



BLUE STAR INFOTECH LIMITED

The Great Oasis, 8th Floor, D-13, MIDC,
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CIN: L72200MH1997PLC110459

27 January 2016

**The Manager
Listing Department,
The National Stock Exchange of India Ltd.
'Exchange Plaza', C-1, Block G,
Bandra Kurla Complex, Bandra (E)
Mumbai - 400 051**

Dear Sir/Madam,

Stock Code: BLUESTINFO

**Clause 41 of the Listing Agreement/ Regulation 33 of the SEBI (Listing Obligations and
Disclosure Requirements) Regulations, 2015
Unaudited Financial Results for the quarter and nine month period ended 31 December
2015**

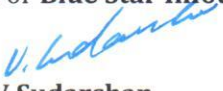
In compliance with clause 41 of the Listing Agreement/ Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we enclose herewith the unaudited Financial Results for the quarter and nine month period ended 31 December 2015, subject to a limited review by the statutory auditors and duly approved at the meeting of the Board of Directors of the Company held on 27 January 2016 which commenced at 11.00 am and concluded at 5.00 pm.

Please find enclosed herewith the limited review report issued by the Statutory Auditors of the Company, M/s. Walker Chandiok & Co LLP, for the quarter and nine month period ended 31 December 2015. There are no qualifications in the said report.

Kindly take the same on record.

Thanking you,

Yours faithfully,
For **Blue Star Infotech Limited**


V Sudarshan
Chief Financial Officer and Company Secretary
Encl: As above

Walker Chandiook & Co LLP
(Formerly Walker, Chandiook & Co)
16th Floor, Tower II
Indiabulls Finance Centre
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Review Report

To the Board of Directors of Blue Star Infotech Limited

1. We have reviewed the accompanying statement of Consolidated Unaudited financial results ("the Statement") of **Blue Star Infotech Limited** ("the Company"), and its subsidiaries, (collectively referred to as "the Group") for the quarter ended **31 December 2015** and the year to date results for the period 1 April 2015 to 31 December 2015. This Statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.
2. We conducted our review in accordance with the Standard on Review Engagements (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures, applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement prepared in accordance with applicable accounting standards, as notified under the Companies (Accounting Standards) Rules, 2006 read with Rule 7 of the Companies (Accounts) Rules, 2014 in respect of Section 133 of the Companies Act, 2013 and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.



Walker Chandiok & Co LLP

Emphasis of Matter

4. We draw attention to note B-5 to the financial results which indicates that the Group has agreed to transfer its entire domestic business to Infogain India Private Limited and overseas businesses to Infogain Corporation (together referred to as "Infogain Group companies"), effective 1 January 2016. Consequently, effective 1 January 2016, the IT business of the Group would be part of Infogain Group companies. The Company also proposes to merge itself and BSIBIA with Blue Star Limited, subject to requisite approvals. Our opinion is not qualified in respect of this matter.

Walker Chandiok & Co LLP

For Walker Chandiok & Co LLP

(formerly Walker, Chandiok & Co)

Chartered Accountants

Firm Registration No: 001076N/N500013

Bh Shetty

per **Bharat Shetty**

Partner

Membership No.: 106815

Mumbai

27 January 2016

Walker Chandiook & Co LLP
(Formerly Walker, Chandiook & Co)
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1. We have reviewed the accompanying statement of Unaudited financial results ("the Statement") of **Blue Star Infotech Limited** ("the Company") for the quarter ended **31 December 2015** and the year to date results for the period 1 April 2015 to 31 December 2015. This Statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.
2. We conducted our review in accordance with the Standard on Review Engagements (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures, applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement prepared in accordance with applicable accounting standards, as notified under the Companies (Accounting Standards) Rules, 2006 read with Rule 7 of the Companies (Accounts) Rules, 2014 in respect of Section 133 of the Companies Act, 2013 and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.



Emphasis of Matter

4. We draw attention to note B-5 to the financial results, which indicates that the Company has agreed to transfer its Information Technology (IT) business along with the Information Technology business of its wholly owned subsidiary, Blue Star Infotech Business Intelligence and Analytics Private Limited (BSIBIA) to Infogain India Private Limited on a going concern basis, effective 1 January 2016. The Company has also agreed to transfer its entire shareholding in its three wholly owned subsidiaries, Blue Star Infotech America, Inc., Blue Star Infotech (UK) Limited and Blue Star Infotech (Singapore) Pte. Ltd. to Infogain Corporation, USA effective 1 January 2016. Consequently, effective 1 January 2016, the aforesaid subsidiaries of the Company would be part of Infogain Corporation and the IT business of the Company and BSIBIA would be part of Infogain India Private Limited. The Company also proposes to merge itself and BSIBIA with Blue Star Limited, subject to requisite approvals. Our opinion is not qualified in respect of this matter.

Walker Chandiok & Co LLP

For Walker Chandiok & Co LLP

(formerly Walker, Chandiok & Co)

Chartered Accountants

Firm Registration No: 001076N/N500013

Bharat Shetty

per **Bharat Shetty**

Partner

Membership No. 106815

Mumbai

27 January 2016

BLUE STAR INFOTECH LIMITED

Consolidated Unaudited Group Financial Results for the Quarter and Nine Months Ended December 31, 2015

Particulars	Quarter Ended (Unaudited)			Nine Months Ended (Unaudited)		Year Ended (Audited)
	31.12.2015	30.09.2015	31.12.2014	31.12.2015	31.12.2014	31.03.2015
Income from operations						
Export income	5,813.92	6,734.34	5,889.16	19,417.01	17,246.03	23,544.77
Domestic income	556.00	682.69	768.59	1,798.78	2,278.89	2,943.69
Total operating income	6,369.92	7,417.03	6,657.75	21,215.79	19,524.92	26,488.46
Employee benefits expense (refer note B-6(b) and B-9)	3,904.83	3,877.38	3,778.10	11,623.03	11,178.96	14,901.81
Cost of business associates	917.79	1,391.35	962.08	3,841.73	2,930.26	4,238.48
Professional fees	268.73	241.81	186.71	797.10	416.56	684.19
Cost of products / licences	104.05	105.46	196.34	249.07	686.96	754.08
Travel and conveyance	217.12	201.58	225.26	625.46	759.64	934.74
Foreign exchange loss (net)	-	-	-	-	-	87.36
Depreciation and amortisation expense	107.15	112.71	125.53	337.02	338.57	437.54
Other expenses (refer note B-6(b))	478.97	855.45	666.58	2,037.56	1,829.82	2,477.00
Total expenses	5,998.64	6,785.74	6,140.60	19,510.97	18,140.77	24,515.20
Profit from operations before other income, finance costs and exceptional items	371.28	631.29	517.15	1,704.82	1,384.15	1,973.26
Other income (refer note B-4)	210.58	271.83	177.33	804.07	503.35	575.96
Profit from ordinary activities before finance costs and exceptional items	581.86	903.12	694.48	2,508.89	1,887.50	2,549.22
Finance costs	0.53	3.73	9.41	27.78	63.17	74.79
Profit from ordinary activities after finance costs but before exceptional items	581.33	899.39	685.07	2,481.11	1,824.33	2,474.43
Exceptional item (refer note B-6(a))	465.53	-	-	465.53	-	-
Profit from ordinary activities before tax	115.80	899.39	685.07	2,015.58	1,824.33	2,474.43
Tax expense	91.86	259.65	209.70	570.42	480.62	627.04
Profit from ordinary activities after tax	23.94	639.74	475.37	1,445.16	1,343.71	1,847.39
Minority interest	-	20.83	5.80	75.66	(6.04)	30.90
Net profit after taxes and minority interest	23.94	618.91	469.57	1,369.50	1,349.75	1,816.49
Paid-up equity share capital (face value Rs. 10)	1,080.00	1,080.00	1,080.00	1,080.00	1,080.00	1,080.00
Reserves excluding Revaluation Reserves as per balance sheet of previous accounting year	-	-	-	-	-	10,463.19
Earnings per share - (Not annualised)						
(a) Basic - Rupees	0.22	5.73	4.38	12.68	12.86	17.18
(b) Diluted - Rupees	0.18	5.49	4.16	12.17	12.12	16.27



Blue Star Infotech Limited (stand-alone) - Unaudited Financial Results for the Quarter and Nine Months Ended December 31, 2015

Particulars	Quarter Ended (Unaudited)			Nine Months Ended (Unaudited)		Year Ended (Audited)
	31.12.2015	30.09.2015	31.12.2014	31.12.2015	31.12.2014	31.03.2015
Income from operations						
Export income	3,026.70	3,852.00	2,630.50	10,438.89	7,956.04	10,956.75
Domestic income	550.84	665.02	714.32	1,740.18	2,255.01	2,863.85
Total income from operations	3,577.54	4,517.02	3,344.82	12,179.07	10,211.05	13,820.60
Employee benefits expense	2,000.87	2,081.70	1,796.64	6,013.77	5,352.81	7,264.06
Cost of business associates	485.91	1,005.51	352.84	2,418.89	1,354.15	1,988.85
Professional fees	113.81	123.81	109.24	428.86	231.42	384.20
Cost of products / licences	64.41	90.42	153.90	184.53	469.55	505.83
Travel and conveyance	127.13	133.38	120.61	369.34	457.93	538.44
Depreciation and amortisation expense	93.51	85.33	94.33	268.82	278.04	348.66
Other expenses	494.17	545.32	475.60	1,550.33	1,306.41	1,775.36
Total expenses	3,379.81	4,065.47	3,103.16	11,234.54	9,450.31	12,805.40
Profit from operations before other income, finance costs and exceptional items	197.73	451.55	241.66	944.53	760.74	1,015.20
Other income (refer note B-4)	183.92	237.00	198.74	649.28	517.89	594.66
Profit from ordinary activities before finance costs and exceptional items	381.65	688.55	440.40	1,593.81	1,278.63	1,609.86
Finance costs	-	1.51	0.92	18.01	44.78	50.83
Profit from ordinary activities after finance costs but before exceptional items	381.65	687.04	439.48	1,575.80	1,233.85	1,559.03
Exceptional item (refer note B-6(a))	319.50	-	-	319.50	-	-
Profit from ordinary activities before tax	62.15	687.04	439.48	1,256.30	1,233.85	1,559.03
Tax expense	59.70	203.00	115.00	399.70	315.00	390.00
Net profit for the period	2.45	484.04	324.48	856.60	918.85	1,169.03
Paid-up equity share capital (face value Rs. 10)	1,080.00	1,080.00	1,080.00	1,080.00	1,080.00	1,080.00
Reserves excluding Revaluation Reserves as per balance sheet of previous accounting year	-	-	-	-	-	9,526.52
Earnings per share - (Not annualised)						
(a) Basic - Rupees	0.02	4.48	3.03	7.93	8.75	11.06
(b) Diluted - Rupees	-	4.30	2.87	7.61	8.25	10.47



NOTES :

A) Consolidated Reporting

The consolidated financial information includes the results of Company's subsidiaries.

B) General

- 1) 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 27, 2016.
 - 2) The Company follows Accounting Standard 30, Financial Instruments: Recognition and Measurement, prescribed by the Institute of Chartered Accountants of India. Consequently, outstanding forward contracts have been treated as highly probable forecast transactions based on historic trends. The net gain arising on 'mark to market' of such open forward contracts transferred out of Hedging Reserve Account during the quarter ended December 31, 2015 amounts to Rs. 22.43 Lakhs (gain transferred to Hedging Reserve Account during Quarter ended December 31, 2014 : Rs. 40.09 Lakhs).
 - 3) 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 stand-alone and consolidated financial results of Blue Star Infotech Limited for the quarter and nine months ended December 31, 2015. There are no qualifications in the limited review report issued for the said period.
 - 4) Other Income for the quarter ended December 31, 2015 includes rental income on lease of office premises - Rs. 141.50 Lakhs (Quarter ended Dec 2014 and Quarter ended Sep 2015: Rs 122.19 Lakhs and Rs 141.50 Lakhs respectively). Other Income for the nine months ended December 31, 2015 includes rental income on lease of office premises - Rs. 424.49 Lakhs (Nine months ended Dec 2014: Rs. 366.57 Lakhs).
 - 5) Pursuant to a Business Transfer Agreement (the 'BTA') dated September 29, 2015 between the Company and Infogain India Pvt. Ltd, the Company has agreed to transfer its Information Technology (IT) business along with the Information Technology business of its wholly owned subsidiary, Blue Star Infotech Business Intelligence and Analytics Private Limited (BSIBIA) on a going concern basis, effective January 1, 2016, for an aggregate consideration of Rs. 8,170 lakhs on slump sale basis. Further, pursuant to Share Purchase Agreement dated 29 September 2015, the Company has agreed to transfer its entire shareholding in its three wholly owned overseas subsidiaries, namely, Blue Star Infotech America, Inc., Blue Star Infotech (UK) Limited and Blue Star Infotech (Singapore) Pte. Ltd effective January 1, 2016 for a consideration of Rs.3,650 Lakhs, Rs.2,180 Lakhs and Rs.4,080 Lakhs respectively to Infogain Corporation, USA. Accordingly, effective January 01, 2016, the aforesaid overseas subsidiaries of the Company would be part of Infogain Corporation and the IT business of the Company and BSIBIA would be part of Infogain India Pvt. Ltd.
- Based on directions of the Hon' ble High Court of Bombay, the Company proposes to hold a meeting of its shareholders on February 27, 2016 for obtaining their approval on the scheme of amalgamation of Blue Star Infotech Limited and BSIBIA with Blue Star Limited, a listed Indian Company. Subject to the approval of the shareholders of the Company and Blue Star Limited, it is proposed to merge the Company and its wholly owned subsidiary, BSIBIA with Blue Star Limited, on the basis of a proposed share swap ratio wherein the shareholders of the Company would be entitled to 7 fully paid-up equity shares of Blue Star Limited of Rs. 2 each against 10 fully paid-up equity shares of Blue Star Infotech Limited of Rs. 10 each.
- 6(a) Pursuant to a Business Transfer Agreement dated September 29, 2015 entered by the Company with BSIBIA, the entire business operations of BSIBIA was transferred to the Company. Consequently, the Company has created impairment provision of Rs. 319.50 Lakhs which represents the excess of carrying value of its investment in BSIBIA over net value of assets in BSIBIA in the standalone financial results. Accordingly, 'Goodwill on consolidation' aggregating Rs. 465.53 Lakhs pertaining to BSIBIA is impaired during the current quarter in the consolidated financial results.
 - 6(b) Expenses in consolidated financial results for the current quarter include one time expenditure towards professional fees of Rs. 104 Lakhs (Nine months ended Dec 2015 :Rs 251 Lakhs) and towards employee costs of Rs. 290 Lakhs (Nine months ended Dec 2015 : Rs 290 Lakhs). Further, expenses in standalone financial results for the current quarter include one time expenditure towards professional fees of Rs. 59 Lakhs (Nine months ended Dec 2015 :Rs 177 Lakhs) and towards employee costs of Rs. 183 Lakhs (Nine months ended Dec 2015 : Rs 183 Lakhs)
 - 6(c) Had these expenses/adjustments as mentioned in 6(b) above not been made, the consolidated profit before tax from ordinary activities, after finance costs but before exceptional items, for the current quarter would have been Rs. 975.33 Lakhs (Nine months ended Dec 2015: Rs. 3,022.11 Lakhs). Further, profit before tax from ordinary activities, after finance costs but before exceptional items in standalone financial results, for the current quarter would have been Rs. 623.65 Lakhs (Nine months ended Dec 2015: Rs. 1,935.80 Lakhs).
 - 7) Previous period's figures have been re-grouped/rearranged, wherever necessary to make their classification comparable with the current period.
 - 8) The Company and its subsidiaries, at present, operate within a single line of business. The Company considers its geographical operations within India and overseas as separate segments, and has accordingly provided information for the geographical segments.
 - 9) The Company has provided for remuneration of Managing Director which exceeds the limits specified under Schedule V of the Companies Act, 2013 by Rs. 124.60 Lakhs. The Company has made an application to the Ministry of Corporate Affairs (the 'Ministry') seeking its approval for payment of aforementioned excess remuneration. Pending approval from Ministry, no payment has been made to the Managing Director.



C) Segment wise Revenue, Results and Capital Employed for the Quarter and Nine Months Ended December 31, 2015

Rs. In Lakhs

Particulars	Quarter Ended (Unaudited)			Nine Months Ended (Unaudited)		Year Ended (Audited)
	31.12.2015	30.09.2015	31.12.2014	31.12.2015	31.12.2014	31.03.2015
Segment revenue						
India	3,578.96	4,635.78	3,544.34	12,439.12	10,640.34	14,409.76
Overseas	4,800.30	4,880.28	5,076.78	14,851.94	14,505.43	19,642.81
Total	8,379.26	9,516.06	8,621.12	27,291.06	25,145.77	34,052.57
Less: Inter segment revenue	2,009.34	2,099.03	1,963.37	6,075.27	5,620.85	7,564.11
Total operating income	6,369.92	7,417.03	6,657.75	21,215.79	19,524.92	26,488.46
Segment results						
(Profit before tax, Interest and Finance costs & Exceptional Item)						
India	1,288.11	1,623.41	1,260.20	4,428.51	3,609.81	4,871.15
Overseas	2,484.99	2,579.53	2,422.17	7,579.61	6,840.76	9,389.50
Total	3,773.10	4,202.94	3,682.37	12,008.12	10,450.57	14,260.65
Less: Inter segment cost	2,009.34	2,099.03	1,963.37	6,075.27	5,620.85	7,564.11
Less: Unallocable expenditure						
(i) Finance costs	0.53	3.73	9.41	27.78	63.17	74.79
(ii) Other expenditure (Net of other income)	1,181.90	1,200.79	1,024.52	3,423.96	2,942.22	4,147.32
(ii) Exceptional item (refer note B-6(a))	465.53	-	-	465.53	-	-
Profit before tax	115.80	899.39	685.07	2,015.58	1,824.33	2,474.43
Capital Employed						
(Segment assets – Segment liabilities)						
India	1,407.84	1,536.11	1,253.04	1,407.84	1,253.04	1,169.27
Overseas	2,756.08	3,082.50	3,434.51	2,756.08	3,434.51	3,470.43
Add: Unallocable assets (net) *	8,736.88	8,235.81	7,047.47	8,736.88	7,047.47	7,144.91
Total	12,900.80	12,854.42	11,735.02	12,900.80	11,735.02	11,784.61

* (Based on estimates in terms of available data)

Registered Office:

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MIDC, Andheri (East)
Mumbai 400 093
Website: www.bsil.com

For BLUE STAR INFOTECH LIMITED

Suneel M. Advani

Suneel M. Advani

Chairman and Managing Director

Date: January 27, 2016

Place: Mumbai

