

Consolidated Un-audited Group Financial Results for the Quarter and Nine Months Ended December 31, 2010

(Rs. Lakhs)

Quarter Ended		Particulars	Nine Months Ended		Year Ended (Audited)
31.12.2010	31.12.2009		31.12.2010	31.12.2009	31.03.2010
2,169.44	2,654.04	Export Income	6,922.33	8,132.29	10,561.24
828.48	595.02	Domestic Income	2,161.80	1,876.08	2,463.34
2,997.92	3,249.06	Income from Operations	9,084.13	10,008.37	13,024.58
25.01	91.91	Other Operating Income (foreign exchange gain)	179.40	-	56.52
3,022.93	3,340.97	Total Operating Income	9,263.53	10,008.37	13,081.10
1,774.47	1,948.07	Staff Cost	5,467.90	5,634.71	7,493.21
331.20	364.13	Professional Fees	977.06	1,301.08	1,655.97
262.28	101.49	Cost of Products / Licences	505.56	468.91	572.06
152.97	233.31	Travel and Conveyance	598.95	604.27	808.39
-	-	Foreign Exchange Loss (Net)	-	31.46	-
59.19	55.56	Depreciation and Amortisation	169.51	171.88	231.48
332.29	291.85	Other Expenditure	979.41	927.15	1,352.10
2,912.40	2,994.41	Total Expenditure	8,698.39	9,139.46	12,113.21
110.53	346.56	Profit from Operations before Taxation	565.14	868.91	967.89
187.37	120.64	Other Income (Refer Note B (iv))	510.53	325.48	535.47
297.90	467.20	Profit Before Taxation and Exceptional Item	1,075.67	1,194.39	1,503.36
(30.20)	-	Exceptional Item (Refer note B (vi))	(64.18)	-	-
267.70	467.20	Profit Before Taxation	1,011.49	1,194.39	1,503.36
53.77	34.25	Provision for Taxation (including Deferred and Foreign Tax)	163.99	92.00	125.70
213.93	432.95	Net Profit	847.50	1,102.39	1,377.66
1,000.00	1000.00	Paid-up Equity Share Capital (face value Rs. 10)	1,000.00	1000.00	1000.00
-	-	Reserves excluding revaluation reserves	-	-	6,972.03
2.14	4.33	Earnings Per Share (Rupees) -Basic and Diluted (Not Annualised)	8.48	11.02	13.78
		Aggregate of public shareholding:			
4,462,280	4,462,280	- Number of shares	4,462,280	4,462,280	4,462,280
44.62%	44.62%	- Percentage of shareholding	44.62%	44.62%	44.62%
		Aggregate of promoter and promoter group shareholding:			
		a) Pledged / Encumbered			
Nil	Nil	- Number of shares	Nil	Nil	Nil
N A	N A	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	N A	N A	N A
N A	N A	- Percentage of shares (as a % of the total share capital of the Company)	N A	N A	N A
		b) Non-encumbered			
5,537,720	5,537,720	- Number of shares	5,537,720	5,537,720	5,537,720
100%	100%	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	100%	100%	100%
55.38%	55.38%	- Percentage of shares (as a % of the total share capital of the Company)	55.38%	55.38%	55.38%

Blue Star Infotech Limited (stand-alone) - Un-audited Financial Results for the Quarter and Nine Months Ended December 31, 2010					
(Rs. Lakhs)					
Quarter Ended		Particulars	Nine Months Ended		Year Ended (Audited)
31.12.2010	31.12.2009		31.12.2010	31.12.2009	31.03.2010
1,705.80	2,123.76	Export Income	5,503.71	6,200.26	8,088.72
828.48	595.02	Domestic Income	2,161.80	1,876.08	2,463.34
2,534.28	2,718.78	Income from Operations	7,665.51	8,076.34	10,552.06
25.40	114.88	Other Operating Income (foreign exchange gain)	161.94	6.84	103.98
2,559.68	2,833.66	Total Operating Income	7,827.45	8,083.18	10,656.04
1,309.85	1,514.98	Staff Cost	4,018.12	4,353.45	5,768.30
437.25	322.30	Professional Fees / Service Charges	1,243.52	972.89	1,329.44
262.28	101.49	Cost of Products / Licences	505.56	468.91	572.06
135.83	193.40	Travel and Conveyance	521.88	501.29	685.31
-	-	Foreign Exchange Loss (Net)	-	-	-
57.81	54.08	Depreciation and Amortisation	165.85	165.39	223.23
269.55	244.47	Other Expenditure	805.15	745.96	1,103.60
2,472.57	2,430.72	Total Expenditure	7,260.08	7,207.89	9,681.94
87.11	402.94	Profit from Operations before Taxation	567.37	875.29	974.10
142.76	115.68	Other Income (Refer note B (iv))	434.12	309.97	506.23
229.87	518.62	Profit Before Taxation and Exceptional Item	1,001.49	1,185.26	1,480.33
(30.20)	-	Exceptional Item (Refer note B (vi))	(64.18)	-	-
199.67	518.62	Profit Before Taxation	937.31	1,185.26	1,480.33
40.00	47.16	Provision for Taxation (including Deferred and Foreign Tax)	145.00	77.16	86.60
159.67	471.46	Net Profit	792.31	1,108.10	1,393.73
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	-	-	6,917.43
1.60	4.71	Earnings Per Share (Rupees) -Basic and Diluted (Not Annualised)	7.92	11.08	13.94
		Aggregate of public shareholding:			
4,462,280	4,462,280	- Number of shares	4,462,280	4,462,280	4,462,280
44.62%	44.62%	- Percentage of shareholding	44.62%	44.62%	44.62%
		Aggregate of promoter and promoter group shareholding:			
		a) Pledged / Encumbered			
Nil	Nil	- Number of shares	Nil	Nil	Nil
N A	N A	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	N A	N A	N A
N A	N A	- Percentage of shares (as a % of the total share capital of the Company)	N A	N A	N A
		b) Non-encumbered			
5,537,720	5,537,720	- Number of shares	5,537,720	5,537,720	5,537,720
100%	100%	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	100%	100%	100%
55.38%	55.38%	- Percentage of shares (as a % of the total share capital of the Company)	55.38%	55.38%	55.38%

NOTES :

A) Consolidated Reporting

The consolidated financial information 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 25, 2011.
- 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. Accordingly, gains / losses arising on 'mark to market' of open forward contracts have been accumulated in 'Hedging Reserve Account'. 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 stand-alone and consolidated financial results of Blue Star Infotech Limited for the quarter and nine months ended December 31, 2010. There are no qualifications in the limited review report issued for the said period.
- iv) Other Income for the quarter ended December 31, 2010 includes rental income on lease of office premises - Rs. 111.30 Lakhs (Rs. 83.75 Lakhs for the quarter ended December 31, 2009).
- v) The Company considers its entire business / geographical operations as a single segment. There are no separate reportable segments as per Accounting Standard 17, Segment Reporting.
- vi) During the financial year 2007-08, the stamp duty authorities of the Government of Maharashtra issued notice(s) to the Company demanding differential stamp duty of Rs.46.99 Lakhs and penalty of Rs.33.98 Lakhs, pursuant to disallowance of stamp duty concession availed by the Company in the year 2005. The 75% stamp duty concession was granted on purchase of property for establishing a new unit related to Information Technology (IT) in a recognized private IT Park. Consequently, the Company filed writ petitions before the Honourable Bombay High Court against the aforesaid notices. In the Board Meeting held on July 30, 2010, the Company, as a matter of commercial prudence decided to discharge the contentious financial obligation viz; differential stamp duty and penalties, if any and withdraw the matter from the Court. Subsequent to the quarter ended September 30, 2010, an additional penalty of Rs.30.20 Lakhs was levied. The Company has completed all the necessary legal formalities in this regard and paid the required penalty amounts. The penalty amount paid during the quarter ended December 31, 2010, is disclosed as an exceptional item.
- vii) In the month of January 2011, the Company received demand notice(s) from the Income Tax authorities for prior financial year(s) aggregating Rs. 3064.93 Lakhs. The Company has obtained expert legal opinion and accordingly believes that these demands are not sustainable.
- viii) No investor complaints were pending at the beginning of the current quarter. During the quarter ended December 31, 2010, 14 (Fourteen) investor complaints were received and disposed of.
- ix) The Company has designated an exclusive e-mail id viz. Investor.Relations@bsil.com for investor grievance redressal.
- x) 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: <http://www.bsil.com>

Date: January 25, 2011

Place: Mumbai

For BLUE STAR INFOTECH LIMITED

Suneel M. Advani
Chairman and Managing Director