BLUE BLENDS (INDIA) LIMITED

Regd. Office: JBF House, 2nd Floor, Old Post Office Lane, Kalbadevi Road, Mumbai – 400 002.

NOTICE

NOTICE is hereby given that an Extra Ordinary General Meeting of the Members of **BLUE BLENDS (INDIA) LIMITED** will be held on 16th April, 2013 at 4.30 p.m. at Tarabai Hall, 97, Marine Drive, 'Shivprasad', Near Marine Lines Station, Mumbai- 400 002 to transact the following business:

1. **ISSUE OF EQUITY SHARES ON PREFERENTIAL BASIS AS PER SEBI (ICDR) REGULATIONS, 2009.**

To consider and if thought fit to pass with or without modification the following resolution as a Special Resolution:

"**RESOLVED THAT** pursuant to the provisions of Section 81(1A) and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof for the time being in force), the Memorandum and Articles of Association of the Company, subject to Listing Agreements entered into by the Company with the respective Stock Exchanges where the shares of the Company are listed and in terms of the provisions of SEBI including the provision of Chapter VII and other applicable provisions of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 (the "SEBI (ICDR) Regulations") (including any amendment(s) to or re-enactment thereof) and subject to the approvals, consents, permissions, and/or sanctions as may be required from any appropriate authority, institutions or body (hereinafter collectively referred to as the " the appropriate authorities.") and subject to such terms, conditions, alterations, corrections, changes, variations and/or modifications if any, as may be prescribed by any one or more or all of them in granting such approvals, consents, permissions and/or sanctions hereinafter collectively referred to as the requisite approvals.") and which may be agreed to by the Board of Directors of the Company (herein after referred to as the "the Board" which term shall include any committee of Directors), consent of the Company be and is hereby accorded to the Board for following:

1. Conversion of 9,26,250 5% Optionally Convertible Redeemable Cumulative Preference Shares of Rs. 100/- each of Rs. 9,26,25,000/- into equity shares on Preferential basis into 12,35,000 equity shares of Rs.10/- each at a premium of Rs. 65/- to be issued on or before 30.04.2013.

RESOLVED FURTHER THAT the conversion price may be upwardly revised if the average of the weekly high and low of the closing prices of the related equity shares quoted on the recognised stock exchange during six months post re-listing of shares is higher than the price paid on allotment, the difference shall be paid by the allottees in accordance with Chapter VII of SEBI (ICDR) Regulations, 2009 for preferential issues as amended from time to time.

RESOLVED FURTHER THAT the Board of Directors are further authorised in their absolute discretion as they may deem fit to agree to such modification or amendments as may be required in this regard which are in compliance with the SEBI Regulations and that the Board be and is hereby authorised to finalize all matters incidental thereto, as may in its absolute discretion think fit in accordance with all applicable Laws, Rules and Regulations for the time being in force.

RESOLVED FURTHER THAT the price of the equity shares so issued shall be determined as per the Regulations issued by SEBI in and "Relevant Date" for the purpose of calculating the exercise price under chapter VII of SEBI (ICDR) Regulations shall be is 16th March, 2013 being the date, 30 days prior to the date of declaration of this resolution.

RESOLVED FURTHER THAT the equity shares so issued and allotted to the Preference shareholders shall rank pari-passu with the existing equity shares of the Company in all respect including payment of dividend."

Yours sincerely,
For **Blue Blends (India) Ltd.**

Place : Mumbai
Date : 16th March, 2013

Chairman

NOTE :

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND A PROXY NEED NOT BE A MEMBER.**
2. The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of the abovementioned business (as) is annexed herewith.
3. The Proxies in order to be valid must reach the Secretarial Department of the Company not less than 48 hours before the meeting.
4. The members are requested to notify their change of address if any at the registered office for members holding in physical form and to respective Depository participant in case of members holding in electronic form.

EXPLANTORY STATEMENT UNDER SECTION 173 OF THE COMPANIES ACT,1956.

Item No.1

ISSUE OF EQUITY SHARES ON PREFERENTIAL BASIS AS PER (ICDR) REGULATION, 2009.

Company had issued 16,37,000 5% Optionally Convertible Preference Shares in 1995. These Preference shares were redeemable in four equal installments in 2009 to 2012. Due to losses and shortage of funds Company could not redeem these preference shares. Preference shareholders have the right to convert upto Rs.10 Crores preference shares into equity shares on default for redemption on due date.

Accordingly Edelweiss Reconstruction Company Ltd., preference shareholder vide their letter no. Edel/ARC/1970-2013 dated 14/02/2013 has expressed their intention and require the Company to convert these 926250 Preference shares into 12,35,000 Equity Shares of Rs. 10/- each at Rs. 75/- per share including premium of Rs. 65/- per share. Your Board of Directors have agreed to accept their request for conversion into equity shares. The Board of Directors recommend this resolution for your approval in the best interest of the Company.

It is therefore proposed to covert into equity shares on preferential basis to Edelweiss Asset Reconstruction Company Ltd. as per the SEBI (Chapter VII of SEBI (ICDR) Regulations, 2009.

Since the proposal involves issue and allotment of equity shares on preferential basis, thereby increasing the paid up capital of the company, the approval of members under section 81(1A) of the Companies act is required by means of special resolution. The Disclosures, as mandated under Regulation 73 of ICDR regulation are as under.

Company will subject to the approval of members;

1. Convert 9,26,250 5% Optionally Convertible Redeemable Cumulative Preference Shares of Rs. 100/- each of Rs. 9,26,25,000/- into equity shares on Preferential basis to Edelweiss Asset Reconstruction Company Ltd. into 1235000 Equity shares of Rs. 10/- each at a premium of Rs. 65/- to be issued on or before 30th April, 2013 in the ratio of 100 equity shares for every 75 preference shares.

   or such higher price determined in accordance with Chapter VII of SEBI (ICDR) Regulations, 2009 for Preferential issues as amended from time and

   (a) Object of the Issue through preferential offer

   The object of the issue is to convert Preference shares into Equity Shares as required by Edelweiss Asset Reconstruction Company Ltd.

(b) **Shareholding pattern before and after the allotment of 1235000 equity shares**

The Share holding pattern before and after preferential issue:

As on 06.03.2013 (Pre Allotment) and Post allotment

Sr. No.		Category	No. of shares held	Percentage of Shareholding	Pre Issue Holding	Post Issue Holding	Percentage
A.		**Promoters holding**					
	1.	Promoters					
		- Indian Promoters	1,42,82,521	78.59	1,42,82,521	1,42,82,521	73.59
		- Foreign Promoters	Nil	Nil	Nil	Nil	
	2.	Persons acting in concert	Nil	N.A	Nil	Nil	Nil
		Sub – Total	**1,42,82,521**	**78.59**	**1,42,82,521**	**1,42,82,521**	**73.59**
B.		**Non-Promoters Holding**					
	3.	Institutional Investors					
	a.	Mutual Funds and UTI	30,799	0.17	30,799	30,799	0.16
	b.	Banks, Financial Institutions, Insurance Companies (Central/State Gov. Institutions/ Non-Government Institutions)	3,37,460	1.86	3,37,460	15,72,460	8.10
	c.	FIIs	Nil	N.A	Nil	Nil	Nil
		Sub – Total	**3,68,259**	**2.03**	**3,68,259**	**16,03,259**	**8.26**
	4.	Others					
	a.	Private Corporate Bodies	7,87,250	4.33	7,87,250	7,87,250	4.05
	b.	Indian Public	27,22,733	14.98	27,22,733	27,22,733	14.03
	c.	NRIs/OCBs	13,225	0.07	13,225	13,225	0.07
	d.	Any other (Please specify)	Nil	Nil	Nil	Nil	Nil
		Sub – Total	**35,23,208**	**19.38**	**35,23,208**	**35,23,208**	**18.15**
		GRAND – TOTAL	**1,81,73,988**	**100.00**	**1,81,73,988**	**1,94,08,988**	**100.00**

(c) **Proposed time within which the allotment will be completed:**

The Company will complete the allotment of Equity shares within a period of 15 days from the later of

a) The date of passing the special resolution.

b) Receipt of approvals of the Bombay Stock Exchange or any regulatory authority or any other authorities for such allotment.

The Identity of the proposed allottee Non-Promoter Group and the details of its post preferential issued capital on or before 30th April, 2013.

Sr. No.	Name and Address	Pre-Issue Holding	Post-Issue Holding	% Post Issue
1.	Edelweiss Asset Reconstruction Company Limited	NIL	12,35,000	6.36%

(d) **Pricing of the issue**

The pricing of the equity shares to be allotted to Edelweiss Asset Reconstruction Company Limited on preferential basis shall not be lower than the price determined in accordance with the Chapter VII of the SEBI (ICDR) regulations, 2009.

SEBI (ICDR) regulations, 2009 provides that the issue of shares on a preferential basis can be made a price not less than the higher of the following:

a) The average of the weekly high and low of the closing prices of the related shares quoted on the stock exchange during the twenty six weeks preceding the relevant date i.e. Rs.13.25/-.

OR

b) The average of the weekly high and low the closing prices of the related shares quoted on a stock exchange during the two weeks preceding the relevant date i.e. Rs.25.85/-.

The relevant date for the purpose of pricing of equity shares shall be 16th March, 2013 being the date which is 30 days prior to the date of Extra Ordinary General Meeting i.e. 16th April, 2013.

The price shall be determined on the basis of the quotes available on Bombay Stock Exchange Limited website having weekly high and low of the closing prices of the shares quoted during the period shares have been listed preceding the relevant date.

It is also important to note that the shares of the Company were under suspension till 02/12/2012. As per SEBI Regulations 76(3) if the price of the equity shares is determined in terms of sub-regulation 76(2) which stipulates pricing of shares in respect of shares listed for less than six months, such price shall be recomputed by the issuer on completion of six months from the date of listing on a recognized stock exchange with reference to the average of the weekly high and low of the closing prices of the related equity shares quoted on the recognized stock exchange during these six months and if such recomputed price is higher than the price paid on allotment, the difference shall be paid by the allottees to the issuer. Accordingly, Company has taken necessary undertaking from Edelweiss Asset Reconstruction Company Ltd. and if such situation arises, the price difference would be paid in cash by the Preference shareholders.

(e) Auditors Certificate

The price at which the Equity Shares would be issued to Non Promoters has been determined based on regulations 76(2) and the Auditors certificate as required under Regulation 73(2) SEBI (ICDR) regulation will be available for inspection at the Registered office of the Company between 11.00a.m. and 1.00p.m. on any working days except Saturday and public holidays from the relevant date i.e. 16.03.2013 up to the date of Extra Ordinary General Meeting.

(f) Lock in Period

The proposed allotment to the Non Promoters shall be subject to lock in period of one year from the date of allotment.

(g) Undertaking

In terms of SEBI (ICDR) Regulation, 2009 issuer hereby undertakes that

(a) It shall re-compute the price specified securities i.e. equity shares in terms of the provision of these regulations where it is required to do so.

(b) If the amount payable on account of the re-computation of price is not paid within the time stipulated in these regulations, the specified securities shall continue to be locked-in till the time such differential amounts is paid by the allotee.

(h) Relevant Date

Relevant Date for the preferential issue, as per the SEBI (ICDR) Regulations, 2009 as amended up to date, for the determination of applicable price for issue of shares is 16th March, 2013.

Yours Directors therefore, recommend the above resolutions for approval.

None of the Director of the Company concerned or interested in the resolution.

For and on behalf of the Directors

Place : Mumbai
Date : 16th March, 2013

Chairman