



BLUE STAR

March 13, 2015

To,

<p>1. The Secretary The National Stock Exchange of India Limited Exchange Plaza, Plot No. C/1, G Block, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051 Fax Nos.: 26598237 / 26598238</p>	<p>2. The Secretary BSE Limited Phiroze Jeejebhoy Towers, Dalal Street, Mumbai - 400 001 Fax Nos.:22723121/2037</p>
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Ref: NSE Code: BLUESTARCO / BSE Code: 500067

Sub: Intimation on execution of business purchase agreement under Clause 36 of the Listing Agreement

Dear Sir/ Madam,

We are pleased to inform you that the Company proposes to transfer its Professional Electronics and Industrial Systems business ("PE&IS") undertaking to its wholly owned subsidiary, Blue Star Engineering & Electronics Limited (formerly known as Blue Star Electro-Mechanical Limited), on a going concern basis, at fair value, for a lump sum consideration of INR 110,50,00,000 (Rupees One hundred and ten crores and fifty lacs only). Blue Star Engineering & Electronics Limited will discharge the consideration for the said transfer by issue and allotment of fully paid up equity shares to the Company.

PE&IS business model is distinct and differentiated as compared with the core air conditioning and refrigeration business of the Company. Strategically, this business is expected to scale up and grow faster once it gets an independent identity. The turnover of the PE&IS business of the Company for financial year 2013 – 14 has been approximately INR 122 crore. For the financial year 2013 – 14, the turnover attributable to the PE&IS business was 4.40% of the turnover of the Company as a whole.

Towards this purpose, the Company has, on 13 March 2015, executed a Business Purchase Agreement ("BPA"), in accordance with the approval of the Board of Directors dated 21 January 2015 and the members dated 11 March 2015, for transfer of its PE&IS undertaking. On the basis of the postal ballot notice dated 2 February 2015, the Shareholders of the Company had, vide resolution dated 11 March 2015 approved the transfer of the PE&IS undertaking. The transfer of the PE&IS undertaking shall be completed after the conditions precedent under the BPA have been satisfied.

Thanking you,
Yours faithfully,

For BLUE STAR LIMITED

SANGAMESHWAR IYER
COMPANY SECRETARY