

# Blue Star Limited

FY11 and Q4 Earnings Update

May 26, 2011

## FINANCIAL HIGHLIGHTS

### *FY11 Performance- Standalone*

- Central airconditioning and commercial refrigeration major Blue Star Limited reported Total Operating Income of Rs 2888.57 crore for the year ended March 31, 2011, compared to Rs 2537.23 crore earned last year, representing growth of 14%.
- Gross margin for the year decreased from 25.9% to 23.5% mainly due to increase in input costs such as copper and steel.
- Operating profit (PBIDT excluding Other Non-Operating Income) for the year at Rs 278.33 crore declined by 7% over PBDIT of Rs 299.03 crore earned in FY10. Operating Margin decreased to 9.6% in FY11 from 11.8% in FY10. This was mainly on account of lower than expected revenue and higher operating expenses.
- Financial expenses for the year substantially increased to Rs. 24.39 crore as compared to Rs. 8.45 crore in FY10, on account of both working capital increase as well as funding related to the D S Gupta acquisition.
- The tax expense increased from Rs 65.14 crore to Rs 72.00 crore in FY11 translating to a tax rate of 31.7% in FY11 compared to 23.5% in FY10. The increase is mainly due to one of the factories coming out of a tax holiday during the year.
- Profit Before Tax (excluding exceptional items) declined 14% to Rs 226.57 crore.
- Net Profit at Rs 155.00 crore declined by 27% as compared to Rs 211.43 crore in FY10. FY10 had an exceptional earning of Rs 13.97 crore while the exceptional income in FY11 was only Rs 0.43 crore.
- Earnings per share for FY11 (Face value of Rs 2.00) stood at Rs 17.23 vis-à-vis Rs 23.52 in the previous year.
- Carry Forward Order Book as on March 31, 2011 grew to Rs 1968 crore compared to the order book of Rs. 1699 crore as at March 31, 2010, registering a healthy growth of 16%.
- The Board of Directors have recommended a 350% dividend of Rs. 7.00 per share (Face value of Rs 2.00), as compared to 400% declared last year.

### Financial Ratios - Standalone

	2010-11	2009-10
Gross Margin (excl non-operating income)	23.5%	25.9%
Operating Margin (excl. non-operating Income)	9.8%	12.0%
Return on Capital Employed	22.9%	49.6%
Return on Shareholders' Funds	27.0%	43.0%
Earnings Per Share (Rs) (Face Value of Rs 2)	17.23	23.52
Dividend Per Share (Rs)(Face Value of Rs 2)	7.00	8.00
Capital Turnover	2.92	4.56
Debt/Equity	0.65	0.13

### Segment-wise results for FY11- Standalone

- The Electro Mechanical projects and Packaged Airconditioners business accounting for 65% of the total revenues, grew a modest 4% during the year while segment results declined by 18%.
- Cooling Products revenue registered a healthy increase of 36% in the year, while Segment results grew 12%.
- The Professional Electronics and Industrial Systems business continued to contribute significantly to the profitability of the Company. While the segment revenues grew 40%, segment results grew 20%.
- Segment-wise revenue break-up:

	Q4FY11	Q4FY10	% Growth	FY11	FY10	% Growth
Electro Mechanical Projects & Packaged Airconditioning Systems	580.42	613.19	(5%)	1861.69	1796.01	4%
Cooling products	265.80	186.41	43%	788.43	580.95	36%
Professional Electronics & Industrial Systems	62.26	54.97	13%	206.78	148.01	40%

(Rs crore)

- Segment-wise result break-up:

(Rs crore)

	Q4FY11	Q4FY10	% Growth	FY11	FY10	% Growth
Electro Mechanical Projects & Packaged Airconditioning Systems	69.94	79.44	(12%)	176.00	214.70	(18%)
Cooling products	28.62	27.51	4%	90.08	80.73	12%
Professional Electronics & Industrial Systems	20.48	19.90	3%	54.64	45.71	20%

### ***Q4FY11 Performance - Standalone***

- Total Operating Income at Rs 915.56 crore registered a growth of 6% over the same period last year.
- For the quarter, Gross margin declined from 26.0% to 24.5%.
- Operating profit for the quarter at Rs 102.64 crore declined by 8% compared to PBDIT of Rs 111.84 crore earned in Q4FY10. Operating Margin declined to 11.2% in Q4FY11 from 13.0% in Q4FY10.
- Profit Before Tax (excluding exceptional items) at Rs 87.42 crore declined by 15% for the quarter.
- Tax expense for the quarter grew significantly to Rs 30.58 crore from Rs 24.47 crore in the same period last year, translating to a tax rate of 35% as compared to 23.8% during Q4FY10.
- Net Profit at Rs 56.85 crore declined 28% during the quarter.
- The earnings per share for Q4FY11 (Face value of Rs 2.00) stood at Rs 6.32 vis-à-vis Rs 8.73 in Q4FY10.
- Order inflow for Q4FY11 was Rs 804 crore representing a 7% increase over the order inflow of Rs 750 crore in Q4FY10.

## ***FY11 Performance- Consolidated***

- On a consolidated basis, Total Operating Income stood at Rs 3008.24 crore for the year ended March 31, 2011. The consolidated financial results include the results of the Company's wholly owned subsidiary Blue Star Electro Mechanical Limited, joint ventures namely, Blue Star M& E Engineering SDN BHD, Malaysia, Blue Star Qatar (WLL) and Blue Star Design & Engineering Limited and the share of profit in the associate company Blue Star Infotech Limited.
- Gross margin for the year was 23.2%.
- Operating profit (PBIDT excluding Other Non-Operating Income) for the year was Rs 286.58 crore while Operating Margin was 9.5%.
- Profit Before Tax (excluding exceptional items) stood at Rs 230.70 crore, while Net Profit was 160.97 crore.

*In accordance with the Scheme of Arrangement approved by the Hon'ble High Court of Bombay, a part of the cost of acquisition of the plumbing and fire-fighting businesses acquired by Blue Star Electro Mechanical Limited (BSEML) has been adjusted against the Reserves of BSEML. Consequently, the Consolidated Reserves and Surplus at Rs 493.25 crore is lower by Rs 62.26 crore than the Standalone figure.*

## **BUSINESS HIGHLIGHTS FOR Q4FY11**

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

#### **Overview**

This line of business comprises Central Airconditioning, Electrical Contracting, Plumbing & Fire Fighting Contracting and Packaged Airconditioning, collectively called Electro Mechanical Projects and Packaged Airconditioning Systems. The Operating Margin of this business in Q4FY11 declined to 12.0% compared to 13.0% in Q4FY10.

The sluggish commercial real estate sector coupled with delays in infrastructure projects affected the performance of this business during the quarter. Moreover, the telecom business continues to reel under margin pressures coupled with corruption issues and has significantly cut back on expansion plans. Further, recovery in IT and Retail segments has been much slower than anticipated. The Company continued to be cautious about aggressive project completion considering that there has been no improvement

in the debtor position, which in turn resulted in lower billing during the quarter.

The Company had taken certain capability building and productivity improvement investment decisions at the beginning of the year in this business. These costs are largely related to manpower, consultants and modernizing our work practices. These programs will have a long-term impact even while the Company is bearing these higher costs in the current period. This has resulted in operating costs being higher than last year.

As a result of lower billing and the fixed operating costs in the business, as well as the additional operating expenses described above, operating profit has been negatively impacted in the quarter.

Going forward, the Company is witnessing good demand from the healthcare, education, hospitality, power, steel and transportation segments.

During the quarter, Blue Star won two prestigious orders in the power sector - Adani Power, Kawai, Rajasthan for their 2 x 660 MW thermal power plant, and BHEL for a 2 x 500 MW coal-based thermal power station at NLC Tamil Nadu Power Ltd (NTPL), a joint venture between Neyveli Lignite Corp. Ltd and Tamil Nadu State Electricity Board. These, in addition to the significant orders won in the power sector in the previous quarters, have enabled the Company to gain a dominant position in the fast growing and robust power sector segment.

During the quarter, the Company won a prestigious integrated M & E order from the Salerpuric group for their Novotel Hotel coming up at Kolkata. The Company also received some noteworthy orders for hospital airconditioning through CPWD/PWD such as Traumatology Hospital, Srinagar and Deep Chand Bandhu Hospital, New Delhi. In addition, significant repeat orders were booked from national account customers including Infosys, DLF and HCL.

The Electrical Projects business caters to both the commercial building market as well as the power sector. As in the case of the Central Airconditioning business, order inflow from the commercial building segment has been muted. However, the residential tower and power segments continue to show promise. During the quarter, the Company won several orders including Grand Vinezia Mall, Noida; Korba West Power, Raigarh; Diamond City Mall, Kolkata, Reliance Substation, Samalkot and GMR Airport, Secunderabad.

In Packaged/Ducted Airconditioning and small chillers, there was good demand from commercial segments such as showrooms, commercial complexes, hotels & restaurants, banquet halls and hospitals. During the quarter, significant orders were booked including orders from Ten Square Mall, Chennai; JSW

Cements, Kurnool; Tata Teleservices, Karnal and Vardayani Power, Ahmedabad, to name a few.

In Feb 2011, the Company announced the launch of a new range of eco-friendly and energy efficient Variable Refrigerant Flow (VRF) airconditioning systems using inverter technology. A VRF system is a sophisticated centralized airconditioning system that cools large multi-zone spaces with varying heating and cooling needs through intelligent controls. This results in substantial power savings as the system is smart enough to know where to cool, and when. Many modern establishments having multi zones such as sophisticated offices, hotels, premium residential properties and hospitals are opting for VRF systems because of the flexibility of control and significantly lower electricity bills. In VRF systems, there are two popular technologies based on the compressor, namely digital scroll and inverter. Blue Star has been offering VRF systems with digital scroll technology since 2008. Considering that the VRF systems segment is on a fast-growth path, the Company thought it prudent to launch VRF systems with inverter technology in addition to digital scrolls in order to address the entire universe of customers. Thus, with this new range of inverter-based systems, the Company will be able to offer both the technologies to its customers. The new range of inverter-based VRF systems is being offered in partnership with Gree, China. Gree is China's leading airconditioning designer and manufacturer and has over 1000 installations of its VRF inverter systems across the world.

While the Company sustained its dominant position in the telecom segment with its customised array of telepac airconditioners, investments in telecom infrastructure continued to be adversely affected. Several setbacks in the telecom industry due to regulatory and political controversies are threatening the outlook for the passive infrastructure companies that are largely dependant on the new operator companies. The new operators had projected a rollout of 20,000 towers for FY11, but finally resulted in a roll-out of less than 6,000 towers for the year. Further, quite a few new Base Transceiver Station (BTS) sites are being designed for outdoor applications and do not require airconditioning. This has had a severe impact on the Company's telecom airconditioning business. However, the Company is well positioned to leverage on fresh growth opportunities whenever the tower roll-outs gain momentum and the replacement market opens up.

#### Key Projects in the Quarter:

	New Orders Won in Q4FY11
Central Airconditioning	<ul style="list-style-type: none"> <li>* Adani Power, Kawai, Rajasthan</li> <li>* BHEL - Tuticorin, Tamil Nadu</li> <li>* Novotel Hotel, Kolkata</li> <li>* Infosys, Bengaluru</li> <li>* BMW Factory, Chennai</li> </ul>



	<ul style="list-style-type: none"><li>* HCL Campus Phase - II, Noida</li><li>* Traumatology Hospital, Srinagar</li><li>* Hexaware, Chennai</li><li>* Deepchand Bandhu Hospital, New Delhi</li><li>* Viva City Mall, Thane</li><li>* Polaris, Chennai</li><li>* JSW Head Quarters, BKC, Mumbai</li><li>* Annapurna Studios , Hyderabad</li><li>* Novotel Hotel, Pune</li><li>* Perlos, Chennai</li><li>* Siemens, Gujarat</li><li>* L&amp;T, Chennai</li><li>* Phoenix, Pune</li><li>* Electrocoat Surface Coating Systems, Gujarat</li><li>* Indian Navy Ship Building , Vizag</li><li>* El DuPont, Hyderabad</li><li>* JSS Hospital, Mysore</li><li>* HUL Lifecare , Kochi</li><li>* Meenakshi Infrastructure, Hyderabad</li></ul>
<b>Electrical Projects</b>	<ul style="list-style-type: none"><li>* HCL, Noida</li><li>* AMRI, Bhubaneswar</li><li>* Prestige Polygon, Chennai</li><li>* GMR Airport, Secunderabad</li><li>* Umiya , Bengaluru</li><li>* Diamond City Mall, Kolkata</li><li>* Grand Vinezia Mall, Noida</li><li>* Korba West Power, Raigarh</li><li>* Novotel Hotel, Kolkata</li><li>* Reliance Substation, Samalkot</li><li>* Informatica, Bengaluru</li><li>* L&amp;T, Chennai</li><li>* Kurla Bazar Mall, Mumbai</li><li>* Main Mall, Pune</li></ul>
<b>Packaged Airconditioning/ VRF Systems/ Precision Airconditioning</b>	<ul style="list-style-type: none"><li>* Ten Square Mall, Chennai</li><li>* JSW Cements, Kurnool</li><li>* Aqualine Properties (Raheja Group), Gandhinagar</li><li>* Della Tecnica, Thane</li><li>* Hotel Dayal International, Jamshedpur</li><li>* TCS (Passport office), Southern Region</li><li>* Golden Shelters, Chennai</li><li>* ICD, Kollam</li><li>* Kalyan Jewellers, Hubli</li><li>* Tata Teleservices, Karnal</li><li>* BT Distributors Hotel, Mumbai</li><li>* Vardayani Power, Ahmedabad</li><li>* Chaitanya Cine World, Rajkot</li><li>* Vindeeb Hotel, Pune</li><li>* Monnet Ispat, Raigarh</li></ul>



## **Service Business**

Blue Star continues to be the largest after-sales airconditioning and commercial refrigeration service provider in the country and has sustained its reputed position in the market place as a superior value added service provider. While the customary annual maintenance services and revamp/retrofit businesses continues to be the core, the Company's focus into the service parts and accessories arena has resulted in increased responsiveness and easy availability of genuine parts. In addition, a variety of value added services in the areas of energy, air and water management as well as Green Building certification and consultancy have been widely accepted. The Company also offers Total Facility Management solutions for large sized industries, IT/ITES campuses and commercial/ public utilities.

## ***Cooling Products***

The Cooling Products business comprises Room Airconditioners and Refrigeration Products and Systems. The Operating Margin declined significantly from 14.8% in Q4FY10 to 10.8% in Q4FY11 mainly due to rise in input costs and taxes, including a 2% increase in CENVAT. The Company has effected price revisions in most of the product categories to arrest the erosion in margins.

In the Room Airconditioners business, the Company announced its foray into the residential segment, during the quarter. The Company has significantly altered its marketing mix to focus on the residential segment. On the product front, it has launched a new contemporary and stylish range of split airconditioners to appeal to home consumers. Apart from being energy efficient, these airconditioners boast of several features. In addition, it has also launched a futuristic range of smart split airconditioners with inverter technology which are highly intelligent and can save on power dramatically. As regards to the distribution, the Company has begun offering these products through some reputed retail channels in select cities in addition to the current 700 sales-and-service dealers. The sales from these channels have been extremely encouraging. The Company is also building up a strong installation and service franchise network to support the retailers. In terms of advertising and brand communication, the Company increased its advertising spends with a new set of TV commercials supported by print ads, mainline dailies, hoardings and internet. The differentiated value proposition to the residential audience has been identified as 'Get office-like cooling at home' which leverages Blue Star's expertise in cooling offices and communicates that one can get the very same expertise at home.

During the quarter, the Company won large orders for ATM airconditioning, including orders from Financial Software & Systems for 4000 split airconditioners to aircondition 2000 ATMs of State Bank of India, ICICI Bank, Canara Bank and Allahabad Bank; Diebold Systems for 2000 split airconditioners for 1000 ATMs of State Bank of India and UCO Bank and from FIS Payment Solutions & Services for 1000 split airconditioners for 500 ATMs of Bank of India and Karnataka Bank.

In the Refrigeration Products segment, there was good demand for bottled water dispensers from the residential segment, commercial establishments and small offices. There was also significant demand for chest freezers and coolers from the ice cream and dairy segments. Educational institutes and industries also contributed to growth in the water cooler business. In the cold chain business, the Company won orders from Punjab Agro, Chandigarh for pack houses at 5 locations in Punjab; Alchemist, Chandigarh; APMC, Anjar, Gujarat and Savla Food & Cold Storages, Mumbai.

### ***Professional Electronics and Industrial Systems***

Over the years, the Company has changed its business model from merely being a distributor of leading global manufacturers to that of a system integrator and value added reseller, thereby moving up the value chain. The Company executes several turnkey engineered projects in the areas of manufacturing, telecom, healthcare, defence, pharmaceuticals, banking and R&D.

The Professional Electronics and Industrial Systems business revenues grew by 13% during the quarter, while segment results registered a modest increase of 3%. Quarterly results are not typically reflective of the performance of this segment and the outlook continues to be good. For the entire year, the segment revenues grew 40% while the segment results grew 20% on account of change in the business mix.

During the quarter, all the businesses in this segment performed well. In the industrial projects business, the Company won its first order for erection and fabrication of piping for a coal gasification plant at Jindal Steel & Power, Angul. This order is strategically important as it will enable the Company to bid for projects in industrial segments beyond steel. The Company also won a prestigious order from Bhilai Steel Plant for an oxygen evacuation system.

### ***Exports***

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

During the quarter, the Company won notable orders for central airconditioning equipment for prestigious projects including Qatar University in Qatar and Rasheed University in Syria. It also received orders for 1500 water coolers from various customers. In addition, several orders were booked for contract manufacturing. The unrest in several regions in the Middle East is likely to adversely affect capital expansion plans and may impact business in the foreseeable future.

## **BUSINESS OUTLOOK**

### **Industry Outlook**

The sluggish commercial real estate sector coupled with delays in infrastructure projects has adversely affected the industry. Further, recovery in IT and Retail segments has been much slower than anticipated. However, segments such as healthcare, education, hospitality and power continue to provide good prospects. In addition, the cooling products market comprising room airconditioners and refrigeration products business continues to show strong growth and is expected to do well in the future.

### **Company Outlook**

The general economic outlook for the Indian Economy for FY12 indicates a slower rate of GDP growth than FY11. Inflation remains stubbornly high which will continue to squeeze margins. Rising interest rates and slow down in cash flow will also affect business growth. The Company is tackling these challenges by tough cost control measures and a focus on cash collections with control of working capital. Combined with market conditions and the above measures, topline growth will be muted and therefore FY12 will be a challenging year. However, the Company continues to be confident about the long-term prospects of each of its businesses and is continuing to make carefully calibrated investments in long-term capability development initiatives including product development, construction excellence, automation and productivity improvements.

**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**  
**AUDITED FINANCIAL RESULTS**  
**FOR THE QUARTER ENDED MARCH 31, 2011**

in lakhs

Particulars	STANDALONE				CONSOLIDATED
	QUARTER ENDED		AUDITED FOR THE YEAR ENDED		AUDITED FOR THE YEAR ENDED
	31.3.2011	31.3.2010	31.3.2011	31.3.2010	31.3.2011
1. (a) Net Sales/Income from Operations	90,848	85,457	285,690	252,497	297,609
(b) Other Operating Income	708	795	3,167	1,225	3,214
<b>Total Income from Operations 1(a+b)</b>	<b>91,556</b>	<b>86,252</b>	<b>288,857</b>	<b>253,723</b>	<b>300,824</b>
2. Expenditure					
a. (Increase)/decrease in stock in trade and work in progress	(8,417)	5,445	(17,776)	(2,485)	(18,147)
b. Consumption of raw materials- Cost of Sales	66,848	49,375	208,248	174,417	218,806
c. Purchase of traded goods	10,200	8,393	28,036	15,073	28,036
d. Employees cost	5,608	4,808	20,614	18,487	21,507
e. Depreciation	822	912	3,171	3,473	3,193
f. Other expenditure	7,053	7,048	21,902	18,326	21,964
g. Total	82,114	75,980	264,195	227,292	275,358
<b>3. Profit from Operations before Other Income, Interest &amp; Exceptional Items (1-2)</b>	<b>9,442</b>	<b>10,272</b>	<b>24,662</b>	<b>26,430</b>	<b>25,465</b>
4. Other Income	262	279	434	681	161
<b>5. Profit before Interest and Exceptional Items</b>	<b>9,703</b>	<b>10,551</b>	<b>25,096</b>	<b>27,111</b>	<b>25,627</b>
6. Financial expenses	961	250	2,439	845	2,557
<b>7. Profit after Interest but before Exceptional Items (5-6)</b>	<b>8,742</b>	<b>10,301</b>	<b>22,657</b>	<b>26,266</b>	<b>23,070</b>
8. Exceptional items	-	-	43	1,397	43
<b>9. Profit (+)/Loss (-) from Ordinary Activities before tax (7+8)</b>	<b>8,742</b>	<b>10,301</b>	<b>22,700</b>	<b>27,662</b>	<b>23,113</b>
10. Tax expense	3,058	2,447	7,200	6,514	7,282
<b>11. Net Profit (+)/Loss (-) from Ordinary Activities after tax (9-10)</b>	<b>5,685</b>	<b>7,854</b>	<b>15,500</b>	<b>21,149</b>	<b>15,831</b>
12. Extraordinary items (net of tax expense)	-	-	-	-	-
<b>13. Net Profit (+)/Loss (-) for the period (11-12)</b>	<b>5,685</b>	<b>7,854</b>	<b>15,500</b>	<b>21,149</b>	<b>15,831</b>
14. Share in Profit of Associates	-	-	-	-	266
<b>15. Net Profit</b>	<b>5,685</b>	<b>7,854</b>	<b>15,500</b>	<b>21,149</b>	<b>16,097</b>
16. Paid-up equity share capital (Face Value per share Rs.2/-)	1,799	1,799	1,799	1,799	1,799
17. Reserves excluding Revaluation Reserves as per balance sheet	-	-	55,551	47,369	49,325
18. Earnings Per Share (EPS)					
a) Basic and diluted EPS before Extraordinary items	6.32	8.73	17.23	23.52	17.90
b) Basic and diluted EPS after Extraordinary items	6.32	8.73	17.23	23.52	17.90
19. Public shareholding					
- Number of shares	53850284	53839184	53850284	53845184	53850284
- Percentage of shareholding	59.88	59.87	59.88	59.87	59.88
20. Promoters and Promoters group shareholding					
a) Pledged/ Encumbered					
- Number of shares	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
- Percentage of shares(as % to total share capital of the Company)	0.67	0.67	0.67	0.67	0.67
b) Non Encumbered					
- Number of shares	35485821	35496921	35485821	35490921	35485821
- Percentage of shares(as % to total shareholding of promoter and promoter group)	98.34	98.34	98.34	98.34	98.34
- Percentage of shares(as % to total share capital of the Company)	39.45	39.46	39.45	39.46	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 May 24, 2011.
- The consolidated financial results include the results of the Company's wholly owned subsidiary Blue Star Electro Mechanical Limited, Joint ventures namely, Blue Star M&E Engineering SDN BHD, Malaysia, Blue Star Qatar (WLL) and Blue Star Design & Engineering Ltd and the share of profit in the Associate Company Blue Star Infotech Limited.
- Exceptional Items represents profit on sale of Investments.
- Figures of the corresponding previous quarter and year have been regrouped, wherever necessary, to conform to the figures of the current quarter. As this is the first year that annual consolidated financial results are required to be declared, there are no corresponding figures for the previous year.
- During the quarter ended March 31 2011, the Company received and disposed of 22 investor complaints. No complaints were pending at the beginning and at the end of the quarter.
- The Directors have recommended a Dividend of Rs.7.00 per equity share (Previous year Rs. 8.00 per equity share)

For BLUE STAR LIMITED

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**Date : May 24, 2011**  
**Place : Mumbai**

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

**AUDITED SEGMENT WISE REVENUE, RESULTS AND CAPITAL EMPLOYED FOR THE QUARTER ENDED MARCH 31 , 2011**

QUARTER ENDED		STANDALONE		CONSOLIDATED	
		Description		AUDITED FOR THE YEAR ENDED	
31.3.2011	31.3.2010		31.3.2011	31.3.2010	31.3.2011
		<b>I. SEGMENT REVENUE</b>			
58,042	61,319	i. Electro Mechanical Projects and Packaged Air-conditioning Systems	186,169	179,601	198,088
26,580	18,641	ii. Cooling Products	78,843	58,095	78,843
6,226	5,497	iii. Professional Electronics and Industrial Systems	20,678	14,801	20,678
<b>90,848</b>	<b>85,457</b>	<b>TOTAL SEGMENT REVENUE</b>	<b>285,690</b>	<b>252,497</b>	<b>297,609</b>
-	-	Less: Inter Segment Revenue	-	-	-
<b>90,848</b>	<b>85,457</b>	<b>NET SALES/ INCOME FROM OPERATIONS</b>	<b>285,690</b>	<b>252,497</b>	<b>297,609</b>
		<b>II. SEGMENT RESULT</b>			
		<b>PROFIT/(LOSS) BEFORE INTEREST &amp; TAX</b>			
6,994	7,944	i. Electro Mechanical Projects and Packaged Air-conditioning Systems	17,600	21,470	18,153
2,862	2,752	ii. Cooling Products	9,008	8,073	9,008
2,047	1,990	iii. Professional Electronics and Industrial Systems	5,463	4,571	5,465
<b>11,903</b>	<b>12,686</b>	<b>TOTAL SEGMENT RESULT</b>	<b>32,071</b>	<b>34,114</b>	<b>32,626</b>
		Less:			
961	250	i.) Financial expenses	2,439	845	2,557
2,200	2,135	ii.) Other un-allocable Expenditure net of un-allocable Income	6,975	7,003	6,999
<b>8,742</b>	<b>10,301</b>	<b>TOTAL PROFIT BEFORE TAX and Exceptional Item</b>	<b>22,657</b>	<b>26,266</b>	<b>23,070</b>
-	-	Add: Exceptional Item	43	1,396	43
<b>8,742</b>	<b>10,301</b>	<b>PROFIT/(LOSS) BEFORE TAX</b>	<b>22,700</b>	<b>27,662</b>	<b>23,113</b>
		<b>III. CAPITAL EMPLOYED:</b>			
		<b>(Segment Assets- Segment Liabilities)</b>			
50205	41465	i. Electro Mechanical Projects and Packaged Air-conditioning Systems	50,205	41,465	51,436
13,903	9,253	ii. Cooling Products	13,903	9,253	13,903
6,481	5,275	iii. Professional Electronics and Industrial Systems	6,481	5,275	6,481
<b>70,589</b>	<b>55,993</b>	<b>TOTAL CAPITAL EMPLOYED IN SEGMENTS</b>	<b>70,589</b>	<b>55,993</b>	<b>71,820</b>
(13,239)	(6,826)	Add: Un-allocable Corporate Assets less Liabilities	(13,239)	(6,826)	(20,696)
<b>57,350</b>	<b>49,167</b>	<b>TOTAL CAPITAL EMPLOYED IN THE COMPANY</b>	<b>57,350</b>	<b>49,167</b>	<b>51,124</b>

STATEMENT OF ASSETS AND LIABILITIES AS ON MARCH 31, 2011	in lakhs		
	STANDALONE		CONSOLIDATED
	31.3.2011	31.3.2010	31.3.2011
<b>SHAREHOLDERS' FUNDS</b>			
Share Capital	1,799	1,799	1,799
Reserves & Surplus	55,551	47,369	49,325
<b>LOAN FUNDS</b>	41,838	6,599	44,453
	<b>99,188</b>	<b>55,767</b>	<b>95,577</b>
<b>FIXED ASSETS &amp; CAPITAL WIP</b>	22,155	20,025	22,249
<b>INVESTMENTS</b>	10,184	420	2,724
<b>Deferred Tax Assets, Net</b>	70	147	74
<b>CURRENT ASSETS, LOANS &amp; ADVANCES</b>			
a).Inventories	40,057	25,801	40,429
b).Sundry Debtors	77,859	62,821	82,060
c).Cash & Bank Balances	4,649	2,043	5,244
d).Other Current Assets	47,254	36,092	53,314
e).Loans & Advances	13,619	13,142	14,647
<b>TOTAL</b>	<b>183,439</b>	<b>139,900</b>	<b>195,694</b>
<b>Less : CURRENT LIABILITIES &amp; PROVISIONS</b>			
Current Liabilities	106,433	93,122	114,837
Provisions	10,227	11,604	10,326
<b>TOTAL</b>	<b>116,660</b>	<b>104,725</b>	<b>125,163</b>
<b>NET CURRENT ASSETS</b>	<b>66,779</b>	<b>35,174</b>	<b>70,531</b>
	<b>99,188</b>	<b>55,767</b>	<b>95,577</b>

**Registered Office:**  
 Kasturi Buildings  
 Mohan T. Advani Chowk  
 Jamshedji Tata Road  
 Mumbai 400 020  
 www.bluestarindia.com  
**Date :May 24, 2011**  
**Place : Mumbai**

For BLUE STAR LIMITED

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