

Blue Star Limited

FY12 and Q4 Earnings Update

May 21, 2012

FINANCIAL HIGHLIGHTS

FY12 Performance- Standalone

- The Company reported a Total Operating Income of Rs 2700.28 crores for the year ended March 31, 2012, compared to Rs 2858.92 crores earned last year, representing a decline of 6%. Revenues in Segment 1, the Electromechanical Projects and Packaged Air-conditioning systems business declined sharply by about 16.5%. Within this segment, the revenue slow-down was most pronounced in the Projects business largely due to the impact of the overall economic climate, our cautious approach to execution and new business booking and mark-to-market updation of planned costs and its consequent impact on revenues. Cooling Products, Segment 2, revenue growth was quite robust at 18.2% driven by the Room Air-conditioner business which grew by almost 25% in a market which de-grew by 10%. Commercial Refrigeration grew at about 8%. Professional Electronics and Industrial Systems business, segment 3, grew marginally by about 2.6%.
- Gross margins declined to 22.76% from 28.53% in FY11 largely on account of significant cost over-runs in segment 1, inflation in input costs which impacted all segments and a marginal change in the business mix.
- Operating loss (PBIDT excluding Other Non-Operating Income) for the year was Rs 11.06 crores compared to the Operating Profit of Rs 248.58 crores in FY11. In addition to the factors affecting gross margins as mentioned above, the key factors contributing to the drop in operating margins are an increase in advertising, sales promotion and distribution expenses, tighter write-off and provisioning norms for bad and doubtful debts, increase in sub-contracting charges for the service business and inflationary increases in other administrative expenses
- Financial Expenses for the year increased from Rs 24.36 crores to Rs 70.25 crores due to higher interest and finance costs and foreign exchange losses on account of strengthening of the dollar
- Consequently, there was a Net Loss of Rs 89.15 crores as compared to a Net Profit of Rs 155 crores last year.
- The primary reasons for the significant reduction in PBT (from about Rs 227 crores in

FY11 to a loss of about Rs 88 crores in FY12) and the indicative impact are as follows::

- Margin erosion due to mark to market changes in planned costs and planned revenues primarily in about 750 odd jobs forming part of segment I of about Rs 110 crores
- Reduction in overall volumes in segment I, reduction in other income and overall increases in costs of about Rs 102 crores
- Increase in other operating expenses of about Rs 58 crores mainly:
 - Increase in advertising, sales promotion and distribution expenses of about Rs 22 crores
 - Tighter provisioning norms for bad and doubtful debts of about Rs 25 crores
 - Increase in sub-contracting charges and net impact of changes in other administrative costs of about Rs 11 crores
- Increase in financial expenses of about Rs 46 crores comprising:
 - Foreign exchange losses of about Rs 37 crores
 - Increase in interest expenses and bank charges of about Rs 9 crores
- The company also likes to draw your attention to a reclassification of Annual Maintenance Contracts (in our service business) sub-contracting costs which have now moved from cost of sales to other expenses to comply with revised Schedule VI requirements. Consequently, gross margin numbers for the current year are not comparable with those published in earlier periods. Numbers at the Operating Margin Level and Segment results will continue to be comparable.
- The total Capital Employed in the Segments reduced from Rs 866.4 crores (as at March 31, 2011) to Rs 628.4 crores (as at March 31, 2012). Receivables and inventories were reduced by about Rs 135 crores through tighter working capital management across all parts of the business. The total borrowings were contained at Rs 343 crores down from Rs 418 crores at the end of March 31, 2011. During the year, the company has reduced borrowings by about Rs 250 crores from the peak borrowing level.
- Carry Forward Order Book as on March 31, 2012 declined marginally by 2% to Rs 1917 crores compared to the order book of Rs 1960 crores as at March 31, 2011.
- The Board of Directors have recommended a 50% dividend of Rs. 1.00 per share (Face value of Rs 2.00), as compared to 350% declared last year.

Financial Ratios - Standalone

	2011-12	2010-11
Gross Margin (excl non-operating income)	22.76%	28.53%
Operating Margin (excl. non-operating Income)	-0.4%	8.7%
Return on Capital Employed	-10.4%	22.9%
Return on Shareholders' Funds	-18.8%	27.0%
Earnings Per Share (Rs) (Face Value of Rs 2)	-9.91	17.23
Dividend Per Share (Rs)(Face Value of Rs 2)	1.00	7.00
Capital Turnover	3.3	2.92
Debt/Equity	0.79	0.73

Segment-wise results for FY12- Standalone

- Revenues in Segment 1, the Electromechanical Projects and Packaged Air-conditioning systems business declined sharply by about 16.5%. Within this segment, the revenue slow-down was most pronounced in the Projects business largely due to the impact of the overall economic climate, the company's cautious approach to execution and new business booking and mark to market updation of planned costs and its consequent impact on revenues.
- Cooling Products, Segment 2, revenue growth was quite robust at 18.2% driven by the Room Air-conditioner business which grew by almost 25% in a market which de-grew by 10%. Commercial Refrigeration grew at about 8%.
- Professional Electronics and Industrial Systems business, segment 3, grew marginally by about 2.6%.

- Segment-wise revenue break-up:

(Rs crore)

	Q4FY12	Q4FY11	% Growth	FY12	FY11	% Growth
Electro Mechanical Projects & Packaged Airconditioning Systems	462.93	580.93	(20.3%)	1555.54	1863.21	(16.5%)
Cooling products	283.95	266.30	6.6%	932.64	788.43	18.2%
Professional Electronics & Industrial Systems	67.39	62.26	8.2%	212.11	206.78	2.6%

- Segment-wise result break-up:

(Rs crore)

	Q4FY12	Q4FY11	% Growth	FY12	FY11	% Growth
Electro Mechanical Projects & Packaged Airconditioning Systems	(57.63)	69.80	(182.6%)	(85.09)	175.87	(148.38%)
Cooling products	27.68	28.77	(3.8%)	87.45	90.25	(3.1%)
Professional Electronics & Industrial Systems	15.32	20.46	(25.1%)	52.29	54.62	(4.3%)

Q4FY12 Performance - Standalone

- Total Operating Income at Rs 813.60 crores declined by 11% over the same period last year
- Gross Margins for the quarter were 18.3% , significantly lower than the same quarter last year(28.87%) due to continuing changes in planned costs and revenues, overall increases in material costs and changes in the business mix
- Operating Margins for the quarter were (4.7%). Decline in gross margins, lower business volumes and tighter norms for debtor write-off and provisioning for bad and doubtful were primarily responsible for this drop. During the quarter we wrote off/ provided for

- about Rs 24.86 crores towards bad and doubtful debts vis-à-vis Rs 4.95 crores in Q4FY11.
- Interest and finance costs were lower at Rs 9.43 crores (as compared to Rs 10.91 crores in Q4FY11 and Rs 22.09 crores in Q3FY12) due to tight control on capital employed in the business and lower foreign exchange losses
 - Net Loss was for the quarter was Rs 45.37 crores as compared to Net Profit of Rs 56.85 crores registered during the same period last year.

FY12 Performance- Consolidated

- On a consolidated basis, Total Operating Income stood at Rs 2819.86 crores for the year ended March 31, 2012. The consolidated financial results include the results of the Company's wholly owned subsidiary Blue Star Electro Mechanical Limited (BSEML), 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.
- Operating loss (PBIDT excluding Other Non-Operating Income) for the year was Rs 22.72 crores.
- Net Loss was Rs 105.10 crores for the year as compared to the Net Profit of Rs 160.96 crores registered last year. The loss is higher at the consolidated level primarily due to the loss of about Rs 16 crore recorded by the Company's wholly owned subsidiary ie, BSEML.

BUSINESS HIGHLIGHTS FOR Q4FY12

Electro Mechanical Projects & Packaged Airconditioning Systems

Overview

The segment revenues of the Electro Mechanical Projects and Packaged Airconditioning business declined by 20% during the quarter, while the segment results reduced significantly from a profit of Rs 69.80 crores in Q4FY11 to a loss of Rs 57.62 crores. The Operating Margin of this business in Q4FY12 declined to -12.45% compared to 12.02% in Q4FY11.

As reported earlier, the company management through the year have been closely reviewing the Projects order book and updating the planned costs and planned revenues to reflect the most current prices of materials and equipment. The company started the year with a consolidated order book (including the order book of our plumbing subsidiary BSEML) of about Rs 1800 crores in this segment spread across 900 odd jobs. By the end of Q3FY12, the management team had reviewed about 600 jobs which accounted for about Rs 1200 crores of the order book and updated the planned revenues and costs and the resultant margin erosion of about Rs 70 crores was incorporated into the company financials of Q3FY12, primarily in Blue Star Limited. In Q4FY12, the company continued the process of review and it has now covered about 85% of the active order book and as per the practice the resultant changes in planned costs and revenues have been incorporated into the financials. The net impact of the additional margin erosion in Q4FY12 is about Rs 50 crores of which Rs 40 crores was in BSL and the balance Rs 10 crores in the plumbing subsidiary, BSEML. Thus the review till date has resulted in a margin erosion of about 7% on the company's opening order book of about Rs 1800 crores i.e, about Rs 120 crores in total of which Rs 110 crores is accounted for in Blue Star Limited and the balance in our 100% subsidiary Blue Star Electro Mechanical Limited. This margin erosion is higher than the original estimate of 5% erosion on the overall order book, however, the process of marking to market for the old jobs is largely complete for Blue Star Limited. A few old projects in the plumbing business, forming part of BSEML will be reviewed by the company's management in the coming quarters and the company will update the investors on the progress and the impact, if any. The building electrical business, long gestation infrastructure projects and a few projects for builders and general contractors continue to account for a significant part of the margin erosion. In the plumbing business, the margin erosion has primarily been in Residential Projects. While Blue Star has initiated a number of actions to recover some of the margin erosion through re-negotiating dormant contracts, raising escalation claims with customers and short closing non-profitable contracts, the company will recognize the positive impact of these claims as and when they are financially closed with the customers.

Through the year, the management team has worked on strengthening the order acceptance criteria and tightening the estimation methods which have now been rolled out to all our projects businesses and locations. The primary focus has been to reduce the capital employed in this business which the company successfully achieved in Q4FY12. The Capital Employed in the segment I is currently about Rs 351 crores (as at March 31, 2012), down from almost Rs

498 crores at the end of Q3 and the peak of Rs 638 crores at the end of September 2011. This continues to be the number one priority in this business and team is working very hard to make sure we can optimally deploy all resources (materials and manpower) to projects and customers which are moving quickly and paying promptly.

On the market side, despite the overall sluggishness and our cautious approach to order booking, the company continues to witness demand from the Industrial, Hospitality, and IT/ITeS segments. During the Quarter, Blue Star won many prestigious orders in the above segments namely, Bhilai Steel Plant, JK Paper Ltd-Orissa, BHEL-Bokaro, Urban Square - Gurgaon, Corporate Greens - Gurgaon, Crown Plaza - Jaipur, Infosys Technologies - Chennai, Ohio Cardiac Hospital - Kolkata and Wells Fargo - Bengaluru.

In Packaged/Ducted Air-conditioning and small chillers, there was good demand from segments such as educational institutions, Industrial sector, showrooms, Offices, hotels & restaurants, and marriage halls. Some of the important projects executed by Blue Star in Q4 FY12 were Sreyas Gurukul - Hyderabad, D S Group - Delhi, Ocwen Financial - Mumbai, Gotri Medical College - Vadodara, Benaras Hindu University - Varnasi, Adani Power - Gondia, Jagathi Publications - Hyderabad, BILT - Chadrapur, Filmstan Studio - Mumbai, Hotel Seven Star - Delhi, HTMT - Bengaluru, Norfolk Mechanical - Mumbai, Mumbai University - Mumbai, Alstom T&D India - Vadodara etc.

Going into FY13, due to the presence of low margin orders in the carried forward order book, the first half of the year will continue to be challenging. However, the management team is focused on returning this segment to profitability which it expects to achieve by the end of the year FY13.

Key Projects in the Quarter:

	New Orders Won in Q4FY12
Central Airconditioning	<ul style="list-style-type: none"> * Urban Square, Gurgaon * DLF- Corporate Greens, Gurgaon * Crown Plaza Hotel, Jaipur * J.K. Paper Ltd - Orissa * BHEL, Bokaro * Bhilai Steel Plant, Bhilai * Ohoi Cardiac Hospital, Kolkata

	<ul style="list-style-type: none"> * Infosys Technologies Ltd., Chennai * Wells Fargo, Bengaluru
Packaged Airconditioning/ VRF Systems/ Precision Airconditioning	<ul style="list-style-type: none"> * Sreyas Gurukul, Hyderabad * D.S. Group, Delhi * Ocwen Financial, Mumbai * Bhawani Construction, Bhubaneswar * Gotri Medical College, Vadodara * Banaras Hindu University, Varnasi * Kalyan Sarees, Thrissur * Adani Power, Gondia * Jagathi Publications, Hyderabad * Bilt Graphics, Chandrapur * Ultratech Cement, Amreli * Filmstan Studio, Mumbai * HTMT, Bengaluru * Mumbai University, Mumbai * Usha Prasad Multiplex, Nizamabad * LD College of Engineering, Ahmedabad * Big Bazaar, Mandya * Alstom T&D India, Vadodara * Orissa Manganese, Jamshedpur * Shiv Nadar University, Dadri * Foster Wheeler, Chennai

Service Business

Blue Star continues to be the largest after-sales air-conditioning 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. The Green Building Services team of Blue Star helped Vodafone, Lucknow to get a platinum rating for their Office building. The company won prestigious orders from clients like L&T, Oracle, GE, Cisco, HAL, HDFC Bank, DLF etc.

Cooling Products

In the Cooling Products segment, Segment 2, revenue growth for the quarter vis-à-vis Q4FY11 was about 6.5%. Despite a delayed and intermittent summer and significant levels of trade inventories due to changes in energy labeling, the Room Air Conditioner business grew quite well. The company would be continuing its strategy of increasing the distribution reach in tier - 3, 4 and 5 markets and selectively increasing the brand presence in reputed retail counters. The demand for commercial refrigeration products was quite robust, however, there were a few supply chain challenges which have now been resolved. In cold storage products, the company has reoriented its strategy to focus on higher margin products and modular cold room projects,

and reduce its focus on low margin large cold storage projects which provide a revenue growth opportunity but are typically higher risk due to long execution cycles and with greater exposure to material price volatility. As this transition completes during the next few quarters, the company expects the growth momentum to revive and this should come in at higher margins.

Operating Margins of 9.8% in this quarter, though marginally lower than the 10.8% in Q4FY11, are a significant improvement from the margins of 5.4% % and 4.4% % in Q2 and Q3 of FY12, respectively. The team at Blue Star will continue to aggressively pursue all options of margin improvement including price increases and cost control. However, it is believed that the volumes and margins will be under pressure largely on account of the delayed summer, high levels of trade inventories, continuing depreciation of the Rupee, and higher fuel and freight costs. The management team is focused on managing the margins in this business and are continuously monitoring the market situation and shaping the responses accordingly.

The Capital Employed in this segment was reduced from Rs 276.28 crores as at March 31, 2011 to Rs 206.83 crores as at March 31, 2012. This has been achieved in a quarter where stocks are typically higher to meet seasonal requirements and volumes in this segment have grown by 18% vis-à-vis the previous year.

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 revenues in the segment 3 grew by 8% in this quarter. The company continues to show modest growth in this segment across all the business lines. The Operating Margins in this segment are stable, however, it will continue to show quarter to quarter variations largely on account of the change in the business mix. Growth in this segment is geared to the Industrial Capex cycle particularly Steel, Chemicals and Petrochemicals, Automotive and Defense industries where investment sentiment is poor. Blue Star team's focus will be to maintain moderate levels of growth and maintain Operating Margins at long term trend levels.

Exports

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

During the quarter, there was a good inflow of orders for Unitary and Refrigeration product from OEM accounts.

It also received prestigious orders from Central Air Conditioning & Trading Services, Qatar for its prestigious projects like Qatar Foundation, Marwa Tower and Hilton Garden Inn Hotel, Larsen & Toubro project, Oman.

The company however estimates the market sluggishness, delayed order finalizations would continue for some more time in future.

BUSINESS OUTLOOK

Industry Outlook

The external environment continues to look challenging. The European crisis is still persisting and the interest rates and Forex rates continue to be high. The commercial real estate sector is still sluggish and projects are getting delayed affecting the business. While consumer goods, IT and Insurance sectors may be doing well, there is not much growth seen in Real estate and Retail segments. The company is however seeing some positive movement in healthcare, education, hospitality. The summer this year is delayed and mild and the initial reports show de-growth for the industry for second successive year in a row.

Company Outlook

FY12 has been a challenging year for the company and we believe this is an aberration in our seven decade long history of consistent growth, profits and returns. The Company has taken vigorous steps to correct the decline in profitability. Strict controls have been implemented to improve the quality of new orders. There is a multi-pronged drive to improve profit margins through price increases, value engineering and cost control. Moreover, a focus on working capital management and cash flow will keep borrowings and interest cost under control.

Though the economic environment remains uncertain, the Company is confident of returning to modest profitability in 2012-13. The results should become increasingly evident as the year progresses. And if economic growth revives, it can only be of additional help in getting the Company back to good health.

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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 LTD
AUDITED FINANCIAL RESULTS FOR THE QUARTER AND THE YEAR ENDED MARCH 31, 2012

(Rs. in Lakhs)

Sr. no.	PARTICULARS	Standalone					Consolidated	
		Quarter ended 31-Mar-12 (Audited) (Refer Note 5)	Quarter ended 31-Dec-11 (Unaudited)	Quarter ended 31-Mar-11 (Unaudited)	Year ended 31-Mar-12 (Audited)	Year ended 31-Mar-11 (Audited)	Year ended 31-Mar-12 (Audited)	Year ended 31-Mar-11 (Audited)
1	Income from Operations							
	a) Net Sales/Income from Operation (Net of Excise Duty)	80,438	57,609	89,943	2,66,935	2,83,186	2,78,885	2,95,368
	b) Other Operating Income	922	792	970	3,093	2,706	3,101	2,706
	Total Income from Operations (Net)	81,360	58,401	90,913	2,70,028	2,85,892	2,81,986	2,98,074
2	Expenses							
	a) Cost of materials consumed (including direct Project cost)	48,436	37,693	62,877	1,66,392	1,94,062	1,78,353	2,04,262
	b) Purchase of Stock in trade	12,076	6,983	12,563	36,938	30,399	36,938	30,399
	c) Changes in Inventories of Finished Goods, Work-in-progress and Stock-in-Trade	5,926	190	(10,778)	5,254	(20,138)	4,665	(20,152)
	d) Employee Benefits Expense	5,528	5,251	5,609	20,691	20,613	22,069	21,507
	e) Depreciation and Amortisation Expense	822	809	822	3,144	3,171	3,176	3,193
	f) Other Expenses	13,134	9,165	10,898	41,859	36,098	42,233	36,433
	Total Expenses	85,922	60,091	81,991	2,74,278	2,64,205	2,87,434	2,75,642
3	Profit / (Loss) from Operations before Other Income, Finance Cost and Exceptional Items (1-2)	(4,562)	(1,690)	8,922	(4,250)	21,687	(5,448)	22,432
4	Other Income	1,038	624	905	2,430	3,400	2,317	3,186
5	Profit / (Loss) before Finance Cost and Exceptional Items (3+4)	(3,524)	(1,066)	9,827	(1,820)	25,087	(3,131)	25,618
6	Finance Costs	943	2,209	1,091	7,025	2,436	7,212	2,555
7	Profit / (Loss) after Finance cost but before Exceptional Items (5-6)	(4,467)	(3,275)	8,736	(8,845)	22,651	(10,343)	23,063
8	Exceptional Items	-	-	-	-	43	-	43
9	Profit / (Loss) before Tax (7+8)	(4,467)	(3,275)	8,736	(8,845)	22,694	(10,343)	23,106
10	Tax Expense	70	-	3,051	70	7,194	115	7,276
11	Net Profit / (Loss) after Tax before Minority Interest (9-10)	(4,537)	(3,275)	5,685	(8,915)	15,500	(10,458)	15,830
12	Extraordinary Items (net of tax expense)	-	-	-	-	-	-	-
13	Net Profit / (Loss) for the Period (11-12)	(4,537)	(3,275)	5,685	(8,915)	15,500	(10,458)	15,830
14	Share of Profit / (Loss) of associates	-	-	-	-	-	(53)	266
15	Minority Interest	-	-	-	-	-	-	-
16	Net Profit / (Loss) for the Period (13+14+15)	(4,537)	(3,275)	5,685	(8,915)	15,500	(10,510)	16,096
17	Paid Up Equity Share Capital (Face Value of the share - Rs. 2/- each)	1,799	1,799	1,799	1,799	1,799	1,799	1,799
18	Reserves excluding Revaluation Reserve				45,591	55,551	37,735	49,325
19	Earnings Per Share (EPS) (in Rs.)							
	a) Basic	(9.91)	(3.64)	6.32	(9.91)	17.23	(11.68)	17.89
	b) Diluted	(9.91)	(3.64)	6.32	(9.91)	17.23	(11.68)	17.89

BLUE STAR LIMITED
AUDITED SEGMENT WISE REVENUE, RESULTS & CAPITAL EMPLOYED FOR THE QUARTER AND THE YEAR ENDED 31ST MARCH, 2012

(Rs. in Lakhs)

Sr. No.	Particulars	Standalone					Consolidated	
		Quarter ended 31-Mar-12 (Audited)	Quarter ended 31-Dec-11 (Unaudited)	Quarter ended 31-Mar-11 (Unaudited)	Year ended 31-Mar-12 (Audited)	Year ended 31-Mar-11 (Audited)	Year ended 31-Mar-12 (Audited)	Year ended 31-Mar-11 (Audited)
I	SEGMENT REVENUE							
	a. Electro Mechanical Projects and Packaged Airconditioning Systems	46,292	36,800	58,093	1,55,553	1,86,321	1,67,511	1,98,503
	b. Cooling Products	28,329	16,404	26,594	93,264	78,893	93,264	78,893
	c. Professional Electronics and Industrial Systems	6,739	5,197	6,226	21,211	20,678	21,211	20,678
	d. Unallocated	-	-	-	-	-	-	-
	TOTAL SEGMENT REVENUE	81,360	58,401	90,913	2,70,028	2,85,892	2,81,986	2,98,074
	Less: Inter - Segment Revenue	-	-	-	-	-	-	-
Net Sales from Operations	81,360	58,401	90,913	2,70,028	2,85,892	2,81,986	2,98,074	
II	SEGMENT RESULT							
	PROFIT/(LOSS) BEFORE INTEREST & TAX							
	a. Electro Mechanical Projects and Packaged Airconditioning Systems	(5,762)	(1,518)	6,980	(8,509)	17,587	(9,820)	18,119
	b. Cooling Products	2,768	715	2,877	8,745	9,023	8,745	9,023
	c. Professional Electronics and Industrial Systems	1,532	1,168	2,046	5,229	5,462	5,229	5,462
	d. Unallocated	-	-	-	-	-	-	-
	TOTAL SEGMENT RESULT	(1,462)	365	11,903	5,465	32,072	4,154	32,604
	Less: i) Interest and Other Financial Charges	943	2,209	1,091	7,025	2,436	7,212	2,555
	ii) Un-allocable Expenditure	2,062	1,431	2,076	7,285	6,985	7,285	6,985
	TOTAL PROFIT BEFORE TAXATION AND EXCEPTIONAL ITEM	(4,467)	(3,275)	8,736	(8,845)	22,651	(10,343)	23,063
Exceptional item	-	-	-	-	43	-	43	
PROFIT BEFORE TAXATION	(4,467)	(3,275)	8,736	(8,845)	22,694	(10,343)	23,106	
III	CAPITAL EMPLOYED							
	(Segment Assets - Segment Liabilities)							
	a. Electro Mechanical Projects and Packaged Airconditioning Systems	35,059	49,868	51,962	35,059	51,962	38,366	53,193
	b. Cooling Products	20,683	23,285	27,628	20,683	27,628	20,683	27,628
	c. Professional Electronics and Industrial Systems	7,095	6,773	7,050	7,095	7,050	7,095	7,050
	TOTAL CAPITAL EMPLOYED IN SEGMENTS	62,837	79,926	86,640	62,837	86,640	66,144	87,871
Add: Un-allocable Corporate Assets less Liabilities	(15,448)	(26,953)	(29,290)	(15,448)	(29,290)	(26,610)	(36,747)	
TOTAL CAPITAL EMPLOYED IN THE COMPANY	47,390	52,973	57,350	47,390	57,350	39,534	51,124	

BLUE STAR LIMITED
SELECT INFORMATION FOR THE QUARTER AND THE YEAR ENDED MARCH 31, 2012

Sr. No.	PARTICULARS	Quarter ended 31-Mar-12 (Audited)	Quarter ended 31-Dec-11 (Unaudited)	Quarter ended 31-Mar-11 (Unaudited)	Year ended 31-Mar-12 (Audited)	Year ended 31-Mar-11 (Audited)
A	PARTICULARS OF SHAREHOLDING					
1	Public Shareholding					
	-Number of Shares	5,38,74,284	5,38,74,284	5,38,50,284	5,38,74,284	5,38,50,284
	-Percentage of Shareholding	59.90	59.90	59.88	59.90	59.88
2	Promoters and Promoter Group Shareholding					
a)	Pledged / Encumbered					
	-Number of Shares	6,00,000	6,00,000	6,00,000	6,00,000	6,00,000
	-Percentage of Shares (as a % of total shareholding of promoter and promoter group)	1.66	1.66	1.66	1.66	1.66
	-Percentage of Shares (as a % of total share Capital of the Company)	0.67	0.67	0.67	0.67	0.67
b)	Non-Encumbered					
	-Number of Shares	3,54,61,821	3,54,61,821	3,54,85,821	3,54,61,821	3,54,85,821
	-Percentage of Shares (as a % of total shareholding of promoter and promoter group)	98.34	98.34	98.34	98.34	98.34
	-Percentage of Shares (as a % of total share Capital of the Company)	39.43	39.43	39.45	39.43	39.45

Particulars	3 Months ended 31-Mar-12
B INVESTOR COMPLAINTS	
Pending at the beginning of the quarter	-
Received during the quarter	10
Disposed during the quarter	10
Remaining unresolved at the end of the quarter	-

BLUE STAR LIMITED
STATEMENT OF ASSETS AND LIABILITIES AS ON MARCH 31, 2012

(Rs. in Lakhs)

Sr. No.	PARTICULARS	Standalone		Consolidated	
		Year ended 31-03-2012	Year ended 31-03-2011	Year ended 31-03-2012	Year ended 31-03-2011
A	EQUITY AND LIABILITIES				
	1. Shareholders Funds				
	(a) Share Capital	1,799	1,799	1,799	1,799
	(b) Reserves and Surplus	45,591	55,551	37,735	49,325
	Sub-total - Shareholders' funds	47,390	57,350	39,534	51,124
	2. Minority Interest	-	-	-	-
	3. Non-Current Liabilities				
	(a) Other Long-term Liabilities	-	-	-	-
	(b) Long-term Provisions	295	305	490	305
	Sub-total - Non-current liabilities	295	305	490	305
	4. Current Liabilities				
	(a) Short-term Borrowings	34,321	41,838	36,703	44,453
	(b) Trade Payables	70,300	68,905	73,593	74,043
	(c) Other Current Liabilities	47,726	47,051	53,104	50,315
	(d) Short-term Provisions	5,030	10,465	5,053	10,565
	Sub-total - Current liabilities	1,57,377	1,68,259	1,68,453	1,79,376
	TOTAL - EQUITY AND LIABILITIES	2,05,062	2,25,914	2,08,477	2,30,805
B	ASSETS				
	1. Non-Current Assets				
	(a) Fixed Assets	23,734	21,841	23,854	21,935
	(b) Goodwill on Consolidation	-	-	-	-
	(c) Non-Current Investments	12,136	10,184	2,752	2,723
	(d) Deferred Tax Assets (Net)	-	70	24	74
	(e) Long-Term Loans and Advances	7,178	3,942	7,342	4,042
	(f) Trade Receivables	239	627	783	627
	(g) Other Non-Current Assets	7	-	45	-
	Sub-total - Non-current assets	43,294	36,664	34,800	29,401
	(f) Long-Term Loans and Advances				
	2. Current Assets				
	(a) Inventories	43,716	49,451	44,669	49,822
	(b) Trade Receivables	69,347	77,232	76,208	81,433
	(c) Cash and Cash Equivalents	5,081	4,649	5,370	5,244
	(d) Short-term Loans and Advances	9,513	10,333	10,238	11,260
	(e) Other Current Assets	34,111	47,585	37,192	53,645
	Sub-total - Current assets	1,61,768	1,89,250	1,73,677	2,01,404
	TOTAL - ASSETS	2,05,062	2,25,914	2,08,477	2,30,805

NOTES:

- 1 The above results have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on May 16, 2012
- 2 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.
- 3 In accordance with the established practice in relation to construction contracts, contract revenue is calculated based on the ratio of the cost incurred to total estimated cost to complete the project. During the quarter and year ending on March 31, 2012, there has been revisions in the estimates of project revenue and cost resulting in a decrease in revenue and profits.
- 4 The Finance Costs for the quarter ended March 31, 2012 includes a charge for foreign exchange difference amounting to Rs 63 Lakhs as against Rs 1378 Lakhs in the previous quarter and Rs. 133 Lakhs in the corresponding quarter of the previous year on borrowings in foreign currency. The finance costs for the year includes a similar charge of Rs. 3667 Lakhs as against a Nil charge in the previous year.
- 5 Figures of the quarter ended March 31, 2012 and March 31, 2011 are the balancing figures between audited figures in respect of the full financial year and the year to date figures up to the third quarter of the relevant financial year which were subjected to only Limited Review by the Auditors.
- 6 The Directors have recommended a Dividend of Rs.1.00 per equity share (Previous year Rs.7.00 per equity share).
- 7 Previous period/ years' figures have been regrouped/ rearranged wherever necessary.

For **BLUE STAR LIMITED**

Date : May 16, 2012
Place : Mumbai

www.bluestarindia.com

Satish Jamdar
Managing Director