

September 29, 2015

1.	The Secretary National Stock Exchange of India Ltd. Exchange Plaza Plot No. C/1, G Block Bandra - Kurla Complex Bandra (East) Mumbai - 400 051 NSE Scrip Code: [BLUESTARCO]	2.	The Secretary BSE Limited Phiroze Jeejeebhoy Towers Dalal Street, Fort, Mumbai - 400 001 BSE Scrip Code: [500067]
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Dear Sir / Madam,

Re: Press Release

Please find enclosed herewith copy of Press Release for your information and record.

Thanking you,

Yours faithfully,
For **Blue Star Limited**


Vijay Devadiga
Company Secretary



Blue Star Ltd



Blue Star Infotech Ltd

JOINT PRESS RELEASE

Blue Star Group entity, Blue Star Infotech Limited, sells its IT business to Infogain; to merge with Blue Star Limited

Blue Star Group entity, Blue Star Infotech Limited (BSIL), earlier today, announced the sale of its IT business to Infogain Inc, a ChrysCapital portfolio company, for an aggregate consideration of Rs 180.80 crores. BSIL will retain a real estate business and other assets, the fair value of which is expected to be around Rs. 96.7 crores. Details of this sale transaction are available in a separate Press release (copy attached).

Consequently, Blue Star Limited (Blue Star) and BSIL have announced that the two entities will merge, subject to shareholder approval of the respective companies. In effect, by the way of the above merger, the residual operations of BSIL, namely a real estate business, together with other assets, will get integrated with Blue Star.

Proposed restructuring

Blue Star forayed into the Information Technology space in 1983. In 2000, the Blue Star Group executed a strategic shift to hive off its IT business into an independent company, Blue Star Infotech Limited, as this business necessitated specialised focus and was significantly different from its core business. In the new competitive landscape of the IT industry, despite doubling its revenue between 2011 and 2015 to approximately \$50 million, there is a compelling need to gain access to technology, global markets and growth capital, to pursue its next phase of growth.

The strategic vision of Blue Star calls for an enhanced focus on its core businesses of airconditioning, commercial refrigeration, MEP contracting and after-sales service. Apart from expanding its international footprint, Blue Star also intends to leverage its brand equity and distribution network to expand its product portfolio for participating in the emerging growth opportunities in the market. Recently, the Company has also embarked on a program to revamp its manufacturing footprint. These strategic initiatives require significant investments going forward.

With a constant endeavor to deliver value and in light of the above developments, the Group has done a strategic review of its businesses and their capital requirements and taken a decision to sharply focus on its core airconditioning and refrigeration business. The consequent proposed sale of the IT business of BSIL is explained in detail in the attached Press release.

Further, the proposed merger will enable the Group to efficiently access a substantial part of the required growth capital for its core businesses.

Merger Details

Subject to 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. Shareholders of BSIL on the Record Date for the Scheme will be issued equity shares in Blue Star as per the share swap ratio of 7 shares of face value of Rs 2 each in Blue Star Limited for 10 shares of face value of Rs 10 each held in BSIL.

The share swap ratio has been determined under the joint valuation report prepared by BSR & Co LLP and SSPA & Co, independent chartered accountants and confirmed as fair by ICICI Securities Limited and Axis Capital Limited, category- I merchant Bankers. KPMG acted as the transaction advisors and Khaitan & Co as the legal counsel.

Mr Ashok M Advani, Chairman, Blue Star Limited adds, "The proposed merger enables the utilisation of capital that flows in to fund growth of Blue Star's core businesses and improve returns thereby creating long term sustainable value for all shareholders. It will also strengthen the balance sheet and provide financial stability in a volatile market."

Mr Suneel M Advani, Chairman, Blue Star Infotech Limited adds, "The proposed sale of the IT business of BSIL and the merger of Blue Star and BSIL is a win-win for not only the respective shareholders but also other stakeholders including customers and employees. Further, BSIL shareholders have an opportunity to be a part of the growth story of Blue Star."

Place: Mumbai

Date: Sep 29, 2015.

For additional information, please contact: B Thiagarajan, Executive Director & President - AC&R Products Business, Blue Star Limited, Bandbox House, 254D, Dr Annie Besant Road, Worli, Mumbai – 400 030 email: bthiagarajan@bluestarindia.com Telephone: 09600034725.



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.

Aventus 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.

For more information, please contact:

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