

BSR & Associates LLP

**Project Breeze II**

*Security cover*

## **Project Breeze II**

### **Proposed Amalgamation of Blue Star Infotech Limited and Blue Star Infotech Business Intelligence & Analytics Private Limited with Blue Star Limited**

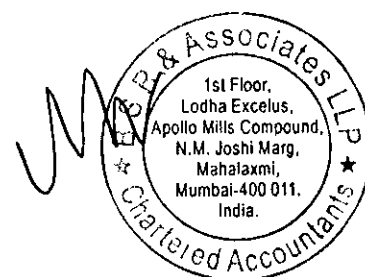
#### ***Summary Workings***

#### ***Supporting calculations for Equity Share Exchange Ratio***

29 September 2015

## Notice to the Reader

- B S R & Associates LLP (“B S R”) has been appointed by Blue Star Limited (“BSL”) and Blue Star Infotech Limited (“BSIL”) (collectively referred to as the “Clients”, “Companies”, “You”, or “Businesses”, or “Client”) to act as an independent valuer to recommend an equity share exchange ratio to the Board of Directors for the proposed amalgamation of BSIL and its wholly owned subsidiary Blue Star Infotech Business Intelligence & Analytics Private Limited (“BSIB”) with BSL (“Proposed Amalgamation”). The appointed date for amalgamation is 1 April 2015.
- The summary workings are confidential and are given on the express understanding that it is not communicated, in whole or in part, to any third party without B S R’s prior written consent except to the extent required to be produced before judicial, regulatory or government authorities in connection with this Transaction. Neither summary workings nor its content may be used for any other purpose without prior written consent of B S R.
- The summary workings are based on the information provided to B S R by the management of BSL and BSIL (together referred to as “Management) which B S R has not independently verified, validated or expressed an opinion on. Neither B S R, nor its affiliated partnerships or bodies corporate, nor directors, managers, partners, employees or agents of any of them, makes any representation or warranty, expressed or implied, as to the accuracy, reasonableness or completeness of the information contained in the summary wordings. All such parties and entities expressly disclaim any and all liabilities for or based on relating to any such information contained herein, or errors or omission from summary workings or based on or relating to the use of summary workings.
- The summary workings in which this notice is incorporated does not constitute an offer or invitation to any section of the public to subscribe for or purchase any security in, or assets or liabilities of BSIL or BSL. This notice forms integral part of summary workings.

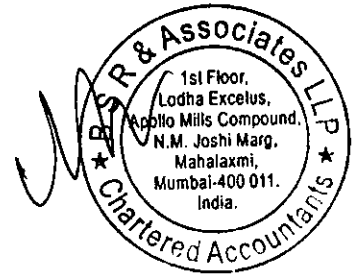


**Swap ratio:**

Calculation of equity share exchange ratio of equity shares between Blue Star Limited ("BSL") and Blue Star Infotech Limited ("BSIL")

Method	BSL		BSIL	
	Value Per Share (INR)	Weight	Value Per Share (INR)	Weight
Market Price - 26 weeks averages of high/low of closing	335.99	25.0%	218.62	25.0%
Market Price - 2 weeks averages of high/low of closing	337.30	25.0%	269.79	25.0%
DCF Method / NAV Method	303.53	50.0%	205.27	50.0%
<b>Weighted Average Price</b>	<b>320.09</b>		<b>224.74</b>	
	<b>Annexure I</b>		<b>Annexure II</b>	
<b>Exchange Ratio</b>			<b>0.70</b>	

7 (Seven) equity shares of BSL of INR 2/- each for every 10 (Ten) equity shares of BSIL of INR 10/- each



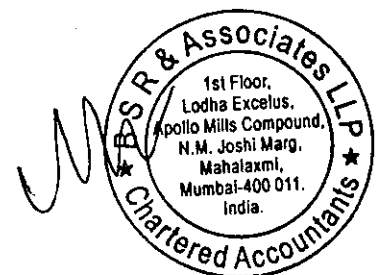
**Annexure - I**

**Blue Star Limited**

<b>Market Price Method - 2 Weeks Average of High / Low of Closing</b>	
<b>INR</b>	<b>Amount</b>
Average Market Price - 2 week averages of high/low of closing	337.30

<b>Market Price Method- 26 Weeks Average of High / Low of Closing</b>	
<b>INR</b>	<b>Amount</b>
Average Market Price - 26 week averages of high/low of closing	335.99

<b>Discounted Cash Flow Method</b>	
<b>INR million</b>	<b>Amount</b>
Present Value of Cash flows for Explicit Period	9,457.3
Present Value for Perpetuity	20,762.5
Add/(Less): Net Adjustments	(2,484.8)
Less: Contingent liabilities	(9.2)
<b>Equity Value</b>	<b>27,725.7</b>
Number of Equity Shares (Post Dilution)	91,343,105
<b>Equity Value per share</b>	<b>303.53</b>



**Blue Star Infotech Limited****Annexure - II**

<b>Market Price Method - 2 Weeks Average of High / Low of Closing</b>	
<b>INR</b>	<b>Amount</b>
Average Market Price - 2 week averages of high/low of closing	269.79

<b>Market Price Method- 26 Weeks Average of High / Low of Closing</b>	
<b>INR</b>	<b>Amount</b>
Average Market Price - 26 week averages of high/low of closing	218.62

<b>INR Million</b>	
<b>Cash consideration to be received (post tax)</b>	<b>1,594.0</b>
Add: Net Assets retained by BSIL	654.6
Less: Contingent liabilities	(31.7)
<b>Adjusted Net Assets Value</b>	<b>2,216.9</b>
Number of Equity Shares	10,800,000
<b>Value per Share (INR)</b>	<b>205.27</b>

