

Notice

May 30, 2014

NOTICE is hereby given that the 66th 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, July 28, 2014 at 3.00 pm to transact the following business:

A. ORDINARY BUSINESS

1. To receive and adopt the Directors' Report, the audited Balance Sheet as at March 31, 2014, the Statement of Profit & Loss for the financial year ended as at the same date and the Auditors' Report thereon.
2. To declare a dividend.
3. To appoint a Director in place of Mr Vir S Advani who retires by rotation and being eligible, offers himself for re-appointment.
4. To consider appointment of M/s S R B C & CO, LLP, Chartered Accountants (Regn No 324982E) as Statutory Auditors in place of the retiring Auditors, M/s S R Batliboi & Associates, LLP, Chartered Accountants (who have given a notice in writing to the Company of their unwillingness to be re-appointed) and to fix their remuneration. A special notice in this regard has been received from a member to appoint M/s S R B C & CO, LLP, Chartered Accountants, in place of the retiring Auditors.

The following resolution is proposed:

"RESOLVED that M/s S R B C & CO LLP, Chartered Accountants, Mumbai, (Regn No 324982E) be and are hereby appointed as Statutory Auditors of the Company in place of M/s S R Batliboi & Associates, LLP, Chartered Accountants, Mumbai, the retiring Statutory Auditors of the Company, to hold office until the conclusion of the Annual General Meeting of the Company to be held for the financial year 2018-19.

AND FURTHER RESOLVED that the remuneration, terms and conditions of the Statutory Auditors as aforesaid, be determined by the Board of Directors of the Company."

B. SPECIAL BUSINESS

5. To pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED that pursuant to the provisions of Section 160 of the Companies Act, 2013 ('the Act'), Ms Shobana Kamineni (DIN:00003836), who was appointed as an Additional Director of the Company with effect from May 30, 2014 pursuant to the provisions of Section 161(1) of the Act and, whose term of office expires at the ensuing Annual General Meeting and in respect of whom the Company has received a notice in writing together with necessary deposit from a member proposing her candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company for a period of five consecutive years from May 30, 2014 to May 29, 2019, subject to the retirement policy of the Company for its Directors."

6. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED that pursuant to the provisions of Sections 149, 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 ('the Act') and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr Pradeep Mallick (DIN: 00061256), who was appointed as a Director liable to retire by rotation of the Company and in respect of whom the Company has received a notice in writing together with necessary deposit from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term of five consecutive years up to March 31, 2019, subject to the retirement policy of the Company for its Directors."

7. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED that pursuant to the provisions of Sections 149, 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 ('the Act') and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr Gurdeep Singh (DIN: 00036922), who was appointed as a Director liable to retire by rotation of the Company and in respect of whom the Company has received a notice in writing together with necessary deposit from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term of five consecutive years up to March 31, 2019, subject to the retirement policy of the Company for its Directors."

8. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED that pursuant to the provisions of Sections 149, 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 ('the Act') and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr Shailesh Haribhakti (DIN: 00007347), who was appointed as a Director liable to retire by rotation of the Company and in respect of whom the Company has received a notice in writing together with necessary deposit from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term of five consecutive years up to March 31, 2019, subject to the retirement policy of the Company for its Directors."

9. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED that pursuant to the provisions of Sections 149, 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 ('the Act') and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr M K Sharma (DIN: 00327685), who was appointed as a Director liable to retire by rotation of the Company and in respect of whom the Company has received a notice in writing together with necessary deposit from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term of five consecutive years up to March 31, 2019, subject to the retirement policy of the Company for its Directors."

10. To pass with or without modification(s), 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) (corresponding to the provisions of erstwhile Sections 198, 269, 309 read with Schedule XIII and any other applicable provisions of the Companies Act, 1956) and subject to the requisite approval of the Central Government, if required, and such other approvals, permissions and sanctions, as may be required, and subject to such conditions and modifications, as may be imposed or prescribed by any of the Authorities in granting such approvals, permissions and sanctions, approval of the Members of the Company be and is hereby accorded to the appointment of Mr Satish Jamdar as the Managing Director of the Company for a period of three years with effect from July 1, 2014, subject to retirement policy of the Company for its Directors upon the remuneration and terms and conditions set out in the draft agreement placed before this meeting and initialed by the Company Secretary for the purpose of identification."

11. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED that pursuant to the provisions of Section 148(3) read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration of ₹7.50 lakhs (plus reimbursement of out-of-pocket expenses) payable to M/s N I Mehta & Co, Cost Accountants for conducting the audit of the cost accounting records of the Company for the financial year 2014-15, be and is hereby ratified."

12. To pass with or without modification the following resolution as a Special Resolution:

"RESOLVED that pursuant to the provisions of Section 197 and other applicable provisions, if any, of the Companies Act 2013, the consent of the Company be and it is hereby accorded to the payment of commission to the Non-Executive Directors including Independent Directors for a period of five financial years of the Company commencing from the financial year ending March 31, 2015 at such rate as may be approved by the Board of Directors of the Company, subject to a ceiling of 1% (one percent) per annum of the net profits of the Company calculated in accordance with the provisions of the said Act, such commission being divisible amongst the aforesaid Directors in such proportion and in such manner as may be decided by the Board of Directors."

NOTES:

1. The relative Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of Special Business under Item nos. 5 to 11 above is annexed hereto. The Information as required under Clause 49 of the Listing Agreement, relating to the Directors proposed to be re-appointed, is also provided in the Annexure to this Notice.
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 MEMBERS NOT EXCEEDING FIFTY (50) AND 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 14, 2014 to Monday, July 21, 2014 (both days inclusive).
4. The dividend if declared at the Annual General Meeting, will be paid on or after August 4, 2014, only to those Members whose names appear on the Company's Register of Members on July 14, 2014.
5. 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 2006-07 to the Investor Education and Protection Fund of the Central Government in August 2014.

Members who have not encashed the dividend warrant(s) for Dividend 2006-07 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.

6. 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 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 Share Transfer Agents of the Company.

7. Members are advised to avail of the facility for receipt of dividends through Electronic Clearing Service (ECS). Reserve Bank of India has launched a new facility for receipt of dividends through NECS, a centralized 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.
8. Members wishing to avail of service/despatch of various notices, communication and documents including Annual Reports by the Company in electronic mode are requested to write to the Company accordingly and register their e-mail IDs with the Company by intimating the same to the Registrar & Share Transfer Agents of the Company.
9. Electronic copy of the Annual Report for 2014 is also being sent to all the members whose email IDs are registered with the Company/Depository Participant(s) for communication purposes unless any member has requested only for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for 2014 are being sent in the permitted mode.
10. Electronic copy of the Notice of the 66th 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 Participant(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 66th 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 in the permitted mode.
11. Members may also note that the Notice of the 66th Annual General Meeting and the Annual Report for 2014 will also be available on the Company's website www.bluestarindia.com for their 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 Company's investor email id: rnt.helpdesk@linkintime.co.in.
12. **Voting through electronic means**
 - i. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members, the facility to exercise their right to vote at the 66th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by National Securities Depository Limited (NSDL):
The instructions for 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 Participant(s)]:
 - (i) Open email and open PDF file viz; 'BSL e-Voting.pdf' with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for 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 Shareholders - 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 e-Voting opens. Click on e-Voting: Active Voting Cycles.
 - (vii) Select "EVEN" of BLUE STAR LIMITED.

- (viii) Now you are ready for 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 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 vote, to the Scrutinizer through e-mail to bslsruutinizer2014@gmail.com or with a copy marked to evoting@nsdl.co.in.
- B. In case a Member receives 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 as below/at the bottom of the Attendance Slip for the AGM : **EVEN** (E-voting Event Number) **USER ID PASSWORD/PIN.**
 - (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.
- II. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-Voting user manual for shareholders available at the Downloads section of www.evoting.nsdl.com.
 - III. If you are already registered with NSDL for e-Voting then you can use your existing user ID and password/PIN for casting your vote.
 - IV. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
 - V. The e-Voting period commences on July 22, 2014 (9:00 am) and ends on July 24, 2014 (6:00 pm). During this period, shareholders of the Company, holding shares either in physical form or in dematerialised form, as on the cut-off date of June 20, 2014, may cast their vote electronically. The e-Voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
 - VI. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of June 20, 2014.
 - VII. Mr N L Bhatia, of M/s N L Bhatia & Associates, Company Secretaries (Membership No.1176 CP No. 422) has been appointed as the Scrutiniser to scrutinise the e-Voting process in a fair and transparent manner.
 - VIII. The Scrutiniser shall within a period not exceeding three(3) working days from the conclusion of the e-Voting period unblock the votes in the presence of at least two(2) witnesses not in the employment of the Company and make a Scrutiniser's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
 - IX. The Results shall be declared on or after the AGM of the Company. The Results declared alongwith the Scrutinizer's Report shall be placed on the Company's website www.bluestarindia.com and on the website of NSDL within two(2) days of passing of the resolutions at the AGM of the Company and communicated to BSE Limited.
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 Annual General Meeting of the Company.

By Order of the Board of Directors

Sangameshwar Iyer

Company Secretary

Annexure to Notice

INFORMATION AS REQUIRED BY CLAUSE 49 OF THE LISTING AGREEMENT:

As required by Clause 49 of the Listing Agreement with the Stock Exchanges, the information relating to the Director proposed to be re-appointed is provided hereunder:

ITEM NO. 3

Mr Vir S Advani, aged 38 years, holds a BS degree in Systems Engineering and a BA degree in Economics from the University of Pennsylvania. He has also completed a comprehensive Executive Management Programme on Leadership Development at Harvard Business School.

Mr Vir S Advani, after a 2-year working stint in New York, joined Blue Star Infotech Ltd in 2000 and then founded Blue Star Design & Engineering Ltd in 2003, designated as its Chief Executive Officer. In 2007, he moved to Blue Star 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; President - Corporate Affairs & Special Projects in 2009 and Executive Director in 2010. Mr Vir S Advani currently oversees the Electro Mechanical Projects business, Professional Electronics & Industrial Systems business, Corporate Planning and Investor Relations. Vir is a Director of Blue Star Design & Engineering Ltd, Blue Star Electro-Mechanical Ltd and J T Advani Finance Pvt Ltd. He is also Chairman of the HVAC Contractors' Sub-Committee of RAMA.

Details of his other Directorships/Memberships of Committees are given below:

Name of the Company	Directorship	Committee Membership
Blue Star Design & Engineering Ltd	Director	-
Blue Star Electro-Mechanical Ltd	Director	-
J T Advani Finance Private Ltd	Director	-

Mr Vir S Advani holds 50,000 shares in the Company.

EXPLANATORY STATEMENT U/S 102 OF THE COMPANIES ACT, 2013

ITEM NO. 5

Ms Shobana Kamineni, aged 53 years, was appointed as an Additional Director of the Company w.e.f May 30, 2014.

Ms Shobana Kamineni holds a Bachelors Degree in Economics and has an Accelerated Diploma in Hospital Administration from Columbia University, New York. As a member of the founding family of the Apollo Hospital Group, she has been instrumental in catalysing several of the Group's ambitious projects, right from their early days.

Ms Kamineni spearheads Apollo Pharmacy - India's largest pharma retailer. In 2008, she was at the helm of Apollo's foray into Health Insurance in collaboration with Munich Re, named Apollo Munich Health Insurance. Shobana has also nurtured Apollo Health Education and Research Foundation's emergence as a milestone institution in clinical research in the South.

Ms Kamineni joined the Board of Blue Star in May 2014. She is the Vice Chairperson of the KEI Group and a past Chairperson of CII-Southern Region. Currently, she is the Chairperson of CII National Public Health Committee. Shobana has also been nominated as a Member of Executive Council and Finance Committee of Osmania University, Hyderabad and is a Member on the Advisory Committee of NCC.

Details of her other Directorships/Memberships of Committees are given below:

Name of the Company	Directorship	Committee Membership
Apollo Hospitals Enterprises Ltd	Executive Director	-
Apollo Munich Health Insurance Co Ltd	Whole Time Director	Remuneration Committee & Audit committee
PCR Investments Ltd	Director	-
Apollo Sindoori Hotels Ltd	Director	-
Apollo Mumbai Hospitals Ltd	Director	-
Apollo Health Resource Ltd	Director	-
Lifetime Wellness Rx International Ltd	Director	-
Indian Hospitals Corporations Ltd	Director	-
Apollo Health Street Ltd	Director	Investor Grievances & Share Transfer Committee Audit Committee
Keimed Ltd	Director	-
Apollo Lavasa Health Corporation Ltd	Director	-

Ms Kamineni does not hold any shares in the Company

In terms of Section 161 of the Companies Act, 2013, ('the Act'), Ms Kamineni holds office up to the date of the forthcoming Annual General Meeting of the Company. The Company has received a Notice together with necessary deposit from a Member signifying his intention to propose Ms Kamineni as candidate for the office of Director of the Company at the forthcoming Annual General Meeting.

The Board, after reviewing the provisions of the Companies Act, 2013 ('the Act'), is of the opinion that Ms Kamineni fulfils the criteria as specified in Section 149(6) of the Act and the Rules made thereunder and being eligible to be appointed as an Independent Director of the Company. The Board is also of the opinion that Ms Kamineni is independent of the management of the Company.

The Board considers that her appointment would be of immense benefit to the Company and it is desirable to avail the services of Ms Kamineni as an Independent Director. In terms of the provisions of Section 149(13) of the Act, Ms Kamineni shall not be liable to retire by rotation.

Copy of the draft letter for appointment of Ms Kamineni as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day.

Under the prevailing policy of the Company, Non-Executive Directors retire at the end of the month in which they attain the age of 75 years.

Except Ms Kamineni, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their respective relatives are concerned or interested, financial or otherwise, in the resolution set out at Item No. 5.

Your Directors recommend Resolution No. 5 as an Ordinary Resolution for approval by the Members.

ITEM NO. 6

Mr Pradeep Mallick, aged 71 years, has been an Independent Director on the Board of the Company w.e.f. January 29, 2003 in terms of Clause 49 of the listing agreement with Stock Exchange. Mr Mallick is a Member of the Nomination and Remuneration Committee and also a member of the Audit Committee of the Board.

Mr Pradeep Mallick is a BTech from IIT Madras and Diploma holder in Business Management from UK. He is also a Chartered Engineer and Fellow of the Institution of Engineering & Technology, London. Mr Pradeep Mallick was the Managing Director of Wartsila India Ltd from 1988 to 2003, prior to which he worked with several leading companies in the field of electrical power transmission and distribution. He joined the Board of Blue Star in 2003.

Details of his other Directorships/Memberships of Committees are given below:

Name of the Company	Directorship	Committee Membership
Automotive Stampings and Assemblies Ltd	Chairman	-
ESAB India Ltd	Director	-
Foseco India Ltd	Director	-
Gravitational Network Advisors Private Ltd	Director	-
Gujarat Pipavav Port Ltd	Director	-
Pragati Leadership Institute Pvt Ltd	Director	-

The Company has also received a Notice together with necessary deposit from a Member signifying his intention to propose Mr Mallick as candidate for the office of Director of the Company at the forthcoming Annual General Meeting.

He does not hold any shares in the Company and is not related to any other Directors of the Company.

The Board, after reviewing the provisions of the Companies Act, 2013 ('the Act'), is of the opinion that Mr Mallick fulfils the criteria as specified in Section 149(6) of the Act and the Rules made thereunder and being eligible to be appointed as an Independent Director of the Company. The Board is also of the opinion that Mr Mallick is independent of the management of the Company.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail the services of Mr Mallick as an Independent Director. In terms of the provisions of Section 149(13) of the Act, Mr Mallick shall not be liable to retire by rotation.

Except Mr Mallick, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their respective relatives are concerned or interested, financial or otherwise, in the resolution set out at Item No. 6.

Copy of the draft letter for appointment of Mr Mallick as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

Under the prevailing policy of the Company, Non-Executive Directors retire at the end of the month in which they attain the age of 75 years.

Your Directors recommend Resolution No. 6 as an Ordinary Resolution for approval by the Members.

ITEM NO. 7

Mr Gurdeep Singh, aged 69 years, has been an Independent Director on the Board of the Company w.e.f. May 23, 2003 in terms of Clause 49 of the listing agreement with Stock Exchange. Mr Gurdeep Singh is a member of the Nomination and Remuneration Committee Chairman of the Investors Grievance cum Stakeholders Relationship Committee and also member of the Compensation Committee (ESOP Committee) of the Board.

Mr Gurdeep Singh is a Chemical Engineering Graduate from IIT Delhi. After his graduation, he joined Hindustan Lever Ltd as a Management Trainee. He held various responsible positions in the Company before he was expatriated to Brazil as Technical Director of the Unilever Detergents business.

Mr Gurdeep Singh returned to Hindustan Lever Ltd in 1998 as Director - Human Resources, Corporate Affairs and Technology, and retired from the Company in 2003. He joined the Board of Blue Star in 2003.

Details of his other Directorships/Memberships of Committees are given below:

Name of the Company	Directorship	Committee Membership
Gabriel India Ltd	Director	Audit Committee & Shareholders Grievance Committee
Phoenix Lamps Ltd	Director	Audit Committee
Tecnova India Pvt Ltd	Director	-
Klockner Pentaplast India Pvt Ltd	Director	-
Gateway Rail Fright Ltd	Director	-
Renuka do Brasil, SA	Director	-

The Company has also received a Notice together with necessary deposit from a Member signifying his intention to propose Mr Gurdeep Singh as candidate for the office of Director of the Company at the forthcoming Annual General Meeting.

He holds 1200 shares in the Company and is not related to any other Directors of the Company.

The Board, after reviewing the provisions of the Companies Act, 2013 ('the Act'), is of the opinion that Mr Gurdeep Singh fulfils the criteria as specified in Section 149(6) of the Act and the Rules made thereunder and being eligible to be appointed as an Independent Director of the Company. The Board is also of the opinion that Mr Gurdeep Singh is independent of the management of the Company.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail the services of Mr Gurdeep Singh as an Independent Director. In terms of the provisions of Section 149(13) of the Act, Mr Gurdeep Singh shall not be liable to retire by rotation.

Except Mr Gurdeep Singh, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their respective relatives are concerned or interested, financial or otherwise, in the resolution set out at Item No. 7.

Copy of the draft letter for appointment of Mr Gurdeep Singh as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

Under the prevailing policy of the Company, Non-Executive Directors retire at the end of the month in which they attain the age of 75 years.

Your Directors recommend Resolution No. 7 as an Ordinary Resolution for approval by the Members.

ITEM NO. 8

Mr Shailesh Haribhakti, aged 58 years, has been an Independent Director on the Board of the Company w.e.f. October 31, 2005 in terms of Clause 49 of the listing agreement with Stock Exchange. Mr Haribhakti is the Chairman of the Audit Committee and also member of the Compensation Committee (ESOP Committee) of the Board.

Mr Shailesh Haribhakti is a Chartered and Cost Accountant, and a Certified Internal Auditor, Financial Planner & Fraud Examiner. During a career span of four decades, he has successfully established and led many innovative services including outsourcing of knowledge processes, engaged investing, as well as efficiency and effectiveness enhancement in society, commercial and governmental organisations.

Mr Haribhakti joined the Board of Blue Star in 2005. He has been associated with several institutions and trade associations such as Indian Merchants' Chamber, Institute of Internal Auditors, Bombay Management Association, ASSOCHAM, Western India Regional Council of ICAI and NMIMS. In addition, he is empanelled as an Arbitrator by the Indian Council of Arbitration.

Details of his other Directorships/Memberships of Committees are given below:

Name of the Company	Directorship	Committee Membership
Torrent Pharmaceuticals Ltd	Director	Audit Committee
L & T Finance Holdings Ltd	Director	Audit Committee
Raymond Ltd	Director	Audit Committee
Future Lifestyle Fashions Ltd	Director	Audit Committee
Mahindra Life Space Developers Ltd	Director	Audit Committee
NSDL e-Governance Infrastructure Ltd (Formerly known as National Securities Depository Ltd)	Director	Audit Committee
Ambuja Cement Ltd	Director	-
ACC Ltd	Director	-
J K Paper Ltd	Director	-
Milestone Capital Advisors Ltd	Director	-
Karam Chand Thapar & Bros (Coal Sales) Ltd	Director	-
D H Consultants Private Ltd	Chairman	-
Quadram Solutions Private Ltd	Director	-
J M Financial Asset Reconstruction Co Pvt Ltd	Director	Audit Committee
AAA Infrastructure Consulting & Engineers Pvt Ltd	Director	-
Reliance Enterprises & Ventures Pvt Ltd	Director	-
ADA Enterprises & Ventures Pvt Ltd	Director	-
AAA International Capital Pvt Ltd	Director	-
AAA Industries Pvt Ltd	Director	-
MentorCap Management Pvt Ltd	Director	-
Haribhakti Moti India Pvt Ltd (Under Liquidation)	Director	-
Planet People & Profit Consulting Pvt Ltd (Under Liquidation)	Chairman	-
HB Advisory Services Pvt Ltd	Director	-

The Company has also received a Notice together with necessary deposit from a Member signifying his intention to propose Mr Haribhakti as candidate for the office of Director of the Company at the forthcoming Annual General Meeting.

He does not hold any shares in the Company and is not related to any other Directors of the Company.

The Board, after reviewing the provisions of the Companies Act, 2013 ('the Act'), is of the opinion that Mr Haribhakti fulfils the criteria as specified in Section 149(6) of the Act and the Rules made thereunder and being eligible to be appointed as an

Independent Director of the Company. The Board is also of the opinion that Mr Haribhakti is independent of the management of the Company.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail the services of Mr Haribhakti as an Independent Director. In terms of the provisions of Section 149(13) of the Act, Mr Haribhakti shall not be liable to retire by rotation.

Except Mr Haribhakti, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their respective relatives are concerned or interested, financial or otherwise, in the resolution set out at Item No. 8.

Copy of the draft letter for appointment of Mr Haribhakti as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

Under the prevailing policy of the Company, Non-Executive Directors retire at the end of the month in which they attain the age of 75 years.

Your Directors recommend Resolution No. 8 as an Ordinary Resolution for approval by the Members.

ITEM NO. 9

Mr M K Sharma, aged 67 years, has been an Independent Director on the Board of the Company w.e.f. May 13, 2013 in terms of Clause 49 of the listing agreement with Stock Exchange. Mr Sharma is a member of the Audit Committee of the Board.

Mr M K Sharma holds Bachelors Degrees in Arts and Law, and Post Graduate Diplomas in Personnel Management and Labour Laws. He has also attended the Advanced Management Programme at Harvard Business School.

Mr M K Sharma joined Hindustan Lever Ltd in 1974 and retired as its Vice Chairman in 2007, including serving 12 years on its Board. He has rich experience in mergers and acquisitions, corporate restructuring and law. He has also served as a member of Corporate Law Committee formed by the Ministry of Corporate Affairs and Naresh Chandra Committee on Corporate Governance.

Mr M K Sharma joined the Board of Blue Star in May 2013. He is actively involved in several industry associations and respected academic institutions.

Details of his other Directorships/Memberships of Committees are given below:

Name of the Company	Directorship	Committee Membership
The Anglo Scottish Education Society Ltd	Director	-
ICICI Lombard General Insurance Co Ltd.	Director	Board of Governance & Remuneration Committee
Thomas Cook (India) Ltd	Chairman	Audit Committee Share Transfer & Shareholders/Investors' Grievance Committee
Wipro Ltd	Director	Audit Committee
International Paper APPM Ltd (Previously The Andhra Pradesh Paper Mills Ltd)	Director	Audit Committee & Remuneration Committee
Asian Paints Ltd	Director	Audit Committee
India Infradebt Ltd	Director	-
Indian School of Business		Executive Board
Travel Corporation (India) Ltd	Director	-
Ikya Human Capital Solutions Ltd	Director	-
East India Investment Company Pvt Ltd	Director	-

Gwalior Webbing Co Pvt Ltd	Director -	-
Sanmar Group Corporate Board	Director, Advisory Board	-
Sterling Holiday Resorts (India) Ltd	Director	-
ICICI Prudential Asset Management Company Ltd	Director	-

The Company has also received a Notice together with necessary deposit from a Member signifying his intention to propose Mr Sharma as candidate for the office of Director of the Company at the forthcoming Annual General Meeting.

He does not hold any shares in the Company and is not related to any other Directors of the Company.

The Board, after reviewing the provisions of the Companies Act, 2013 ('the Act'), is of the opinion that Mr Sharma fulfils the criteria as specified in Section 149(6) of the Act and the Rules made thereunder and being eligible to be appointed as an Independent Director of the Company. The Board is also of the opinion that Mr Sharma is independent of the management of the Company.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail the services of Mr Sharma as an Independent Director. In terms of the provisions of Section 149(13) of the Act, Mr Sharma shall not be liable to retire by rotation.

Except Mr Sharma, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their respective relatives are concerned or interested, financial or otherwise, in the resolution set out at Item No. 9.

Copy of the draft letter for appointment of Mr Sharma as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

Under the prevailing policy of the Company, Non-Executive Directors retire at the end of the month in which they attain the age of 75 years.

Your Directors recommend Resolution No. 9 as an Ordinary Resolution for approval by the Members.

ITEM NO. 10

Mr Satish Jamdar aged 62 years is a Mechanical Engineering graduate from IIT Bombay with additional qualifications in Systems Management from NIIT, and Management Studies from UK and USA. He has over four decades of experience in manufacturing, supply chain, general management and IT projects, having worked for Siemens Ltd, BPL-Sanyo Ltd and Alstom Ltd, before joining Blue Star in 1996.

Mr Satish Jamdar has spearheaded the establishment of Blue Star's modern manufacturing facilities in Dadra, Himachal, Wada and Ahmedabad. He was also responsible for the Service business, International Operations, Corporate Finance and Human Resources. Mr Jamdar was promoted as Executive Director in 2003, and as Deputy Managing Director in 2007, before taking over as the Managing Director of the Company in 2009. He oversees all the operations and support services of the Company.

Mr Jamdar is also a Director of Blue Star Electro-Mechanical Ltd. He is a past Chairman of the CII Maharashtra State Council, and is currently Chairman of the CII-Western Region Affirmative Action Committee, as well as a member of the CII National Manufacturing Council.

Mr Satish Jamdar holds 27,000 equity shares of the Company.

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

A. Salary:

₹4,53,387/- per month with annual increments at such rate as may be approved by the Board of Directors of the Company, subject to the ceiling of 25% of his basic salary.

B. Commission:

As approved by the Board of Directors subject to a ceiling of 2% percent of the net profits of the Company as computed under the Companies Act, 2013, provided that the total remuneration shall not exceed the individual and overall ceilings prescribed under the Companies Act, 2013 for the time being and from time to time in force.

C. Perquisites:

i) In addition to the salary and commission, Mr Satish Jamdar will also be 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 evaluated as per Income-Tax Rules wherever applicable.

ii) 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; Gratuity 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.

iii) Car for use on Company's business and telephone and other communication facilities at residence will not be considered as perquisites.

In the event of loss or inadequacy of profits in any financial year, Mr Jamdar 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 enactment thereof, as may be agreed to by the Board of Directors and Mr Jamdar.

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. Nature of Duties:

He shall devote his whole time and attention to the business of the Company, perform his duties truly and faithfully and comply with the directives given to him from time to time by the Board, and further not to disclose to any person, firm or company any confidential information.

G. Other Conditions:

He shall not during his tenure as Managing Director, become interested or otherwise concerned directly or through his wife and/or children, if any, in any selling agency of the Company without the prior approval, as may be required under the Companies Act, 2013.

H. Retirement:

He shall as per the prevailing retirement policy of the Company retire at the end of the month in which he attains the age of 65 years.

I. 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.

J. Arbitration:

Disputes to be settled by arbitration.

Copies of the 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 Mr Satish Jamdar, being an appointee, none of the Directors of the Company and Key Managerial Personnel of the Company and their respective relatives, are concerned or interested, financial or otherwise, in the resolution set out at Item No. 10.

This Explanatory Statement together with the accompanying Notice may also be regarded as an abstract of the terms and memorandum of interest pursuant to the Companies Act, 2013.

ITEM NO. 11

Pursuant to the provisions of Section 148(3) read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the Board at its meeting held on May 30, 2014, based on the recommendation of the Audit Committee, appointed M/s N I Mehta & Co, Cost Accountants, as Cost Auditor to conduct the audit of the cost accounting records of the Company for the financial year 2014-15.

The Board, subject to ratification by the Shareholders, also approved the remuneration of ₹7.50 lakhs (previous year ₹7.50 lakhs) plus reimbursement of out-of-pocket expenses, for conducting the cost audit for the financial year 2014-15.

None of the Directors and Key Managerial Personnel of the Company and their respective relatives are concerned or interested, financial or otherwise, in the resolution set out at Item No. 11.

Your Directors recommend Resolution No. 11 as an Ordinary Resolution for approval by the Members.

ITEM NO. 12

At the Annual General Meeting held on July 27, 2009, a resolution was passed by the shareholders authorising the Company to pay commission to the Non-Executive Directors upto a limit not exceeding 1% of the net profits of the Company, for a period of 5 financial years commencing from April 1, 2009 which shall expire on March 31, 2014.

It is proposed to seek the approval of the shareholders to enable the Company to continue to pay commission to its Non-Executive Directors including Independent Directors at the rate not exceeding 1% of the net profits of the Company.

Accordingly, a Special Resolution to this effect is recommended in Item No. 12.

Mr Ashok M Advani, Mr Suneel M Advani, Mr Vir S Advani, Mr Pradeep Mallick, Mr Shailesh Haribhakti, Mr Gurdeep Singh, Mr M K Sharma and Ms Shobana Kamineni, Directors are concerned or interested in this resolution. None of the other Directors and Key Managerial Personnel of the Company and their respective relatives are concerned or interested, financial or otherwise, in the resolution set out Item No. 12.

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

May 30, 2014

By Order of the Board of Directors

Sangameshwar Iyer
Company Secretary

FOR THE ATTENTION OF SHAREHOLDERS

1. Shareholders are requested to forward their queries on Accounts for the financial year ended March 31, 2014 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 Annual General Meeting. Shareholders attending the Meeting are requested to bring the same along with them.