

## NOTICE TO SHAREHOLDERS

NOTICE is hereby given that the **Eighty First Annual General Meeting** of the Members of Bajaj Hindusthan Limited will be held on **Thursday, February 14, 2013 at 11.30 A.M.** at Rangaswar, Y.B. Chavan Centre, General Jagannath Bhosale Marg, Nariman Point, Mumbai - 400 021, to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Balance Sheet as at September 30, 2012, the Statement of Profit and Loss for the year ended on that date and the Reports of the Directors and the Auditors thereon for the said year.
2. To declare a dividend on Equity Shares for the year ended September 30, 2012.
3. To appoint a Director in place of Dr. Sanjeev Kumar, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Alok Krishna Agarwal, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint M/s. Chaturvedi & Shah (Firm Registration Number 101720W), Chartered Accountants, retiring Auditors as Auditors of the Company to hold office from conclusion of this Meeting until the conclusion of the next Annual General Meeting of the Company on such remuneration as shall be fixed by the Board of Directors.

### SPECIAL BUSINESS:

6. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:-

“RESOLVED THAT pursuant to the provisions of Section 257 and all other applicable provisions, if any, of the Companies Act, 1956 (including any amendment thereto or re-enactment thereof for the time being in force), Mr. Manoj Maheshwari, who was appointed as an Additional Director of the Company with effect from October 01, 2012 at the Board Meeting held on August 14, 2012, and who, as per provisions of Section 260 of the Companies Act, 1956, holds office only up to the date of this Annual General Meeting and in respect of whom the Company has received a Notice in writing from a member, pursuant to and in accordance with the provisions of Section 257 of the Companies Act, 1956, proposing the candidature of Mr. Manoj Maheshwari for the office of the Director of the Company, be and is hereby appointed as Director of the Company, liable to retire by rotation.”

7. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:-

“RESOLVED THAT pursuant to the provisions of Section 257 and all other applicable provisions, if any, of the Companies Act, 1956 (including any amendment thereto or re-enactment thereof for the time being in force), Mr. Ashok Kumar Gupta, who was appointed as an Additional Director of the Company with effect from October 01, 2012 at the Board Meeting held on August 14, 2012, and who, as per provisions of Section 260 of the Companies Act, 1956, holds office only up to the date of this Annual General Meeting and in respect of whom the Company has received a Notice in writing from a member, pursuant to and in accordance with the provisions of Section 257 of the Companies Act, 1956, proposing the candidature of Mr. Ashok Kumar Gupta for the office of the Director of the Company, be and is hereby appointed as Director of the Company, liable to retire by rotation.”

8. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:-

“RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 310 and 311 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 (including any amendment or modification thereof) and subject to the approval of Central Government and any other approval(s) as may be necessary, the consent and approval of the Company be and is hereby accorded to the appointment and remuneration payable to Mr. Manoj Maheshwari the Whole-time Director designated as the Director & Group CFO, for a period of Five (5) years with effect from October 01, 2012 as set out below:-

#### I. Remuneration:

- a) Salary: ₹ 7,08,838 per month in the scale of ₹ 6,00,000 – ₹ 12,00,000.
- b) Perquisites and Allowances :
  - I. House Rent Allowance: House Rent Allowance at the rate of 20% of basic salary.
  - II. Special Allowance: Special Allowance as per the rules of the Company, presently ₹ 9,33,076 per month.
  - III. Leave Travel Allowance: Leave Travel Allowance in respect of himself and family not exceeding one month's salary per annum as per the rules of the Company.
  - IV. Other Allowances: Allowances for Food Coupons, Children Education, etc. as per the rules of the Company.
  - V. Medical Reimbursement: Reimbursement of actual medical expenses incurred as per the rules of the Company.
  - VI. Other Perquisites: Subject to overall ceiling on remuneration mentioned hereinbelow the Whole-time Director may be given other allowances, benefits and perquisites as may be decided from time to time.

**Explanation:**

Perquisites shall be evaluated as per Income-tax Rules, wherever applicable and in absence of any such rule, perquisites shall be evaluated at actual cost.

- c) Performance Linked Incentive: Performance Linked incentive to the achievement of targets as per the rules of the Company subject to a maximum of 2 month's basic salary per annum.
- d) Other including Retirals:
  - I. Contribution to Provident Fund: Company's contribution to provident Fund to the extent the same is not taxable under the Income-tax Act, 1961.
  - II. Gratuity: Gratuity payable to the extent permitted under the Payment of Gratuity Act, 1972.
  - III. Leave: Leave with full pay or encashment thereof as per the Rules of the Company.
  - IV. Conveyance: Reimbursement of driver's salary, fuel expenses, car repairs and maintenance and car insurance renewal as per the rules of the Company.
  - V. Communication: Reimbursement of residential telephone expenses up to ₹ 1,500 per month.
  - VI. Other Facilities: Reimbursement of uniform expenses and books and periodicals expenses as per the rules of the Company.

**II. Overall remuneration:**

The aggregate of salary and perquisites in any financial year shall not exceed the limits prescribed from time to time under Sections 198, 309 and other applicable provisions of the Companies Act, 1956 read with Schedule XIII to the said Act as may for the time being, be in force.

**III. Minimum remuneration:**

In the event of loss or inadequacy of profits in any financial year during the currency of tenure of service of Whole-time Director, the payment of remuneration shall be governed by the limits prescribed under Section II of the Part II of Schedule XIII to the Companies Act, 1956 as may for the time being, be in force.

“RESOLVED FURTHER THAT in case the Company has in any financial year no profits or if its profits are inadequate anytime during the period of 3 (three) years from October 01, 2012, the Whole-time Director shall be paid the aforesaid remuneration as the minimum remuneration, with the liberty to the Board of Directors (which term shall be deemed to include the Remuneration & Compensation Committee) to revise, amend, alter and vary the terms and conditions relating to the remuneration payable to the Whole-time Director in such manner as may be permitted in accordance with the provisions of the Companies Act, 1956 and Schedule XIII or any modification thereto and as may be agreed by and between the Board and Mr. Manoj Maheshwari.”

9. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 310 and 311 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 (including any amendment or modification thereof) and subject to the approval of Central Government and any other approval(s) as may be necessary, the consent and approval of the Company be and is hereby accorded to the appointment and remuneration payable to Mr. Ashok Kumar Gupta, the Whole-time Director designated as the Director (Group Operation), for a period of Five (5) years with effect from October 01, 2012 as set out below:-

**I. Remuneration:**

- a) Salary: ₹ 2,45,509 per month in the scale of ₹ 1,50,000 – 6,00,000.
- b) Perquisites and Allowances:
  - I. House Rent Allowance: House Rent Allowance at the rate of 20% of basic salary.
  - II. Special Allowance: Special Allowance as per the rules of the Company, presently ₹ 2,25,748 per month.
  - III. Leave Travel Allowance: Leave Travel Allowance in respect of himself and family not exceeding one month's salary per annum as per the rules of the Company.
  - IV. Other Allowances: Allowances for Food Coupons, Children Education, etc. as per the rules of the Company.
  - V. Medical Reimbursement: Reimbursement of actual medical expenses incurred as per the rules of the Company.
  - VI. Other Perquisites: Subject to overall ceiling on remuneration mentioned hereinbelow the Whole-time Director may be given other allowances, benefits and perquisites as may be decided from time to time.

**Explanation:**

Perquisites shall be evaluated as per Income-tax Rules, wherever applicable and in absence of any such rule, perquisites shall be evaluated at actual cost.

- c) Performance Linked Incentive: Performance Linked incentive to the achievement of targets as per the rules of the Company subject to a maximum of 2 month's basic salary per annum.
- d) Other including Retirals:
  - I. Contribution to Provident Fund: Company's contribution to provident Fund to the extent the same is not taxable under the Income-tax Act, 1961.
  - II. Superannuation: Superannuation at the rate of 15% of the basic salary.
  - III. Gratuity: Gratuity payable to the extent permitted under the Payment of Gratuity Act, 1972.
  - IV. Leave: Leave with full pay or encashment thereof as per the Rules of the Company.
  - V. Conveyance: Reimbursement of driver's salary, fuel expenses, car repairs and maintenance and car insurance renewal as per the rules of the Company.
  - VI. Communication: Reimbursement of residential telephone expenses as per the rules of the Company.
  - VII. Other Facilities: Reimbursement of uniform expenses and books and periodicals expenses as per the rules of the Company.

## II. Overall remuneration:

The aggregate of salary and perquisites in any financial year shall not exceed the limits prescribed from time to time under Sections 198, 309 and other applicable provisions of the Companies Act, 1956 read with Schedule XIII to the said Act as may for the time being, be in force.

## III. Minimum remuneration:

In the event of loss or inadequacy of profits in any financial year during the currency of tenure of service of Whole-time Director, the payment of remuneration shall be governed by the limits prescribed under Section II of the Part II of Schedule XIII to the Companies Act, 1956 as may for the time being, be in force.

“RESOLVED FURTHER THAT in case the Company has in any financial year no profits or if its profits are inadequate anytime during the period of 3 (three) years from October 01, 2012, the Whole-time Director shall be paid the aforesaid remuneration as the minimum remuneration, with the liberty to the Board of Directors (which term shall be deemed to include the Remuneration & Compensation Committee) to revise, amend, alter and vary the terms and conditions relating to the remuneration payable to the Whole-time Director in such manner as may be permitted in accordance with the provisions of the Companies Act, 1956 and Schedule XIII or any modification thereto and as may be agreed by and between the Board and Mr. Ashok Kumar Gupta.”

10. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:-

“RESOLVED THAT pursuant to the provisions of Section 81(1A) and other applicable provisions, if any, of the Companies Act, 1956 (including any amendment thereto or re-enactment thereof for the time being in force), the Foreign Exchange Management Act, 1999, the Issue of Foreign Currency Convertible Bonds and Ordinary Shares (Through Depository Receipt Mechanism) Scheme, 1993, Regulations for Qualified Institutions Placement contained in Chapter VIII of the Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, 2009, the notifications issued by the Reserve Bank of India (“RBI”) and other applicable laws, listing agreement entered into by the Company with the stock exchanges where the shares of the Company are listed, Articles of Association and subject to all other statutory and regulatory approval(s), consent(s), permission(s) and/or sanction(s) of the Government of India, RBI, Securities and Exchange Board of India (“SEBI”) and all other concerned authorities (hereinafter singly or collectively referred to as the “Appropriate Authorities”) as may be required, and subject to such terms, conditions and modifications as may be prescribed by any of the Appropriate Authorities while granting any such approval, consent, permission and/or sanction and agreed to by the Board of Directors of the Company (the “Board”) (which term shall be deemed to include any Committee which the Board may have constituted or hereafter constitute for the time being exercising the powers conferred on the Board by this resolution), which the Board be and is hereby authorised to accept, if it thinks fit in the interest of the Company, the Board be and is hereby authorised to create, issue, offer and allot equity shares and/or securities in one or more tranches, whether denominated in rupee or foreign currency(ies), in the course of international and/or domestic offering(s) in one or more foreign market(s), for a value of up to ₹ 2,000 crore (Rupees Two thousand crore only) including Equity Shares and/or Other Financial Instruments (“OFIs”) through Qualified Institutions Placement (“QIP”) basis to Qualified Institutional Buyers (“QIB”), Global Depository Receipts (“GDRs”), American Depository Receipts (“ADRs”), Foreign Currency Convertible Bonds (“FCCBs”), any other Depository Receipt Mechanism and/or convertible into Equity Shares (either at the option of the Company or the holders thereof) at a later date, any such instrument or security [including Debentures or Bonds or Foreign Currency Convertible Bonds (“FCCBs”)] being either with or without detachable warrants attached thereto entitling the warrant holder to apply for Equity Shares/instruments or securities including Global Depository Receipts and American Depository Receipts representing Equity Shares (hereinafter collectively referred to as the “Securities”) or any combination of Equity Shares with or without premium, to be subscribed to in Indian and/or any foreign currency(ies) by resident or non-resident/ foreign investors (whether institutions and/or incorporated bodies and/or individuals and/or trusts and/or otherwise)/Foreign Institutional Investors (“FIIs”)/Mutual Funds/ Pension Funds/ Venture Capital Funds/ Banks and such other persons or entities, whether or not such investors are members of the Company, to all or any of them, jointly or severally through prospectus, offer document and/or other letter or circular (“Offer Document”) and/or on private placement basis, from time to time in one or more tranches as may be deemed appropriate by the Board and such issue and allotment to be made on such occasion or occasions, at such value or values, at a discount or at a premium to the market price prevailing at the time of the issue and in such form and manner and on such terms and conditions or such modifications thereto as the Board may determine in consultation with the Lead Manager(s) and/or Underwriters and/or other Advisors, with authority to retain over subscription up to such percentage as may be permitted by the Appropriate Authorities, at such price or

prices, at such interest or additional interest, at a discount or at a premium on the market price or prices and in such form and manner and on such terms and conditions or such modifications thereto, including the number of Securities to be issued, face value, rate of interest, redemption period, manner of redemption, amount of premium on redemption/ prepayment, number of further equity shares, to be allotted on conversion/ redemption/ extinguishment of debt(s), exercise of rights attached to the warrants, the ratio of exchange of shares and/or warrants and/or any other financial instrument, period of conversion, fixing of record date or book closure and all other related or incidental matters as the Board may in its absolute discretion think fit and decide in consultation with the Appropriate Authority(ies), the Merchant Banker(s) and/or Lead Manager(s) and/or Underwriter(s) and/or Advisor(s) and/or such other person(s), but without requiring any further approval or consent from the shareholders and also subject to the applicable regulations for the time being in force.”

“RESOLVED FURTHER THAT a minimum of 10% of the Securities issued pursuant to said regulations shall be allotted to mutual funds and if no mutual fund is agreeable to take up the minimum portion or any part thereof, then such minimum portion or part thereof may be allotted to other QIB(s) or otherwise.”

“RESOLVED FURTHER THAT the Relevant Date for determining the pricing of the securities [whether on Qualified Institutional Placement to QIBs as per the provisions of Chapter VIII of SEBI (Issue of Capital & Disclosure Requirements) Regulations, 2009] or issue of equity shares underlying the Global Depository Receipts or securities issued on conversion of FCCBs is the date of the meeting in which the Board decides to open the proposed issue or such date, if any, as may be notified by SEBI or the RBI or any Appropriate Authority from time to time.”

“RESOLVED FURTHER THAT the Board be and is hereby authorised to allot further shares up to 15 (fifteen) percent of its issue size to the Stabilisation Agent by availing the Green Shoe Option subject to the provisions of relevant SEBI Regulations and enter into and execute all such agreements and arrangements with any Merchant Banker or Book Runner, as the case may be, involved or concerned in such offerings of Securities and to pay all such fee/expenses as may be mutually agreed between the Company and the said Stabilisation Agent.”

“RESOLVED FURTHER THAT the Board be and is hereby authorised to enter into and execute all such agreements and arrangements with any Lead Manager(s), Co-Lead Manager(s), Manager(s), Advisor(s), Underwriter(s), Guarantor(s), Depository(ies), Custodian(s), Trustee, Stabilisation Agent, Banker/ Escrow Banker to the Issue and all such agencies as may be involved or concerned in such offerings of Securities and to remunerate all such agencies by way of commission, brokerage, fees or the like, and also to seek the listing of such Securities in one or more Indian/International Stock Exchanges.”

“RESOLVED FURTHER THAT the Board and/or an agency or body authorised by the Board may issue Depository Receipt(s) or Certificate(s), representing the underlying securities issued by the Company in registered or bearer form with such features and attributes as are prevalent in Indian and/or International Capital Markets for the instruments of this nature and to provide for the tradability or free transferability thereof, as per the Indian/ International practices and regulations and under the norms and practices prevalent in the Indian/ International Markets.”

“RESOLVED FURTHER THAT the Board be and is hereby authorised to issue and allot such number of further equity shares as may be required to be issued and allotted upon conversion of any Securities or as may be necessary in accordance with the terms of the offering, all such further equity shares ranking pari-passu with the existing equity shares of the Company in all respects except provided otherwise under the terms of issue and in the offer document.”

“RESOLVED FURTHER THAT subject to the existing law and regulations, such Securities to be issued, that are not subscribed, may be disposed of by the Board to such person(s) and in such manner and on such terms as the Board may in its absolute discretion think most beneficial to the Company, including offering or placing them with resident or non-resident/ foreign investor(s) (whether institutions and/or incorporated bodies and/or individuals and/or trusts and/or otherwise)/ Foreign Institutional Investors (“FIIs”)/ Qualified Institutional Buyers (“QIBs”)/ Mutual Funds/ Pension Funds/ Venture Capital Funds/ Banks and/or Employees and Business Associates of the Company or such other person(s) or entity(ies) or otherwise, whether or not such investors are members of the Company, as the Board may in its absolute discretion decide.”

“RESOLVED FURTHER THAT for the purpose of giving effect to the above resolutions, the Board be and is hereby authorised on behalf of the Company to agree to and make and accept such conditions, modifications and alterations stipulated by any of the relevant authorities while according approvals, consents or permissions to the issue as may be considered necessary, proper and expedient and to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary or desirable for such purpose, including without limitation the entering into of underwriting, marketing, depository and custodian arrangements and with power on behalf of the Company to settle any questions, difficulties or doubts that may arise in regard to any such issue(s)/ offer(s) or allotment(s) or otherwise and utilisation of the issue proceeds and/or otherwise to alter or modify the terms of issue, if any, as it may in its absolute discretion deem fit and proper without being required to seek any further consent or approval of the Company to the end and intent that the Company shall be deemed to have given its approval thereto expressly by the authority of this resolution.”

“RESOLVED FURTHER THAT to the extent permissible under Law, the Board be and is hereby authorised to delegate all or any of the powers herein conferred by this resolution on it, to any Committee of Directors or any person or persons, as it may in its absolute discretion deem fit in order to give effect to this resolution.”

By Order of the Board of Directors



**Pradeep Parakh**

Group President (GRC) & Company Secretary

Place : Mumbai

Dated: November 26, 2012

**NOTES:**

1. **A member entitled to attend and vote at the Annual General Meeting (“meeting”) is entitled to appoint a proxy to attend and vote on a poll instead of himself/herself and the proxy need not be a member of the Company. The instrument appointing the proxy, in order to be effective, shall be deposited at the registered office of the Company not less than forty-eight hours before the commencement of the Meeting.**
2. Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified true copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.
3. In case of joint holders attending the Meeting, only such joint holder who is higher in order of names will be entitled to vote.
4. In terms of Article 104 of the Articles of Association of the Company, read with Section 256 of the Companies Act, 1956, Dr. Sanjeev Kumar and Mr. Alok Krishna Agarwal, Directors, retire by rotation and being eligible, offer themselves for re-appointment. The Board of Directors commends their respective re-appointments.
5. Brief resume of all Directors proposed to be re-appointed/appointed, nature of their expertise in specific functional areas, names of the companies in which they hold directorships, memberships/ chairmanships for Board/Committees, shareholding and relationship between directors inter-se as stipulated in Clause 49 of the Listing Agreement with Stock Exchanges in India, are provided in the annexure to the notice.
6. An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, relating to Special Business to be conducted at the Meeting is annexed hereto.
7. Relevant documents referred in accompanying Notice are open for inspection by the members at the Registered Office of the Company on all working days, except Saturdays, between 11.00 a.m. and 1.00 p.m. up to the date of the Meeting.
8. The Register of Members and Share Transfer Register Books of the Company shall remain closed from Saturday, February 02, 2013 to Thursday, February 14, 2013 (both days inclusive).
9. Dividend in respect of the equity shares of the Company as recommended by the Directors, if approved at the Annual General Meeting, will be paid at par on or after February 14, 2013:
  - a) To those members who hold shares in physical form and whose names shall appear in the Register of Members as on Friday, February 01, 2013.
  - b) In respect of Shares held in electronic form, to the beneficial owners of Shares as at the close of business hours on Friday, February 01, 2013 as per the details to be furnished by the Depository to the Company for this purpose.
10. Members are requested to furnish their Bank Account details, change of address and all other required details to the Registrar & Share Transfer Agent in respect of shares if held in physical form. In case of shares held in electronic form, these details should be furnished to the respective Depository Participants (DPs).
11. The Securities and Exchange Board of India (“SEBI”) has mandated the submission of Permanent Account Number (“PAN”) by every participant in the securities market. Members holding shares in electronic form are therefore, requested to submit their PAN card numbers/copies of PAN card to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company/Registrar and Share Transfer Agent, M/s. Sharepro Services (India) Private Ltd.
12. For convenience of the members and for proper conduct of the Meeting, entry to the place of the Meeting will be regulated by way of attendance slip, which is annexed to this Notice. Members are requested to bring their Attendance Slip, sign the same at the place provided and hand it over at the entrance of the venue.
13. Members are requested to send all communications relating to shares to the Registrar and Share Transfer Agent of the Company at the following address:

<b>BY POST/ COURIER/HAND DELIVERY</b>	<b>BY HAND DELIVERY</b>
M/s. Sharepro Services (India) Pvt. Ltd. Unit : Bajaj Hindusthan Limited 13 A/B, 2 <sup>nd</sup> Floor, Samhita Warehousing Complex, Behind Sakinaka Telephone Exchange, Andheri-Kurla Road, Sakinaka, Andheri (East), Mumbai - 400 072 Tel. No.: 022 6772 0400/ 001/ 002 Fax No.: 022 2850 8927, 2859 1568 E-mail: <a href="mailto:sharepro@shareproservices.com">sharepro@shareproservices.com</a>	M/s. Sharepro Services (India) Pvt. Ltd. Unit : Bajaj Hindusthan Limited 912 Raheja Centre, Free Press Journal Road, Nariman Point, Mumbai – 400 021 Tel. No.: 022 2282 1568/ 69 Fax No.: 022 2282 5484 E-mail: <a href="mailto:sharepro@shareproservices.com">sharepro@shareproservices.com</a>

14. Pursuant to the provisions of Section 205A to Section 205C of the Companies Act, 1956, all unclaimed/unpaid monies by way of dividend transferred to the “Unpaid Dividend Account” of the Company as contemplated under Section 205A of the Companies Act, 1956 that remains unclaimed/unencashed for a period of 7 (seven) years from the respective date of such transfer has to be transferred by the Company to “The Investor Education and Protection Fund”

(IEPF) being the fund established by the Central Government under Section 205C (1) and no claims shall lie against the said Fund or the Company in respect thereof.

The details of Dividends paid by the Company and the corresponding due dates for transfer of such unencashed dividend to the aforementioned Fund constituted by the Central Government are furnished hereunder:

<b>Dividend for the year</b>	<b>Date of Declaration of Dividend</b>	<b>Due Date of transfer to The Investor Education and Protection Fund</b>
2004-2005	28.03.2006	03.05.2013
2005-2006	30.03.2007	05.05.2014
2006-2007	26.02.2008	02.04.2015
2007-2008	24.03.2009	29.04.2016
2008-2009	18.03.2010	23.04.2017
2009-2010	22.03.2011	27.04.2018
2010-2011	11.02.2012	17.03.2019

Members who have not encashed/claimed the dividend warrant(s) so far in respect of the above financial years, are therefore, requested to make their claims to the registered office of the Company or M/s. Sharepro Services (India) Pvt. Ltd. well in advance of the above due dates. It may be noted that once the amounts in the unpaid dividend accounts are transferred to IEPF, no claim shall lie against the IEPF or the Company in respect thereof and the members would lose their right to claim such dividend.

15. Members can avail of the facility of nomination in respect of shares held by them in physical form pursuant to the provisions of Section 109A of the Companies Act, 1956. Members desiring to avail of this facility may send their nomination in the prescribed Form No. 2B duly filled in to M/s. Sharepro Services (India) Pvt. Ltd. at the above mentioned address or the Registered Office of the Company. Members holding shares in electronic form may contact their respective Depository Participants for availing this facility.
16. The Ministry of Corporate Affairs, Government of India, has taken a "Green Initiative in Corporate Governance" by allowing paperless compliances by the companies and has issued Circulars inter-alia stating that the service of notice/documents to the Members can be made in electronic mode. Companies are now permitted to send various notices/documents to its shareholders through electronic mode to the registered e-mail shareholders. This move by the Ministry is welcome since it will benefit the society at large through reduction in paper consumption and contribution towards a Greener Environment. We propose to send all documents to be sent to shareholders like General Meeting Notices (including AGM), Audited Financial Statements, Directors' Report, Auditors' Report, etc. henceforth to the shareholders in electronic form, to the e-mail address provided by them and made available to us by the Depositories. The physical copies of the Annual Report will also be available at our Registered Office in Mumbai for inspection during office hours.

Members are also requested to support this Green Initiative by registering/updating their email addresses, with the Depository Participant (in case of Shares held in dematerialised form) or with Company/M/s. Sharepro Services (India) Private Limited, Registrar and Share Transfer Agent of the Company (in case of Shares held in physical form).

## **ANNEXURE TO THE NOTICE**

### **EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956**

The following Explanatory Statement sets out all the material facts relating to the Special Business under Item Nos. 6 to 10 of the accompanying Notice dated November 26, 2012.

#### **In respect of Item Nos. 6 and 8**

Mr. Manoj Maheshwari, aged 46 years joined the Company in September, 2007 as Chief Finance Officer and managing the Finance function at the Group level. Mr. Maheshwari is a Chartered Accountant and a Company Secretary. Prior to joining the Company, he has worked with Hindalco Industries Ltd., Birla Corporation Ltd., Hindusthan National Glass & Industries Ltd. and Srei Infrastructure Finance Ltd. He is also Director on the Board of Lalitpur Power Generation Company Limited and Bajaj Power Generation Private Limited since December 10, 2010 and December 15, 2010 respectively. He has over 25 years of experience in strategy formulation, corporate finance and planning, mergers and acquisitions, financial management, business process re-engineering, commercial and legal negotiations and secretarial functions.

The Board of Directors at their meeting held on August 14, 2012 considered it proper and elevated Mr. Manoj Maheshwari as Director and Group CFO on the Board of Directors of the Company by inducting him on the Board of the Company as an Additional Director with effect from October 01, 2012. The Board also appointed Mr. Manoj Maheshwari as Whole-time Director for a tenure of 5 (five) years from October 01, 2012 at the remuneration as approved by the Remuneration Committee of the Directors at its meeting held on August 14, 2012. The other terms and conditions of the aforesaid appointment are as under:

- a. The Whole-time Director shall not be paid any sitting fees for attending the meetings of the Board of Directors or Committees thereof.
- b. The Whole-time Director shall not, so long as he functions as such, become interested or otherwise concerned directly or through his wife and/or minor children in any selling agency of the Company in future without prior approval of the Central Government.
- c. Mr. Manoj Maheshwari is appointed as Whole-time Director by virtue of his employment in this Company and his appointment is subject to the provision of 283(1)(l) of the Companies Act, 1956.
- d. If at any time Mr. Manoj Maheshwari ceases to be the Whole-time Director of the Company for any cause whatsoever, he shall cease to be the Director of the Company.
- e. One month notice or salary in lieu thereof from either side shall be applicable within one month from the date of close of crushing operation of season. After expiry of this period, two months notice or salary in lieu thereof from either side will be required.

The Board has proposed to pay the above remuneration to him as the Minimum Remuneration which, in the event of absence or inadequacy of profits of the Company in any financial year during the tenure of the present term of Mr. Manoj Maheshwari as Whole-time Director of the Company, would be in excess of the maximum remuneration payable to him as an Executive Director as specified in Schedule XIII to the Companies Act, 1956 and therefore will require approval of the members at General Meeting and may also require approval of the Central Government in terms of Section 198(4) read with Schedule XIII of the Companies Act, 1956. Statement as required under Section II, Part II of the Schedule XIII of the Companies Act, 1956 with reference to Resolutions at the Item No. 8 is annexed hereto marked as **Annexure – A**.

A Statement pursuant to Section 302 of the Companies Act, 1956, in respect of the resolution passed by the Board of Directors in this regard was circulated to the members of the Company.

Pursuant to the provisions of Sections 198, 269, 309 and 310 of the Companies Act, 1956 read with Schedule XIII thereto, payment of remuneration for the appointment of Mr. Manoj Maheshwari as the Director and Group CFO and payment of remuneration (including as Minimum Remuneration) is subject to the approval of shareholders by way of special resolution passed at a general meeting of the Company.

Pursuant to provisions of Section 260 of the Companies Act, 1956 Mr. Manoj Maheshwari would hold office as an Additional Director of the Company up to the date of ensuing Annual General Meeting.

The Company has received a notice alongwith deposit of ₹ 500, pursuant to and in accordance with Section 257 of the Companies Act, 1956, from one member signifying his intention to propose appointment of Mr. Manoj Maheshwari to the office of a Director of the Company. Mr. Manoj Maheshwari has consented to continue as Director of the Company, if appointed. The Board of Directors consider that it would be in the interest of the Company to continue to avail the services of Mr. Manoj Maheshwari as a Director and hence recommend his appointment.

A copy of the notice received under Section 257 of the Companies Act, 1956, the consent received from Mr. Manoj Maheshwari, a copy each of the Resolution passed by the Board of Directors and Remuneration & Compensation Committee at the respective meeting held on August 14, 2012 and the Statement pursuant to Section 302 of the Companies Act, 1956 circulated to the shareholders, as referred to above, are available for inspection by members during business hours on all working days at the registered office of the Company up to the date of the meeting.

The Board of Directors of the Company recommends passing of the Ordinary Resolution at Item No. 6 and Special Resolution at Item No. 8 of the Notice.

Mr. Manoj Maheshwari is interested in the Resolutions at Item Nos. 6 and 8 of the Notice. Save as aforesaid, none of the Directors of the Company is, in any way, concerned or interested in the said resolution.

#### **In respect of Item Nos. 7 and 9**

Mr. Ashok Kumar Gupta aged 61 years has been associated with the Company for over three decades and in charge of control and supervision of the overall production and other plant related activities. After completing his M.Com from Agra University, he had started his service career from Dhampur Sugar Mills, Dhampur, Dist: Bijnor in 1970 and thereafter joined Upper Doab Sugar Mills, Shamli, Dist. Muzaffar Nagar (a Unit of Shadilal Enterprises) in August, 1978.

Thereafter, he joined Bajaj Hindusthan Limited, Golagokarannath, Lakhimpur Kheri on May 31, 1982 and since then continuing with the Company. During his long tenure with the Company, he had worked in different senior positions in different departments and elevated as Senior President (Group Operations), Sugar & Distillery Divisions. He is a patron Member of The Sugar Technologists' Association of India (Membership No. 4551) and he has been awarded with "GEM OF INDIA AWARD" on June 30, 2011 by Council for National Development, New Delhi in its 58th National Convention of National Building through Individual Achievements, Mr. Ashok Kumar Gupta has also been awarded "Best Professional of The Year Gold Medal Award 2011" by the Sugar Technologists' Association of India.

The Board of Directors at their meeting held on August 14, 2012 considered it proper and elevated Mr. Ashok Kumar Gupta as Director (Group Operations) on the Board of Directors of the Company by inducting him on the Board of the Company as an Additional Director with effect from October 01, 2012. The Board also appointed Mr. Ashok Kumar Gupta as Whole-time Director for a tenure of 5 (five) years from October 01, 2012 at the remuneration as approved by the Remuneration Committee of the Directors at its meeting held on August 14, 2012. The other terms and conditions of the aforesaid appointment are as under:

- a) The Whole-time Director shall not be paid any sitting fees for attending the meetings of the Board of Directors or Committees thereof.
- b) The Whole-time Director shall not, so long as he functions as such, become interested or otherwise concerned directly or through his wife and/or minor children in any selling agency of the Company in future without prior approval of the Central Government.
- c) Mr. Ashok Kumar Gupta is appointed as Whole-time Director by virtue of his employment in this Company and his appointment is subject to the provision of 283(1)(l) of the Companies Act, 1956.
- d) If at any time Mr. Ashok Kumar Gupta ceases to be the Whole-time Director of the Company for any cause whatsoever, he shall cease to be the Director of the Company.
- e) One month notice or salary in lieu thereof from either side shall be applicable within one month from the date of close of crushing operation of season. After expiry of this period, two months notice or salary in lieu thereof from either side will be required.

A Statement pursuant to Section 302 of the Companies Act, 1956 in respect of the resolution passed by the Board of Directors in this regard was circulated to the members of the Company.

Pursuant to provisions of Section 260 of the Companies Act, 1956 Mr. Ashok Kumar Gupta would hold office as an Additional Director of the Company up to the date of ensuing Annual General Meeting.

The Board has proposed to pay the above remuneration to him as the Minimum Remuneration which, in the event of absence or inadequacy of profits of the Company in any financial year during the tenure of the present term of Mr. Ashok Kumar Gupta as Whole-time Director of the Company, would be in excess of the maximum remuneration payable to him as an Executive Director as specified in Schedule XIII to the Companies Act, 1956 and, therefore will, require approval of the members at General Meeting and may also require approval of the Central Government in terms of Section 198(4) read with Schedule XIII of the Companies Act, 1956. Statement as required under Section II, Part II of the Schedule XIII of the Companies Act, 1956 with reference to Resolutions at the Item No. 9 is annexed hereto marked as **Annexure – A**.

Pursuant to the provisions of Sections 198, 269, 309 and 310 of the Companies Act, 1956 read with Schedule XIII thereto, payment of remuneration for the appointment of Mr. Ashok Kumar Gupta as the Director (Group Operations) and payment of remuneration (including as Minimum Remuneration) is subject to the approval of shareholders by way of special resolution passed at a general meeting of the Company.

The Company has received a notice alongwith deposit of ₹ 500, pursuant to and in accordance with Section 257 of the Companies Act, 1956, from one member signifying his intention to propose appointment of Mr. Ashok Kumar Gupta to the office of a Director of the Company. Mr. Ashok Kumar Gupta has consented to continue as Director of the Company, if appointed. The Board of Directors consider that it would be in the interest of the Company to continue to avail the services of Mr. Ashok Kumar Gupta as a Director and hence recommend his appointment.

A copy of the notice received under Section 257 of the Companies Act, 1956, the consent received from Mr. Ashok Kumar Gupta, a copy each of the Resolution passed by the Board of Directors and Remuneration & Compensation Committee at the respective meetings held on August 14, 2012 and the Statement pursuant to Section 302 of the Companies Act, 1956 circulated to the shareholders, as referred to above, are available for inspection by members during business hours on all working days at the registered office of the Company up to the date of the meeting.

The Board of Directors of the Company recommend passing of the Ordinary Resolution at Item No. 7 and Special Resolution at Item No. 9 of the Notice.

Mr. Ashok Kumar Gupta is interested in the Resolutions at Item Nos. 7 and 9 of the Notice. Save as aforesaid, none of the Directors of the Company is, in any way, concerned or interested in the said resolution.

#### **In respect of Item No. 10**

Any increase in subscribed capital by allotment of further shares by any company shall be in compliance of the provisions of Section 81 of the Companies Act, 1956 (the Act). For issuance of further shares that may be offered to any person otherwise than as stated in Section 81(1) of the Act, prior permission of shareholders is required to be obtained by way of passing of a special resolution pursuant to Section 81(1A) of the Act.

Furthermore, as per the provisions of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 [SEBI (ICDR), Regulations, 2009], and various regulations under Foreign Exchange Management Act, 1999 (FEMA), approval of shareholders by way of special resolution is required to be obtained for issuance of further shares by way of Qualified Institutional Placement (QIP), Global Depository Receipts (GDR), American Depository Receipts (ADR), Foreign Currency Convertible Bonds (FCCB), Debentures or any other securities convertible into equity shares by any listed company.

As per Regulation 88 of Chapter VIII of the SEBI (ICDR) Regulations, 2009, allotment pursuant to the special resolution approving the QIP issue passed by the



shareholders shall be completed within a period of twelve months from the date of passing of the resolution. The Company has been seeking such enabling approval from shareholders for issuance of further shares from time to time. The last resolution in this regard was passed by the Company at the last Annual General Meeting held on February 11, 2012 for an amount up to ₹ 2,000 crore, which for the purpose of raising funds through QIP issue is valid only up to February 10, 2013. To enable the Company to raise equity funds depending upon its business needs and as may be advised, approval of shareholders is being sought for issue of equity shares and/or any other financial instruments convertible into equity shares through Qualified Institutional Placement (QIP) under SEBI (ICDR) Regulations, 2009 and/or through issuance of securities in the international markets by way of GDRs/ ADRs/ FCCBs etc. in one or more tranches, up to an amount not exceeding ₹ 2,000 crore (Rupees Two Thousand crore).

As per the provisions of regulation 85 of Chapter VIII of the SEBI (ICDR) Regulations, 2009, issue of specified securities shall be made at a price not less than the average of the weekly high and low of the closing prices of the related shares quoted on a stock exchange during the two weeks preceding the relevant date. The relevant date for the purpose of regulation 85 means the date of meeting in which the Board or any Committee of Directors duly authorised by the Board of the Company decides to open the proposed issue.

Further pursuant to the provisions of Chapter VIII of the SEBI (ICDR) Regulations, 2009, the aggregate of the proposed Qualified Institutional Placements and all previous Qualified Institutional Placements made by the Company in the same financial year shall not exceed 5 times the net worth of the Company as per the audited Balance Sheet of the previous financial year.

Therefore, the Board of your Company has recommended the Resolution contained in Item No. 10 to be passed by the shareholders, so as to enable it to issue further equity shares and/or other securities which will include issue on QIP basis.

The said Special Resolution is only an enabling one seeking authority to the Board to raise funds from time to time as may be required.

The Board of Directors recommend passing of the Special Resolution set out in Item No. 10 of the Notice.

All the Directors may be deemed to be interested in the Resolution at Item No. 10, to the extent of shares and/or securities that may be offered to them and/or entities in which any of respective Director is deemed to be interested. None of the Directors of the Company is, in any way, concerned or interested in the Resolution proposed in Item No. 10 of the Notice.

By Order of the Board of Directors



**Pradeep Parakh**

Group President (GRC) & Company Secretary

Place: Mumbai

Dated: November 26, 2012