

Notice

May 30, 2016

NOTICE is hereby given that the 68th Annual General Meeting of the Members of the Company will be held at Jai Hind College Hall, 23-24, Sitaram Deora Marg ('A' Road), Churchgate, Mumbai 400 020, on Monday, August 1, 2016 at 3.00 pm to transact the following business:

A. ORDINARY BUSINESS

1. To receive, consider and adopt:
 - a) the Audited Financial Statement of the Company for the financial year ended March ~~31~~, 2016, together with the Reports of the Board of Directors and Auditors thereon; and
 - b) the Audited Consolidated Financial Statement of the Company for the financial year ended March 31, 2016, together with the Report of the Auditors thereon.
2. To confirm the payment of interim dividend on equity shares of the Company and treat the same as final dividend.
3. To appoint a Director in place of Mr Suneel M Advani (DIN: 00001709), who retires by rotation, and being eligible offers himself for reappointment.
4. To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 139 and any other applicable provisions of the Companies Act, 2013, read the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), the Company hereby ratifies the appointment of M/s S R B C & CO LLP Chartered Accountants (Registration No. 324982E/E300003) as the Statutory Auditors of the Company, to hold office from the conclusion of the Annual General Meeting held on July 28, 2014 until the conclusion of the Annual General Meeting to be held for the financial year 2018-19, on such remuneration as may be determined by the Board of Directors."

B. SPECIAL BUSINESS

5. To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, the remuneration payable to M/s Narasimha Murthy & Co, Hyderabad, Cost Accountants, (Firm Registration No. 000042) appointed by the Board of Directors as Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending March 31, 2016, amounting to ₹10,00,000 (rupees ten lakhs only) as also the payment of service tax as applicable and reimbursement of out of pocket expenses incurred in connection with the aforesaid audit, be and is hereby ratified and confirmed;

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

6. To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203 read with Schedule V and any other applicable provisions of the Companies Act, 2013 ('the Act') and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and such other approvals, permissions and sanctions, as may be required, and subject to such conditions and modifications, as may be imposed or prescribed, and subject to the requisite approval of the Central Government, if required, approval of the Members of the Company be and is hereby accorded for the appointment of Mr Vir S Advani (DIN: 01571278) as Managing Director of the Company for a period of five (5) years, with effect from April 1, 2016, upon the remuneration and terms and conditions set out in draft agreement placed before this meeting and initialed by the Company Secretary for the purpose of identification, with liberty to the Nomination and Remuneration Committee of the Company to alter and vary the terms and conditions thereof in such manner as may be agreed to between the Nomination and Remuneration Committee and Mr Vir S Advani, subject to the applicable provisions of the Act, or any amendment thereto or any re-enactment thereof;

RESOLVED FURTHER THAT in the event of absence or inadequacy of profits in any financial year during his tenure as Managing Director, Mr Vir S Advani be paid the aforesaid remuneration as minimum remuneration for that year."

7. To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203 read with Schedule V and any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and such other approvals, permissions and sanctions, as may be required, and subject to such conditions and modifications, as may be imposed or prescribed, and subject to the requisite approval of the Central Government, if required, approval of the Members of the Company be and is hereby accorded for the appointment of Mr B Thiagarajan (DIN: 01790498) as Joint Managing Director of the Company for a period of five (5) years with effect from April 1, 2016, upon the remuneration and terms and conditions set out in draft agreement placed before this meeting and initialed by the Company Secretary for the purpose of identification with liberty to the Nomination and Remuneration Committee of the Company to alter and vary the terms and conditions thereof in such manner as may be agreed to between the Nomination and Remuneration Committee and Mr B Thiagarajan subject to the applicable provisions of the Act, or any amendment thereto or any re-enactment thereof;

RESOLVED FURTHER THAT in the event of absence or inadequacy of profits in any financial year during his tenure as Joint Managing Director, Mr B Thiagarajan be paid the aforesaid remuneration as minimum remuneration for that year."

NOTES:

1. The relevant Explanatory Statements pursuant to Section 102 of the Companies Act, 2013 in respect of Special Business under item nos. 5-7 above are annexed hereto. A statement giving the relevant details of the Directors seeking appointment/reappointment, as required by Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed herewith.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF ON A POLL ONLY AND THE PROXY NEED NOT BE A MEMBER. THE PROXY FORM SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME FOR HOLDING THE MEETING.**
A PERSON CAN ACT AS PROXY ON BEHALF OF NOT EXCEEDING FIFTY (50) MEMBERS HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY. PROXIES SUBMITTED ON BEHALF OF CORPORATE MEMBERS MUST BE SUPPORTED BY AN APPROPRIATE RESOLUTION/AUTHORITY, AS APPLICABLE.
3. The Register of Members and the Share Transfer Books of the Company will remain closed from Monday, July 18, 2016 to Monday, July 25, 2016 (both days inclusive).
4. Under Section 124 of the Companies Act, 2013, the amount of dividend remaining unpaid or unclaimed for a period of seven years from the date of payment is required to be transferred to the Investor Education and Protection Fund of the Central Government and accordingly, the Company will be transferring the unpaid and unclaimed amount pertaining to Dividend paid for the year 2008-09 to the Investor Education and Protection Fund of the Central Government in October, 2016.
Members, who have not encashed the dividend warrant(s) for Dividend 2008-09 or any subsequent dividend payment(s) so far, are requested to make their claims to the Company immediately. Please note that as per Section 124 of the Companies Act, 2013, no claim shall lie against the Company or the said Fund in respect of individual amounts which remain unclaimed or unpaid for a period of seven years from the date of payment and no payment shall be made in respect of such claims.
5. Members holding shares in the dematerialised mode are requested to intimate all changes with respect to their bank details, ECS mandate, nomination, power of attorney, change of address, change in name, etc, to their Depository Participant (DP). These changes will be automatically reflected in the Company's records, which will help the Company to provide efficient and better service to the Members. Members holding shares in physical form are requested to intimate the changes to the Registrar & Transfer Agents of the Company.

6. Members are advised to avail of the facility for receipt of dividends through Electronic Clearing Service (ECS). The Reserve Bank of India has launched a facility for receipt of dividends through NECS, a centralised ECS operation to provide wider network, which requires updating of new bank account details with the Depository Participant (DP). You are therefore advised to update your bank details with your DP (in case of those who are holding shares in dematerialised mode) or the Company (in case of those who are holding the shares in physical mode) at an early date in order to avail the facility in future.
7. Members wishing to avail of dispatch of various notices, communications and documents including Annual Reports by the Company in electronic mode are requested to write to the Company accordingly and register their email IDs with the Company by intimating the same to the Registrar & Transfer Agents of the Company.
8. An electronic copy of the Annual Report for 2016 is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any Member has requested for a hard copy of the same. For Members who have not registered their email address, physical copies of the Annual Report for 2016 are being sent in the permitted mode.
9. An electronic copy of the Notice of the 68th Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for only a hard copy of the same. For members who have not registered their email address, physical copies of the Notice of the 68th Annual General Meeting (AGM) of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip, Proxy Form and the Ballot form are being sent in the permitted mode.
10. Members may also note that the Notice of the 68th AGM and the Annual Report for 2016 will also be available on the Company's website www.bluestarindia.com for download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office in Mumbai for inspection during normal business hours on working days. Even after registering for e-communication, Members are entitled to receive such communication in physical form, upon making a request for the same, by post, free of cost. For any communication, the shareholders may also send requests to the email id: rnt.helpdesk@linkintime.co.in.

11. VOTING THROUGH ELECTRONIC MEANS

- I. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings (SS2) issued by the Institute of Company Secretaries of India, the Company is pleased to provide Members facility to exercise their right to vote on resolutions proposed to be considered at the AGM by electronic means and the business may be transacted through e-voting Services. The facility of casting the votes by the Members using an electronic voting system from a place other than venue of the AGM (remote e-voting) will be provided by National Securities Depository Limited (NSDL).
- II. The facility for voting through poll paper shall be made available at the venue of the AGM and the Members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through poll.
- III. The Members who have cast their vote by remote e-voting prior to the AGM may attend the AGM but shall not be entitled to cast their vote again.
- IV. The remote e-voting period commences on July 27, 2016 (9.00 am) and ends on July 31, 2016 (5.00 pm). During this period, Members of the Company, holding shares either in physical form or in dematerialised form, as on the cut-off date of July 25, 2016 may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently.

- V. The process and manner for remote e-voting are as under:
- A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participants(s)] :
- (i) Open email and open PDF file viz; 'remote e-voting.pdf' with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password.
 - (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>
 - (iii) Click on 'Shareholder - Login'.
 - (iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.
 - (v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
 - (vi) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
 - (vii) Select 'EVEN' of Blue Star Limited.
 - (viii) Now you are ready for remote e-voting as 'Cast Vote' page opens.
 - (ix) Cast your vote by selecting appropriate option and click on 'Submit' and also 'Confirm' when prompted.
 - (x) Upon confirmation, the message 'Vote cast successfully' will be displayed.
 - (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
 - (xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc) are required to send a scanned copy (PDF/JPG Format) of the relevant Board Resolution/Authority letter etc together with attested specimen signature of the duly authorised signatory(ies) who are authorised to attend and vote, to the Scrutiniser through an email to navnitlb@nlba.in with a copy marked to evoting@nsdl.co.in.
- B. In case a Member receives a physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/Depository Participants(s) or requesting physical copy]:
- (i) Initial password is provided below/at the bottom of the Attendance Slip for the AGM:

EVEN (Remote e-voting Event Number)	USER ID	PASSWORD/PIN
(ii) Please follow all steps from SI No. (ii) to SI No. (xii) above, to cast vote.		
- VI. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the downloads section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990.
- VII. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.
- VIII. You can also update your mobile number and email ID in the user profile details of the folio which may be used for sending future communication(s).
- IX. The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of July 25, 2016.
- X. Any person, who acquires shares of the Company and becomes a Member of the Company after dispatch of the notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at evoting@nsdl.co.in.

However, if you are already registered with NSDL for remote e-voting, then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using 'Forgot User Details/Password' option available on www.evoting.nsdl.com or contact NSDL at the following toll free no.: 1800-222-990.

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- XI. A person, whose name is recorded in the register of Members or in the register of beneficial owners maintained by the depositories, as on the cut-off date, only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through poll.
 - XII. Mr Bharat Upadhyay, of M/s N L Bhatia & Associates, Company Secretaries (Membership No. 5436 CP No. 4457) has been appointed as the Scrutiniser for providing facility to the Members of the Company to scrutinise the voting and remote e-voting process in a fair and transparent manner.
 - XIII. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutiniser, by use of 'Poll Paper' for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
 - XIV. The Scrutiniser, after the conclusion of voting at the AGM, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than 48 hours from of the conclusion of the AGM, a consolidated scrutiniser's report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same and declare the result of the voting forthwith.
 - XV. The Results declared alongwith the report of the Scrutiniser shall be placed on the website of the Company www.bluestarindia.com and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorised by him in writing. The results shall also be immediately forwarded to the stock exchanges where the shares of the Company are listed.
12. In order to enable its Members who do not have access to the e-voting facility, the Company is enclosing a Ballot Form with the Notice. Instructions for Ballot Form are given at the back of the said form. The Members who have cast their vote by Ballot Form prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.
 13. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours (9.00 am to 5.00 pm) on all working days up to and including the date of the AGM.

BLUE STAR LIMITED
Kasturi Buildings
Mohan T Advani Chowk
Jamshedji Tata Road
Mumbai 400 020

May 30, 2016

By Order of the Board of Directors

Vijay Devadiga
Company Secretary

Annexure to Notice

INFORMATION AS REQUIRED BY SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015:

ITEM NO. 3:

Mr Suneel M Advani, 72 years, is a double graduate in Electrical Engineering and Economics from MIT, USA. He also holds a degree in Law from Mumbai University.

He joined Blue Star in 1969 as a Management Trainee and moved up steadily by holding responsible positions before he was elevated to the position of President and Vice Chairman in 1984. He was re-designated as Vice Chairman & Managing Director in 2005. He relinquished his position of Managing Director in 2012 and was the Executive Vice Chairman of the Company until March 2014. He continues as Vice Chairman from 2014. Mr Suneel M Advani has served on the managing councils of several industry and trade bodies, such as CII, and is the founder and a Past President of Refrigeration and Airconditioning Manufacturers' Association (RAMA).

Mr Suneel M Advani holds 53,25,948 equity shares of the Company. Out of seven Board Meetings held during the year under review, Mr Suneel M Advani attended six Board Meetings.

He holds directorships in J T Advani Finance Private Limited, PIYUS Computers and Services Private Limited, and was also Managing Director and Chairman of the erstwhile Blue Star Infotech Limited.

Except for Mr Suneel M Advani, as it concerns himself and Mr Ashok M Advani, Chairman, and Mr Vir S Advani, Managing Director, being relatives of Mr Suneel M Advani, none of the other Directors of the Company and Key Managerial Personnel of the Company and their respective relatives, financially or otherwise is concerned or interested in the said Resolution.

EXPLANATORY STATEMENT U/S 102 OF THE COMPANIES ACT, 2013 AND INFORMATION ON DIRECTORS PROPOSED TO BE APPOINTED AS REQUIRED BY SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015:

ITEM NO. 5

The Board of Directors of the Company, on the recommendation of the Audit Committee, approved the appointment and remuneration of M/s Narasimha Murthy & Co, Hyderabad, Cost Accountants, to conduct the audit of the cost records of the Company for the financial year ending March 31, 2016. In terms of the provisions of Section 148 of the Companies Act, 2013 and Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor is required to be ratified by the Members of the Company. Accordingly, consent of the Members is sought to ratify the remuneration payable to the Cost Auditors.

The Board of Directors recommends the Ordinary Resolution as set out in item No. 5 of the Notice for the approval of the Members.

None of the Directors, Key Managerial Personnel or their relatives are in any way, concerned or interested, financially or otherwise, in the said resolution.

ITEM NO. 6

Mr Vir S Advani, 40 years, holds Bachelors Degrees in Systems Engineering and in Economics from the University of Pennsylvania. He has also completed a comprehensive Executive Management Program on Leadership Development at Harvard Business School.

Mr Vir S Advani, after a 2-year working stint in New York, joined erstwhile Blue Star Infotech Ltd in 2000. He founded the erstwhile Blue Star Design & Engineering Ltd in 2003 and was designated as its Chief Executive Officer. In 2007, he moved to Blue Star Ltd. as Vice President - Corporate Affairs, where he made valuable contributions in a profit improvement programme as well as in electro mechanical projects. He was promoted as Executive Vice President in 2008; and President - Corporate Affairs & Special Projects in 2009.

Mr Vir S Advani was appointed as Whole time Director, designated as Executive Director of the Company with effect from July 1, 2010 for a period of five (5) years and subsequently he was reappointed for a further term of five (5) years at its Annual General Meeting held on July 25, 2015.

In view of the early retirement opted by Mr Satish Jamdar as Managing Director of the Company w.e.f. April 1, 2016 there was a vacancy in the office of the Managing Director in the Company. As per the succession plan approved by the Board, Mr Vir S Advani was considered for being appointed as Managing Director of the Company. He has contributed immensely to the Company's growth and been instrumental in leading the strategic transformation of its various business processes to position it on the growth path as a highly competitive player in the global HVAC space. The Board of Directors, at its meeting held on January 29, 2016, based upon the recommendation of the Nomination and Remuneration Committee at its meeting held on January 29, 2016, considered and approved the appointment of Mr Vir S Advani as the Managing Director for a period of 5(five) years with effect from April 1, 2016.

Mr Vir S Advani satisfies all the conditions set out in Part I of Schedule V of the Companies Act, 2013 for being eligible for appointment.

Therefore, approval of the Members of the Company is sought for the appointment of Mr Vir S Advani as Managing Director of the Company for a period of five (5) years with effect from April 1, 2016.

Details of his other Directorship/Membership of Committees are given below:

Name of the Company	Directorship	Committee Membership
Blue Star Engineering & Electronics Limited	Director	Audit Committee Nomination and Remuneration Committee
J T Advani Finance Private Limited	Director	-

Mr Vir S Advani holds 50,000 equity shares in the Company. Out of seven Board Meetings held during the year, Mr Vir S Advani attended five Board Meetings.

The abstract of the terms and conditions contained in the draft agreement as under:

A. Salary:

Basic Salary at the rate of ₹60,42,296 per annum with annual increments at such rate as may be approved by the Nomination and Remuneration Committee subject to a ceiling of 30% of his basic salary.

B. Commission and Performance linked Incentives:

- 1. Commission:** ₹160 lakhs per annum, based on the achievement of the key results areas as approved by the Nomination and Remuneration Committee.
- 2. Performance linked Incentives:** Variable performance pay linked to his performance ratings in accordance with the relevant scheme(s) of the Company in this behalf and/or as approved by the Nomination and Remuneration Committee.

Provided that the above amounts would be subject to the ceiling of two percent of the net profits of the Company as computed under Section 198 of the Companies Act, 2013.

C. Perquisites:

- In addition to the salary, commission and performance linked incentives, Mr Vir S Advani is also entitled to perquisites and allowances including furnished accommodation or house rent in lieu thereof; gas, electricity, water and furnishings; medical reimbursement and leave travel concessions for self and family; club fees; and personal accident insurance or such other perquisites and/or cash compensation in accordance with the Rules applicable to other senior executives of the Company, subject to the condition that the total perquisites, including the cash compensation, will be restricted to an amount equivalent to twice his annual salary.

For the purpose of calculating the above, perquisites shall be valued as per Income-tax Rules wherever applicable.

- b) Company's contribution to Provident Fund, Superannuation Fund and Annuity Fund to the extent these are, either singly or put together, not taxable under the Income-tax Act, 1961; Gratuity benefits as per the Rules of the Company and encashment of leave at the end of the tenure will not be included in the computation of perquisites.
- c) Car for use on Company's business and telephone and other communication facilities at residence will not be considered as perquisites.

The total remuneration shall not exceed the individual and overall ceilings prescribed under Section 197 of the Companies Act, 2013 for the time being and from time to time in force.

In the event of loss or inadequacy of profits in any financial year, and Mr Advani shall be paid remuneration by way of salary and perquisites in accordance with the limits laid down in Schedule V of the Companies Act, 2013, or any statutory modifications therein or re-enactment thereof. The Nomination and Remuneration Committee shall have the discretion and authority to modify the foregoing terms of remuneration within the parameters of the applicable provisions of the Companies Act, 2013.

D. Leave:

In accordance with the rules of the Company as applicable to other senior executives of the Company.

E. Others:

Reimbursement of actual entertainment expenses, actual travelling and hotel expenses for the Company's business and/or allowances as per the Company's Rules.

F. Termination:

The Agreement may be terminated

- (a) forthwith by notice in writing on his vacation of office of Director by virtue of the applicable provisions of the Companies Act, 2013
or
- (b) by giving 6 months' notice in writing by either party.

G. Arbitration:

Disputes to be settled by arbitration.

A copy of the draft Agreement will be available for inspection by the members at the Registered Office of the Company on any working day from Monday to Friday, and will be available at the Meeting.

Except for Mr Vir S Advani, as it concerns himself and Mr Ashok M Advani, Chairman and Mr Suneel M Advani, Vice Chairman, being relatives of Mr Vir S Advani, none of the other Directors of the Company and Key Managerial Personnel of the Company and their respective relatives, financially or otherwise, is concerned or interested in the said Resolution.

ITEM NO. 7

Mr B Thiagarajan, 59 years, holds a Bachelor of Engineering in Electrical and Electronics from Madurai University. He has also completed the Senior Executive Program of London Business School. He has over three decades of experience, having worked for reputed companies such as Larsen & Toubro Ltd., BPL Systems Ltd. and Voltas Ltd., prior to joining Blue Star in 1998.

Mr Thiagarajan joined the Company in 1998 and has handled various assignments in the Service business, Corporate Communications & Marketing, and Corporate Affairs & Planning before he was promoted as President - AC&R Products Group in 2009. Under his leadership, the AC&R products business of the Company has grown significantly. In 2013, Mr Thiagarajan was elevated as Whole time Director designated as Executive Director & President - AC&R Products Business for a period of five (5) years with effect from May 13, 2013. With strategic thinking, he has successfully steered the Company to acquire increased market share and profits in the white goods space in India and positioned it as a contender in international markets.

Considering Mr B Thiagarajan's extensive experience and invaluable contribution to the Company, the Board of Directors at its meeting held on January 29, 2016 based on the recommendation of the Nomination and Remuneration Committee at its meeting held on January 29, 2016, considered and approved the appointment of Mr B Thiagarajan as the Joint Managing Director for a period of 5 (five) years with effect from April 1, 2016.

Mr B Thiagarajan satisfies all the conditions set out in Part I of Schedule V of the Companies Act, 2013 for being eligible for appointment.

Therefore, approval of the Members of the Company be and is hereby sought for the appointment of Mr B Thiagarajan as Joint Managing Director of the Company for a period of five (5) years with effect from April 1, 2016.

Details of his other Directorship/Membership of Committees are given below:

Name of the Company	Directorship	Committee Membership
Blue Star Engineering & Electronics Limited	Director	-

Mr B Thiagarajan holds 1,700 equity shares in the Company. He attended all the Board Meetings held during the year.

The abstract of the terms and conditions contained in the draft agreement as under :

A. Salary:

Basic Salary at the rate of ₹60,42,296 per annum with annual increments at such rate as may be approved by the Nomination and Remuneration Committee subject to a ceiling of 30% of his basic salary.

B. Commission and Performance linked Incentives:

- 1. Commission:** ₹160 lakhs per annum, based on the achievement of the key results areas as approved by the Nomination and Remuneration Committee.
- 2. Performance linked Incentives:** Variable performance pay linked to his performance ratings in accordance with the relevant scheme(s) of the Company in this behalf and/or as approved by the Nomination and Remuneration Committee.

Provided that the above amounts would be subject to the ceiling of two percent of the net profits of the Company as computed under Section 198 of the Companies Act, 2013.

C. Perquisites:

- 1) In addition to the salary, commission and performance linked incentives, Mr B Thiagarajan is also entitled to perquisites and allowances including furnished accommodation or house rent in lieu thereof; gas, electricity, water and furnishings; medical reimbursement and leave travel concessions for self and family; club fees and personal accident insurance or such other perquisites and/or cash compensation in accordance with the Rules applicable to other senior executives of the Company, subject to the condition that the total perquisites, including the cash compensation, will be restricted to an amount equivalent to twice his annual salary.
For the purpose of calculating the above, perquisites shall be valued as per Income-tax Rules wherever applicable.
- 2) Company's contribution to Provident Fund, Superannuation Fund and Annuity Fund to the extent these are, either singly or put together, not taxable under the Income-tax Act, 1961; Gratuity benefits as per the Rules of the Company and encashment of leave at the end of the tenure will not be included in the computation of perquisites.
- 3) Car for use on Company's business and telephone and other communication facilities at residence will not be considered as perquisites.

The total remuneration shall not exceed the individual and overall ceilings prescribed under Section 197 of the Companies Act, 2013 for the time being and from time to time in force.

In the event of loss or inadequacy of profits in any financial year, and Mr B Thiagarajan shall be paid remuneration by way of salary and perquisites in accordance with the limits laid down in Schedule V of the Companies Act, 2013, or any statutory modifications therein or re-enactment thereof. The Nomination and Remuneration Committee shall have the discretion and authority to modify the foregoing terms of remuneration within the parameters of the applicable provisions of the Companies Act, 2013.

D. Leave:

In accordance with the rules of the Company as applicable to other senior executives of the Company.

E. Others:

Reimbursement of actual entertainment expenses, actual traveling and hotel expenses for the Company's business and/or allowances as per the Company's Rules.

F. Termination:

The Agreement may be terminated

(a) forthwith by notice in writing on his vacation of office of Director by virtue of the applicable provisions of the Companies Act, 2013

or

(b) by giving 6 months' notice in writing by either party.

G. Arbitration:

Disputes to be settled by arbitration.

A copy of the draft Agreement will be available for inspection by the members at the Registered Office of the Company on any working day from Monday to Friday, and will be available at the Meeting.

Except for Mr B Thiagarajan, as it concerns himself, none of the other Directors of the Company and Key Managerial Personnel of the Company and their respective relatives, financially or otherwise, is concerned or interested in the said Resolution.

BLUE STAR LIMITED

Kasturi Buildings

Mohan T Advani Chowk

Jamshedji Tata Road

Mumbai 400 020

May 30, 2016

By Order of the Board of Directors

Vijay Devadiga

Company Secretary

FOR THE ATTENTION OF SHAREHOLDERS

1. Members are requested to forward their queries on Financial Statement for the financial year ended March 31, 2016 to the Registered Office of the Company at least 10 days in advance to enable us to keep the information ready at the Meeting.
2. The Annual Reports and Attendance Slips will not be distributed at the AGM. Members attending the Meeting are requested to bring the same along with them.

ROUTE MAP TO THE VENUE OF THE AGM

