.13	42.10	46.99
49.05	22.38	Other Expenditure (Refer Note C (i) )	116.77	73.45	104.31
6.21	6.64	Depreciation and Amortisation	17.20	17.46	23.37
<b>195.52</b>	<b>137.79</b>	<b>Total Expenditure</b>	<b>540.29</b>	<b>435.41</b>	<b>587.77</b>
<b>8.60</b>	<b>13.19</b>	<b>Profit Before Taxation</b>	<b>51.92</b>	<b>58.04</b>	<b>80.59</b>
-	4.87	Provision for Taxation (including Deferred and Foreign Tax)	7.24	18.11	22.29
0.87	0.80	Fringe Benefit Tax	2.67	1.75	3.78
<b>7.73</b>	<b>7.52</b>	<b>Net Profit</b>	<b>42.01</b>	<b>38.18</b>	<b>54.52</b>
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
0.77	0.75	Earnings Per Share (Rupees) -Basic and Diluted (Not Annualised)	4.20	3.82	5.45
<b>Aggregate of public shareholding:</b>					
4,501,563	4,490,930	- Number of shares	4,501,563	4,490,930	4,537,993
45.02%	44.91%	- Percentage of shareholding	45.02%	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 December 31, 2006 includes rent income on lease of office premises - Rs. 5.02 Million (Mn) (Rs. NIL for the quarter ended December 31, 2005) and gain on account of foreign currency fluctuation - Rs. NIL (Rs. 2.79 Mn for the quarter ended December 31, 2005). Other Expenditure for the quarter ended December 31, 2006 includes loss on account of foreign currency fluctuation - Rs. 10.79 Mn (Rs. NIL for the quarter ended December 31, 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 January 25, 2007.

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 December 31, 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 effective April 1, 2006, Employee benefits forming part of staff cost of the Company for the quarter and nine months ended December 31, 2006 have been arrived on the basis of actuarial valuation, determined in accordance with the said standard. The additional liability towards employee benefits as at March 31, 2006 under AS-15 (revised 2005) will be adjusted against the revenue reserves as at March 31, 2006. There is no material impact as a consequence of this change on the profits for the quarter and the nine months ended December 31, 2006.

v) No investor complaints were pending at the beginning of the current quarter. During the quarter ended December 31, 2006, 4 investor complaints were received and disposed of.

**Registered Office:**

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Website: <http://www.bsil.com>

**For BLUE STAR INFOTECH LIMITED**

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**Suneel M. Advani**

**Chairman and Managing Director**

Date: January 25, 2007

Place: Mumbai