



For Immediate Release

Blue Star Infotech and Infogain Inc. Join Forces with a Vision to Become the Next Digital Transformation Global Technology Leader

MUMBAI, INDIA — SEPTEMBER 29, 2015 — Blue Star Infotech Limited (BSIL) has announced that its IT business is to be acquired by Infogain Inc., a ChrysCapital portfolio company. The aggregate consideration for the IT business of BSIL and its subsidiaries in USA, UK and Singapore under the transaction will be Rs 180.80 crores, payable upon completion of the sale. In addition, BSIL would retain a real estate undertaking, a certain amount of cash and tax receivables. The fair value of these net assets to be retained by BSIL is expected to be around Rs 96.7 crores. The sale transaction is subject to the approval of shareholders of BSIL.

In the last five years, the landscape of the IT industry has evolved significantly. The technology and business focus has shifted to specialised verticals and delivery options that require large scale and a global footprint. While BSIL has achieved significant growth, doubling its revenue between 2011 and 2015, it now needs enhanced access to technology and global markets and a significant capital infusion to invest in building new age differentiated solutions and remain competitive in the ever-evolving technology landscape.

With this agenda, the management of BSIL engaged, a leading merchant banker, to evaluate whether to raise capital and execute a long-term growth strategy or to align business interests with a peer in the industry and create differentiation and scale in the immediate term. After considering a number of options, the BSIL Board has approved the sale of its IT Business to Infogain. ChrysCapital, a leading Private Equity firm, which recently acquired a majority interest in Infogain, would support them financially for this transaction and provide the combined entity the necessary global reach and growth capital going forward.

The combined entity will have revenue of over \$150 million, close to 4000 employees and multiple global delivery centers. The combined platform will provide customers with a leading digital

transformation platform with capabilities in Cloud, Mobility, SAP, Analytics, Product Engineering and Test Automation from locations in US, UK, Middle East, Singapore, Malaysia and India. Blue Star Infotech is already a leading player in Travel/Hospitality, Logistics, High-Tech and HealthCare. Through Infogain, the combined operation will add capabilities in Retail, Insurance, further strengthening its Healthcare and High-Tech capabilities. It will also obtain outstanding Oracle capabilities for point-of-sale systems, merchandising systems, CRM systems, Knowledge Management systems, ERP and Call Center technology capabilities.

Commenting on the transaction, **Suneel M. Advani**, Chairman, said “This proposed transaction will align BSIL’s Information Technology business with a larger peer thereby strengthening position in the industry. This would enhance current service offerings for our customers as well as create growth opportunities for our employees.”

Sanjay Kukreja, Managing Director at ChrysCapital said, “BSIL’s IT assets are an ideal fit for Infogain with the vision of creating a leading new age digital services platform with combined capabilities in Cloud, Mobility, SAP, Analytics and Product Engineering. We expect the combined company to grow to half a billion dollars, through organic and inorganic growth, within the next five years.”

Kapil Nanda, President and Chief Executive officer of Infogain adds, “Blue Star Infotech has achieved outstanding success over recent years and I look forward to working with its high performance leadership and team to deliver even greater value to clients. I am extremely excited to welcome them to the growing Infogain team.”

“The IT industry is evolving as never before, and we are excited by the opportunity to offer our clients and employees increased scale of operations as well as broader capabilities including next generation technologies”, says **Sunil Bhatia**, CEO & MD of Blue Star Infotech.

Avendus Capital Private Limited is serving as the financial advisor, Talwar Thakore & Associates as the legal counsel and KPMG as tax advisors to BSIL.

Following the completion of BSIL’s IT business sale, it is proposed to merge BSIL with Blue Star with effect from April 1, 2015 under the provisions of section 391-394 of the Companies Act 1956 through

a court approved scheme of amalgamation. A separate joint communication from Blue Star and BSIL provides more details on this matter.

About Blue Star Infotech Ltd (www.bsil.com)

Blue Star Infotech Limited a digital transformation consulting and services company, combines the best of engineering, creativity and technology to deliver the next generation of software solutions to its global customers and enable them to be future-ready. Part of the well-known Blue Star Group, Blue Star Infotech is a listed company with its global headquarters in Mumbai, India, and with operations in USA, UK, Europe, Malaysia, and Singapore. The Company is focused on delivering value-added and future-proofed software solutions by leveraging emerging technologies and trends while preserving existing investments for gaining competitive advantages.

About Infogain Inc (www.infogain.com)

Infogain provides front-end, customer-facing technologies, processes and applications that lead to a more efficient and streamlined customer experience for enterprises in the USA, Europe, the Middle East, Asia Pacific and India. Offering solutions for the high-tech, retail and insurance verticals, Infogain specializes in areas such as software product engineering, digital service automation and mobility.

About ChrysCapital (www.chryscapital.com)

ChrysCapital is a private equity firm that was started in 1999 and currently manages US \$2.5B across six funds. The firm has deployed over US \$2B across 70+ investments and has had 50+ successful exits. The firm's investors include global endowments, sovereign funds, family offices, foundations and fund of funds.

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