

Notice

May 13, 2013

NOTICE is hereby given that the 65th 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 22, 2013 at 2.30 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, 2013, 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 Gurdeep Singh who retires by rotation and being eligible, offers himself for reappointment.
4. In view of Mr Suresh N Talwar, who is retiring by rotation, and not seeking re-election in line with the retirement policy for Directors, the following resolution is proposed:
"RESOLVED that at the Annual General Meeting of the Company to be held on July 22, 2013, the vacancy caused by the retirement of Mr Suresh N Talwar, who retires as a Director by rotation and not seeking re-election in line with the retirement policy for Directors not be filled."
5. To appoint Auditors and to fix their remuneration.

B. SPECIAL BUSINESS

6. To pass with or without modification, the following resolution as an Ordinary resolution:
"RESOLVED that Mr B Thiagarajan be and is hereby appointed a Director of the Company."
7. To pass with or without modification, the following resolution as an Ordinary resolution:
"RESOLVED that pursuant to the provisions of Sections 269, 198, 309, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, the approval of the Company be and is hereby given to the appointment of Mr B Thiagarajan as Wholetime Director of the Company designated as Executive Director for a period of 5 years with effect from May 13, 2013 upon the remuneration and terms and conditions set out in the draft agreement placed before this meeting and initialled by the Company Secretary for the purpose of identification."
8. To pass with or without modification, the following resolution as an Ordinary resolution:
"RESOLVED that Mr M K Sharma be and is hereby appointed a Director of the Company."

NOTES:

1. The relative Explanatory Statement pursuant to Section 173 of the Companies Act, 1956 in respect of Special Business under Item nos. 6, 7 and 8 above is annexed hereto. The Information as required under Clause 49 of the Listing Agreement, relating to the Directors proposed to be appointed/reappointed, 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.**
3. The Register of Members and the Share Transfer Books of the Company will remain closed from Tuesday, July 9, 2013 to Tuesday, July 16, 2013 (both days inclusive).
4. The dividend, if declared at the Annual General Meeting, will be paid on or after July 26, 2013, only to those Members whose names appear on the Company's Register of Members on July 16, 2013.
5. Under Section 205A of the Companies Act, 1956, 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 2005-06 to the Investor Education and Protection Fund of the Central Government in September 2013.

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Members who have not encashed the dividend warrant for Dividend 2005-06 or any subsequent dividend payment so far, are requested to make their claims to the Company immediately. Please note that as per Section 205C of the Companies Act, 1956, 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 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 & 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 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 Company (in case of those who are holding shares in physical mode) at an early date in order to avail the facility in the future.
8. Members wishing to avail of service/despatch 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 e-mail IDs with the Company by intimating the same to the Registrar & Share Transfer Agents 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 Directors proposed to be appointed/reappointed is provided hereunder:

ITEM NO. 3 - MR GURDEEP SINGH

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

Name of the Company	Directorship	Committee Membership
Gabriel India Ltd	Director	-
Halonix Ltd	Director	Audit Committee Compensation Committee
Technova India Private Ltd	Director	-
Everest Kanto Cylinder Ltd	Director	-
Klockner Pentaplast India Pvt Ltd	Director	-
Gateway Rail Freight Ltd	Director	-
Renuka do Brasil, S A	Director	-

Mr Gurdeep Singh holds 1200 equity shares of the Company.

ITEM NOS. 6 & 7- MR B THIAGARAJAN

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

Name of the Company	Directorship	Committee Membership
Blue Star Design & Engineering Ltd	Director	-

Mr Thiagarajan holds 1700 equity shares in the Company.

ITEM NO. 8 - MR M K SHARMA

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

Name of the Company	Directorship	Committee Membership
ICICI Lombard General Insurance Co Ltd	Director	Board of Governance & Remuneration Committee
Fulford (India) Ltd	Director	Audit Committee Remuneration Committee
Thomas Cook (India) Ltd	Chairman	Audit Committee Share Transfer & Shareholders'/ Investors' Grievance Committee
KEC International Ltd	Director	-
Wipro Ltd	Director	Audit Committee
The Andhra Pradesh Paper Mills Ltd	Director	Audit Committee Remuneration Committee
Asian Paints Ltd	Director	-
India Infradebt Ltd	Director	-
Indian School of Business	-	Member, Executive Board
Travel Corporation (India) Ltd	Director	-

Mr Sharma does not hold any equity shares in the Company.

EXPLANATORY STATEMENT U/S. 173(2) OF THE COMPANIES ACT, 1956

ITEM NOS. 6 & 7

The Board of Directors of the Company at its meeting held on May 13, 2013, appointed Mr B Thiagarajan (Mr Thiagarajan) as an Additional Director pursuant to Section 260 of the Companies Act, 1956 and a Wholetime Director of the Company with effect from May 13, 2013 on the terms and conditions mentioned herein below. As per the provisions of the said Section, Mr Thiagarajan holds office as Additional Director up to the date of the forthcoming Annual General Meeting. Item nos. 6 and 7 of the Notice are for the approval of the shareholders for appointment of Mr Thiagarajan as a Director and a Wholetime Director respectively of the Company.

The Company has received Notice under Section 257 of the Companies Act, 1956, from a member proposing the appointment of Mr Thiagarajan as a Director of the Company.

Mr Thiagarajan earned a Bachelor of Engineering degree in Electrical and Electronics from Madurai University, India. He completed a Senior Executive Program at the London Business School in 2006. He has over three decades of experience, having worked for Larsen & Toubro Ltd, BPL Ltd and Voltas Ltd, prior to joining Blue Star.

Mr Thiagarajan joined Blue Star in 1998 to manage the Marketing Support Services and Customer Service functions. He soon assumed responsibility for Corporate Communications and Marketing where he played a significant role in building the image and brand equity of Blue Star. Over the years, Mr Thiagarajan took additional charge of the Service Business operations of Blue Star, and then of Corporate Affairs & Planning. He was elevated to President of the Airconditioning & Refrigeration Products Group in 2009. Under his leadership, the AC&R products business of the Company has grown significantly in terms of volumes and profitability.

In his new assignment, Mr Thiagarajan will oversee all manufacturing, marketing, after-sales service and supply chain activities of Packaged and Room Airconditioners, Refrigeration Products and Cold Storages. In addition, he will continue to be responsible for Corporate Communications & Marketing and Public Relations.

Mr Thiagarajan plays an active role in the affairs of various industry forums, and is currently President of the Refrigeration and Airconditioning Manufacturers' Association (RAMA). He is also a Member of the CII National Council of Agriculture, Chairman of the CII National Task Force on Cold Chain Development and Executive Committee Member of the Indian Green Building Council.

Accordingly, your Directors recommend his appointment as a Director and Wholetime Director of the Company.

Mr Thiagarajan is interested in this item of business.

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

A. Salary:

Rs. 2,31,000/- per month with such increments from time to time at such rate as may be approved by the Board of Directors (which expression shall include a Committee thereof) with retrospective effect, if need be, subject to the condition that the total increment granted to Mr Thiagarajan in any financial year shall not exceed 25% of his basic salary.

B. Commission:

Not exceeding one percent of the net profits of the Company payable as computed under the Companies Act, 1956, provided that the total remuneration shall not exceed the individual and overall ceilings prescribed under Section 198 and 309 of the Companies Act, 1956, for the time being or from time to time in force.

C. Perquisites:

- i) In addition to the salary and commission, Mr Thiagarajan 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 Thiagarajan shall be paid remuneration by way of salary and perquisites in accordance with the limits laid down in Schedule XIII of the Companies Act, 1956, or any statutory modifications therein or re-enactment thereof, as may be agreed to by the Board of Directors and Mr Thiagarajan.

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 Executive Director, become interested or otherwise concerned directly or through any of his family members, in any selling agency of the Company without the prior approval of such authorities, if any, as may be required under the Companies Act, 1956.

H. Termination:

- (a) The Board is entitled to terminate the Agreement forthwith by notice in writing on his vacation of office of Director by virtue of Sections 283, 284, and other applicable provisions of the Companies Act, 1956.
- (b) 6 months' notice in writing by either party.

I. Arbitration:

Disputes to be settled by arbitration.

A copy 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.

None of the Directors of the Company except Mr Thiagarajan are concerned or interested in this resolution.

This Explanatory Statement together with the accompanying Notice may also be regarded as an abstract and memorandum under Section 302 of the Companies Act, 1956.

ITEM NO. 8

The Board of Directors of the Company at its meeting held on May 13, 2013, appointed Mr M K Sharma (Mr Sharma) as an Additional Director pursuant to Section 260 of the Companies Act, 1956 with effect from May 13, 2013. As per the provisions of the said Section, Mr Sharma holds office as Additional Director up to the date of the forthcoming Annual General Meeting. Item no. 8 of the Notice is for the approval of the shareholders for appointment of Mr Sharma as a Director of the Company. The Company has received Notice under Section 257 of the Companies Act, 1956, from a member proposing the appointment of Mr Sharma as a Director of the Company.

Mr 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 the Harvard Business School.

Annexure to Notice

He brings to the Board, 35 years of broad corporate experience in the fields of law, human resources, corporate communications and corporate affairs in India and abroad.

His corporate experience started in 1968 with 6 years in DCM Ltd. In 1974, he joined Hindustan Lever Ltd, beginning his managerial career in the legal and secretarial area. He rose rapidly, eventually joining the Board of Hindustan Lever Ltd, as a Wholetime Director in 1995. He served as Vice Chairman for 7 years until his retirement from the company in 2007.

Mr Sharma currently runs his own legal practice in the name of M K Sharma & Associates. He is a Director on the Boards of several companies including Wipro Ltd, Asian Paints Ltd, ICICI Lombard General Insurance Company Ltd and KEC International Ltd, amongst others. He is also actively involved in several industry associations and respected academic institutions.

In view of his impressive list of corporate and professional accomplishments and his firm belief in the highest standards of Corporate Governance, your Directors consider that his wise advice and counsel will be of immense benefit to the Company as it charts its passage to a bright future. Accordingly, your Directors recommend the appointment of Mr Sharma as a Director of the Company.

Mr Sharma does not hold any shares in the Company.

None of the Directors of the Company except Mr Sharma are concerned or interested in this resolution.

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

May 13, 2013

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, 2013 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.