

## BLUE STAR LIMITED

Registered Office: Kasturi Buildings  
Mohan T Advani Chowk  
Jamshedji Tata Road  
Mumbai 400 020.

May 12, 2010

**NOTICE** is hereby given that the 62<sup>nd</sup> 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 26, 2010 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, 2010, the Profit & Loss Account 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 Suresh N Talwar who retires by rotation and, being eligible, offers himself for reappointment.
4. To appoint a Director in place of Mr Gurdeep Singh who retires by rotation and, being eligible, offers himself for reappointment.
5. To appoint Auditors and to fix their remuneration.

### B. SPECIAL BUSINESS

6. To consider and, if thought fit, to pass with or without modification, as an Ordinary Resolution, the following:  
"RESOLVED that Mr Vir S Advani be and is hereby appointed as a Director of the Company"
7. To consider and, if thought fit, to pass with or without modification, as an Ordinary Resolution, the following:  
"RESOLVED that pursuant to the provisions of Sections 198, 269, 309, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, the approval of the Company be and it is hereby given to the appointment of Mr Vir S Advani as a Wholtime Director of the Company for a period of 5 years with effect from July 1, 2010 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."

### NOTES:

1. The relative Explanatory Statement pursuant to Section 173 of the Companies Act, 1956 in respect of Ordinary/ Special Business under Item nos. 6 and 7 above is annexed hereto. Information as required under Clause 49(VIA) of the Listing Agreement, relating to the Directors proposed to be 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 Wednesday, July 14, 2010 to Wednesday, July 21, 2010 (both days inclusive).

4. The dividend if declared at the Annual General Meeting will be paid on or after July 29, 2010, only to those Members whose names appear on the Company's Register of Members on July 21, 2010.
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 2002-03 to the Investor Education and Protection Fund of the Central Government in August 2010.

Members who have not encashed the dividend warrant(s) for Dividend 2003 or any subsequent dividend payment(s) 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 dematerialized 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 dematerialized mode) or 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.

By Order of the Board of Directors

**K P T Kutty**  
Company Secretary

## 1. EXPLANATORY STATEMENT AS REQUIRED BY SECTION 173 OF THE COMPANIES ACT, 1956.

As required by Section 173 of the Companies Act, 1956, the following Explanatory Statements set out all material facts relating to Ordinary/Special Business mentioned in the accompanying Notice dated May 12, 2010.

### ITEM NOS. 6 & 7

The Board of Directors of the Company at its meeting held on May 12, 2010, appointed Mr Vir S Advani (Mr Advani) as an Additional Director pursuant to Section 260 of the Companies Act, 1956 and a Wholetime Director of the Company with effect from July 1, 2010. As per the provisions of the said Section, Mr Advani 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 Vir S Advani 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 Advani as a Director of the Company.

Mr Advani (34 years) holds a BS degree in Systems Engineering and BA degree in Economics from the University of Pennsylvania. He has also completed a comprehensive Executive Management Program 'The Program for Leadership Development' at Harvard Business School.

Mr Advani joined Blue Star as Vice President – Corporate Affairs effective September 1, 2007. He was promoted to Executive Vice President from July 1, 2008 and as President – Corporate Affairs & Special Projects with effect from July 1, 2009.

Mr Advani was instrumental to the major corporate profit improvement project named 'Project Quantum' and he successfully implemented the project in consultation with Accenture, a well-known consultancy firm. This project has already contributed immensely to the profitability and performance of the Company. He also headed the Infrastructure Projects and the International Projects businesses. Earlier, he was actively involved in various corporate developmental activities including acquisition of an electrical contracting business, planning and implementation of the SAP ERP system, etc.

Prior to his joining Blue Star, he worked with Three Cities Research Inc., USA for two years, Blue Star Infotech Limited for three and half years and Blue Star Design & Engineering Limited for three and half years. In Blue Star Design & Engineering Limited, he was a Wholetime Director designated as Chief Executive Officer responsible for the entire operations of the Company.

Considering his varied experience, leadership qualities and excellent managerial capability, it is proposed to appoint Mr Vir S Advani as a Wholetime Director of the Company.

Mr Advani holds 50000 equity shares of the Company.

He is a Director of Blue Star Design & Engineering Limited and J T Advani Finance Private Limited and is not a Member of any Committees.

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

#### A. SALARY:

Rs. 2,20,000/- 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 1% percent of the net profits of the Company 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 and from time to time in force.

**C. PERQUISITES:**

- i) In addition to the salary and commission, Mr Advani 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 Advani 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 enactment thereof, as may be agreed to by the Board of Directors and Mr Advani.

**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. 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 a Wholetime Director, become interested or otherwise concerned directly or through his wife and/or minor children, if any, in any selling agency of the Company without the prior approval, as may be required under the Companies Act, 1956.

**H. TERMINATION:**

The Agreement may be terminated

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

**I. 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.

None of the Directors of the Company, except Mr Suneel M Advani and Mr Ashok M Advani, is concerned or interested in this resolution.

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

**2. INFORMATION AS REQUIRED BY CLAUSE 49(VIA) OF THE LISTING AGREEMENT:**

As required by Clause 49 (VIA) of the Listing Agreement with the Stock Exchange, the information relating to the Directors proposed to be reappointed is provided hereunder:

**ITEM NO. 3 - MR SURESH N TALWAR**

Mr Suresh N Talwar (72 years) is a graduate in Commerce and Law and a solicitor and Partner of M/s Talwar, Thakore & Associates, Mumbai. Before setting up this firm in April 2007, he was the Senior Partner of Crawford Bayley & Company, Mumbai. He joined the Board of Blue Star in June 1986. He is a legal Counsel to various Indian companies, multinational corporations and Indian and foreign banks. He has vast legal experience and expertise in corporate matters.

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

<b>Name of the Company</b>	<b>Directorship</b>	<b>Committee Membership</b>
PZ Cussons India Private Ltd.	Chairman & Alternate Director	
FCI OEN Connectors Ltd.	Chairman & Alternate Director	Audit Committee
Trans Warranty Finance Ltd.	Chairman & Alternate Director	
Armstrong World Industries (India) Pvt. Ltd.	Chairman	
Merck Ltd.	Chairman	Audit Committee
Sidham Finance & Investments Pvt. Ltd.	Chairman	
Aon Global Insurance Services Pvt. Ltd.	Director	
Biocon Ltd.	Director	Audit Committee
Birla Sun Life Insurance Co. Ltd.	Director	
Birla Sun Life Trustee Co. Pvt. Ltd.	Director	Audit Committee
Blue Star Infotech Ltd.	Director	Audit Committee
Cadbury India Ltd.	Director	Audit Committee
Chowgule & Company Pvt. Ltd.	Director	
Decagon Investments Pvt. Ltd.	Director	
ELANTAS Beck India Ltd.	Director	Audit Committee
Emerson Process Management (India) Pvt. Ltd.	Director	
Epitome Global Services Pvt. Ltd.	Director	
Esab India Ltd.	Director	
Greaves Cotton Ltd.	Director	Audit Committee
India Value Fund Trustee Co. Pvt. Ltd.	Director	
IVF Trustee Co. Pvt. Ltd.	Director	
IVF (Mauritius) PCC	Director	
IVF (Mauritius) Ltd.	Director	
Indium III (Mauritius) Holding Ltd.	Director	
Indium III (Mauritius) Ltd.	Director	
Indium IV (Mauritius) Holding Ltd.	Director	
Indium IV (Mauritius) Ltd.	Director	
John Fowler (India) Pvt. Ltd.	Director	
Larsen & Toubro Ltd.	Director	
M F Global (India) Pvt. Ltd.	Director	
Morgan Stanley India Capital Pvt. Ltd	Director	Audit Committee
Rediffusion-Dentsu, Young & Rubicam Pvt. Ltd.	Director	
Rakeen Development PJSc.	Director	

Name of the Company	Directorship	Committee Membership
Reva Electric Car Co. Pvt. Ltd.	Director	
Sandvik Asia Pvt. Ltd.	Director	Audit Committee
Shrenuj & Co. Ltd.	Director	
Solvay Pharma India Ltd.	Director	Audit Committee
Snowcem Paints Pvt. Ltd.	Director	
Sonata Software Ltd.	Director	
Swiss Re Shared Services (India) Pvt. Ltd.	Director	
TTK Healthcare Services Pvt. Ltd.	Director	
Warner Bros Pictures (India) Pvt. Ltd.	Director	
WAVE Suspension Systems (I) Pvt. Ltd.	Director	
Albright & Wilson Chemicals India Ltd.	Alternate Director	
Hindustan Gum & Chemicals Ltd.	Alternate Director	
Johnson & Johnson Ltd.	Alternate Director	
Uhde India Ltd.	Alternate Director	

Mr Suresh N Talwar holds 71500 Equity Shares in the Company

#### ITEM NO. 4 - MR GURDEEP SINGH

Mr Gurdeep Singh (65 years) graduated in Chemical Engineering from IIT, Delhi in 1966 and joined Hindustan Lever Ltd, as a Management Trainee. He held various responsible positions in the Company and its parent company, Unilever. He held the position of Technical Director of Unilever Detergents Business in Brazil during 1993 to 1998 and Director - Human Resource, Corporate Affairs and Technology of Hindustan Lever from 1998 to 2003. After retirement from the Board, he continued as the Senior Vice President - Corporate Affairs till April 2006. His technical expertise and varied experience will continue to benefit the Company immensely.

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

Name of the Company	Directorship	Committee Membership
Halonix Ltd.	Director	Audit Committee
Technova India Pvt. Ltd.	Director	
Klockner Pentaplast India Pvt. Ltd.	Director	
Everest Kanto Cylinder Ltd.	Director	
Gabriel India Ltd.	Director	

Mr Gurdeep Singh does not hold any equity shares in the Company.

**BLUE STAR LIMITED**  
Kasturi Buildings  
Mohan T Advani Chowk  
Jamshedji Tata Road  
Mumbai 400 020.  
May 12, 2010

By Order of the Board of Directors

**K P T Kutty**  
Company Secretary

#### FOR THE ATTENTION OF SHAREHOLDERS

- Shareholders are requested to forward their queries on Accounts for the financial year ended March 31, 2010 to the Registered Office of the Company at least 10 days in advance to enable us to keep the information ready at the Meeting.
- 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.