

| Consolidated Un-audited Group Financial Results for the quarter and nine months ended December 31, 2008 | | | | | |
|----------------------------------------------------------------------------------------------------------------|-------------------|-----------------------------------------------------------------|--------------------------|-------------------|-----------------------------|
| | | (In Rs. Lakhs) | | | |
| Quarter Ended | | Particulars | Nine Months Ended | | Year Ended (Audited) |
| 31.12.2008 | 31.12.2007 | | 31.12.2008 | 31.12.2007 | 31.03.2008 |
| 3,268.58 | 2,817.50 | Export Income | 9,947.11 | 8,437.70 | 11,303.00 |
| 585.79 | 533.20 | Domestic Income | 1,884.58 | 1,675.20 | 3,054.00 |
| 3,854.37 | 3,350.70 | Income from Operations | 11,831.69 | 10,112.90 | 14,357.00 |
| - | - | Other Operating Income | - | - | - |
| 3,854.37 | 3,350.70 | Total Operating Income | 11,831.69 | 10,112.90 | 14,357.00 |
| 1,955.17 | 2,157.80 | Staff Cost | 5,687.60 | 5,401.30 | 7,095.00 |
| 358.20 | 425.30 | Professional Fees / Service Charges | 1,711.88 | 2,058.20 | 2,847.00 |
| 138.81 | 89.50 | Cost of Products / Licences | 530.47 | 424.00 | 1,244.00 |
| 283.10 | 274.30 | Travel and Conveyance | 797.66 | 808.00 | 1,113.00 |
| 458.42 | 6.40 | Foreign Exchange Loss (net) | 767.00 | 145.70 | 128.00 |
| 370.16 | 309.10 | Other Expenditure | 945.21 | 899.80 | 1,387.00 |
| 60.24 | 70.40 | Depreciation and Amortisation | 181.71 | 204.90 | 278.00 |
| 3,624.10 | 3,332.80 | Total Expenditure | 10,621.53 | 9,941.90 | 14,092.00 |
| 230.27 | 17.90 | Profit from Operations before Taxation | 1,210.16 | 171.00 | 265.00 |
| 48.30 | 52.00 | Other Income (Refer Note B (iv)) | 146.70 | 166.00 | 212.00 |
| 278.57 | 69.90 | Profit Before Taxation | 1,356.86 | 337.00 | 477.00 |
| 4.18 | 17.25 | Provision for Taxation (including Deferred and Foreign Tax) | 29.08 | 10.30 | (64.00) |
| 15.00 | 12.30 | Fringe Benefit Tax | 37.96 | 33.30 | 50.00 |
| 259.39 | 40.35 | Net Profit | 1,289.82 | 293.40 | 491.00 |
| 1,000.00 | 1,000.00 | Paid-up Equity Share Capital (face value Rs. 10) | 1,000.00 | 1,000.00 | 1,000.00 |
| - | - | Reserves excluding revaluation reserves | - | - | 5,029.00 |
| 2.59 | 0.40 | Earnings Per Share (Rupees) -Basic and Diluted (Not Annualised) | 12.90 | 2.93 | 4.91 |
| Aggregate of public shareholding: | | | | | |
| 4,511,933 | 4,501,563 | - No. of shares | 4,511,933 | 4,501,563 | 4,501,563 |
| 45.12% | 45.02% | - Percentage of shareholding | 45.12% | 45.02% | 45.02% |

| Blue Star Infotech Limited (stand-alone) - Un-audited Financial Results for the quarter and nine months ended December 31, 2008 | | | | | |
|----------------------------------------------------------------------------------------------------------------------------------------|-------------------|-----------------------------------------------------------------|--------------------------|-------------------|-----------------------------|
| | | (In Rs. Lakhs) | | | |
| Quarter Ended | | Particulars | Nine Months Ended | | Year Ended (Audited) |
| 31.12.2008 | 31.12.2007 | | 31.12.2008 | 31.12.2007 | 31.03.2008 |
| 2,643.57 | 2,002.80 | Export Income | 7,905.83 | 5,759.60 | 7,919.00 |
| 585.78 | 527.40 | Domestic Income | 1,884.58 | 1,674.20 | 3,054.00 |
| 3,229.35 | 2,530.20 | Income from Operations | 9,790.41 | 7,433.80 | 10,973.00 |
| - | - | Other Operating Income | - | - | - |
| 3,229.35 | 2,530.20 | Total Operating Income | 9,790.41 | 7,433.80 | 10,973.00 |
| 1,460.76 | 1,365.10 | Staff Cost | 4,421.99 | 3,955.70 | 5,364.00 |
| 433.44 | 476.50 | Professional Fees / Service Charges | 1,626.95 | 1,245.00 | 1,704.00 |
| 138.81 | 89.50 | Cost of Products / Licences | 529.95 | 411.40 | 1,231.00 |
| 252.60 | 268.20 | Travel and Conveyance | 713.59 | 755.40 | 1,021.00 |
| 392.12 | 7.60 | Foreign Exchange Loss (net) | 675.52 | 146.00 | 148.00 |
| 301.25 | 244.30 | Other Expenditure | 747.78 | 716.20 | 938.00 |
| 60.14 | 68.60 | Depreciation and Amortisation | 177.57 | 199.50 | 270.00 |
| 3,039.12 | 2,519.80 | Total Expenditure | 8,893.35 | 7,429.20 | 10,676.00 |
| 190.23 | 10.40 | Profit from Operations before Taxation | 897.06 | 4.60 | 297.00 |
| 48.15 | 51.00 | Other Income (Refer note B (iv)) | 136.48 | 165.60 | 215.00 |
| 238.38 | 61.40 | Profit Before Taxation | 1,033.54 | 170.20 | 512.00 |
| - | 4.40 | Provision for Taxation (including Deferred and Foreign Tax) | 12.00 | (2.60) | (40.00) |
| 15.00 | 12.30 | Fringe Benefit Tax | 37.96 | 33.30 | 51.00 |
| 223.38 | 44.70 | Net Profit | 983.58 | 139.50 | 501.00 |
| 1,000.00 | 1,000.00 | Paid-up Equity Share Capital (face value Rs. 10) | 1,000.00 | 1,000.00 | 1,000.00 |
| - | - | Reserves excluding revaluation reserves | - | - | 5,202.00 |
| 2.23 | 0.45 | Earnings Per Share (Rupees) -Basic and Diluted (Not Annualised) | 9.84 | 1.40 | 5.01 |
| Aggregate of public shareholding: | | | | | |
| 4,511,933 | 4,501,563 | - No. of shares | 4,511,933 | 4,501,563 | 4,501,563 |
| 45.12% | 45.02% | - Percentage of shareholding | 45.12% | 45.02% | 45.02% |

NOTES :

A) 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.

B) General

i) 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 19, 2009.

ii) Pursuant to the Announcement 'Accounting for Derivatives' by the Institute of Chartered Accountants of India, the Company has adopted Accounting Standard 30, Financial Instruments: Recognition and Measurement, prescribed by the Institute of Chartered Accountants of India, during the quarter ended September 30, 2008. Consequently, outstanding forward contracts for which there are no underlying account balances have been treated as highly probable forecast transactions based on historic trends. Accordingly, losses arising on 'mark to market' of such open forward contracts have been accumulated in 'Hedging Reserve Account'. The net losses transferred out of Hedging Reserve Account during the quarter ended December 31, 2008 amounts to Rs.195 Lakhs. The Company uses forward contracts as economic hedges and not for trading or speculative purposes.

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 for the quarter and nine months ended December 31, 2008. There are no qualifications in the limited review report issued for the said period. The statutory auditors had performed a limited review of only the stand-alone financial results of the Company for the corresponding quarter and nine months ended December 31, 2007. There were no qualifications in the limited review report issued for the quarter and nine months ended December 31, 2007.

iv) Other Income for the quarter ended December 31, 2008 includes rental income on lease of office premises - Rs. 37.98 Lakhs (Rs. 49.15 Lakhs for the quarter ended December 31, 2007).

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

vi) No investor complaints were pending at the beginning of the current quarter. During the quarter ended December 31, 2008, thirteen investor complaints were received and disposed of.

vii) The Company's standalone results are available on the websites of the Company, the Bombay Stock Exchange Limited, Mumbai and National Stock Exchange of India Limited.

Registered Office:

Band Box House, 4th Floor,
Dr. Annie Besant Road,
Worli, Mumbai 400 030
Website: www.bsil.com

For BLUE STAR INFOTECH LIMITED

Date: January 19, 2009
Place: Mumbai

Suneel M. Advani
Chairman and Managing Director