

13th December 2013

**The Manager
Listing Department,
The National Stock Exchange of India Ltd.
'Exchange Plaza', C-1, Block G,
Bandra Kurla Complex, Bandra (E)
Mumbai - 400 051**

Dear Sir/Madam,

**Stock Code: BLUESTINFO
Sub: Proceedings of the Postal Ballot**

In terms of Clause 31 of the Listing Agreement, copy of the proceedings of the Meeting to confirm the results with respect to the Postal Ballot is enclosed herewith for your records.

Thanking you,

Yours faithfully,
For **Blue Star Infotech Limited**



V. Sudarshan
Chief Financial Officer and Company Secretary

PROCEEDINGS OF THE MEETING TO DECLARE THE RESULTS OF THE POSTAL BALLOT HELD ON 12TH DECEMBER 2013 AT 11.00 AM AT THE REGISTERED OFFICE OF THE COMPANY SITUATED AT 8TH FLOOR, THE GREAT OASIS, PLOT NO D-13, MIDC, ANDHERI EAST, MUMBAI-400093

PRESENT:

1. **Mrs. Jayshree Joshi** **Srutinizer, Practising Company Secretary**
2. **Mr. V. Sudarshan** **Chief Financial Officer and Company Secretary**

Background

Pursuant to Section 192A of the Companies Act, 1956 read with the Companies (Passing of the resolution by Postal Ballot) Rules, 2011, the approval of the shareholders through Special Resolution was sought vide Postal Ballot Notice dated 25th October 2013 for the following:

1. **Resolution No. 1:** Grant of Additional Employee Stock Options under the Existing Blue Star Infotech Employees Stock Option Scheme, 2003 (Amended 2011) (Revised 2013).
2. **Resolution No. 2:** Grant of further ESOPs to Mr. Sunil Bhatia, Chief Executive Officer and Managing Director.

The dispatch of the aforesaid notice to the shareholders of the Company was completed on 8th November 2013 and the newspaper advertisement to this effect was published, both in English and Regional Newspaper on 10th November 2013.

The Board of Directors in their meeting held on 17th October 2013, appointed Mrs. Jayshree S. Joshi, Proprietress of M/s Jayshree Dagli & Associates, Company Secretaries, as the Scrutinizer to receive and scrutinize the completed Postal Ballot forms received from the shareholders and to conduct the postal ballot in a fair and transparent manner. The postal ballot forms and the self-addressed business reply envelopes were sent for casting of votes by the shareholders. E voting facility was also provided to the shareholders by the Company. The members were requested to return the physical postal ballot forms duly completed along with the assent or dissent so as to reach the scrutinizer not later than the close of working hours up to 9th December 2013. In case of e voting, members were requested to cast their vote up to 06.00 pm, 9th December 2013.

After due scrutiny of all the postal ballot forms received, the scrutinizer, Mrs. Jayshree S. Joshi submitted her report on the Postal Ballot on 11th December 2013, as under:

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Resolution No. 1:

Promoter /Public	No. of shares held (1)	No. of votes polled (2)	% of votes polled on outstanding shares (3)=[(2)/(1)]*100	No. of votes - in favour (4)	No. of votes - against (5)	% of votes in favour on votes polled (6)=[(4)/(2)]*100	% of votes against on votes polled (7)=[(5)/(2)]*100
Promoter and Promoter Group	55,92,424	55,92,411	99.999	55,92,411	-	100	-
Public - Institutional holders	-	-	-	-	-	-	-
Public - Others	47,92,576	*2,77,007	5.779	2,72,965	4,042	98.541	1.459
Total	1,03,85,000	58,69,418	56.518	58,65,376	4,042	99.931	0.069

*Excludes invalid votes represented by 8,131 shares.

Resolution No. 2:

Promoter /Public	No. of shares held (1)	No. of votes polled (2)	% of votes polled on outstanding shares (3)=[(2)/(1)]*100	No. of votes - in favour (4)	No. of votes - against (5)	% of votes in favour on votes polled (6)=[(4)/(2)]*100	% of votes against on votes polled (7)=[(5)/(2)]*100
Promoter and Promoter Group	55,92,424	55,92,411	99.999	55,92,411	-	100	-
Public - Institutional holders	-	-	-	-	-	-	-
Public - Others	47,92,576	*2,71,937	5.674	2,67,576	4,361	98.396	1.604
Total	1,03,85,000	58,64,348	56.469	58,59,987	4,361	99.926	0.074

*Excludes invalid votes represented by 13,212 shares.

The Company Secretary after receiving the Scrutinizers' report, communicated the information to the Chairman of the Company, Mr. Suneel Advani, and explained the results to him; on receiving telephonic consent to announce the results the Company Secretary announced that the Special resolution proposed in the Postal Ballot Notice dated 25th October, 2013 was duly passed by requisite majority.

The Special Resolutions duly approved by the shareholders are as under:

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1. APPROVAL FOR GRANT OF ADDITIONAL EMPLOYEE STOCK OPTIONS UNDER THE EXISTING BLUE STAR INFOTECH EMPLOYEES STOCK OPTION SCHEME, 2003 (AMENDED 2011) (REVISED 2013)

- (a) **"RESOLVED THAT** pursuant to the provisions of Section 81(1A) and all other applicable provisions of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force), the relevant rules, regulations, guidelines, circulars and notifications issued by the Reserve Bank of India (the "**RBI**") and the Securities and Exchange Board of India (the "**SEBI**"), including the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (the "**SEBI ESOP Guidelines**") as amended, on Employee Stock Option or Employee Stock Purchase plans and the Articles of Association of the Company and subject to the approval, consent, permission and/or sanction, if any, of the appropriate authorities, institutions or bodies, including the relevant Stock Exchanges on which the securities of the Company are listed (the "**Stock Exchanges**"), as may be necessary and subject to such terms and conditions as may be prescribed or imposed, consent of the members be and is hereby accorded to issue and allot Equity Shares of the Company of Rs.10 each (the "**Shares**") to the BSIL - Key Employees Stock Option Scheme Trust (the "**Trust**") and to grant, issue, offer and allot at any time or from time to time to the present and future employee(s) including Director(s) in the Whole-Time employment of the Company selected on the basis of criteria prescribed by the Board of Directors of the Company (which term shall be deemed to include the Compensation and Remuneration Committee or any other Committee which the Board may constitute to exercise its powers, including the powers conferred by this resolution) (the "**Board**") in accordance with the SEBI ESOP Guidelines, except a Promoter or a person who belongs to the Promoter Group, both these expressions being defined in the SEBI ESOP Guidelines (hereinafter referred to as the "**Eligible Employees**"), under the existing Employee Stock Option Scheme of the Company, namely the Blue Star Infotech Employees Stock Option Scheme, 2003 (Amended 2011) (Revised 2013) (the "**Scheme**"), such number of employee stock options (the "**ESOPs**") as may be decided by the Board, which could give rise, in aggregate, to Shares which shall be transferred by the Trust to the Eligible Employees at such price or prices, in one or more tranches and on such terms and conditions, as may be determined by the Board in accordance with the provisions of the Scheme and the applicable laws and regulations, provided that such Outstanding Options arising out of the Scheme, upon exercise shall in aggregate, not exceed 15,00,000 Shares (which shall include 1,09,563 Shares currently held by the Trust as on the end of the day on 30th September 2013) comprising 14.44% of existing Share Capital (12.62% post issue) of the Company.

RESOLVED FURTHER THAT the Equity Shares of the Company to be issued and allotted pursuant to the exercise of the ESOPs shall rank *pari passu* in all respects with the then existing Equity Shares of the Company.

RESOLVED FURTHER THAT the Board be and is hereby also authorised to determine all other terms and conditions of the grant and issue of ESOPs under the Scheme as the Board may in its absolute discretion determine.

RESOLVED FURTHER THAT for the purpose of giving effect to any grant of ESOPs or any issue or allotment of Equity Shares or securities or instruments representing the same as described above, the Board and/ or the Company Secretary of the Company be and are hereby authorised on behalf of the Company to do all such acts, deeds, matters and things as it may at its/their absolute discretion deem necessary or desirable for such purpose, including

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without limitation, filing necessary documents/ statements with the Stock Exchanges, statutory or regulatory authorities as may be necessary for listing of the securities on the Stock Exchanges.

RESOLVED FURTHER THAT in case of any Corporate Action(s) such as Rights Issues, Bonus Issues, Merger and Sale of Division and others, if any additional Equity Shares are issued by the Company, the above ceiling of 15,00,000 Equity Shares shall be deemed to be increased proportionately to the extent of such additional Equity Shares issued.

RESOLVED FURTHER THAT in case the Equity Shares of the Company are either sub-divided or consolidated, then the number of shares to be allotted and the price of acquisition payable by the option grantees under the Plan shall automatically stand augmented or reduced, as the case may be, in the same proportion as the present face value of Rs.10 per Share bears to the revised face value of the Equity Shares of the Company after such sub-division or consolidation, without affecting any other rights or obligations of the said allottees.

RESOLVED FURTHER THAT the maximum number of ESOPs to be granted to each Eligible Employee shall not in aggregate, on exercise or conversion, exceed 10% of the issued Equity Capital of the Company as on the date of grant.

RESOLVED FURTHER THAT save and except as modified pursuant to these Resolutions the Scheme will remain unchanged and continue in full force and effect.

RESOLVED FURTHER THAT the Company Secretary of the Company be and is hereby authorised to do all such acts, deeds and things as it may be necessary or desirable to give effect to the above Resolution."

(b) **"RESOLVED FURTHER THAT** subject to the applicable provisions of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 as amended from time to time, Mr. Sunil Bhatia, Chief Executive Officer and Managing Director of the Company be granted employee stock options during the period from 22nd July 2011 to 31st March 2017 which, on exercise, may give rise to Equity Shares exceeding 1% of the total Issued Share Capital of the Company under the Blue Star Infotech Employees Stock Option Scheme, 2003 (Amended 2011)."

(c) **"RESOLVED FURTHER THAT** pursuant to the provisions of Section 81(1A) and all other applicable provisions of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force), the relevant rules, regulations, guidelines, circulars and notifications issued by the Reserve Bank of India (the "RBI") and the Securities and Exchange Board of India (the "SEBI"), including the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme Guidelines, 1999) (the "SEBI ESOP Guidelines") as amended, on Employee Stock Option or Employee Stock Purchase Plans and the Articles of Association of the Company and subject to the approval, consent, permission and/or sanction, if any, of the appropriate authorities, institutions or bodies, including the relevant Stock Exchanges on which the securities of the Company are listed (the "Stock Exchanges"), as may be necessary and subject to such terms and conditions as may be prescribed or imposed, the benefits of the Blue Star Infotech Employees Stock Option Scheme, 2003 (Amended 2011) contained herein above is hereby extended to the present and future employee(s) including director(s) in the whole-time employment of the Subsidiaries of the Company on such terms and conditions as may be

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decided by the Remuneration and Compensation Committee of the Board of Directors of the Company."

The Whole Time Directors (other than Promoter Directors) who may be eligible to avail the benefit of the above referred plan(s) may be deemed to be interested in the said Resolutions to the extent of shares, which may be offered to them. None of the other Directors can be considered to be interested in or concerned with the said Resolutions.

Mr. Sunil Bhatia, Chief Executive Officer and Managing Director is concerned and interested in the subject matter of this resolution. Save & except above, none of the other Directors, Manager(s), Key Managerial Personnel(s) and their Relatives is in any way concerned or interested in the Resolution.

58,65,375 shareholders were in favour of the resolution representing 99.931% of the votes polled and the resolution was passed by requisite majority.

2. APPROVAL FOR GRANT OF FURTHER ESOPS TO MR. SUNIL BHATIA, CHIEF EXECUTIVE OFFICER AND MANAGING DIRECTOR

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 310, 311 and 317 read with Schedule XIII and all other applicable provisions of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force), the relevant rules, regulations, guidelines, circulars and notifications issued by the Reserve Bank of India (the "RBI") and the Securities and Exchange Board of India (the "SEBI"), including the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (the "SEBI ESOP Guidelines") as amended, on Employee Stock Option or Employee Stock Purchase Plans and the Articles of Association of the Company and subject to the approval, consent, permission and/or sanction, if any, of the appropriate authorities, institutions or bodies, including the relevant Stock Exchanges on which the securities of the Company are listed (the "Stock Exchanges"), as may be necessary and subject to such terms and conditions as may be prescribed or imposed, consent of the members be and is hereby accorded for approving the further grant of Employee Stock Options, which on exercise will be convertible into 2,32,000 Equity Shares of the Company of Rs.10 each to Mr. Sunil Bhatia, Chief Executive Officer and Managing Director of the Company, as a part of the terms of his compensation on the terms and conditions as may be determined by the Board of Directors of the Company (which term shall be deemed to include the Compensation and Remuneration Committee or any other Committee which the Board may constitute to exercise its powers, including the powers conferred by this resolution); and

RESOLVED FURTHER THAT the Company Secretary of the Company, be and is hereby authorised to do all such acts, deeds and things as it may be necessary or desirable to give effect to the above Resolution."

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Mr. Sunil Bhatia, Chief Executive Officer and Managing Director is concerned and interested in the subject matter of this resolution. Save & except above, none of the other Directors, Manager(s), Key Managerial Personnel(s) and their Relatives is in any way concerned or interested in the Resolution.

58,59,987 shareholders were in favour of the resolution representing 99.926% of the votes polled and the resolution was passed by requisite majority.

Date: 12th December 2013
Place: Mumbai

For Blue Star Infotech Limited



V. Sudarshan
Chief Financial Officer and Company Secretary