

HELD AT _____ ON _____ TIME _____

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THE SIXTY-FOURTH ANNUAL GENERAL MEETING of the Shareholders of Blue Star Limited was held at Jai-Hind College Hall, 23-24, Sitaram Deora Marg, 'A' Road, Churchgate, Mumbai 400 020 on Tuesday, July 31, 2012 at 2.30 p.m.

PRESENT:

Mr. Ashok M. Advani	-	Chairman
Mr. Suneel M. Advani	)	
Mr. Satish Jamdar	)	
Mr. Vir S. Advani	)	
Mr. Suresh Talwar	)	Directors
Mr. Pradeep Mallick	)	
Mr. Gurdeep Singh	)	
Mr. Shailesh Haribhakti	)	
Mr. Sangameshwar Iyer	-	Company Secretary

138 Members, whose names were mentioned in the relevant attendance slips, were present in person.

18 proxies representing 58,50,177 Equity Shares were received and placed before the house.

CHAIRMAN.

Mr. Ashok M. Advani, Chairman of the Board, presided over the Meeting. He declared that a quorum was present and called the Meeting to order.

The Chairman introduced the other members of the Board of Directors to the Shareholders.

NOTICE TAKEN AS READ.

With the consent of the Members present, the Chairman took the Notice convening the Meeting as read.

AUDITORS' REPORT.

At the request of the Chairman, Mr. Sangameshwar Iyer, Company Secretary read out the Auditors' Report for the financial year ended March 31, 2012.

CHAIRMAN'S SPEECH.

Ladies & Gentlemen,

Welcome to the 64th Annual General Meeting of your Company.

Corporate Performance

We are meeting after a year which saw the Company's performance

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deteriorate sharply. The Corporate results were reviewed in the Annual Report which you would have received. In it, I explained the reasons for last year's disappointing results and summarised the corrective measures taken by top management. On a more positive note, I indicated that the worst is behind us and that the Company is expected to return to profitability this year. I am sure that you are anxiously awaiting news of the 1st Quarter results, so I will tell you in brief.

The Board of Directors met this morning to review and approve the financial results for Q1 of 2012-13. While Total Income grew modestly by 4% to Rs 731 crores, there was a welcome jump of 110% in Net Profit from Rs 9.79 crores to Rs 20.54 crores. What is particularly gratifying is the swing back to Profit in the Electro Mechanical Projects and Packaged Airconditioning Systems segment which had suffered a loss last year. These encouraging results are in line with our expectations.

Clearly, the recovery process has begun. The Company is on track to make a modest profit this year. However, I must caution you that the global economy and India, in particular, continue to slow down and face a difficult, uncertain future. A deficient monsoon, high inflation and a weak rupee add to India's economic woes. Therefore, my advice for this year is not to build up over-optimistic expectations. A full recovery of Blue Star's growth and profitability is likely to take some time due to the challenging business environment. In the meanwhile, financial prudence must remain a Corporate priority.

Reinventing the Corporation

Blue Star's growth and performance over the past 7 decades has been commendable and we have emerged as not only one of the leaders in the area of airconditioning and refrigeration, but also as a company with rich Values and Beliefs, which we are proud of. We are a good corporate citizen, and have demonstrated high standards of ethics in the way we run our businesses. We are a preferred vendor to many, and we are an enterprise, which many domestic and international collaborators, suppliers and business associates are happy to do business with. Most importantly, we are one of the preferred employers in India.

Today's business environment, however, imposes new challenges and calls for a fresh approach. It is, therefore, important for us to reinvent ourselves in a new paradigm, and at the same time build on the core values and rich heritage of the Company.

After problems emerged in the Electro Mechanical Projects business last year, we took swift action and replaced the senior management of the business. Over the last twelve months, the new team has made significant progress in stabilising the business. Stringent guidelines have been introduced to control the quality of orders being booked. We have strengthened our engineering and execution teams to ensure better material management and project execution at sites. The introduction of new commercial controls ensures that costs are kept up-to-date in our SAP

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system and that risks are identified well in advance so that corrective measures can be taken in a timely manner. We have increased our investment in our people and are targeting to deliver three times more technical training with the objective of improving the quality of deliverables to our clients. Modern site practices and pre-fabrication technologies are being implemented to improve the productivity of our workforce and to reduce the wastage and rework at site.

All of these improvements are necessary for rebuilding our largest business. In addition to the near-term benefit of improving the wafer-thin margins on the carry-forward order book, once institutionalised, these processes will also allow us to prepare ourselves for the next round of growth when the investment climate improves in the country. This, coupled with a new 3-year strategy that is currently under review, will serve as the blue-print for rebuilding a profitable contracting business.

In the products business, we compete with many leading MNCs, and new product development is one of our Corporate thrust areas. As a result, we are up-to-date in terms of technology, energy efficiency norms and environmental regulations. Manufacturing competitiveness and procurement efficiency are critical to our growth and profitability, and we will continue to invest in these areas. Our success in the recent times is attributable to our market penetration through distribution reach, and we are strengthening our dealer network in Tier 3 and 4 towns. We are perhaps the largest after-sales service provider in the field of airconditioning and refrigeration, with our service population crossing a record one million tons in June 2012. Expanding and modernisation of the service delivery operations is a top priority area for the Company.

The immediate short-term prospects for the products business appear to be muted, but considering the huge penetration gap in airconditioning and refrigeration, the opportunities ahead are exciting and attractive. I am confident that Blue Star will emerge as a winner, as in the past, by adapting itself to the new demands of the market.

Before I conclude, I must express my gratitude to our customers, shareholders, directors, employees and business associates who have stood by the Company during this difficult period. Their understanding and support have spurred the entire organisation on to extraordinary efforts in the drive back to corporate good health. Thank you."

APPROVAL AND ADOPTION OF ACCOUNTS.

The audited Balance Sheet and the Profit & Loss Account of the Company for the year ended March 31, 2012 together with the Directors' Report and the Auditors' Report thereon were placed before the House. With the consent of the Members present, the audited Balance Sheet and Profit & Loss Account together with the Directors' Report were taken as read.

Thereafter the Chairman proposed the following resolution, which was seconded by: Ms. Shobhana Mehta.



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"RESOLVED that the audited Balance Sheet and the Statement of Profit & Loss of the Company for the financial year ended March 31, 2012 together with the Directors' Report and the Auditors' Report thereon be approved and adopted."

Before the resolution was put to vote, the Chairman invited comments from the Members about the working and performance of the Company.

Amongst the Shareholders present, Mr. Sharad Kumar Shah, Mr. R.V. Chari, Mr. Vinit Kumar Parekh, Mr. Prakash Arvind Vijaykar, Mr. Prakash Bhuvra and Mr. Dinesh Bhatia, expressed their views on the performance of the Company during the financial year ended March 31, 2012. The shareholders showed confidence on the Management and appreciated the Management's proposal for declaring Dividend.

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

1. While some shareholders complemented the Company for proposing to declare Dividend, some shareholders were upset with lower Dividend. On the other hand some shareholders suggested to declare Interim Dividend during the financial year 2012-13.
2. A suggestion was made for sub-division of the face value of the Company's Equity Share from Rs.2/- per share to Re.1/- per share.
3. What was the Order book position?
4. What was the contribution of External Directors during the last year. How can the Company enter into Fixed Price Contracts in an uncertain environment when metal and other raw materials prices are volatile and competitive?
5. The reasons for the increase in Interest on Borrowings and Finance Costs.
6. What was the attrition rate during the year and what were the changes at the top level?
7. The Company faced losses also on account of subsidiary Company Blue Star Electro-Mechanical Ltd.

The Chairman thanked the speakers who had complemented the Management. In reply to the various questions, he stated as under:

1. The Company had declared a token dividend to convey a sense of confidence inspite of what happened last year. Also this modest dividend was declared to maintain the Company's position on the dividend list. He further assured the Members that the Company expected performance to improve.

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2. The order backlog was Rs.1850 Crores which was a little lower than last year due to the slowdown in order inflow. The Chairman informed shareholders that this reflected that the Company was being very careful not to accept new business unless the gross margin and terms of payment were reasonable.
3. On fixed price contracts, the Chairman said that the whole industry runs on fixed price contracts. It was nothing new. The Company was taking special care when bidding for new orders, not to take undue risks just to show top line growth.
4. The subsidiary, Blue Star Electro-Mechanical Ltd., is a new Company formed after a take-over of the business of a plumbing company. There was a small loss because it was in the start-up phase.
5. Regarding foreign exchange, the Chairman said that the Company had to import lots of raw materials. Due to the rupee depreciation, the input cost of product rose putting margins under pressure. Many companies have been experiencing such situations. Exchange losses have been accounted under Finance Costs along with interest on borrowings.
6. The attrition rate of the Company was around 20% last year and only a couple of Managers at Senior levels had left the Company.
7. Shareholders who were interested in visiting the factory were requested to register their names with the Company Secretary.

After having replied to all the queries, the Chairman put the resolution to vote by a show of hands and it was carried unanimously. Thereafter the following resolutions were proposed:

DECLARATION OF DIVIDEND.

(Ordinary Resolution)

"**RESOLVED** that, as recommended by the Directors, a dividend @ Re.1.00 per equity share for the year ended March 31, 2012 be declared and paid to those Equity Shareholders whose names appeared on the Company's Register of Members on July 25, 2012.

Proposed by: Mr. Prakash Vijaykar
Seconded by: Mr. R.V. Chari

The resolution was put to vote and carried unanimously.



CHAIRMAN'S INITIALS

**MR SATISH JAMDAR, DIRECTOR RETIRING BY ROTATION
REAPPOINTED.**

(Ordinary Resolution)

"**RESOLVED** that Mr. Satish Jamdar who retires by rotation from office and, being eligible for re-appointment, be and is hereby re-appointed as a Director of the Company."

Proposed by: Mr. Sudhir Parekh
Seconded by: Mr. Prakash Bhua

The resolution was put to vote and carried unanimously.

**MR. PRADEEP MALICK, DIRECTOR RETIRING BY ROTATION,
REAPPOINTED.**

(Ordinary Resolution):

"**RESOLVED** that Mr. Pradeep Mallick who retires by rotation from office and, being eligible for re-appointment, be and is hereby re-appointed as a Director of the Company."

Proposed by: Mr. R.V. Chari
Seconded by: Mr. Prakash Bhua

The resolution was put to vote and carried unanimously.

APPOINTMENT OF AUDITORS.

(Ordinary Resolution)

"**RESOLVED** that Messrs S.R. Batliboi & Associates, Chartered Accountants, Mumbai, Regn. No.101049W be and are hereby appointed as Statutory Auditors of the Company, to hold office until the conclusion of the next Annual General Meeting of the Company.

FURTHER RESOLVED that the Board of Directors be and is hereby authorised to appoint, in consultation with the Statutory Auditors any person or persons qualified for appointment as Auditor or Auditors under Section 226 of the Companies Act, 1956, to audit the accounts of any specified branches in India or abroad for such period as may be agreed to by the Board of Directors and the Statutory Auditors.

AND FURTHER RESOLVED that the remuneration, terms and conditions of the Statutory Auditors and the Auditors appointed by the Board as aforesaid, be determined by the Board of Directors of the Company."

Proposed by: Mr. Prakash Vijaykar
Seconded by: Mr. Yogidas Patel

The resolution was put to vote and carried unanimously.

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The Chairman requested Mr. Suresh N. Talwar to chair the next items on the agenda, since he, Mr. Suneel M. Advani and Mr Vir S. Advani were interested in the same.

Mr. Suresh N. Talwar moved the following resolutions:

(Special Resolution)

APPROVAL FOR PAYMENT OF MANAGERIAL REMUNERATION TO MR. ASHOK M. ADVANI

SPECIAL BUSINESS

"RESOLVED THAT in modification of the earlier resolution passed regarding the appointment and payment of managerial remuneration and perquisites paid / to be paid to Mr. Ashok M. Advani, who was the Whole-time Director designated as 'Executive Chairman' of the Company during the financial year April 2011 to March 2012 (presently Non-Executive Director and Chairman) by the Board of Directors at its meeting held on 12th May, 2008 and the Ordinary Resolution passed by the Shareholders at their Annual General Meeting (AGM) of the Company held on 28th July, 2008, (then re-appointed as Managing Director of the Company) for a period of three years, with effect from 1st October, 2008 to 30th September, 2011 and further appointed by the Board of Directors at its Board meeting held on 24th May, 2011 and Ordinary Resolution passed by the Members at their AGM held on 29th July, 2011, as Executive Chairman, for a period of five years, with effect from 1st October, 2011 to 30th September, 2016, for which the Company had filed eForm-25C with the Registrar of Companies, Maharashtra, Mumbai, pursuant to the provisions of Section 269 regarding his appointment and the payment of managerial remuneration and payment of commission not exceeding 2% of the net profit of the Company, subject to the total managerial remuneration not exceeding the individual and overall ceiling prescribed under Section 198 read with Section 309 of the Companies Act, 1956, the Members do hereby approve as under;

Waiver of excess managerial remuneration:

That, pursuant to provisions of Sections 198(4), 309(3), 310 and 311 of the Companies Act, 1956 ("the Act") and read with Section II of Part II (C) of Schedule XIII thereto and other applicable provisions, if any, of the Act, (including any statutory modification or re-enactment thereof) and subject to the approval of Ministry of Corporate Affairs, Government of India, New Delhi and as approved by the Board of Directors and subject to such conditions and modifications, as may be imposed or prescribed by any of the authorities in granting such approvals, permissions and sanctions and pursuant to Article No.120 of Articles of Association of the Company, do hereby ratify, confirm and approve the protection of the payment of the excess managerial remuneration paid/to be paid to Mr. Ashok M. Advani, which had exceeded the total managerial remuneration payable within the ceiling prescribed under Schedule XIII to the Act read with Sections 198 and 309 of the Act, for the



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period from 01.04.2011 to 30.11.2011 i.e. by Rs.13,05,575/- per month and Rs.17,05,575/- per month to be paid for the balance period from 01.12.2011 to 31.03.2012 (both amounts excluding the payment towards Provident Fund, Gratuity Fund, Annuity Fund and Superannuation Fund and excluding payment of commission not exceeding 2% of the net profit of the Company computed in the manner laid down in Sections 349 and 350 of the Act.

AND THAT the said excess managerial remuneration and perquisites paid / to be paid to Mr. Ashok M. Advani, for the said period, notwithstanding absence or inadequacy of profits, shall be treated as the 'minimum remuneration' payable in the absence or inadequacy of profits, in accordance with the provisions of Sections 198(4), 309(3), 310 and 311 of the Act and read with Section II of Part II (C) of Schedule XIII thereto and other applicable provisions, if any, of the Act, (including any statutory modification(s) or re-enactment thereof for the time being in force);

RESOLVED FURTHER THAT the perquisites as referred to above, shall be in addition to the salary paid / to be paid to Mr. Ashok M. Advani and shall inter alia include (1) the allowances, 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, shall be restricted to an amount equivalent to twice the annual salary of Mr. Ashok M. Advani and that for the purpose of calculating the above, perquisites shall be evaluated as per Income-tax Rules wherever applicable; (2)(a) 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, 1961 for the time being and from time to time in force, (b) Gratuity benefits as per the rules of the Company as applicable to other Senior Executives of the Company, (c) Encashment of leave at the end of the tenure as per Rules of the Company and that the said perquisites shall not be included in computation of ceiling on perquisites mentioned in (1) above; and (3) Car for use on Company's business and telephone and other communication facilities at residence will not be considered as perquisites."

Proposed by : Mr. R.V. Chari

Seconded by : Mr. Yogidas Patel

The resolution was put to vote and carried unanimously.

(Special Resolution)

APPROVAL FOR PAYMENT OF MANAGERIAL REMUNERATION TO MR. SUNEEL M. ADVANI

SPECIAL BUSINESS:

"RESOLVED THAT in modification of the earlier resolution passed regarding the appointment and payment of managerial remuneration and perquisites

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paid / to be paid to Mr. Suneel M. Advani, who was the Vice-Chairman and Managing Director of the Company during the financial year April 2011 to March 2012, (presently Executive Vice-Chairman) by the Board of Directors at its meeting held on 12th May, 2008 and the Ordinary Resolution passed by the Shareholders at their Annual General Meeting (AGM) of the Company held on 28th July, 2008, for a period of three years, with effect from 1st October, 2008 to 30th September, 2011 and further re-appointed by the Board of Directors at its Board Meeting held on 24th May, 2011 and Ordinary Resolution passed by the Members at their AGM held on 29th July, 2011, as Vice-Chairman & Managing Director, for a period of five years, with effect from 1st October, 2011 to 30th September, 2016, for which the Company had filed eForm-25C with the Registrar of Companies, Maharashtra, Mumbai, pursuant to the provisions of Section 269 regarding his re-appointment and the payment of managerial remuneration and payment of commission not exceeding 2% of the net profit of the Company, subject to the total managerial remuneration not exceeding the individual and overall ceiling prescribed under Section 198 read with Section 309 of the Companies Act, 1956, the Members do hereby approve as under;

Waiver of excess managerial remuneration:

That, pursuant to provisions of Sections 198(4), 309(3), 310 and 311 of the Companies Act, 1956 ("the Act") and read with Section II of Part II (C) of Schedule XIII thereto and other applicable provisions, if any, of the Act, (including any statutory modification or re-enactment thereof) and subject to the approval of Ministry of Corporate Affairs, Government of India, New Delhi and as approved by the Board of Directors, and subject to such conditions and modifications, as may be imposed or prescribed by any of the authorities in granting such approvals, permissions and sanctions and pursuant to Article No.120 of Articles of Association of the Company, do hereby ratify, confirm and approve the protection of the payment of the excess managerial remuneration, paid/to be paid to Mr. Suneel M. Advani, which had exceeded the total managerial remuneration payable within the ceiling prescribed under Schedule XIII to the Act read with Sections 198 and 309 of the Act, for the period from 01.04.2011 to 30.11.2011 i.e. by Rs.10,85,106/- per month and Rs.14,85,106/- per month to be paid for the period from 01.12.2011 to 31.03.2012 (both amounts excluding the payment towards Provident Fund, Gratuity Fund, Annuity Fund and Superannuation Fund and excluding payment of commission not exceeding 2% of the net profit of the Company computed in the manner laid down in Sections 349 and 350 of the Act.

AND THAT the said excess managerial remuneration and perquisites paid/to be paid to Mr. Suneel M. Advani, for the said period, notwithstanding absence or inadequacy of profits shall be treated as the 'minimum remuneration' payable in the absence or inadequacy of profits, in accordance with the provisions of Sections 198(4), 309(3), 310, and 311 of the Act and read with Section II of Part II (C) of Schedule XIII thereto and other applicable provisions, if any, of the Act, (including any statutory modification(s) or re-enactment thereof for the time being in force);



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RESOLVED FURTHER THAT the perquisites as referred to above, shall be in addition to the salary paid/to be paid to Mr. Suneel M. Advani and shall inter alia include (1) the allowances, 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, shall be restricted to an amount equivalent to twice the annual salary of Mr. Suneel M. Advani and that for the purpose of calculating the above, perquisites shall be evaluated as per Income-tax Rules wherever applicable; (2)(a) 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, 1961 for the time being and from time to time in force, (b) Gratuity benefits as per the rules of the Company as applicable to other Senior Executives of the Company, (c) Encashment of leave at the end of the tenure as per Rules of the Company and that the said perquisites shall not be included in computation of ceiling on perquisites mentioned in (1) above; and (3) Car for use on Company's business and telephone and other communication facilities at residence will not be considered as perquisites."

Proposed by : Mr. R.V. Chari
Seconded by : Mr. Sharad Kumar Shah

The resolution was put to vote and carried unanimously.

APPROVAL FOR PAYMENT OF MANAGERIAL REMUNERATION TO MR. SATISH JAMDAR

SPECIAL BUSINESS

"RESOLVED THAT in modification of the earlier resolution passed regarding the appointment and payment of managerial remuneration and perquisites paid / to be paid to Mr. Satish Jamdar, Managing Director of the Company, by the Board of Directors at its meeting held on 15th May, 2009 and the Ordinary Resolution passed by the Shareholders at their Annual General Meeting (AGM) of the Company held on 27th July, 2009, for a period of five years, with effect from 1st July, 2009 to 30th June, 2014 for which the Company had filed eForm-25C with the Registrar of Companies, Maharashtra, Mumbai, pursuant to the provisions of Section 269 regarding his appointment and the payment of managerial remuneration and payment of commission not exceeding 2% of the net profit of the Company, subject to the total managerial remuneration not exceeding the individual and overall ceiling prescribed under Section 198 read with Section 309 of the Companies Act, 1956 the Members do hereby approve as under;

Waiver of excess managerial remuneration :

That, pursuant to provisions of Sections 198(4), 309(3), 310 and 311 of the Companies Act, 1956 ("the Act") and read with Section II of Part II (C) of


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Schedule XIII thereto and other applicable provisions, if any, of the Act, (including any statutory modification or re-enactment thereof) and subject to the approval of Ministry of Corporate Affairs, Government of India, New Delhi and as approved by the Board of Directors and subject to such conditions and modifications, as may be imposed or prescribed by any of the authorities in granting such approvals, permissions and sanctions and pursuant to Article No.120 of Articles of Association of the Company, do hereby ratify, confirm and approve the protection of the payment of the excess managerial remuneration, paid/to be paid to Mr. Satish Jamdar, which had exceeded the total managerial remuneration payable within the ceiling prescribed under Schedule XIII to the Act read with Sections 198 and 309 of the Act, for the period from 01.04.2011 to 30.11.2011 i.e. by Rs.6,76,214/- per month and Rs.10,76,214/- per month to be paid for the period from 01.12.2011 to 31.03.2012 (both amounts excluding the payment towards Provident Fund, Gratuity Fund, Annuity Fund and Superannuation Fund and excluding payment of commission not exceeding 2% of the net profit of the Company computed in the manner laid down in Sections 349 and 350 of the Act.

AND THAT the said excess managerial remuneration and perquisites paid / to be paid to Mr. Satish Jamdar, notwithstanding absence or inadequacy of profits, shall be treated as the 'minimum remuneration' payable in the absence or inadequacy of profits, in accordance with the provisions of Sections 198(4), 309(3), 310 and 311 of the Act and read with Section II of Part II (C) of Schedule XIII thereto and other applicable provisions, if any, of the Act, (including any statutory modification(s) or re-enactment thereof for the time being in force);

RESOLVED FURTHER THAT the perquisites as referred to above, shall be in addition to the salary paid / to be paid to Mr. Satish Jamdar and shall inter alia include (1) the allowances, 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, shall be restricted to an amount equivalent to twice the annual salary of Mr. Satish Jamdar and that for the purpose of calculating the above, perquisites shall be evaluated as per Income-tax Rules wherever applicable; (2)(a) 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, 1961 for the time being and from time to time in force, (b) Gratuity benefits as per the rules of the Company as applicable to other Senior Executives of the Company, (c) Encashment of leave at the end of the tenure as per Rules of the Company and that the said perquisites shall not be included in computation of ceiling on perquisites mentioned in (1) above; and (3) Car for use on Company's business and telephone and other communication facilities at residence will not be considered as perquisites."

Proposed by : Mr. Dinesh Bhatia
Seconded by : Mr. Yogidas Patel



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The resolution was put to vote and carried unanimously.

APPROVAL FOR PAYMENT OF MANAGERIAL REMUNERATION TO MR. VIR S. ADVANI

SPECIAL BUSINESS

"RESOLVED THAT in modification of the earlier resolution passed regarding the appointment and payment of managerial remuneration and perquisites paid / to be paid to Mr. Vir S. Advani, Executive Director of the Company, by the Board of Directors at its meeting held on 12th May, 2010 and the Ordinary Resolution passed by the Shareholders at their Annual General Meeting (AGM) of the Company held on 27th July, 2010, (then appointed as Executive Director of the Company) for a period of five years, with effect from 1st July 2010 to 30th June, 2015, for which the Company had filed eForm-25C with the Registrar of Companies, Maharashtra, Mumbai, pursuant to the provisions of Section 269 regarding his appointment and the payment of managerial remuneration and payment of commission not exceeding 1% of the net profit of the Company, subject to the total managerial remuneration not exceeding the individual and overall ceiling prescribed under Section 198 read with Section 309 of the Companies Act, 1956, the Members do hereby approve as under;

Waiver of excess managerial remuneration :

That, pursuant to provisions of Sections 198(4), 309(3), 310 and 311 of the Companies Act, 1956 ("the Act") and read with Section II of Part II (C) of Schedule XIII thereto and other applicable provisions, if any, of the Act, (including any statutory modification or re-enactment thereof) and subject to the approval of Ministry of Corporate Affairs, Government of India, New Delhi and as approved by the Board of Directors and subject to such conditions and modifications, as may be imposed or prescribed by any of the authorities in granting such approvals, permissions and sanctions and pursuant to Article No.120 of Articles of Association of the Company, do hereby ratify, confirm and approve the protection of the payment of the excess managerial remuneration, paid/to be paid to Mr. Vir S. Advani, which had exceeded the total managerial remuneration payable within the ceiling prescribed under Schedule XIII to the Act read with Sections 198 and 309 of the Act, for the period from 01.04.2011 to 30.11.2011 i.e. by Rs.2,63,960/- per month and Rs.6,63,960/- per month to be paid for the period from 01.12.2011 to 31.03.2012 (both amounts excluding the payment towards Provident Fund, Gratuity Fund, Annuity Fund and Superannuation Fund and excluding payment of commission not exceeding 1% of the net profit of the Company computed in the manner laid down in Sections 349 and 350 of the Act.

AND THAT the said excess managerial remuneration and perquisites paid / to be paid to Mr. Vir S. Advani, for the said period, notwithstanding absence or inadequacy of profits shall be treated as the 'minimum remuneration' payable in the absence or inadequacy of profits, in accordance with the provisions of Sections 198(4), 309(3), 310 and 311 of the Act and read with

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Section II of Part II (C) of Schedule XIII thereto and other applicable provisions, if any, of the Act, (including any statutory modification(s) or re-enactment thereof for the time being in force);

RESOLVED FURTHER THAT the perquisites as referred to above, shall be in addition to the salary paid / to be paid to Mr. Vir S. Advani and shall inter alia include (1) the allowances, 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, shall be restricted to an amount equivalent to twice the annual salary of Mr. Vir S. Advani and that for the purpose of calculating the above, perquisites shall be evaluated as per Income-tax Rules wherever applicable; (2)(a) 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, 1961 for the time being and from time to time in force, (b) Gratuity benefits as per the rules of the Company as applicable to other Senior Executives of the Company, (c) Encashment of leave at the end of the tenure as per Rules of the Company and that the said perquisites shall not be included in computation of ceiling on perquisites mentioned in (1) above; and (3) Car for use on Company's business and telephone and other communication facilities at residence will not be considered as perquisites."

Proposed by : Mr. Yogidas Patel
Seconded by : Mr. Sharad Kumar Shah

The resolution was put to vote and carried unanimously.

Mr. Ashok M. Advani then took the Chair.

The Meeting terminated with a vote of thanks to the Chair proposed by Mr. Prakash Vijaykar.

Ashok M. Advani
ASHOK M. ADVANI 15/8/12
CHAIRMAN

