



Blue Star will go for some price hike by mid-April, says managing director B Thiagarajan

Ahead of the summer season, B Thiagarajan, MD of Blue Star, told CNBC-TV18 that the company will not hike prices till April. He added that demand for cooling products has been good and they are confident of growing faster than the market

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B Thiagarajan, Managing Director of Blue Star (Illustration: Moneycontrol)

The cooling industry should witness 20-25 percent growth this summer from that of 2019, according to B Thiagarajan, MD of [Blue Star](#). In an interview with CNBC-TV18 on March 15, he said, "The market has been good. I don't want to compare with summer of 2020 and 2021, but comparing with summer of 2019 the industry should witness 20-25 percent growth."

Asked about dealer demand, Thiagarajan was gung-ho. "Dealers in Tamil Nadu, Kerala and Karnataka are upbeat and stocking in large quantities. There is a heat wave in Gujarat and

temperatures are high in Delhi. All across the demand is good. We have no concern about demand, dealers are excited for the forthcoming season and stocked up for season sale,” he said.

On price hikes, he noted that Blue Star increased rates thrice last year (March, July and October) and saw 1.50 percent margin point erosion. “I said we will not increase prices till April, we take stock and take some price hike by mid-April. No additional prices hiked planned as of now as commodity prices are now stable. Our intention is to review this by the first to second week of April,” he said.

“No additional prices hiked planned as of now as commodity prices are now stable. Competition is natural and customers will benefit. I promise we will make the products affordable,” Thiagarajan added.

In terms of market share, he said the goal for 2022 is 14 percent. Blue Star’s goal for 2024 is 15 percent.

“We are not seeing any impact of new COVID-19 variant as of now. For products we have launched, I am confident that we will grow faster than the market. Customers are asking for faster delivery in B2C segment,” he noted.

Thiagarajan is also excited about the B2B business. “Our order book is around Rs 3,000 crore. We have quite a bit of orders from data centres, infrastructure parks and manufacturing segments. Most importantly we thought the office segment will not come back, but it has come back in a big way. Office space consumption is going up. Businesses in Tier 3 & 4 markets are also doing well,” he shared.

On plans for the Sri City Chennai manufacturing plant, Thiagarajan said the facility will produce 4 lakh units by December 2022 in the first phase. On plans for export growth, he said they would like to do 10 percent of total turnover as exports by 2024.

He also spoke about CFO Neeraj Basur resigning on March 9, adding: “We are hopeful to make the announcement (of a replacement) in next three months”.

<https://www.moneycontrol.com/news/business/blue-star-wont-hike-prices-till-april-says-managing-director-b-thiagarajan-8234361.html>