



Blue Star Limited
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February 6, 2015

Mr. Amit Phatak
Assistant Manager, Listing Compliance
National Stock Exchange of India Limited
Mumbai.

Dear Sir,

Sub: **Confirmation / Information on published news**

This has reference to your specific query as per your e-mail today.

We wish to clarify as follows :

Blue Star Limited has 7 manufacturing facilities across the country including Thane, Dadra, Bharuch, Ahmedabad, Himachal Pradesh (2 Plants) and Wada. Our room airconditioners are manufactured at one of our Himachal Pradesh Plants to cater to the requirements of the entire country. Since the room airconditioners business of the Company has been growing significantly, it is anticipated that the Company may need another plant to manufacture room airconditioners sometime in the future as and when the existing capacity at the Himachal Plant is inadequate to meet the demand.

Considering the above, there have been several queries from various stakeholders speculating the set-up and location of a new plant to meet the growing demand of our room airconditioners. We have indicated that Blue Star Limited has sufficient capacity to adequately cater to the room airconditioners demand till the summer of 2016. If the demand for our room airconditioners continues to grow at the current rate, it is likely that we may need another plant in FY17 in order to meet the enhanced demand. Such a manufacturing facility, keeping future requirements in mind and the expected growth rate, may cost in the vicinity of Rs 150 crores. Further, considering that the Company does not have any plant in the South and the fact that nearly half of the Company's room airconditioners are sold in the Southern Region, the Company is likely to evaluate a possible location in the South which would cut down on logistics costs for transporting the airconditioners. We have indicated that we will be taking a decision on a plant towards the latter part of 2015, after the summer of 2015 concludes.

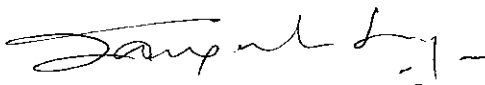
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The Company is yet to take a formal decision on the matter.

The above information has been in the media for over a year now. We do not think it is stock price sensitive information and it is rather a routine reiteration of what we have been stating in the past.

We hope the above clarifies the matter. Please be assured that Blue Star Limited is a company with highest standards of Corporate Governance and will comply with the provisions of the Listing Agreement as in the past.

Very truly yours,
For **BLUE STAR LIMITED**

A handwritten signature in black ink, appearing to read 'Sangameshwar Iyer', with a horizontal line extending from the end.

SANGAMESHWAR IYER
Company Secretary & Compliance Officer