BLUE STAR

Blue Star Limited
Kasturi Buildings,
Mohan T Advani Chowk,
Jamshedji Tata Road,
Mumbai 400 020, India.
Tel : +91 22 6665 4000
Fax : +91 22 6665 4152
www.bluestarindia.com

August 27, 2015

The Secretary
The Bombay Stock Exchange Ltd.
Floor 25, P.J. Towers
Dalal Street
Mumbai 400 001.
Fax No. 22723121

National Stock Exchange of India Ltd.
Exchange Plaza
Bandra Kurla Complex
Bandra (E)
Mumbai 400 051.

Ref Co Code : 500067 (BSE) ; BLUESTARCO (NSE)

Dear Sir,

Sub: AGM Proceedings

Please find enclosed the Proceedings of 67th Annual General Meeting of Blue Star Limited held on July 28, 2015.

Kindly acknowledge and take the same on records.

Thanking you,

For BLUE STAR LIMITED

VIJAY DEVADIGA
COMPANY SECRETARY

BLUE STAR LIMITED MUMBAI

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CERTIFIED TRUE EXTRACT OF MINUTES OF THE 67TH ANNUAL GENERAL MEETING OF BLUE STAR LIMITED HELD ON JULY 28, 2015 AT 3.00 P.M. AT JAI-HIND COLLEGE HALL, 23-24, SITARAM DEORA MARG, 'A' ROAD, CHURCHGATE, MUMBAI 400 020

The following were present:

Mr. Ashok M. Advani	-	Chairman
Mr. Suneel M. Advani	)	
Mr. Satish Jamdar	)	
Mr. Vir S. Advani	)	
Mr. B. Thiagarajan	)	
Mr. Pradeep Mallick	)	Directors
Mr. Gurdeep Singh	)	
Mr. Shailesh Haribhakti	)	

Mr. Vijay Devadiga	- Company Secretary
Ninety two Members	- Present in person
Two Proxies	- Present on behalf of Members

CHAIRMAN

Mr. Ashok M. Advani, Chairman of the Board of Directors of the Company, presided over the Meeting. He declared that the requisite quorum as per Section 103 of the Companies Act, 2013, was present and called the Meeting to order.

The Chairman introduced the Directors present to the members. Mr. Shailesh Haribhakti, Chairman of Audit Committee, Mr. Gurdeep Singh, Chairman of Nomination and Remuneration Committee and Investor Grievance cum Stakeholders' Relationship Committee were present at the Meeting. He explained that Mr. M.K. Sharma and Ms. Shobana Kamineni, Directors could not be present due to their other commitments.

He then informed the members that 3 proxies representing 27,657 shares were received and placed before the meeting. He also informed the members that the Proxy forms, Auditors' Report, Secretarial Audit Report, Statutory Auditor's Certificate on ESOP as per SEBI regulations/guidelines and the Statutory Registers were available for inspection. The representatives of M/s S R B C & Co, LLP, Chartered Accountants, the

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Statutory Auditors of the Company and Mr. Bharat Upadhyay of M/s. N. L. Bhatia & Associates, Company Secretaries, who had carried of Secretarial Audit of the Company for the financial year ended March 31, 2015, and Scrutinisers for e-voting and poll to be conducted at the meeting were also present.

He further informed that as per Section 105 of the Companies Act, 2013, proxy holders were not entitled to speak at the meeting.

CHAIRMAN'S SPEECH

The Chairman delivered his speech to the members present, which is reproduced as below:

"Ladies and Gentlemen,

It is a pleasure to welcome you to the 67th Annual General Meeting of your Company.

The National Scene

More than a year after the formation of the NDA Government, India is making slow progress on the ambitious national agenda outlined by the Prime Minister, Mr. Narendra Modi. There are a number of encouraging signs such as moderating inflation aided by lower oil and and commodity prices. These developments are helping the balance of payments, supporting the exchange rate of the rupee and permitting the Reserve Bank of India to make modest cuts in the lending rate. Foreign investment inflows, both FII and FDI, are picking up and India's Foreign Exchange Reserves have reached record levels.

One of the annual uncertainties is the monsoon, which has major implications for agriculture and the lives of the huge rural population comprising 55% of India's total. Weather forecasts, which are notoriously unreliable, were not very optimistic this year and predicted that overall rainfall would be significantly below normal. With almost half the rainy season over, it is reassuring to learn that actual rainfall is satisfactory.

But GDP growth is not yet showing much sign of revival and capital investment is still lethargic due to resource constraints in the Government, banking and corporate sectors. What is particularly worrying is the political deadlock that is paralysing the functioning of Parliament and preventing key pending legislation from being passed.

Corporate Performance

The Annual Report for 2014-2015 gives a comprehensive financial picture of last year's results. As you would have seen, improved performance enabled the directors to propose a higher equity dividend of Rs 5 per share versus Rs 4 paid last year.

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The Board also met this morning to consider and approve the unaudited financial results for the first quarter of the current year. Income from Operations grew by 8% to Rs 909 crores, while Profit After Tax at Rs 39 crores showed an increase of 26%. This performance is in line with our expectations.

With so much volatility and uncertainty in the external environment, it is difficult to forecast Blue Star's position at the end of FY 2016. On balance, I remain cautiously positive about the outlook for the Company's business growth and profit this year.

The Leadership Challenge

A great deal of debate and analysis is taking place nationwide regarding the diagnosis and treatment of the many problems confronting the country. It is not my intention to offer another set of prescriptions to our Prime Minister. He understands the aspirations of the common man and the need to respond aggressively with suitable plans that create jobs and new economic opportunities, reduce oppressive controls and red tape, improve basic education, sanitation, health care, and build vital infrastructure. The big problems are strong political resistance and powerful vested interests that are sabotaging progress. Leadership in a democracy is a difficult job because decisions cannot simply be rammed through. So resolution of these differences requires mature leadership with political give and take in order to find the way forward.

It is interesting to compare and contrast the leadership challenges at the national level with those faced by corporate leaders who must also drive change in their companies in order to succeed in competitive markets. Both sets of leaders need to have a vision which they must "sell" to their "customers." Of course, the sheer scale of the job of the Prime Minister is much bigger than that of a corporate CEO. And unlike an elected political leader, a CEO has greater freedom to implement his plans without facing political or parliamentary roadblocks. Corporate "opposition" exists mainly in the form of external competitors and sometimes, trade unions.

So the job of a Corporate CEO is less onerous than that of a national leader and both require different skills. Regardless of who they are, all leaders need more than a good vision and the ability to sell it. A leader must also have a strategic plan to attain his vision. This is particularly difficult to achieve in a political democracy. Sometimes there may be an important goal that is in the broader national/corporate interest but it could involve some sacrifice or have unpleasant consequences for a particular group. In such a situation, a good leader has the courage, integrity and decisiveness to bite the bullet, go ahead and deal with the fallout in the best available way. Stakeholders respect a leader who is open and fair in his decisions. A 'do nothing' or devious approach does not go down well with them.

History offers a number of examples of great national leaders. Margaret Thatcher of Britain, Lee Quan Yew of Singapore and Ronald Reagan of USA transformed their countries in the second half of the 20th century. I have not included Mahatma Gandhi in my list only because he was not an elected Government leader. There can be no doubt

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about his visionary leadership which won over the entire country in spite of his not having any official position.

The Corporate world too is replete with legendary leaders. Jack Welch built GE into a great corporate giant. IBM under Lou Gerstner and Chrysler Corporation under Lee Iacocca were difficult turnarounds of once-great companies that had declined to the verge of bankruptcy. To quote Jack Welch, "A leader's job is to look into the future and see the organization not as it is, but as it should be."
I will conclude with my customary thanks to all our stakeholders – customers, shareholders, employees, directors and business associates. Your active participation, confidence and support to Blue Star is important for our continuing progress."

Thereafter, the Chairman stated that the Company had provided remote e-voting facility to the shareholders to cast their votes at the Annual General Meeting, pursuant to Section 108 of the Companies Act, 2013 and Rule 20 of Companies (Management and Administration) Rules, 2014, on the businesses mentioned in the Notice. He further informed that the remote e-voting facility was kept open from Thursday, July 23, 2015 (9.00 a.m.) to Monday, July 27, 2015 (5.00 p.m.) for Members holding shares as on the cut-off date of July 21, 2015. He also informed that the facility of postal ballot was provided to the members who do not have access to internet for casting their votes on e-voting platform.

He stated that Mr. Bharat Upadhyay of M/s. N. L. Bhatia & Associates, Company Secretaries (Membership No. 5436 CP No. 4457), who was present at the meeting, had been appointed for scrutinizing the remote e-voting and polling process.

The Chairman also stated that as per Section 107 read with Section 108 of the Companies Act, 2013, there would be no show of hands at the Annual General Meeting. The Chairman further stated that for the benefit of the members present at the meeting in person or in proxy, who had not exercised their vote on e-voting or postal ballot, poll would be taken in at the meeting to enable them to vote on the resolutions contained in the Notice. Thereafter, the Chairman requested the Scrutinizer to lock and seal the empty polling box in the presence of the members and proxies. The Scrutinizer locked and sealed the empty ballot box in the presence of the members.

Before ordering poll, the Chairman invited the members present in person to offer comments and seek clarifications, if any, on the Annual Report or in respect of the notice of the Annual General Meeting.

Amongst the shareholders present, Mr Babulal Ishwerlal Parekh, Mr. Seshan Krishnamurthy, Captain S.M. Divekar, Mr. Ramanamurthy Malla and Mr. Vinay Kulkarni expressed their views on the performance and operations of the Company during the financial year ended March 31, 2015. They complemented the Company on its excellent performance and appreciated the decision of recommending dividend of Rs. 5/- per share.

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The following were the major queries, observations and suggestions of the shareholders:

1. Members thanked the Chairman for the insightful and inspiring speech.
2. The progress in projects business and the challenges faced by the Company.
3. The members commended the management for its excellent performance in spite of the slowdown in the economy.
4. The members appreciated the detailed presentation in the Annual Report and timely delivery of the same to the members.
5. The shareholders suggested that the Company should adopt more aggressive product promotion and marketing strategies.
6. The rationale for transfer of the Professional Electronics & Industrial Systems ("PE & IS") business of the Company to its wholly owned subsidiary from members' perspective.
7. The steps taken by the Company to reduce its contingent liabilities and settle the tax disputes.
8. Proposal if any for rights or bonus issues in future.
9. The plans of the Company to shift its factory at Thane to a cheaper location and commercially exploit the value of the property in an expedient manner.
10. The safety measures adopted by the Company, the number of accidents, damage to property and the extent and nature of insurance cover obtained by the Company.

The Chairman thanked the members for appreciating the performance of the Company. In reply to the various questions, he stated as under:

1. Since advertisement costs were quite steep, the Company had adopted a cautious approach in its expenditure on advertising. Nonetheless, the promotion and marketing strategies, which the Company had undertaken had helped boost sales.
2. Sales of the Company had increased by 18% in spite of a lull in the economy.
3. The Company had not found it viable to continue operations at its plant at Thane and hence VRS had been introduced there. Post closure of all activities and settling all dues, the Company would be in a position to decide on the future of its land at Thane.
4. The PE & IS business of the Company had been transferred to its wholly owned subsidiary so that the PE & IS business could be managed in a separate legal entity. This would enhance business prospects and brand credibility. Since it is a wholly owned subsidiary, the profits would ultimately be consolidated with the Company's profits and would benefit the shareholders of the Company.
5. With regard to the safety measures and insurance policies of the Company, the Chairman advised the concerned members to visit the Company's corporate office and meet the person in charge for safety to obtain the requisite information.

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After having replied to most of the queries, the Chairman ordered poll in respect of all resolutions set out in the Notice. He requested the members to cast their votes using the poll papers provided to them.

The Chairman informed the members that the results of e-voting, ballot and poll would be announced on receipt of the Scrutinizer's Report and the same would be placed on the Company's website and sent to the Stock Exchanges.

The Chairman thanked the members for their participation and announced formal closure of the 67th Annual General Meeting of the Company. The meeting concluded at 3.45 p.m.

CONDUCT OF POLL

Mr. Bharat Upadhyay conducted the Poll. After ensuring that all the eligible members and proxies participating in the Poll had cast their votes, the Scrutinizer closed the Poll at around 4.15 p.m. The Scrutinizer then took the custody of the ballot box.

RESULTS OF VOTING:

On the basis of the Scrutinizer's Report dated July 28, 2015, the summary of which is attached hereunder, the Company Secretary (authorized by the Chairman to announce the results) of the Company announced the results of voting on July 29, 2015 mentioning that all the resolutions as set out in item no.1 to 5 in the Notice of the 67th Annual General Meeting of the Company had been duly passed with requisite majority.

Resolutions	**Particulars of votes cast**				**Voting results**		**Results declared**
ORDINARY BUSINESS		Ballot	E-voting	Poll	Total shares	% of votes	
Adoption of Financial Statement (Standalone & Consolidated), Directors' Report and Auditors' Reports for the year ended March 31, 2015	**Votes cast in favour**	2000	56763937	21873	56787810	99.99	Approved with requisite majority
	Votes	Nil	1546	Nil	1546	0.01	

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	cast against						
Declaration of dividend	**Votes cast in favour**	2000	56763562	21873	56787435	99.99	Approved with requisite majority
	Votes cast against	Nil	1546	Nil	1546	0.01	
Reappointment of Mr. Ashok M. Advani who retires by rotation	**Votes cast in favour**	2000	56615268	21873	56639141	99.74	Approved with requisite majority
	Votes cast against	Nil	150215	Nil	150215	0.26	
Ratification of appointment of M/s S R B C & Co, LLP, Chartered Accountants, as Auditors and fixing their Remuneration	**Votes cast in favour**	2000	56755676	21873	56779549	99.98	Approved with requisite majority
	Votes cast against	Nil	9807	Nil	9807	0.02	
SPECIAL BUSINESS							
Reappointment of Mr Vir S Advani as Wholetime Director designated as Executive Director for a tenure of 5 years w.e.f. July 1, 2015	**Votes cast in favour**	2000	56763787	21873	56787660	99.99	Approved with requisite majority
	Votes cast against	Nil	1696	Nil	1696	0.01	

The Resolutions for the ordinary and special businesses as set out in item Nos.1 to 5 in the Notice of the 67th Annual General Meeting, duly approved by the members with requisite majority, are recorded hereunder as part of the proceedings of the 67th Annual General Meeting of the Members held on 28th July, 2015.

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ORDINARY BUSINESS:

Item No.1: Ordinary Resolution to receive, consider and adopt:

a) **the Audited Financial Statement of the Company for the financial year ended March 31, 2015, together with the Reports of Board of Directors and Auditors thereon**

b) **the Audited Consolidated Financial Statement of the Company for the financial year ended March 31, 2015, together with the Report of the Auditors thereon**

"**RESOLVED** that the Audited Financial Statement (including the Consolidated Financial Statement) of the Company for the financial year ended March 31, 2015 together with the Reports of the Board of Directors and Auditors thereon be and are hereby approved and adopted."

Item No.2: Ordinary Resolution for approval of Dividend for the year 2014-15

"**RESOLVED** that a dividend of Rs.5/- per equity share of Rs.2/- each (i.e. at the rate of 250%) for the year ended March 31, 2015, be and is hereby declared out of the profits available for appropriation on the paid up capital of the Company as on March 31, 2015 i.e. on 8,99,36,105 equity shares of Rs.2/- each and that the same be paid : (1) to the members who hold shares in physical form and whose names appear on the Register of Members as at the close of business on July 13, 2015 and (ii) to the beneficial owners of shares, as on July 13, 2015."

Item No.3: Ordinary Resolution for appointment of Mr. Ashok M Advani, who retires by rotation

"**RESOLVED** that Mr. Ashok M Advani, a Director, who retires by rotation at this meeting being eligible for re-appointment be and is hereby re-appointed a Director of the Company."

Item No.4: Ordinary Resolution for ratification of appointment of M/s. S.R.B.C. & CO. LLP, Chartered Accountants, as Auditors and fixing their remuneration

"**RESOLVED** that pursuant to the provisions of Section 139 and any other applicable provisions of the Companies Act, 2013, read with 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) 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."

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SPECIAL BUSINESS:

Item No.5: Ordinary Resolution for appointment of Mr. Vir S. Advani as a Whole Time Director of the Company designated as Executive Director for a further period of 5 years

"**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, approval of the Members of the Company be and is hereby accorded for the re-appointment of Mr. Vir S. Advani (DIN: 01571278) as Wholetime Director of the Company, designated as Executive Director for a further period of five (5) years, with effect from July 1, 2015, 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."

CERTIFIED TRUE COPY
For BLUE STAR LIMITED

VIJAY DEVADIGA
COMPANY SECRETARY

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