

**Blue Star Limited**  
**Q2FY17 Earnings Update**  
**Nov 11, 2016**

## FINANCIAL HIGHLIGHTS FOR Q2 FY'17

Following are financial highlights of the Company for Q2 FY'17 on a consolidated basis:

- Total Operating Income for Q2 FY'17 was Rs. 897.82 crores as compared to Rs 776.73 crore in Q2 FY'16 (excluding BSIL's operating income of Rs. 70.36 crore), representing a growth of 16%.
- PBIDTA for Q2 FY'17 was Rs. 40.51 crores as compared to Rs. 35.34 crores in Q2 FY'16 (excluding BSIL's PBIDTA of Rs. 8.90 crores), a growth of 15%.
- Profit before Tax (before exceptional items) was Rs. 26.64 crores in Q2 FY'17 as compared to Rs. 15.78 crores in Q2 FY'16 (excluding BSIL's PBT of Rs. 4.81 crores), a growth of 69%.
- Tax expense for Q2 FY'17 was Rs. 7.34 crore as compared to Rs. 1.03 crore in Q2 FY'16 (the annualized effective tax rate for FY'17 is 23.8%).
- The Exceptional Items in Q2 FY'16 relates to expenses of Rs. 15.80 crore towards Cost of voluntary retirement scheme and other expenses relating to closure of a factory. There were no Exceptional Items in Q2 FY'17.
- Consequently, consolidated net profit for the current quarter increased to Rs. 19.54 crore from Rs 5.26 crore in Q2 FY16.
- Order inflow during Q2 FY'17 increased by 8% to Rs. 887 crore from Rs 826 crores over the same period last year
- Carry-forward Order Book as at September 30, 2016 increased by 15% to Rs 1840 crores compared to Rs 1604 crores as at September 30, 2015
- Net borrowings for stand-alone Blue Star increased to Rs. 263 crore as on September 30, 2016 from Rs. 243 crores as on March 31, 2016
- Net borrowings for our 100% subsidiary, Blue Star Engineering & Electronics Limited reduced to Rs. 56 crore as on September 30, 2016 from Rs. 60 crore as on March 31, 2016.
- Consolidated capital employed increased to Rs. 705.18 crore as on September 30, 2016 from Rs. 630.42 crore as on March 31, 2016 in line with business volume growth.

## **BUSINESS HIGHLIGHTS FOR Q2 FY'17**

### **Segment I: Electro-Mechanical Projects & Packaged Air Conditioning Systems**

Segment I revenue increased to Rs. 559.88 crore in Q2 FY'17 from Rs 491.55 crores in Q2 FY'16, a growth of 13.90%. The segment generated profits of Rs. 30.27 crore (5.41%) in Q2 FY'17 compared with Rs. 29.71 crore (6.04%) in Q2 FY'16.

#### **Electro-Mechanical Projects business**

In the Electro-Mechanical Projects business, order inflow in Q2 FY'17 saw a modest growth at Rs. 595 Crs as compared to Rs. 570 Crs during same period last year. The market witnessed some growth largely propelled by Government funded infrastructure projects, while private investments continued to remain subdued.

We expect more Government funded Metro projects in Mumbai, Jaipur, Kolkata & a few other cities to take shape over the next 12 - 18 months. Additional investments in the Healthcare & Educational institutions by the Central Government are also expected. In the private sector market, developer driven IT / ITeS & Offices is gaining some traction, albeit slowly.

Project execution progress remained slow as customers phase out their requirements based on available capital thereby deferring overall project completion. This has impacted our revenue growth targets. Cash flows continued to remain a challenge especially with civil contractors. Contrary to our earlier expectations both in terms of new order finalization as well as execution speed, the market has not yet fully revived.

Some major orders won by Blue Star during Q2 FY'17 included Apollo Hospital (Chennai), Piramal Agastya (Mumbai), Embassy Tech Village, Flipkart (Bangalore), Delhi Metro Rail Corporation (Delhi), GIFT MMR & DCS (Gandhinagar) and Meenakshi IT Tech Park (Hyderabad).

Carry-forward order book was Rs 1794 crores as at September 30, 2016 as compared to Rs. 1554 crores as at September 30, 2015, an increase of 15%.

#### **Central and Packaged Air Conditioning Systems Businesses**

In the Central Plant Equipment and VRF Business, market continued to remain subdued even though some early signs of recovery are visible in the light commercial segment since these are not long lead time projects. Segments such as small offices, shops, restaurants, educational institutions and clinics contributed to the growth in Q2.

Our Packaged Air Conditioning sales continued to grow faster than the market. New products like Ducted Inverters, Packaged Inverters and Side Discharge VRFs that were introduced in the last quarter are gaining good momentum and give us an edge in the market. We have also introduced a new configured series of Screw Chillers.

Major orders received during this period were from Meenakshi Infrastructure Pvt Ltd, Saint Gobain Pvt Ltd, ISRO, AAI, Panaroma Television Pvt Ltd, Crown Hotels and Father Mullers Educational Trust.

During Q2, our Service business launched a Mobile App to be used by our channel partners for preventive maintenance services. The number of Chillers & VRFs being monitored remotely touched 300 at the end of quarter. Chillers & VRF's are monitored centrally by a specialized team to provide predictive maintenance and enhance customer satisfaction.

### **International Business**

Blue Star continued its focus on expansion of its products export business. During Q2, it signed A & R Integrated Solutions Company Limited for distribution of its unitary and applied products in Sudan.

Blue Star continues its journey on brand building in select international markets. Blue Star participated in Hotel Asia Exhibition 2016, Maldives, one of the largest trade exhibitions of its kind in Maldives. Blue Star showcased its Inverter VRF Systems, Inverter Room ACs (T & C series) & also a Live Cold Room.

Over next few months, Blue Star plans to participate in a number of marketing events and exhibitions for brand awareness and brand building in the international markets.

The Company also plans to set-up a wholly owned subsidiary outside India to consolidate and further develop its International business operations.

### **Segment II: Unitary Products**

This segment registered revenue growth of 17%, from Rs 248.14 crores in Q2 FY'16 to Rs. 291.56 in Q2 FY'17. The segment results also improved by 68% from Rs. 12.93 crores (5.21%) in Q2 FY'16 to Rs. 21.75 crores (7.47%) in Q2 FY'17.

### **Room Air Conditioner business**

During the current quarter, our room AC business grew by 21% as compared with the market growth rate of 11% during the same period. Though July and August witnessed near

flat growth, the onset of the festival season in September, helped the market to post healthy growth. Improved capacity utilization due to scale helped us to improve the margins.

The Company continued to perform better in the high energy efficient products such as inverter ACs. While 14% of the Air Conditioners sold by the industry are inverter category, 18% of the total sales of the Company are inverter ACs. With growing volumes in tier 3/4/5 markets, more and more customers are preferring consumer finance schemes. During the quarter, close to 30% of the ACs sold are through consumer finance schemes.

Major orders during the quarter were received from Narayana Group of Educational Institutions, St. Joseph College, Chennai, KKR Gowtham Educational Institutes, Vijayawada and SBI, Mumbai.

### **Commercial Refrigeration business**

Commercial refrigeration products business continued to register healthy growth. While the sales of deep freezers to key accounts slowed down in the current quarter as the peak season closed in June, sales picked up again from mid-August 2016 with the festival season. The Company continues to expand its product portfolio, in Q2 FY'17 the commercial kitchen refrigeration products and medical refrigeration products were introduced.

### **Water Purifier business**

Test marketing in select markets were completed in Q2 FY'17 so that the formal launch would happen in Q3 FY'17. In the first phase, the Company plans to offer contemporary range of electric water purifiers. The products will be initially available in Mumbai, Delhi NCR, Bangalore, Secunderabad, Chennai, Pune, Ahmedabad, Nagpur and Chandigarh. The distribution would be subsequently ramped up in all states in the South, Maharashtra, Gujarat and Northern region by March 2017.

### **Segment III: Professional Electronics and Industrial Systems**

Billing of this segment grew by 25% in Q2 FY'17 to Rs. 46.38 Cr as compared with same period last year. Growth in billing was driven by a few large surveillance projects billed during the current quarter. Segment result grew to Rs. 7.25 Cr (15.63%) in Q2 FY'17 as compared with Rs. 6.53 Cr (17.62%) during the same period last year.

During the quarter, large orders were received from the Indian Air Force, Uttar Pradesh Rajkiya Nirman Nigam (UPRNN), Tamilnadu Agricultural University, Coimbatore, Spiralco, Welspun Corp, Taural India and Bajaj Auto, Pune.

## **BUSINESS OUTLOOK**

The residential and light commercial segments demonstrated healthy growth and are expected to continue the growth trend with enhanced spending by consumers. The electro-mechanical business environment continued to remain sluggish, but is expected to revive by end of Q4 FY'17. The Company intends to continue to make investments in manufacturing, marketing, brand building, product development as well as human resources in the next few quarters in order to capitalize on the imminent growth opportunities.

The Company is currently evaluating guidelines and updates on GST in terms of transition preparation. We are in a state of high readiness to migrate to the new tax regime as and when the new law gets enacted. Impact assessment will be taken up once the regulations and related rules get formulated.

### **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**

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**UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED SEPTEMBER 30, 2016**

Rs in Lacs

Sr. No.	PARTICULARS	CONSOLIDATED					
		QUARTER ENDED UNAUDITED	QUARTER ENDED UNAUDITED	QUARTER ENDED (Refer Note 3)	HALF YEAR ENDED UNAUDITED	HALF YEAR ENDED (Refer Note 3)	PREVIOUS YEAR ENDED (Refer Note 3)
		30.9.16	30.6.16	30.9.15	30.9.16	30.9.15	31.3.16
<b>1</b>	<b>Income from Operations</b>						
	a) Net Sales/Income from Operations	88,474	1,21,279	83,810	2,09,753	1,85,214	3,78,595
	b) Other Operating Income	1,308	402	899	1,710	1,522	4,381
	<b>Total Income from Operations</b>	<b>89,782</b>	<b>1,21,681</b>	<b>84,709</b>	<b>2,11,463</b>	<b>1,86,736</b>	<b>3,82,976</b>
<b>2</b>	<b>Expenses</b>						
	a) Cost of materials consumed (including direct project cost)	45,898	53,456	41,120	99,354	85,180	1,91,170
	b) Purchase of Stock in trade	12,345	32,032	8,945	44,377	25,945	70,731
	c) Changes in Inventories of Finished Goods, Work-in-progress and Stock-in-Trade	4,307	1,742	3,915	6,049	9,440	(6,488)
	d) Excise Duty	878	771	803	1,649	1,397	3,180
	e) Employee Benefits Expense	8,624	7,632	10,755	16,256	21,123	39,856
	f) Depreciation and Amortisation Expense	1,496	1,351	1,726	2,847	2,879	5,709
	g) Other Expenses	13,679	18,399	14,747	32,078	31,701	63,034
	<b>Total Expenses</b>	<b>87,227</b>	<b>1,15,383</b>	<b>82,011</b>	<b>2,02,610</b>	<b>1,77,665</b>	<b>3,67,192</b>
<b>3</b>	<b>Profit from Operations before Other Income, Finance Cost and Exceptional Items (1-2)</b>	<b>2,555</b>	<b>6,298</b>	<b>2,698</b>	<b>8,853</b>	<b>9,071</b>	<b>15,784</b>
4	Other Income	984	1,115	488	2,099	1,085	2,967
<b>5</b>	<b>Profit before Finance Cost and Exceptional Items (3+4)</b>	<b>3,539</b>	<b>7,413</b>	<b>3,186</b>	<b>10,952</b>	<b>10,156</b>	<b>18,751</b>
6	Finance Costs	875	923	1,127	1,798	2,157	4,315
<b>7</b>	<b>Profit after Finance cost but before Exceptional Items (5-6)</b>	<b>2,664</b>	<b>6,490</b>	<b>2,059</b>	<b>9,154</b>	<b>7,999</b>	<b>14,436</b>
8	Exceptional Items	-	-	(1,580)	-	1,947	(1,189)
<b>9</b>	<b>Profit before Tax (7+8)</b>	<b>2,664</b>	<b>6,490</b>	<b>479</b>	<b>9,154</b>	<b>9,946</b>	<b>13,247</b>
10	Tax Expense	734	1,448	103	2,182	2,326	2,770
<b>11</b>	<b>Net Profit after Tax (9-10)</b>	<b>1,930</b>	<b>5,042</b>	<b>376</b>	<b>6,972</b>	<b>7,620</b>	<b>10,477</b>
12a	Share of profit in joint ventures	74	100	90	174	148	267
12b	Minority Interest	(5)	(3)	49	(8)	(9)	(85)
<b>13</b>	<b>Net Profit for the Period, (11+12)</b>	<b>1,999</b>	<b>5,139</b>	<b>515</b>	<b>7,138</b>	<b>7,759</b>	<b>10,659</b>
14	Other Comprehensive Income, net of tax	(45)	(1)	11	(46)	(15)	(113)
<b>15</b>	<b>Total Comprehensive Income for the period (13+14)</b>	<b>1,954</b>	<b>5,138</b>	<b>526</b>	<b>7,092</b>	<b>7,744</b>	<b>10,546</b>
16	Paid Up Equity Share Capital (Face Value of the share - Rs. 2/- each)	1,909	1,906	1,799	1,909	1,799	1,799
17	Reserves excluding Revaluation Reserve as per balance sheet of previous accounting year	-	-	-	-	-	43,986
18	Earnings Per Share (EPS) (in Rs.) (not annualised)						
	a) Basic	2.09	5.39	0.54	7.48	8.14	11.18
	b) Diluted	2.09	5.37	0.54	7.45	8.13	11.16

**NOTES:**

- The Group has adopted Indian Accounting Standards ('Ind AS') and accordingly these financial results have been prepared in compliance with Ind AS as notified by the Ministry of Corporate Affairs. The date of transition to Ind AS is April 1, 2015. The impact of transition has been accounted for in opening reserves and the comparative period results for quarter and half year ended September 30, 2015, and year ended March 31, 2016 have been restated accordingly. The opening balance sheet as at April 1, 2015 and the results for the subsequent periods would get finalised along with the annual financial statements for the year ended March 31, 2017.
- The reconciliation of Net Profit as previously reported (referred to as 'previous Indian GAAP') and the total comprehensive income as per Ind AS is as per the table below:

Particulars	CONSOLIDATED
	PREVIOUS YEAR ENDED
	31-Mar-16
<b>Net Profit under previous Indian GAAP</b>	10,838
<i>Add/(Less):</i>	
Actuarial Gain/Loss on employee defined benefit funds recognised in other comprehensive income	322
Reassessment of effective control and interest in Blue Star Qatar - WLL taken in Ind AS in opening reserves as on April 1, 2015	(692)
Fair value of Employee Stock Option	(382)
Unwinding of discounted non-current financial assets	552
Others	97
Tax expense on the above items	(76)
<b>Net Profit for the period under Ind AS</b>	<b>10,659</b>
Other Comprehensive Income, net of tax	(113)
<b>Total Comprehensive Income under Ind AS</b>	<b>10,546</b>

The Company has exercised the option of reporting consolidated financial results from the quarter ended June 30, 2016 as per Ind AS. Consequently, the above reconciliation has been provided only for the financial results for the year ended March 31, 2016 which was previously reported.

- The Audit Committee has reviewed the above results and the Board of Directors has approved the above results at their respective meetings held on November 10, 2016. The Statutory Auditors of the Company have carried out a limited review of the results for the current quarter. The Ind AS results of the quarter and half year ended September 30, 2015, previous year ended March 31, 2016 and Statement of Assets and Liabilities as on March 31, 2016 have not been subjected to limited review or audit and have been presented based on the information compiled by the management after making necessary adjustments to give a true and fair view of the results in accordance with Ind AS.

4 Exceptional items for respective quarters and year end are:

Exceptional Income / (Expenses)	CONSOLIDATED					
	Quarter Ended			Half Year Ended		Year Ended
	30-Sep-16	30-Jun-16	30-Sep-15	30-Sep-16	30-Sep-15	31-Mar-16
Bonus expenses for earlier years pursuant to retrospective amendment in statute	-	-	-	-	-	(146)
Surplus on sale of Information Technology business (refer notes 5 and 6)	-	-	-	-	3,527	4,014
Cost of Voluntary Retirement Scheme & other expenses on closure of plant	-	-	(1,580)	-	(1,580)	(1,869)
Cost update on major contracts	-	-	-	-	-	(2,724)
Impairment of goodwill on consolidation of BSIBIA	-	-	-	-	-	(464)
<b>Total</b>	-	-	<b>(1,580)</b>	-	<b>1,947</b>	<b>(1,189)</b>

5 Pursuant to the composite Scheme of amalgamation ('the Scheme') of Blue Star Infotech Ltd (BSIL) and Blue Star Infotech Business Intelligence & Analytics Private Limited (BSIBIA) with the Company under sections 391 to 394 of The Companies Act, 1956 sanctioned by the Honourable High Court of Bombay on April 16, 2016, the assets and liabilities of BSIL and BSIBIA was transferred to and vested in the Company with effect from April 1, 2015. The Scheme has been given effect to in the above results. Accordingly, results for the quarter and half year ended September 30, 2015 are restated.

6 During the quarter ended March 31, 2016, pursuant to a Business Transfer Agreement and Share Purchase Agreements executed on September 29, 2015 which was approved by the Board of Directors of BSIL on that date and subsequently by shareholders of BSIL on November 18, 2015, BSIL had sold its Information Technology business and investment in its three overseas subsidiaries (IT business) to Infogain Group. The transaction involved transfer of the business, employees and all business assets and liabilities for an agreed cash consideration of Rs.17,268 Lacs. Consequent to amalgamation and subsequent sale of the IT business, the Company had recorded a net gain of Rs. 3,527 lacs in Consolidated results on April 1, 2015 being the excess of fair value of shares cancelled upon amalgamation over the cost of such shares in the Company's books and Rs 487 lacs on January 1, 2016 being profit on sale of IT business. The above has been disclosed as an exceptional item in the respective period.

7 The above financial results and segment includes results of discontinuing operations for IT which are as below :

Particulars	CONSOLIDATED					
	Quarter Ended			Half Year Ended		Year Ended
	30-Sep-16	30-Jun-16	30-Sep-15	30-Sep-16	30-Sep-15	31-Mar-16
Income from Operations	-	-	7,036	-	14,361	20,510
Expenses	-	-	6,550	-	12,852	17,902
Profit before tax	-	-	486	-	1,509	2,608
Capital Employed	-	-	5,055	-	5,055	-

8 Financial Results of Blue Star Limited (Standalone Information):

Particulars	Quarter Ended			Half Year Ended		Year Ended
	30-Sep-16	30-Jun-16	30-Sep-15	30-Sep-16	30-Sep-15	31-Mar-16
Income from operations	83,427	1,17,289	76,819	2,00,716	1,72,199	3,56,197
Profit after Finance cost but before Exceptional Items	2,410	6,714	1,636	9,124	7,079	12,304
Profit before tax	2,410	6,714	56	9,124	12,164	15,312
Total Comprehensive Income	1,679	5,280	(12)	6,959	9,891	12,499

9 Previous period / year's figures have been regrouped / rearranged wherever necessary.

Date : November 10, 2016  
Place : Mumbai

www.bluestarindia.com

For BLUE STAR LIMITED

Vir S. Advani  
Managing Director  
(DIN : 01571278)



**BLUE STAR LIMITED**  
**UNAUDITED SEGMENT WISE REVENUE, RESULTS & CAPITAL EMPLOYED FOR THE QUARTER ENDED SEPTEMBER 30, 2016**

Rs in Lacs

Sr. No.	Particulars	CONSOLIDATED					
		QUARTER ENDED UNAUDITED	QUARTER ENDED UNAUDITED	QUARTER ENDED (Refer Note 3)	HALF YEAR ENDED UNAUDITED	HALF YEAR ENDED (Refer Note 3)	PREVIOUS YEAR ENDED (Refer Note 3)
		30.9.16	30.6.16	30.9.15	30.9.16	30.9.15	31.3.16
<b>I</b>	<b>SEGMENT REVENUE</b>						
	a. Electro- Mechanical Projects and Packaged Air Conditioning Systems	55,988	43,958	49,155	99,946	84,325	1,87,601
	b. Unitary Products	29,156	74,245	24,814	1,03,401	80,191	1,57,968
	c. Professional Electronics and Industrial Systems	4,638	3,478	3,704	8,116	7,859	16,897
	d. Others	-	-	7,427	-	14,856	21,217
	<b>TOTAL SEGMENT REVENUE</b>	<b>89,782</b>	<b>1,21,681</b>	<b>85,100</b>	<b>2,11,463</b>	<b>1,87,231</b>	<b>3,83,683</b>
	Less: Inter - Segment Revenue	-	-	391	-	495	707
	<b>Total Income from Operations (Net)</b>	<b>89,782</b>	<b>1,21,681</b>	<b>84,709</b>	<b>2,11,463</b>	<b>1,86,736</b>	<b>3,82,976</b>
<b>II</b>	<b>SEGMENT RESULT</b>						
	<b>PROFIT/(LOSS) BEFORE INTEREST &amp; TAX</b>						
	a. Electro- Mechanical Projects and Packaged Air Conditioning Systems	3,027	544	2,971	3,571	3,786	8,145
	b. Unitary Products	2,175	10,244	1,293	12,419	9,132	16,513
	c. Professional Electronics and Industrial Systems	725	442	653	1,167	1,361	2,672
	d. Others	-	-	486	-	1,509	2,608
	<b>TOTAL SEGMENT RESULT</b>	<b>5,927</b>	<b>11,230</b>	<b>5,403</b>	<b>17,157</b>	<b>15,788</b>	<b>29,938</b>
	Less: i) Interest and Other Financial Charges	875	923	1,127	1,798	2,157	4,315
	ii) Un-allocable Expenditure	2,387	3,817	2,217	6,205	5,632	11,187
	<b>TOTAL PROFIT BEFORE TAXATION AND EXCEPTIONAL ITEM</b>	<b>2,664</b>	<b>6,490</b>	<b>2,059</b>	<b>9,154</b>	<b>7,999</b>	<b>14,436</b>
	Exceptional item	-	-	(1,580)	-	1,947	(1,189)
	<b>PROFIT BEFORE TAXATION</b>	<b>2,664</b>	<b>6,490</b>	<b>479</b>	<b>9,154</b>	<b>9,946</b>	<b>13,247</b>
<b>III</b>	<b>SEGMENT ASSETS</b>						
	a. Electro- Mechanical Projects and Packaged Air Conditioning Systems	1,31,799	1,26,313	1,18,906	1,31,799	1,18,906	1,23,412
	b. Unitary Products	55,498	65,208	40,503	55,498	40,503	67,422
	c. Professional Electronics and Industrial Systems	7,979	4,533	6,187	7,979	6,187	7,127
	d. Others	-	-	8,262	-	8,262	-
	e. Un-allocable Corporate Assets	36,011	45,542	45,955	36,011	45,955	54,561
	<b>TOTAL SEGMENT ASSETS</b>	<b>2,31,287</b>	<b>2,41,596</b>	<b>2,19,813</b>	<b>2,31,287</b>	<b>2,19,813</b>	<b>2,52,522</b>
<b>IV</b>	<b>SEGMENT LIABILITIES</b>						
	a. Electro- Mechanical Projects and Packaged Air Conditioning Systems	90,074	84,200	75,675	90,074	75,675	89,418
	b. Unitary Products	25,853	50,705	20,130	25,853	20,130	53,774
	c. Professional Electronics and Industrial Systems	4,023	1,189	3,426	4,023	3,426	3,989
	d. Others	-	-	3,207	-	3,207	-
	e. Un-allocable Corporate Liabilities	40,819	37,010	49,175	40,819	49,175	42,299
	<b>TOTAL SEGMENT LIABILITIES</b>	<b>1,60,769</b>	<b>1,73,104</b>	<b>1,51,613</b>	<b>1,60,769</b>	<b>1,51,613</b>	<b>1,89,480</b>
<b>V</b>	<b>CAPITAL EMPLOYED</b>						
	<b>(Segment Assets - Segment Liabilities)</b>						
	a. Electro- Mechanical Projects and Packaged Air Conditioning Systems	41,725	42,114	43,231	41,725	43,231	33,994
	b. Unitary Products	29,645	14,503	20,373	29,645	20,373	13,648
	c. Professional Electronics and Industrial Systems	3,956	3,344	2,761	3,956	2,761	3,138
	d. Others	-	-	5,055	-	5,055	-
	e. Un-allocable Corporate Assets less Liabilities	(4,808)	8,531	(3,220)	(4,808)	(3,220)	12,262
	<b>TOTAL CAPITAL EMPLOYED IN THE COMPANY</b>	<b>70,518</b>	<b>68,492</b>	<b>68,200</b>	<b>70,518</b>	<b>68,200</b>	<b>63,042</b>

**Note :**

1. Based on the "management approach" as defined in Ind AS 108-Operating Segments, the Chief Operating Decision Maker evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by business segments. Accordingly, information has been presented along these business segments.

2. Others include revenue and results from IT Business which was sold off during the Financial Year 2015-16

For BLUE STAR LIMITED

Date : November 10, 2016  
Place : Mumbai

Vir S. Advani  
Managing Director  
(DIN : 01571278)

**BLUE STAR LIMITED**  
**STATEMENT OF ASSETS AND LIABILITIES AS ON SEPTEMBER 30, 2016**

(Rs. In lacs)

Sr. No.	PARTICULARS	CONSOLIDATED	
		AS AT (UNAUDITED)	AS AT (Refer Note 3)
		30.9.16	31.3.16
<b>A</b>	<b>ASSETS</b>		
	<b>1. Non-Current Assets</b>		
	(a) Property, Plant & Equipment	24,350	23,351
	(b) Capital Work in Progress	2,166	626
	(c) Investment Property	6,129	6,280
	(d) Intangible Assets	4,513	3,890
	(e) Intangible Assets under development	792	1,009
	(f) Financial Assets		
	Trade Receivable	5,776	4,733
	Loans	1,890	1,919
	Other Financial Assets	350	335
	(g) Share in Networth of Joint Ventures	1,178	1,004
	(h) Income Tax Assets (Net)	4,415	7,858
	(i) Deferred Tax Assets (Net)	10,875	10,737
	(j) Other non-current assets	2,716	2,493
	<b>Total - Non Current Assets</b>	<b>65,150</b>	<b>64,235</b>
	<b>2. Current Assets</b>		
	(a) Inventories	47,878	53,477
	(b) Financial Assets		
	Investments	-	15,807
	Trade Receivables	72,569	78,679
	Cash & cash Equivalents	4,853	4,542
	Loans	796	36
	Other Financial Assets	28,027	25,875
	(c) Other Current Assets	12,014	9,871
	<b>Total - Current Assets</b>	<b>1,66,137</b>	<b>1,88,287</b>
	<b>TOTAL - ASSETS</b>	<b>2,31,287</b>	<b>2,52,522</b>
<b>B</b>	<b>EQUITY AND LIABILITIES</b>		
	<b>1. Equity</b>		
	(a) Equity Share Capital	1,909	1,799
	(b) Other Equity	68,609	61,243
	<b>Total Equity</b>	<b>70,518</b>	<b>63,042</b>
	<b>2. Minority Interest</b>	<b>116</b>	<b>103</b>
	<b>3. Non-Current Liabilities</b>		
	(a) Financial Liabilities		
	Other Financial Liabilities	380	414
	(b) Provisions	1,342	1,056
	(c) Borrowings	1,723	1,804
	(d) Other non-current liabilities	39	41
	<b>Total - Non-current liabilities</b>	<b>3,484</b>	<b>3,315</b>
	<b>4. Current Liabilities</b>		
	(a) Financial Liabilities		
	Trade Payables	69,965	1,08,201
	Borrowings	37,166	34,487
	Other Financial Liabilities	1,483	2,944
	(b) Other Current Liabilities	41,793	36,877
	(c) Provisions	6,762	3,553
	<b>Total - Current liabilities</b>	<b>1,57,169</b>	<b>1,86,062</b>
	<b>TOTAL - EQUITY AND LIABILITIES</b>	<b>2,31,287</b>	<b>2,52,522</b>

**Note :**

- 1 The reconciliation of Net Worth as previously reported (referred to as 'previous Indian GAAP') and as per Ind AS is as per the table below:

Particulars	CONSOLIDATED
	AS AT 31 March 2016
Net Worth as per previous Indian IGAAP	66,266
<b>Add/(Less):</b>	
Fair Valuation of Financial Assets	(355)
Impairment of Financial Assets	(4,608)
Others	(52)
Deferred Tax Asset on above adjustments (net)	1,790
<b>Net Worth as per Ind AS</b>	<b>63,042</b>

For BLUE STAR LIMITED

Vir S. Advani  
Managing Director  
(DIN : 01571278)

Date : November 10 , 2016  
Place : Mumbai

**BLUE STAR LIMITED**

Registered Office : Kasturi Buildings, Mohan T. Advani Chowk, Jamshedji Tata Road, Mumbai 400 020, CIN No.: L28920MH1949PLC006870,  
Telephone No+91 022 6665 4000 , Fax No. +91 22 6665 4152

**UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED SEPTEMBER 30, 2016**

Rs in Lacs

Sr. no.	PARTICULARS	STANDALONE					
		QUARTER ENDED UNAUDITED 30.9.16	QUARTER ENDED UNAUDITED 30.6.16	QUARTER ENDED (Refer Note 3) 30.9.15	HALF YEAR ENDED UNAUDITED 30.9.16	HALF YEAR ENDED (Refer Note 3) 30.9.15	PREVIOUS YEAR ENDED (Refer Note 3) 31.3.16
<b>1</b>	<b>Income from Operations</b>						
	a) Net Sales/Income from Operations	82,136	1,16,833	76,199	1,98,969	1,70,967	3,52,529
	b) Other Operating Income	1,291	456	620	1,747	1,232	3,668
	<b>Total Income from Operations</b>	<b>83,427</b>	<b>1,17,289</b>	<b>76,819</b>	<b>2,00,716</b>	<b>1,72,199</b>	<b>3,56,197</b>
<b>2</b>	<b>Expenses</b>						
	a) Cost of materials consumed (including direct project cost)	42,999	51,529	38,929	94,528	81,065	1,83,789
	b) Purchase of Stock in trade	10,574	30,688	7,244	41,262	23,712	65,085
	c) Changes in Inventories of Finished Goods, Work-in-progress and Stock-in-Trade	4,140	1,691	4,215	5,831	9,573	(6,129)
	d) Excise Duty	878	771	802	1,649	1,397	3,180
	e) Employee Benefits Expense	7,897	6,983	8,574	14,880	16,712	32,504
	f) Depreciation and Amortisation Expense	1,341	1,232	1,414	2,573	2,582	5,501
	g) Other Expenses	13,443	17,986	13,635	31,429	29,151	58,729
	<b>Total Expenses</b>	<b>81,272</b>	<b>1,10,880</b>	<b>74,813</b>	<b>1,92,152</b>	<b>1,64,192</b>	<b>3,42,659</b>
<b>3</b>	<b>Profit from Operations before Other Income, Finance Cost and Exceptional Items (1-2)</b>	<b>2,155</b>	<b>6,409</b>	<b>2,006</b>	<b>8,564</b>	<b>8,007</b>	<b>13,538</b>
4	Other Income	948	1,048	585	1,996	873	2,379
<b>5</b>	<b>Profit before Finance Cost and Exceptional Items (3+4)</b>	<b>3,103</b>	<b>7,457</b>	<b>2,591</b>	<b>10,560</b>	<b>8,880</b>	<b>15,917</b>
6	Finance Costs	693	743	955	1,436	1,801	3,613
<b>7</b>	<b>Profit after Finance cost but before Exceptional Items (5-6)</b>	<b>2,410</b>	<b>6,714</b>	<b>1,636</b>	<b>9,124</b>	<b>7,079</b>	<b>12,304</b>
8	Exceptional Items	-	-	(1,580)	-	5,085	3,008
<b>9</b>	<b>Profit before Tax (7+8)</b>	<b>2,410</b>	<b>6,714</b>	<b>56</b>	<b>9,124</b>	<b>12,164</b>	<b>15,312</b>
10	Tax Expense	713	1,416	23	2,129	2,186	2,622
<b>11</b>	<b>Net Profit after Tax (9-10)</b>	<b>1,697</b>	<b>5,298</b>	<b>33</b>	<b>6,995</b>	<b>9,978</b>	<b>12,690</b>
12	Other Comprehensive Income, net of tax	(18)	(18)	(45)	(36)	(87)	(191)
<b>13</b>	<b>Total Comprehensive Income for the period (11+12)</b>	<b>1,679</b>	<b>5,280</b>	<b>(12)</b>	<b>6,959</b>	<b>9,891</b>	<b>12,499</b>
14	Paid Up Equity Share Capital (Face Value of the share - Rs. 2/- each)	1,909	1,906	1,799	1,909	1,799	1,799
15	Reserves excluding Revaluation Reserve as per balance sheet of previous accounting year	-	-	-	-	-	60,994
16	Earnings Per Share (EPS) (in Rs.) (not annualised)						
	a) Basic	1.78	5.55	0.03	7.33	10.47	13.31
	b) Diluted	1.77	5.54	0.03	7.30	10.44	13.28

**NOTES:**

- The Company has adopted Indian Accounting Standards (Ind AS) and accordingly these financial results have been prepared in compliance with Ind AS as notified by the Ministry of Corporate Affairs. The date of transition to Ind AS is April 1, 2015. The impact of transition has been accounted for in opening reserves and the comparative period results for quarter and half year ended September 30, 2015 and year ended March 31, 2016 have been restated accordingly. The opening balance sheet as at April 1, 2015 and the results for the subsequent periods would get finalised along with the annual financial statements for the year ended March 31, 2017.
- The reconciliation of Net Profit as previously reported (referred to as 'previous Indian GAAP') and the total comprehensive income as per Ind AS is as per the table below:

Particulars	Standalone		
	QUARTER ENDED 30-Sep-15	HALF YEAR ENDED 30-Sep-15	PREVIOUS YEAR ENDED 31-Mar-16
<b>Net Profit under previous Indian GAAP</b>	<b>(579)</b>	<b>3,325</b>	<b>12,277</b>
Other adjustments due to amalgamation (refer note 5)	424	631	-
<b>Revised Net Profit under previous Indian GAAP</b>	<b>(155)</b>	<b>3,956</b>	<b>12,277</b>
<i>Add / (Less):</i>			
Excess of fair value of shares cancelled upon amalgamation over the cost of such shares in the Company's books (refer note 5 and 6)	-	6,665	-
Actuarial Gain/Loss on employee defined benefit funds recognised in other comprehensive income	69	133	292
Fair value of Employee Stock Option	(86)	(194)	(382)
Unwinding of discounted non-current financial assets	162	319	552
Others	9	56	(7)
Tax expense on the above items	34	(957)	(42)
<b>Net Profit for the period under Ind AS</b>	<b>33</b>	<b>9,978</b>	<b>12,690</b>
Other Comprehensive Income, net of tax	(45)	(87)	(191)
<b>Total Comprehensive Income under Ind AS</b>	<b>(12)</b>	<b>9,891</b>	<b>12,499</b>

- The Audit Committee has reviewed the above results and the Board of Directors has approved the above results at their respective meetings held on November 10, 2016. The Statutory Auditors of the Company have carried out a limited review of the results for the current quarter. The Ind AS results of the quarter and half year ended September 30, 2015, previous year ended March 31, 2016 and the Statement of Assets and Liabilities as on March 31, 2016 have not been subjected to limited review or audit and have been presented based on the information compiled by the management after making necessary adjustments to give a true and fair view of the results in accordance with Ind AS.

4 Exceptional items for respective quarters, half year and year end are:

Exceptional Income / (Expenses)	Standalone					
	Quarter Ended			Half Year Ended		Year Ended
	30-Sep-16	30-Jun-16	30-Sep-15	30-Sep-16	30-Sep-15	31-Mar-16
Bonus expenses for earlier years pursuant to retrospective amendment in statute	-	-	-	-	-	(146)
Surplus on sale of Information Technology business (refer note 5 and 6)	-	-	-	-	6,665	7,747
Cost of Voluntary Retirement Scheme & other expenses on closure of plant	-	-	(1,580)	-	(1,580)	(1,869)
Cost update on major contracts	-	-	-	-	-	(2,724)
<b>Total</b>	-	-	<b>(1,580)</b>	-	<b>5,085</b>	<b>3,008</b>

5 Pursuant to the composite Scheme of amalgamation ('the Scheme') of Blue Star Infotech Ltd (BSIL) and Blue Star Infotech Business Intelligence & Analytics Private Limited (BSIBIA) with the Company under sections 391 to 394 of The Companies Act, 1956 sanctioned by the Honourable High Court of Bombay on April 16, 2016, the assets and liabilities of BSIL and BSIBIA are transferred to and vested in the Company with effect from April 1, 2015. The Scheme has been given effect to in the above results. Accordingly, results for the quarter and half year ended September 30, 2015 are restated.

6 During the quarter ended March 31, 2016, pursuant to a Business Transfer Agreement and Share Purchase Agreements executed on September 29, 2015 which was approved by the Board of Directors of BSIL on that date and subsequently by shareholders of BSIL on November 18, 2015, BSIL had sold its Information Technology business and investment in its three overseas subsidiaries (IT business) to Infogain Group. The transaction involved transfer of the business, employees and all business assets and liabilities for an agreed cash consideration of Rs.17,268 Lacs. Consequent to amalgamation and subsequent sale of the IT business, the Company had recorded a net gain of Rs. 6,665 lacs in standalone results on April 1, 2015 being the excess of fair value of shares cancelled upon amalgamation over the cost of such shares in the Company's books and Rs. 1,082 Lacs on January 1, 2016 being the profit on sale of IT business. The above has been disclosed as an exceptional item in the respective period.

7 The Professional Electronics and Industrial Systems (PE&IS) business has been carried on by Blue Star Engineering and Electronics Limited, a wholly owned subsidiary of the Company effective from April 1, 2015.

8 The above financial results and segment includes results of discontinuing operations for IT and PE&IS business which are as below

Particulars	Standalone					
	Quarter Ended			Half Year Ended		Year Ended
	30-Sep-16	30-Jun-16	30-Sep-15	30-Sep-16	30-Sep-15	31-Mar-16
Revenue from Operations	882	1,050	5,461	1,932	12,120	18,167
Expenses	667	757	4,598	1,424	10,355	15,431
Profit before tax	215	293	863	508	1,765	2,736
Capital Employed	882	533	4,321	882	4,321	111

9 Previous period / year's figures have been regrouped / rearranged wherever necessary.

Date : November 10, 2016  
Place : Mumbai

www.bluestarindia.com

For BLUE STAR LIMITED

Vir S. Advani  
Managing Director  
(DIN : 01571278)

**BLUE STAR LIMITED**  
**UNAUDITED SEGMENT WISE REVENUE, RESULTS & CAPITAL EMPLOYED FOR THE QUARTER ENDED SEPTEMBER 30, 2016**

Rs in Lacs

Sr. No.	Particulars	STANDALONE					PREVIOUS YEAR ENDED (Refer Note 3)
		QUARTER ENDED UNAUDITED	QUARTER ENDED UNAUDITED	QUARTER ENDED (Refer Note 3)	HALF YEAR ENDED UNAUDITED	HALF YEAR ENDED (Refer Note 3)	
		30.9.16	30.6.16	30.9.15	30.9.16	30.9.15	
<b>I</b>	<b>SEGMENT REVENUE</b>						
	a. Electro- Mechanical Projects and Packaged Air Conditioning Systems	53,310	41,873	46,540	95,183	79,749	1,79,748
	b. Unitary Products	29,235	74,366	24,818	1,03,601	80,330	1,58,282
	c. Professional Electronics and Industrial Systems	882	1,050	1,246	1,932	3,775	6,457
	d. Others	-	-	4,606	-	8,840	12,417
	<b>TOTAL SEGMENT REVENUE</b>	<b>83,427</b>	<b>1,17,289</b>	<b>77,210</b>	<b>2,00,716</b>	<b>1,72,694</b>	<b>3,56,904</b>
	Less: Inter - Segment Revenue	-	-	391	-	495	707
	<b>Total Income from Operations (Net)</b>	<b>83,427</b>	<b>1,17,289</b>	<b>76,819</b>	<b>2,00,716</b>	<b>1,72,199</b>	<b>3,56,197</b>
<b>II</b>	<b>SEGMENT RESULT</b>						
	<b>PROFIT BEFORE INTEREST &amp; TAX</b>						
	a. Electro- Mechanical Projects and Packaged Air Conditioning Systems	2,884	586	2,599	3,470	3,492	7,579
	b. Unitary Products	2,175	10,244	1,293	12,419	9,132	16,513
	c. Professional Electronics and Industrial Systems	215	293	209	508	695	1,316
	d. Others	-	-	654	-	1,070	1,420
	<b>TOTAL SEGMENT RESULT</b>	<b>5,274</b>	<b>11,123</b>	<b>4,755</b>	<b>16,397</b>	<b>14,389</b>	<b>26,828</b>
	Less: i) Interest and Other Financial Charges	693	743	955	1,436	1,801	3,613
	ii) Un-allocable Expenditure	2,171	3,666	2,164	5,837	5,509	10,911
	<b>TOTAL PROFIT BEFORE TAXATION AND EXCEPTIONAL ITEM</b>	<b>2,410</b>	<b>6,714</b>	<b>1,636</b>	<b>9,124</b>	<b>7,079</b>	<b>12,304</b>
	Exceptional items	-	-	(1,580)	-	5,085	3,008
	<b>PROFIT BEFORE TAXATION</b>	<b>2,410</b>	<b>6,714</b>	<b>56</b>	<b>9,124</b>	<b>12,164</b>	<b>15,312</b>
<b>III</b>	<b>SEGMENT ASSETS</b>						
	a. Electro- Mechanical Projects and Packaged Air Conditioning Systems	1,20,325	1,16,101	1,09,869	1,20,325	1,09,869	1,13,900
	b. Unitary Products	55,498	65,208	40,503	55,498	40,503	67,422
	c. Professional Electronics and Industrial Systems	1,666	1,693	1,569	1,666	1,569	949
	d. Others	-	-	7,249	-	7,249	-
	e. Un-allocable Corporate Assets	52,186	62,146	62,196	52,186	62,196	71,014
	<b>TOTAL SEGMENT ASSETS</b>	<b>2,29,675</b>	<b>2,45,148</b>	<b>2,21,386</b>	<b>2,29,675</b>	<b>2,21,386</b>	<b>2,53,285</b>
<b>IV</b>	<b>SEGMENT LIABILITIES</b>						
	a. Electro- Mechanical Projects and Packaged Air Conditioning Systems	81,145	76,793	69,512	81,145	69,512	82,735
	b. Unitary Products	25,853	50,705	20,130	25,853	20,130	53,774
	c. Professional Electronics and Industrial Systems	784	1,160	1,289	784	1,289	838
	d. Others	-	-	3,208	-	3,208	-
	e. Un-allocable Corporate Liabilities	34,430	30,949	42,563	34,430	42,563	35,887
	<b>TOTAL SEGMENT LIABILITIES</b>	<b>1,42,212</b>	<b>1,59,607</b>	<b>1,36,702</b>	<b>1,42,212</b>	<b>1,36,702</b>	<b>1,73,234</b>
<b>V</b>	<b>CAPITAL EMPLOYED</b>						
	<b>(Segment Assets - Segment Liabilities)</b>						
	a. Electro- Mechanical Projects and Packaged Air Conditioning Systems	39,180	39,308	40,357	39,180	40,357	31,165
	b. Unitary Products	29,645	14,503	20,373	29,645	20,373	13,648
	c. Professional Electronics and Industrial Systems	882	533	280	882	280	111
	d. Others	-	-	4,041	-	4,041	-
	e. Un-allocable Corporate Assets less Liabilities	17,756	31,197	19,633	17,756	19,633	35,127
	<b>TOTAL CAPITAL EMPLOYED IN THE COMPANY</b>	<b>87,463</b>	<b>85,541</b>	<b>84,684</b>	<b>87,463</b>	<b>84,684</b>	<b>80,051</b>

**Note :**

- Based on the "management approach" as defined in Ind AS 108-Operating Segments, the Chief Operating Decision Maker evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by business segments. Accordingly, information has been presented along these business segments.
- Others include revenue and results from IT Business which was sold off during the Financial Year 2015-16

For BLUE STAR LIMITED

Date : November 10 , 2016

Place : Mumbai

Vir S. Advani  
Managing Director  
(DIN : 01571278)

**BLUE STAR LIMITED**  
**STATEMENT OF ASSETS AND LIABILITIES AS ON SEPTEMBER 30, 2016**

(Rs. In lacs)

Sr. No.	PARTICULARS	STANDALONE	
		AS AT (UNAUDITED)	AS AT (Refer Note 3)
		30.9.16	31.3.16
<b>A</b>	<b>ASSETS</b>		
	<b>1. Non-Current Assets</b>		
	(a) Property Plant & Equipment	20,486	19,430
	(b) Capital Work in Progress	2,159	626
	(c) Investment Property	6,129	6,280
	(d) Intangible Assets	4,478	3,853
	(e) Intangible Assets under development	790	1,007
	(f) Financial Assets		
	Investments	21,431	21,431
	Trade Receivable	5,748	4,530
	Loans	2,122	2,147
	Other Financial Assets	350	335
	(g) Income tax Asset	3,964	7,542
	(h) Deferred Tax Assets (Net)	10,686	10,488
	(i) Other Non Current Assets	2,870	2,169
	<b>Total - Non Current Assets</b>	<b>81,213</b>	<b>79,838</b>
	<b>2. Current Assets</b>		
	(a) Inventories	46,167	51,548
	(b) Financial Assets		
	Investments	-	15,807
	Trade Receivables	60,160	68,557
	Cash & cash Equivalents	4,729	4,246
	Loans	522	388
	Other Financial Assets	25,222	23,724
	(c) Other Current Assets	11,662	9,177
	<b>Total - Current Assets</b>	<b>1,48,462</b>	<b>1,73,447</b>
	<b>TOTAL - ASSETS</b>	<b>2,29,675</b>	<b>2,53,285</b>
<b>B</b>	<b>EQUITY AND LIABILITIES</b>		
	<b>1. Equity</b>		
	(a) Equity Share Capital	1,909	1,799
	(b) Other Equity	85,554	78,252
	<b>Total Equity</b>	<b>87,463</b>	<b>80,051</b>
	<b>2. Non-Current Liabilities</b>		
	(a) Financial Liabilities		
	Other Financial Liabilities	440	508
	(b) Provisions	1,110	840
	<b>Total - Non-current liabilities</b>	<b>1,550</b>	<b>1,348</b>
	<b>3. Current Liabilities</b>		
	(a) Financial Liabilities		
	Trade Payables	66,583	1,03,484
	Borrowings	31,023	28,567
	Other Financial Liabilities	1,244	2,648
	(b) Other Current Liabilities	39,243	34,125
	(c) Provisions	2,569	3,062
	<b>Total - Current liabilities</b>	<b>1,40,662</b>	<b>1,71,886</b>
	<b>TOTAL - EQUITY AND LIABILITIES</b>	<b>2,29,675</b>	<b>2,53,285</b>

**Note :**

- 1 The reconciliation of Net Worth as previously reported (referred to as 'previous Indian GAAP') and as per Ind AS is as per the table below:

Particulars	STANDALONE
	AS AT 31.3.16
<b>Net Worth as per previous Indian IGAAP</b>	<b>84,627</b>
<b>Add/(Less):</b>	
Fair Valuation of Financial Assets	(2,600)
Impairment of Financial Assets	(4,101)
Fair Valuation of Financial Liabilities	320
Others	15
Deferred Tax Asset on above adjustments	1,790
<b>Net Worth as per Ind AS</b>	<b>80,051</b>

For **BLUE STAR LIMITED**

Date : November 10 , 2016  
Place : Mumbai

Vir S. Advani  
Managing Director  
(DIN : 01571278)