

# Blue Star Limited

Q3 FY12 Earnings Update

January 31, 2012

## Financial Highlights

- Blue Star Limited reported Total Operating Revenue of Rs 589.69 crores for the quarter ended December 31, 2011, as compared to Rs 613.41 crores in Q3FY11, representing a decline of 4%.
- For the quarter, Gross Margin declined to 16.7% from 23.5% as compared to same period last year due to higher costs pertaining to increase in material costs and changes in the business mix
- Operating loss (PBIDT excluding Other Income) for the quarter was Rs 3.14 crores compared to Operating profit of Rs 48.30 crores during the same period last year. Unprecedented input cost increases have impacted all business segments of the Company. As seen in the earlier quarters of this financial year, the Electro Mechanical Projects business has been particularly impacted largely due to the fixed price nature of the contracts. We will provide more details later in the opening remarks
- Financial expenses during the quarter increased from Rs 8.92 crores to Rs 22.10 crores. This was due to foreign exchange losses on account of the strengthening of the dollar and higher interest costs
- Our total foreign exchange exposure at any point in time is about US \$70-75 million and our normal policy is to hedge 35-55% of the net foreign exchange exposure on an on-going basis. To reduce our exposure to foreign exchange volatility, we have increased amount hedged. Due to the sharp depreciation of the Rupee in December, our foreign exchange losses for the quarter were about Rs 13.78 crores of which about Rs 6 crores is the unrealized loss
- Consequently, there was a Net Loss of Rs 32.76 crores compared to Net Profit after tax of Rs 22.36 crores in Q3FY11.
- Carry Forward Order Book as on December 31, 2011 increased to Rs 2160 crore compared to Rs 2072 crore as at December 31, 2010, representing a growth of 4%.

## Segment-wise results

- The Electro Mechanical Projects and Packaged Airconditioning business accounting for 63% of the total revenues in the quarter, declined by 15% while segment results

fell sharply to a loss of Rs 15.18 crores as compared to a profit of Rs 29.13 crores during Q3FY11..The Operating Margin of this business in Q3FY12 was -4.13% compared to 6.71% in Q3FY11.

- The Cooling Products revenue registered an increase of 28% in the quarter. However, Segment results declined by 30% to a profit of Rs 7.15 crores from Rs 10.22 crores, due to cost pressures. The Operating Margin declined from 8% in Q3FY11 to 4.37% in Q3FY12.
- The revenues of the Professional Electronics and Industrial Systems business, i.e. Segment 3, increased by 16%, while Segment results were flat at Rs 11.68 crores compared to Rs 11.66 crores in Q3FY11..The Operating Margin decreased from 26% in Q3FY11 to 22% in Q3FY12.

- SBU-wise sales break-up:

(Rs crore)

	Q3FY12	Q3FY11	% Growth (Decline)	% of Net Sales
Electro Mechanical Projects and Packaged Airconditioning Systems	367.65	434.22	(15%)	63%
Cooling Products	163.69	127.83	28%	28%
Professional Electronics & Industrial systems	51.96	44.78	16%	9%

- SBU-wise results break-up:

(Rs crore)

	Q3FY12	Q3FY11	%Growth/ (Decline)
Electro Mechanical Projects and Packaged Airconditioning Systems	(15.18)	29.13	(152%)
Cooling Products	7.15	10.22	(30)%
Professional Electronics & Industrial systems	11.68	11.66	0.2%

## **BUSINESS HIGHLIGHTS**

### *Electro Mechanical Projects & Packaged Airconditioning Systems*

#### **Overview**

The Electro Mechanical Projects and Packaged Airconditioning business comprises of Central Airconditioning, Electrical Contracting, Plumbing & Fire Fighting Contracting and Packaged Airconditioning. This business accounting for 63% of the total revenues in the quarter, declined by 15% while segment results fell sharply to a loss of Rs 15.18 crores as compared to a profit of Rs 29.13 crores during Q3FY11.

In this quarter we have continued the process of advancing and short-closing old jobs. Of the total order book of about Rs 1800 crores (as of April 1, 2011), spread over 900 plus open jobs, we have reviewed the costs, planned revenues and expected cost to complete for about 600 odd jobs. Based on the extensive review of these jobs, which account for about Rs 1000 crores of our order book, we have been adjusting the planned revenues and revised the planned costs to reflect the most current prices of equipment and materials. The consolidated impact on the cost over-runs on a YTD December 2011 for these jobs is a margin erosion of about 7% on the Rs 1000 crores reviewed order book. We expect to complete the review of the remaining jobs, subject to their advancement to appropriate milestones, by the end of Q4. As indicated earlier, the overall margin erosion will be in the range of 5-6% of the segment order-book and we anticipate that the process will be largely complete in this financial year. Our observation, based on the review of these jobs, is that the impact is most pronounced in the Building Electricals segment, long gestation infrastructure projects and some projects being executed for Builders and General Contractors.

Our priority has been to manage the capital employed in this business and I am happy to say that we have made reasonable progress on this front. The Capital Employed in this segment is currently about Rs 498 crores (down from Rs 637 crores as of end September 2011). We will continue our focus on managing the capital engagement in

this business through synchronizing material delivery and execution with payment, expediting measurement and payment certification, and aggressive debtor collections.

The new management team has taken a number of steps to contain the margin erosion including:

- Retrieving and re-allocating excess/ non immediately required material, lodging escalation claims where feasible, short closing/ re negotiating hugely delayed projects
- Being much more selective in order booking – the focus being on large, bundled MEP projects, where we can maintain a differentiated position. We have reduced our exposure to the long gestation residential segments, particularly for the electrical and plumbing business
- Strengthening our estimation, project management and review mechanisms to operate in a more volatile environment
- Incorporating price variation clauses, where feasible, to reduce risk in our largely fixed price contracts
- Focus on improving productivity and efficiencies across the board.

The projects business will continue to face challenges for the next few quarters, however, we expect to bring the business back to long term trend levels in FY14.

On the market side, despite market sluggishness, delayed order finalizations and our selective approach to order booking, the company continues to witness demand from the IT/ITeS, Retail, Hospitality and Industrial segments. During the Quarter, Blue Star won prestigious orders in the above segments namely, Tata Realty Infrastructure Ltd - Chennai, Capgemini-Pune, Boomerang IT Campus - Mumbai, Wipro -Data Centre-Greater Noida, JW Marriot-Mumbai, Acropolis Mall-Kolkata, DLF Mall of India - Noida, Emaar MGF - Gurgaon, BHEL Bokaro Thermal Power Station- Bokaro, Solvay R & D Centre - Ankleshwar.

The company maintained its leadership position in healthcare by winning projects such as New Rise Hospital -Gurgaon, Jawahar Lal Nehru hospital & medical college -AMU Aligarh, ESIC hospital-Hyderabad, G.M.M.H hospital - New Delhi, Q.R.G hospital - Faridabad. Of these project wins, New Rise hospital, JLN Hospital & Medical College, JW Marriot Hotel are MEP orders.

In Packaged/Ducted air-conditioning and small chillers, the market is growing at a steady pace. There was a good inflow of orders from Commercial Complexes, Industrial, Retail, Hotels & Restaurants and Education segments. The Office and hospitals segments remained flat. All others including banks, developers etc have shown a decline in the current financial year.

In the VRF segment, the inflow of enquiries is steady with many consultants preferring VRF over Ducted systems for certain applications. Despite stiff competition, the company has been able to do well in segments of Hotels, Offices, Residences and Hospitals. Some of the prestigious orders won by us are namely, Hotel Rathinam Regency - Madurai, KDJ Hotels & Resorts - Jodhpur, Vaibhav Empire Pvt. Ltd - Vizag, GSFC Ltd - Vadodara, Mother & Child Hospital - Hyderabad. In line with the depressed sentiment in the telecom business, our telecom airconditioning business continues to be under volume and margin pressures.

### Key Projects in the Quarter:

	<b>New Orders Won in Q3FY12</b>
<b>Integrated MEP, ME , MP</b>	<ul style="list-style-type: none"> <li>* Chalet Hotel Pvt. Ltd.(JW Mariott) , Mumbai</li> <li>* El DuPont India, Hyderabad</li> <li>* Merlin Acropolis Pvt. Ltd, Kolkata</li> <li>* New Rise Hospital -Panacea Biotech - Gurgaon</li> <li>* Jawahar Lal Nehru Hospital &amp; Medical college -Aligarh Muslim University.</li> </ul>
<b>Central Airconditioning</b>	<ul style="list-style-type: none"> <li>* Capegemini, Pune</li> <li>* Chalet Hotels Pvt. Ltd. (J W Marriot), Mumbai</li> <li>* Boomerang, Mumbai</li> <li>* Solvay R&amp;D Centre, Baroda</li> <li>* Tata Reality Infrastructure Ltd., Chennai</li> <li>* ESIC, Hyderabad</li> <li>* BHEL Bokaro Thermal Power station, Bokaro</li> </ul>

	<ul style="list-style-type: none"> <li>* DLF -Mall Of India, Noida</li> <li>* New Rise Hospital -Panacea Biotech, Gurgaon</li> <li>* G.M.M.H hospital -Spice Group, New Delhi</li> <li>* Q.R.G hospital -Havells Group, Faridabad</li> <li>* JLN Hospital &amp; Medical college -AMU, Aligarh</li> <li>* Wipro -Data Centre, Greater Noida</li> <li>* Emmar -MGF, Gurgaon</li> <li>* Moser Baer Thermal Power Plant, Annupur</li> <li>* Muzaffarpur Thermal Power Project, Muzaffarpur</li> </ul>
<b>Electrical Projects</b>	<ul style="list-style-type: none"> <li>* Merlin Infinity IT Park , Kolkata</li> <li>* J LN Medical College, AMU, Aligarh</li> </ul>
<b>Packaged Airconditioning/ VRF Systems/ Precision Airconditioning</b>	<ul style="list-style-type: none"> <li>* Engineers &amp; Archtects, Guwahati</li> <li>* Lovely Prof University, Jalandhar</li> <li>* Rupasi Cinema, Agartala</li> <li>* Kiah lifestyle Pvt. Ltd., Surat</li> <li>* Artemis Properties, Pune</li> <li>* Delta Foods, Noida</li> <li>* Siemens, Gurgaon</li> <li>* Kalyan Sarees, Thrissur</li> <li>* Dynamic Solutions, Mumbai</li> <li>* Hotel Rathinam Regency, Madurai</li> <li>* KDJ Hotels and Resorts, Jodhpur</li> <li>* @Home, Hyderabad</li> <li>* SD Corporation, Kalyan</li> <li>* Mangalya Shopping Mall, Warangal</li> <li>* Fabricana, Bengaluru</li> <li>* Essar, Paradip</li> <li>* Cipla Ltd., Kolkata</li> <li>* Tanstech, Chennai</li> <li>* Gayathri Grande Hotel, Palakkad</li> <li>* Associate Decor Pvt. Ltd, Bengaluru</li> <li>* Thermax Ltd., Kolkata</li> <li>* Babina Diagnostic Hospital, Imphal</li> <li>* Mother &amp; Child Hospital, Hyderabad</li> <li>* Vaibhav Empire Pvt. Ltd - Vizag</li> <li>* GNFC Ltd, Bharuch,</li> <li>* GSFC Ltd., Vadodara</li> <li>* D Mart, Bengaluru</li> <li>* Audi Showroom, Nagpur</li> </ul>

## Service Business

Blue Star offers its customers annual maintenance contracts, retrofits and upgrades as well as new service products such as energy management audits and solutions, air management consultancy and services, water management services for cooling systems, Green Building certification consultancy and associated services.

During the quarter, annual maintenance contracts and the Revamp & Retrofit businesses have grown steadily and contributed a major share of the service business. While the growth rates are higher in the spare parts business, its profitability has dipped due to the exchange rate fluctuations and higher costs of procurement.

The overall profitability has improved despite higher costs of spares and labour. Concerted efforts have been made to increase the prices of services to ensure sustenance of service offerings. The company is focusing on deliverables and there have been significant improvements in the quality of output.

The company has received prestigious orders like The Tarapur Atomic Power Station, Boisar, Credits Issue Business Analytics, Powai, Rashtriya Chemicals and Fertilisers, Mumbai, Vydehi Hospital, Bengaluru, Bharat Petroleum Corporation, Kochi, North Western Railway, Jaipur, Sun-n-Sand hotel, Shirdi & Mumbai, South Block, Delhi , MTNL, Delhi for its various service offerings.

### ***Cooling Products***

The Cooling Products business comprising Room Air-conditioners and Refrigeration and Cold Storage Products and Systems, revenue registered an increase of 28% in the quarter. However, Segment results declined by 30% to a profit of Rs 7.15 crores from Rs 10.22 crores, due to cost pressures.

The growth in this quarter in the Room Airconditioner business, has come due to our continued efforts to expand in the residential segment, channel expansion to cover the tier3/4/5 markets, and product portfolio enhancements to provide a much wider and contemporary range. While the demand for residential air-conditioners has declined, small offices, showrooms, restaurants, marriage halls etc - where we have a leadership position, continue to grow robustly. In a scenario where the industry has de-grown, we have showed good growth and increased market share by about 2%.



The Refrigeration Products business showed steady growth this quarter. Bottled water dispensers and water coolers grew on the back of commercial and residential demand, Chest cooler business grew well driven by growth in ice-cream, dairy and small retail segments. In the cold storage business, the Company has witnessed good inflow of orders in retail and food processing sector. Some of prestigious orders won by the company are Bharati agro, MSAMB , Metro Cash and Carry - Jaipur & Mumbai Haldiram. Dominos has awarded Blue Star with “Best business partner 2011” cold rooms in this quarter.

Margins in segment 2 were impacted due to significant increases in input costs particularly imported units and components, logistics and freight cost and increases in sales and distribution costs to support the channel expansion. We import a number of components and sub-assemblies for our products business – ranging from ~ 100% for IVRF products to 20-40% for some of the refrigeration and air-conditioning products. The costs of these imports have increased substantially in the last 6 months and while we have affected price increases, they have not fully compensated the increases in costs. Though we have increased prices ranging from 5-15% across our range of products, however, competitive activity and our desire to maintain a market leadership position in a high growth segment has limited our ability to fully recover the unprecedented cost increases. We are looking at all options for cost reduction including sourcing, value engineering and supply chain and logistics cost reduction.

To support the growth of the Refrigeration Products, we have recently set up a small factory in Ahmedabad which is expected to come on stream by the end of February, subject to clearances. This will be our second factory in Gujarat and we have earmarked about Rs 15 crores of capex for this expansion. When fully operational, this factory will add another 100,000 units thus doubling capacity for our range of water coolers and panels. Our MCHX plant, which will help reduce our overall dependence on Copper, is ramping up well and we expect that the benefits will accrue in the next fiscal. We are closely watching the evolving situation and will judiciously vary various elements of the marketing mix to maintain good growth without compromising margins, a process we believe will take 2-3 quarters to stabilize.

## **Professional Electronics and Industrial Systems**

The revenues of the Professional Electronics and Industrial Systems business, i.e. Segment 3, increased by 16%, while Segment results were flat at Rs 11.68 crores compared to Rs 11.66 crores in Q3FY11. Order inflow into this segment has been moderate, however, there are promising prospects particularly in the Industrial Projects business which is geared to the Steel and Petro-chemical sectors.

## **Exports**

Blue Star's exports are derived from two streams - International Projects and Product Exports.

During the quarter, the Company received total orders worth Rs.9.0 Cr. inclusive of 1.0 million USD for Unitary and Refrigeration product for OEM accounts. It also received orders for 700 # Water Coolers worth 255K USD from various distributors in UAE, Oman, Qatar, Yemen and Kuwait.

In order to improve visibility, Blue Star participated in the 'Big-5' exhibition held at Dubai from 21-24 November'11 through its distributor, M/s. Central Trading Company - U.A.E wherein the entire range of Cooling products namely, Energy Efficient Split Air conditioners, Water Cooler and Domestic Water Chillers were displayed.

The Indian Rupee depreciation has improved the margins in the short term, but looking at the continued unrest in the Middle East economy, the company is planning to initiate corrective measures to control the operating expenses.

## **BUSINESS OUTLOOK**

### **COMPANY OUTLOOK**

As communicated earlier, the Company expects the next few quarters to be challenging on account of the uncertain economic environment. Segment 1 margins will continue to be at depressed levels in the near term. We are confident that our on-going efforts to reduce the capital employed in this business, improve the quality of the order book and

focus on high quality, timely and efficient execution will enable us to bring this business back on track in the coming quarters. We are focused on completing the review of our projects order book by the end of Q4 and we will provide you an update at the end of the next quarter in terms of the impact and the outlook.

We believe our market and product expansion efforts will help us to grow at a healthy rate in the cooling products segment (Segment 2). Margin pressure continues to be a concern in this segment 2 as well, and the Company has initiated several actions including price increases as well as value engineering and product cost reduction efforts that should yield results in early FY13. At an overall level, the Company will exercise prudent financial management measures in order to contain the decline in profitability.

The Company has been through several challenging periods in its seven-decade history and has been able to adapt well to the circumstances. The underlying demand for its products and services driven by increasing urbanization, rising incomes and infrastructure investment is robust and with its market leadership position, the Company is well placed to capture the tremendous opportunities in the near future. The Company will endeavour to return to the growth path in the next financial year, and is focused on returning to profitability on a stand-alone basis early in FY13.

#### **For more information contact**

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#### **SAFE HARBOUR**

Certain statements in this release concerning our future growth prospects are forward-looking statements which involve a number of risks and uncertainties that could cause actual results to differ materially from those in such forward-looking statements. The risks and uncertainties relating to these statements include, but are not limited to, risks and uncertainties regarding fiscal policy, competition, inflationary pressures and general economic conditions affecting our industry. The Company does not undertake to update any forward-looking statement that may be made from time to time by or on behalf of the Company.

**BLUE STAR LIMITED**  
**UNAUDITED STANDALONE FINANCIAL RESULTS**  
**FOR THE QUARTER ENDED DECEMBER 31, 2011**

Rs. in lakhs

Particulars	UNAUDITED FOR THE QUARTER ENDED			UNAUDITED FOR THE NINE MONTHS ENDED		AUDITED FOR THE YEAR ENDED
	31.12.2011	30.9.2011	31.12.2010	31.12.2011	31.12.2010	31.3.2011
1. (a) Net Sales/Income from Operations	58330	59875	60683	188523	194842	285690
(b) Other Operating Income	639	590	658	1379	2458	3167
<b>Total Income from Operations 1(a+b)</b>	<b>58969</b>	<b>60465</b>	<b>61341</b>	<b>189902</b>	<b>197300</b>	<b>288857</b>
2. Expenditure						
a. (Increase)/decrease in stock in trade and work in progress	190	(1608)	(4748)	(672)	(9360)	(17776)
b. Consumption of raw materials and Project expenses	41443	44876	46694	128347	141401	208248
c. Purchase of traded goods	6983	5493	4465	24862	17836	28036
d. Employees cost	5251	4997	5195	15163	15005	20614
e. Depreciation	810	800	804	2323	2349	3171
f. Other expenditure	5415	5345	4906	18333	14982	22043
g. Total	60092	59903	57316	188356	182213	264336
<b>3. Profit from Operations before Other Income, Interest &amp; Exceptional Items</b>	<b>(1123)</b>	<b>562</b>	<b>4025</b>	<b>1546</b>	<b>15087</b>	<b>24521</b>
4. Other Income	57	97	3	160	173	434
<b>5. Profit before Interest and Exceptional Items</b>	<b>(1066)</b>	<b>659</b>	<b>4028</b>	<b>1706</b>	<b>15260</b>	<b>24955</b>
6. Financial expenses	2210	3056	892	6083	1345	2297
<b>7. Profit after Interest but before Exceptional Items (5-6)</b>	<b>(3276)</b>	<b>(2397)</b>	<b>3136</b>	<b>(4377)</b>	<b>13915</b>	<b>22658</b>
8. Exceptional items	-	-	-	-	43	43
<b>9. Profit (+)/Loss (-) from Ordinary Activities before tax (7+8)</b>	<b>(3276)</b>	<b>(2397)</b>	<b>3136</b>	<b>(4377)</b>	<b>13958</b>	<b>22701</b>
<b>10. Tax expense</b>						
<b>11. Net Profit (+)/Loss (-) from Ordinary Activities after tax (9-10)</b>	<b>(3276)</b>	<b>(317)</b>	<b>900</b>	<b>(4143)</b>	<b>9815</b>	<b>15501</b>
12. Extraordinary items (net of tax expense)	-	-	-	-	-	-
<b>13. Net Profit (+)/Loss (-) for the period (11-12)</b>	<b>(3276)</b>	<b>(2080)</b>	<b>2236</b>	<b>(4377)</b>	<b>9815</b>	<b>15501</b>
14. Paid-up equity share capital (Face Value per share Rs.2/-)	1799	1799	1799	1799	1799	1799
15. Reserves excluding Revaluation Reserves as per balance sheet						55551
16. Earnings Per Share (EPS)						
a) Basic and diluted EPS before Extraordinary items	(3.64)	(2.31)	2.49	(4.87)	10.91	17.23
b) Basic and diluted EPS after Extraordinary items	(3.64)	(2.31)	2.49	(4.87)	10.91	17.23
17. Public shareholding						
- Number of shares	53874284	53850284	53850284	53874284	53850284	53850284
- Percentage of shareholding	59.90	59.88	59.88	59.90	59.88	59.88
18. Promoters and Promoters group shareholding						
a) Pledged/ Encumbered						
- Number of shares	600000	600000	600000	600000	600000	600000
- Percentage of shares(as % to total shareholding of promoter and promoter group)	1.66	1.66	1.66	1.66	1.66	1.66
- Percentage of shares(as % to total share capital of the Company)	0.67	0.67	0.67	0.67	0.67	0.67
b) Non Encumbered						
- Number of shares	35461821	35485821	35485821	35461821	35485821	35485821
- Percentage of shares(as % to total shareholding of promoter and promoter group)	98.34	98.34	98.34	98.34	98.34	98.34
- Percentage of shares(as % to total share capital of the Company)	39.43	39.45	39.45	39.43	39.45	39.45

**Notes:**

- The above results have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on January 27, 2012 and have been subjected to Limited Review by the Statutory Auditors.
- In accordance with the established practice in relation to construction contracts, contract revenue is calculated based on the ratio of the cost incurred to total estimated cost to complete the project. During the quarter and nine months ended December 31, 2011, there has been revisions in the estimates of project revenue and cost resulting in a decrease in revenue and profits.
- The Financial expenses for the quarter and nine months ended December 31, 2011 includes forex loss Rs.1378 lakhs (unrealized loss Rs.601 lakhs) and Rs. 3604 lakhs (unrealized loss Rs.2622 lakhs) respectively (Previous period - forex loss of Rs.101 lakhs (unrealized loss Rs.76 lakhs) and forex gain Rs.133 lakhs (unrealized gain Rs.91 lakhs) respectively).
- Figures of the corresponding previous quarter and year have been regrouped, wherever necessary, to conform to the figures of the current quarter.
- During the quarter ended December 31, 2011, the Company received and disposed of 16 investor complaints. No complaints were pending at the beginning and at the end of the quarter.

For BLUE STAR LIMITED

**Registered Office:**  
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Jamshedji Tata Road  
Mumbai 400 020  
www.bluestarindia.com  
**Date : January 27, 2012**  
**Place : Mumbai**

**SATISH JAMDAR**  
**MANAGING DIRECTOR**

**UNAUDITED STANDALONE SEGMENT WISE REVENUE, RESULTS AND CAPITAL EMPLOYED FOR THE QUARTER ENDED  
DECEMBER 31 , 2011**

Rs. In lakhs

UNAUDITED FOR THE QUARTER ENDED			Description	UNAUDITED FOR THE NINE MONTHS ENDED		AUDITED FOR THE YEAR ENDED
31.12.2011	30.9.2011	31.12.2010		31.12.2011	31.12.2010	31.3.2011
			<b>I. SEGMENT REVENUE</b>			
36765	38247	43422	i. Electro Mechanical Projects and Packaged Air-conditioning Systems	109181	128127	186169
16369	15687	12783	ii. Cooling Products	64870	52263	78843
5196	5941	4478	iii. Professional Electronics and Industrial Systems	14472	14452	20678
<b>58330</b>	<b>59875</b>	<b>60683</b>	<b>TOTAL SEGMENT REVENUE</b>	<b>188523</b>	<b>194842</b>	<b>285690</b>
			Less: Inter Segment Revenue			
<b>58330</b>	<b>59875</b>	<b>60683</b>	<b>NET SALES/ INCOME FROM OPERATIONS</b>	<b>188523</b>	<b>194842</b>	<b>285690</b>
			<b>II. SEGMENT RESULT PROFIT/(LOSS) BEFORE INTEREST &amp; TAX</b>			
(1518)	(341)	2913	i. Electro Mechanical Projects and Packaged Air-conditioning Systems	(2747)	10607	17621
715	848	1022	ii. Cooling Products	5977	6146	9008
1168	1732	1166	iii. Professional Electronics and Industrial Systems	3697	3416	5463
<b>365</b>	<b>2239</b>	<b>5101</b>	<b>TOTAL SEGMENT RESULT</b>	<b>6927</b>	<b>20169</b>	<b>32092</b>
			Less:			
2210	3056	892	i.) Financial expenses	6083	1345	2297
1431	1580	1073	ii.) Other un-allocable Expenditure net of un-allocable Income	5221	4909	7137
<b>(3276)</b>	<b>(2397)</b>	<b>3136</b>	<b>TOTAL PROFIT BEFORE TAX AND EXCEPTIONAL ITEM</b>	<b>(4377)</b>	<b>13915</b>	<b>22658</b>
-	-	-	Add: Exceptional Item	-	43	43
<b>(3276)</b>	<b>(2397)</b>	<b>3136</b>	<b>PROFIT/(LOSS) BEFORE TAX</b>	<b>(4377)</b>	<b>13958</b>	<b>22701</b>
			<b>III. CAPITAL EMPLOYED: (Segment Assets- Segment Liabilities)</b>			
49868	63770	54836	i. Electro Mechanical Projects and Packaged Air-conditioning Systems	49868	54836	51962
23285	26998	18423	ii. Cooling Products	23285	18423	27628
6773	7548	6379	iii. Professional Electronics and Industrial	6773	6379	7050
<b>79926</b>	<b>98316</b>	<b>79638</b>	<b>TOTAL CAPITAL EMPLOYED IN SEGMENTS</b>	<b>79926</b>	<b>79638</b>	<b>86640</b>
(26953)	(42068)	(20655)	Less : Un-allocable Corporate Liabilities net of Corporate Assets	(26953)	(20655)	(29290)
<b>52973</b>	<b>56248</b>	<b>58983</b>	<b>TOTAL CAPITAL EMPLOYED IN THE COMPANY</b>	<b>52973</b>	<b>58983</b>	<b>57350</b>

**Registered Office:**

Kasturi Buildings  
Mohan T. Advani Chowk  
Jamshedji Tata Road  
Mumbai 400 020  
www.bluestarindia.com

**Date :January 27, 2012**

**Place : Mumbai**

For BLUE STAR LIMITED

**SATISH JAMDAR  
MANAGING DIRECTOR**