

**Blue Star Limited**  
**Q3 FY17 Earnings Update**  
**January 30, 2017**

## **FINANCIAL HIGHLIGHTS FOR Q3 FY'17**

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**Following are financial highlights of the Company for Q3 FY'17 on a consolidated basis:**

- Total Operating Income for Q3 FY'17 was Rs. 926.47 Cr as compared to Rs. 733.52 Cr in Q3 FY'16 (excluding BSIL's Operating Income of Rs. 61.49 Cr), representing a growth of 26%.
- PBIDTA (Before other income) for Q3 FY'17 was Rs. 35.08 Cr as compared to Rs. 23.55 Cr in Q3 FY'16 (excluding BSIL's PBIDTA of Rs. 11.65 Cr), a growth of 49%.
- Profit before Tax (before exceptional items) was Rs. 15.71 Cr in Q3 FY'17 as compared to Rs. 5.98 Cr in Q3 FY'16 (excluding BSIL's PBT of Rs. 10.97 Cr), a growth of 163%.
- Tax expense for Q3 FY'17 was Rs. 1.53 Cr as compared to Rs. 1.09 Cr in Q3 FY'16. Effective tax rate for FY'17 is expected to be 22%.
- Exceptional Items in Q3 FY'16 relate to expenses of Rs. 6.59 Cr towards goodwill charge arising from BSIL's amalgamation and bonus expenses relating to earlier years. There were no Exceptional Items in Q3 FY'17.
- Consequently, consolidated net profit for the current quarter increased to Rs. 14.50 Cr from Rs 9.00 Cr in Q3 FY16.
- Order inflow during Q3 FY'17 increased by 14% to Rs. 787 Cr from Rs 688 Cr over the same period last year.
- Carry-forward order book as at December 31, 2016 increased by 12% to Rs 1794 Cr as compared to Rs 1605 Cr as at December 31, 2015.
- Blue Star's standalone net borrowings decreased to Rs. 209 Cr as on December 31, 2016 from Rs. 243 Cr as on March 31, 2016
- Net borrowings for our 100% subsidiary, Blue Star Engineering & Electronics Limited reduced to Rs. 59 Cr as on December 31, 2016 from Rs. 60 Cr as on March 31, 2016.
- Consolidated capital employed increased to Rs. 723 Cr as on December 31, 2016 from Rs. 630 Cr as on March 31, 2016 in line with business volume growth.

## **BUSINESS HIGHLIGHTS FOR Q3 FY'17**

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

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Segment I revenue increased to Rs. 554.55 Cr in Q3 FY'17 from Rs 458.30 Cr in Q3 FY'16, a growth of 21.0%. The segment generated profits of Rs. 28.70 Cr (5.2%) in Q3 FY'17 as compared with Rs. 25.58 Cr (5.6%) in Q3 FY'16.

#### **1. Electro-Mechanical Projects business**

In the Electro-Mechanical Projects business, order inflow in Q3 FY'17 saw a modest growth at Rs. 471 Cr as compared to Rs. 433 Cr during same period last year.

Overall, the market remained sluggish, impacting growth prospects. Quarterly consumption continued to be driven mostly by government investments in infrastructure projects such as hospitals and educational institutions.

Project execution remained slow as customers phased out their requirements based on available funds thereby deferring overall project completion timelines. Increase in commodity prices have adversely impacted input costs. Cash flow also continued to remain a challenge across several customers.

Contrary to our earlier expectations, the market has not yet fully revived both in terms of new order finalization as well as execution speed. Further, the demonetization also adversely impacted the real estate segment and investment sentiment amongst corporate customers.

Some major orders won by Blue Star during Q3 FY'17 included Amazon (Hyderabad), Thapar University (Patiala), Sea Valley (Vizag), Hotel Cidade de Goa, and Ascendas (Delhi).

Carry-forward order book was Rs 1753 Cr as at December 31, 2016 as compared to Rs. 1545 Cr as at December 31, 2015, an increase of 13%.

#### **2. Central and Packaged Air Conditioning Systems business**

There are some early signs of a market recovery in this business. Hospitals, hotels, restaurants, industrial and educational institutes were major contributors in Q3. Blue Star performed well in VRF and Chiller product categories.

We maintained our strong hold as a market leader in the ducted systems category. The new configured water cooled screw chillers introduced in the market has also gained good acceptance.

In Q3, orders were received from Vibrant Academy, Amity International School, HDFC Bank, Grasim Industries, JSW Steel Limited.

During Q3, Blue Star's remote monitoring centre called 'rView' won the "Excellence in Operations" award from IDC Insights, an international knowledge agency.

### **3. International Business**

The company continued its focus on expansion of its product export business. There was good order inflow for water coolers, room air conditioners and for applied products such as VRF, AHU & chillers from various distributors and OEM customers.

Blue Star continues its journey on brand building in select international markets. Blue Star participated in multiple major trade shows such as Climate Abu Dhabi Expo, UAE and Big 5 Exhibition in Dubai, UAE with largest ever display stall.

Emerging markets of the Gulf Cooperation Council (GCC) countries and Africa are expected to remain under pressure during 2017.

## **Segment II: Unitary Products**

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This segment registered revenue growth of 34%, from Rs 237.66 Cr in Q3 FY'16 to Rs. 318.41 Cr in Q3 FY'17. The segment results showed a reduction of 10% from Rs. 16.08 Cr (6.8%) in Q3 FY'16 to Rs. 14.54 Cr (4.6%) in Q3 FY'17. Results of this segment in the current year include significant expenditure incurred to launch water purifier products, air-coolers and air-purifiers.

### **1. Room Air Conditioner business**

During Q3, our room AC business grew by 47% against the estimated market growth of 25% during the same period. Product penetration among the existing dealer / retailers coupled with better product range, aggressive sales promotion and widening of distribution footprint contributed to our growth.

The Company continued to perform better in the high energy efficient products such as inverter ACs. With growing volumes in tier 3/4/5 markets, more customers prefer availing consumer finance schemes. During the quarter, close to 16% of the ACs sold were through consumer finance schemes.

## 2. Commercial Refrigeration business

The Commercial refrigeration products business registered a lower growth rate in Q3FY17, as compared to H1FY17, impacted by demonetization. Retail sales as well as sales at dealer stores especially in Tier 3, 4 and 5 towns were impacted. We expect the situation to improve in Q4 of FY'17 for these products.

## 3. Water Purifier business

The Water Purifier business was formally launched in Q3 FY'17 with 13 models (including colour variants) with price points varying from Rs 15,000 to Rs 45,000. The value proposition has been identified as 'Choose Purity' which received exceptional feedback on social media.

In the first phase, the Company plans to offer contemporary range of electric water purifiers. The products are currently available in Mumbai, Delhi NCR, Bengaluru, Secunderabad, Chennai, Pune, Ahmedabad, Nagpur and Chandigarh. The distribution is currently being ramped up in all states in the South, Maharashtra, Gujarat and Northern region.

## Segment III: Professional Electronics and Industrial Systems

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Billing of this segment grew by 42% in Q3 FY'17 to Rs. 53.51 Cr from Rs. 37.56 Cr in Q3 FY'16. Growth in billing was driven by the Professional Electronics business, with the Industrial Systems business continuing to show muted growth on account of deferred capex spending during the current quarter. Segment result grew to Rs. 7.32 Cr (13.7%) in Q3 FY'17 as compared with Rs. 6.34 Cr (16.9%) during the same period last year.

During the quarter, large orders were received from Sun Diagnostic (Cuttack), Steel Plant Hospital (Bhilai), Karnataka Police, Defence Labs (Panagarh) and Divine Cylinders (Gujarat).

## BUSINESS OUTLOOK

So far, there has been limited impact on our products business due to demonetization. The electro-mechanical projects business continues to be adversely impacted and is likely to be further affected due to expected slowdown in the real estate sector and corporate investments post demonetization. However, Government-funded infrastructure projects continue to witness growth driving some demand in this business. The overall prospects of the unitary products business continues to be robust with the addition of new product lines such as water purifiers and air purifiers. The Company remains confident of sustaining its performance in the last quarter of the financial year.

**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**

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 DECEMBER 31, 2016**

Rs in Lacs

Sr. No.	PARTICULARS	CONSOLIDATED					
		QUARTER ENDED UNAUDITED	QUARTER ENDED UNAUDITED	QUARTER ENDED UNAUDITED	NINE MONTHS ENDED UNAUDITED		PREVIOUS YEAR ENDED UNAUDITED
		31.12.16	30.9.16	31.12.15	31.12.16	31.12.15	31.3.16
1	<b>Income from Operations</b>						
	a) Net Sales/Income from Operations	91,246	88,474	78,359	3,00,999	2,63,573	3,78,595
	b) Other Operating Income	1,401	1,308	1,142	3,111	2,664	4,381
	<b>Total Income from Operations</b>	<b>92,647</b>	<b>89,782</b>	<b>79,501</b>	<b>3,04,110</b>	<b>2,66,237</b>	<b>3,82,976</b>
2	<b>Expenses</b>						
	a) Cost of materials consumed (including direct project cost)	48,531	45,898	41,531	1,47,885	1,26,711	1,91,170
	b) Purchase of Stock in trade	14,161	12,345	10,366	58,538	36,311	70,731
	c) Changes in Inventories of Finished Goods, Work-in-progress and Stock-in-Trade	899	4,307	(1,905)	6,948	7,535	(6,488)
	d) Excise Duty	867	878	749	2,516	2,146	3,180
	e) Employee Benefits Expense	8,645	8,624	11,063	24,901	32,180	39,856
	f) Depreciation and Amortisation Expense	1,553	1,496	1,564	4,400	4,443	5,709
	g) Other Expenses	16,036	13,679	14,177	48,114	45,878	63,034
	<b>Total Expenses</b>	<b>90,692</b>	<b>87,227</b>	<b>77,545</b>	<b>2,93,302</b>	<b>2,55,204</b>	<b>3,67,192</b>
3	<b>Profit from Operations before Other Income, Finance Cost and Exceptional Items (1-2)</b>	<b>1,955</b>	<b>2,555</b>	<b>1,956</b>	<b>10,808</b>	<b>11,033</b>	<b>15,784</b>
4	Other Income	461	984	814	2,560	1,899	2,967
5	<b>Profit before Finance Cost and Exceptional Items (3+4)</b>	<b>2,416</b>	<b>3,539</b>	<b>2,770</b>	<b>13,368</b>	<b>12,932</b>	<b>18,751</b>
6	Finance Costs	845	875	1,075	2,643	3,232	4,315
7	<b>Profit after Finance cost but before Exceptional Items (5-6)</b>	<b>1,571</b>	<b>2,664</b>	<b>1,695</b>	<b>10,725</b>	<b>9,700</b>	<b>14,436</b>
8	Exceptional Items	-	-	(659)	-	1,282	(1,189)
9	<b>Profit before Tax (7+8)</b>	<b>1,571</b>	<b>2,664</b>	<b>1,036</b>	<b>10,725</b>	<b>10,982</b>	<b>13,247</b>
10	Tax Expense	153	734	109	2,335	2,435	2,770
11	<b>Net Profit after Tax (9-10)</b>	<b>1,418</b>	<b>1,930</b>	<b>927</b>	<b>8,390</b>	<b>8,547</b>	<b>10,477</b>
12a	Share of profit in joint ventures	39	74	47	213	195	267
12b	Minority Interest	(7)	(5)	(74)	(15)	(83)	(85)
13	<b>Net Profit for the Period, (11+12)</b>	<b>1,450</b>	<b>1,999</b>	<b>900</b>	<b>8,588</b>	<b>8,659</b>	<b>10,659</b>
14	Other Comprehensive Income, net of tax	(184)	(45)	(57)	(230)	(72)	(113)
15	<b>Total Comprehensive Income for the period (13+14)</b>	<b>1,266</b>	<b>1,954</b>	<b>843</b>	<b>8,358</b>	<b>8,587</b>	<b>10,546</b>
16	Paid Up Equity Share Capital (Face Value of the share - Rs. 2/- each)	1,910	1,909	1,799	1,910	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	1.52	2.09	0.94	8.99	9.08	11.18
	b) Diluted	1.51	2.09	0.94	8.95	9.07	11.15

**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 nine months ended December 31, 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>	<b>10,838</b>
<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 above results have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on January 25, 2017 and has been subjected to Limited Review by the Statutory Auditors who have issued an unqualified report.

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

Exceptional Income / (Expenses)	CONSOLIDATED					
	Quarter Ended			Nine Months Ended		Year Ended
	31-Dec-16	30-Sep-16	31-Dec-15	31-Dec-16	31-Dec-15	31-Mar-16
Bonus expenses for earlier years pursuant to retrospective amendment in statute	-	-	(195)	-	(195)	(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	-	-	-	-	(1,586)	(1,869)
Cost update on major contracts	-	-	-	-	-	(2,724)
Impairment of goodwill on consolidation of BSIBIA	-	-	(464)	-	(464)	(464)
<b>Total</b>	-	-	<b>(659)</b>	-	<b>1,282</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 were 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 nine months ended December 31, 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			Nine Months Ended		Year Ended
	31-Dec-16	30-Sep-16	31-Dec-15	31-Dec-16	31-Dec-15	31-Mar-16
Income from Operations	-	-	6,149	-	20,510	20,510
Expenses	-	-	5,050	-	17,902	17,902
Profit before tax	-	-	1,099	-	2,608	2,608
Capital Employed	-	-	6,256	-	6,256	-

8 Financial Results of Blue Star Limited (Standalone Information)

Particulars	Quarter Ended			Nine Months Ended		Year Ended
	31-Dec-16	30-Sep-16	31-Dec-15	31-Dec-16	31-Dec-15	31-Mar-16
Income from operations	83,757	83,427	72,650	2,84,474	2,44,849	3,56,197
Profit after finance cost but before exceptional Items	1,106	2,410	1,270	10,232	8,348	12,304
Profit before tax	1,106	2,410	1,075	10,232	13,237	15,312
Total Comprehensive Income	749	1,679	941	7,710	10,830	12,499

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

For BLUE STAR LIMITED

Date : January 25, 2017  
Place : Mumbai  
www.bluestarindia.com

Vir S. Advani  
Managing Director  
(DIN : 01571278)



**BLUE STAR LIMITED**  
**UNAUDITED SEGMENT WISE REVENUE, RESULTS & CAPITAL EMPLOYED FOR THE QUARTER ENDED DECEMBER 31, 2016**

Rs in Lacs

Sr. No.	Particulars	CONSOLIDATED					PREVIOUS YEAR ENDED UNAUDITED
		QUARTER ENDED UNAUDITED	QUARTER ENDED UNAUDITED	QUARTER ENDED UNAUDITED	NINE MONTHS ENDED UNAUDITED		
		31.12.16	30.9.16	31.12.15	31.12.16	31.12.15	31.3.16
<b>I</b>	<b>SEGMENT REVENUE</b>						
	a. Electro- Mechanical Projects and Packaged Air Conditioning Systems	55,455	55,988	45,830	1,55,401	1,30,155	1,87,601
	b. Unitary Products	31,841	29,156	23,766	1,35,242	1,03,957	1,57,968
	c. Professional Electronics and Industrial Systems	5,351	4,638	3,756	13,467	11,615	16,897
	d. Others	-	-	6,361	-	21,217	21,217
	<b>TOTAL SEGMENT REVENUE</b>	<b>92,647</b>	<b>89,782</b>	<b>79,713</b>	<b>3,04,110</b>	<b>2,66,944</b>	<b>3,83,683</b>
	Less: Inter - Segment Revenue	-	-	212	-	707	707
	<b>Total Income from Operations (Net)</b>	<b>92,647</b>	<b>89,782</b>	<b>79,501</b>	<b>3,04,110</b>	<b>2,66,237</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	2,870	3,027	2,558	6,442	6,344	8,145
	b. Unitary Products	1,454	2,175	1,608	13,873	10,740	16,513
	c. Professional Electronics and Industrial Systems	732	725	634	1,899	1,995	2,672
	d. Others	-	-	1,099	-	2,608	2,608
	<b>TOTAL SEGMENT RESULT</b>	<b>5,056</b>	<b>5,927</b>	<b>5,899</b>	<b>22,214</b>	<b>21,687</b>	<b>29,938</b>
	Less: i) Interest and Other Financial Charges	845	875	1,075	2,643	3,232	4,315
	ii) Un-allocable Expenditure	2,640	2,388	3,129	8,846	8,755	11,187
	<b>TOTAL PROFIT BEFORE TAXATION AND EXCEPTIONAL ITEM</b>	<b>1,571</b>	<b>2,664</b>	<b>1,695</b>	<b>10,725</b>	<b>9,700</b>	<b>14,436</b>
	Exceptional item	-	-	(659)	-	1,282	(1,189)
	<b>PROFIT BEFORE TAXATION</b>	<b>1,571</b>	<b>2,664</b>	<b>1,036</b>	<b>10,725</b>	<b>10,982</b>	<b>13,247</b>
<b>III</b>	<b>SEGMENT ASSETS</b>						
	a. Electro- Mechanical Projects and Packaged Air Conditioning Systems	1,36,244	1,31,799	1,23,395	1,36,244	1,23,395	1,23,412
	b. Unitary Products	57,940	55,498	43,623	57,940	43,623	67,422
	c. Professional Electronics and Industrial Systems	10,255	7,979	7,262	10,255	7,262	7,127
	d. Others	-	-	8,817	-	8,817	-
	e. Un-allocable Corporate Assets	36,088	36,011	47,481	36,088	47,481	54,561
	<b>TOTAL SEGMENT ASSETS</b>	<b>2,40,527</b>	<b>2,31,287</b>	<b>2,30,578</b>	<b>2,40,527</b>	<b>2,30,578</b>	<b>2,52,522</b>
<b>IV</b>	<b>SEGMENT LIABILITIES</b>						
	a. Electro- Mechanical Projects and Packaged Air Conditioning Systems	92,412	90,074	81,338	92,412	81,338	89,418
	b. Unitary Products	34,506	25,853	25,461	34,506	25,461	53,774
	c. Professional Electronics and Industrial Systems	5,846	4,023	4,271	5,846	4,271	3,989
	d. Others	-	-	2,561	-	2,561	-
	e. Un-allocable Corporate Liabilities	35,492	40,819	47,977	35,492	47,977	42,299
	<b>TOTAL SEGMENT LIABILITIES</b>	<b>1,68,256</b>	<b>1,60,769</b>	<b>1,61,608</b>	<b>1,68,256</b>	<b>1,61,608</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	43,832	41,725	42,057	43,832	42,057	33,994
	b. Unitary Products	23,434	29,645	18,162	23,434	18,162	13,648
	c. Professional Electronics and Industrial Systems	4,409	3,956	2,991	4,409	2,991	3,138
	d. Others	-	-	6,256	-	6,256	-
	e. Un-allocable Corporate Assets less Liabilities	596	(4,808)	(496)	596	(496)	12,262
	<b>TOTAL CAPITAL EMPLOYED IN THE COMPANY</b>	<b>72,271</b>	<b>70,518</b>	<b>68,970</b>	<b>72,271</b>	<b>68,970</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 : January 25, 2017  
Place : Mumbai

Vir S. Advani  
Managing Director  
(DIN : 01571278)

**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 DECEMBER 31, 2016**

Rs in Lacs

Sr. no.	PARTICULARS	STANDALONE					
		QUARTER ENDED UNAUDITED	QUARTER ENDED UNAUDITED	QUARTER ENDED UNAUDITED	NINE MONTHS ENDED UNAUDITED		PREVIOUS YEAR ENDED UNAUDITED
		31.12.16	30.9.16	31.12.15	31.12.16	31.12.15	31.3.16
<b>1</b>	<b>Income from Operations</b>						
	a) Net Sales/Income from Operations	82,525	82,136	71,550	2,81,494	2,42,517	3,52,529
	b) Other Operating Income	1,232	1,291	1,100	2,980	2,332	3,668
	<b>Total Income from Operations</b>	<b>83,757</b>	<b>83,427</b>	<b>72,650</b>	<b>2,84,474</b>	<b>2,44,849</b>	<b>3,56,197</b>
<b>2</b>	<b>Expenses</b>						
	a) Cost of materials consumed (including direct project cost)	43,904	42,999	39,990	1,38,432	1,21,056	1,83,789
	b) Purchase of Stock in trade	11,961	10,574	8,846	53,223	32,558	65,085
	c) Changes in Inventories of Finished Goods, Work-in-progress and Stock-in-Trade	943	4,140	(1,551)	6,773	8,022	(6,129)
	d) Excise Duty	867	878	749	2,516	2,146	3,180
	e) Employee Benefits Expense	7,829	7,897	8,633	22,708	25,345	32,504
	f) Depreciation and Amortisation Expense	1,409	1,341	1,403	3,982	3,986	5,501
	g) Other Expenses	15,541	13,443	12,857	46,972	42,007	58,729
	<b>Total Expenses</b>	<b>82,454</b>	<b>81,272</b>	<b>70,927</b>	<b>2,74,606</b>	<b>2,35,120</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>1,303</b>	<b>2,155</b>	<b>1,723</b>	<b>9,868</b>	<b>9,729</b>	<b>13,538</b>
4	Other Income	433	948	478	2,429	1,351	2,379
<b>5</b>	<b>Profit before Finance Cost and Exceptional Items (3+4)</b>	<b>1,736</b>	<b>3,103</b>	<b>2,201</b>	<b>12,297</b>	<b>11,080</b>	<b>15,917</b>
6	Finance Costs	630	693	931	2,065	2,732	3,613
<b>7</b>	<b>Profit after Finance cost but before Exceptional Items (5-6)</b>	<b>1,106</b>	<b>2,410</b>	<b>1,270</b>	<b>10,232</b>	<b>8,348</b>	<b>12,304</b>
8	Exceptional Items	-	-	(195)	-	4,889	3,008
<b>9</b>	<b>Profit before Tax (7+8)</b>	<b>1,106</b>	<b>2,410</b>	<b>1,075</b>	<b>10,232</b>	<b>13,237</b>	<b>15,312</b>
10	Tax Expense	163	713	67	2,292	2,253	2,622
<b>11</b>	<b>Net Profit after Tax (9-10)</b>	<b>943</b>	<b>1,697</b>	<b>1,008</b>	<b>7,940</b>	<b>10,984</b>	<b>12,690</b>
12	Other Comprehensive Income, net of tax	(194)	(18)	(67)	(230)	(154)	(191)
<b>13</b>	<b>Total Comprehensive Income for the period (11+12)</b>	<b>749</b>	<b>1,679</b>	<b>941</b>	<b>7,710</b>	<b>10,830</b>	<b>12,499</b>
14	Paid Up Equity Share Capital (Face Value of the share - Rs. 2/- each)	1,910	1,909	1,799	1,910	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	0.99	1.78	1.06	8.31	11.53	13.31
	b) Diluted	0.98	1.77	1.06	8.28	11.50	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 nine months ended December 31, 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 31.12.15	NINE MONTHS ENDED 31.12.15	PREVIOUS YEAR ENDED 31.03.16
<b>Net Profit under previous Indian GAAP</b>	<b>480</b>	<b>3,805</b>	<b>12,277</b>
Other adjustments due to amalgamation (refer note 5)	177	808	-
<b>Revised Net Profit under previous Indian GAAP</b>	<b>657</b>	<b>4,613</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	103	236	292
Fair value of Employee Stock Option	(71)	(265)	(382)
Unwinding of discounted non-current financial assets	107	426	552
Others	(45)	10	(7)
Tax expense on the above items	257	(701)	(42)
<b>Net Profit for the period under Ind AS</b>	<b>1,008</b>	<b>10,984</b>	<b>12,690</b>
Other Comprehensive Income, net of tax	(67)	(154)	(191)
<b>Total Comprehensive Income under Ind AS</b>	<b>941</b>	<b>10,830</b>	<b>12,499</b>

- The above results have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on January 25, 2017 and has been subjected to Limited Review by the Statutory Auditors who have issued an unqualified report.

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

Exceptional Income / (Expenses)	Standalone					
	Quarter Ended			Nine Months Ended		Year Ended
	31.12.16	30.9.16	31.12.15	31.12.16	31.12.15	31.3.16
Bonus expenses for earlier years pursuant to retrospective amendment in statute	-	-	(195)	-	(195)	(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	-	-	-	-	(1,581)	(1,869)
Cost update on major contracts	-	-	-	-	-	(2,724)
<b>Total</b>	-	-	<b>(195)</b>	-	<b>4,889</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 were 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 nine months ended December 31, 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			Nine Months Ended		Year Ended
	31.12.16	30.9.16	31.12.15	31.12.16	31.12.15	31.3.16
Revenue from Operations	166	882	4,263	2,099	16,383	18,167
Expenses	174	667	3,750	1,599	14,105	15,431
Profit before tax	(8)	215	513	500	2,278	2,736
Capital Employed	788	882	5,442	788	5,442	111

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

For BLUE STAR LIMITED

Date : January 25, 2017  
Place : Mumbai  
www.bluestarindia.com

Vir S. Advani  
Managing Director  
(DIN : 01571278)

BLUE STAR LIMITED

UNAUDITED SEGMENT WISE REVENUE, RESULTS & CAPITAL EMPLOYED FOR THE QUARTER ENDED DECEMBER 31, 2016

Rs in Lacs

Sr. No.	Particulars	STANDALONE					
		QUARTER ENDED UNAUDITED			NINE MONTHS ENDED UNAUDITED		PREVIOUS YEAR ENDED UNAUDITED
		31.12.16	30.9.16	31.12.15	31.12.16	31.12.15	31.3.16
<b>I</b>	<b>SEGMENT REVENUE</b>						
	a. Electro- Mechanical Projects and Packaged Air Conditioning Systems	51,628	53,310	44,548	1,46,811	1,24,297	1,79,748
	b. Unitary Products	31,963	29,235	23,839	1,35,564	1,04,169	1,58,282
	c. Professional Electronics and Industrial Systems	166	882	897	2,099	4,673	6,457
	d. Others	-	-	3,577	-	12,417	12,417
	<b>TOTAL SEGMENT REVENUE</b>	<b>83,757</b>	<b>83,427</b>	<b>72,861</b>	<b>2,84,474</b>	<b>2,45,556</b>	<b>3,56,904</b>
	Less: Inter - Segment Revenue	-	-	211	-	707	707
	a) Cost of materials consumed (including direct project cost)	<b>83,757</b>	<b>83,427</b>	<b>72,650</b>	<b>2,84,474</b>	<b>2,44,849</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	2,650	2,884	2,517	6,120	6,008	7,579
	b. Unitary Products	1,454	2,175	1,600	13,873	10,732	16,513
	c. Professional Electronics and Industrial Systems	(8)	215	161	500	856	1,316
	d. Others	-	-	352	-	1,421	1,420
	<b>TOTAL SEGMENT RESULT</b>	<b>4,096</b>	<b>5,274</b>	<b>4,630</b>	<b>20,493</b>	<b>19,017</b>	<b>26,828</b>
	Less: i) Interest and Other Financial Charges	630	693	931	2,065	2,732	3,613
	ii) Un-allocable Expenditure	2,360	2,171	2,429	8,196	7,937	10,911
	<b>TOTAL PROFIT BEFORE TAXATION AND EXCEPTIONAL ITEM</b>	<b>1,106</b>	<b>2,410</b>	<b>1,270</b>	<b>10,232</b>	<b>8,348</b>	<b>12,304</b>
	Exceptional item	-	-	(195)	-	4,889	3,008
	<b>PROFIT BEFORE TAXATION</b>	<b>1,106</b>	<b>2,410</b>	<b>1,075</b>	<b>10,232</b>	<b>13,237</b>	<b>15,312</b>
<b>III</b>	<b>SEGMENT ASSETS</b>						
	a. Electro- Mechanical Projects and Packaged Air Conditioning Systems	1,24,142	1,20,325	1,12,630	1,24,142	1,12,630	1,13,900
	b. Unitary Products	57,940	55,498	43,626	57,940	43,626	67,422
	c. Professional Electronics and Industrial Systems	1,007	1,666	1,325	1,007	1,325	949
	d. Others	-	-	7,616	-	7,616	-
	e. Un-allocable Corporate Assets	53,057	52,186	65,535	53,057	65,535	71,014
	<b>TOTAL SEGMENT ASSETS</b>	<b>2,36,146</b>	<b>2,29,675</b>	<b>2,30,732</b>	<b>2,36,146</b>	<b>2,30,732</b>	<b>2,53,285</b>
<b>IV</b>	<b>SEGMENT LIABILITIES</b>						
	a. Electro- Mechanical Projects and Packaged Air Conditioning Systems	82,809	81,145	73,685	82,809	73,685	82,735
	b. Unitary Products	34,506	25,853	25,464	34,506	25,464	53,774
	c. Professional Electronics and Industrial Systems	219	784	938	219	938	838
	d. Others	-	-	2,561	-	2,561	-
	e. Un-allocable Corporate Liabilities	30,119	34,430	42,396	30,119	42,396	35,887
	<b>TOTAL SEGMENT LIABILITIES</b>	<b>1,47,653</b>	<b>1,42,212</b>	<b>1,45,044</b>	<b>1,47,653</b>	<b>1,45,044</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	41,333	39,180	38,945	41,333	38,945	31,165
	b. Unitary Products	23,434	29,645	18,162	23,434	18,162	13,648
	c. Professional Electronics and Industrial Systems	788	882	387	788	387	111
	d. Others	-	-	5,055	-	5,055	-
	e. Un-allocable Corporate Assets less Liabilities	22,938	17,756	23,139	22,938	23,139	35,127
	<b>TOTAL CAPITAL EMPLOYED IN THE COMPANY</b>	<b>88,493</b>	<b>87,463</b>	<b>85,688</b>	<b>88,493</b>	<b>85,688</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 : January 25, 2017  
Place : Mumbai

Vir S. Advani  
Managing Director  
(DIN : 01571278)