

**NOTICE FOR PASSING OF RESOLUTIONS BY POSTAL BALLOT
(Pursuant to Section 192A of the Companies Act, 1956)**

TO THE SHAREHOLDERS,

Bajaj Hindusthan Limited

Notice is hereby given pursuant to Section 192A of the Companies Act, 1956 read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2011 and other applicable provisions of the Companies Act, 1956, the Companies Act, 2013 and other applicable laws to transact the special business as set out hereunder by the Shareholders of the Company by passing of Special Resolutions by way of Postal Ballot. The proposed Special Resolutions and explanatory statement pertaining to the said Resolutions setting out the material facts is annexed hereto along with a Postal Ballot Form and postage pre-paid envelope.

Authority to Board of Directors to Borrow.

1. To consider and if thought fit, to pass, the following resolution as a Special Resolution:-

"RESOLVED THAT in supersession of the earlier resolution passed under erstwhile Section 293(1)(d) of the Companies Act, 1956 at the 78th Annual General Meeting of the Company held on March 18, 2010, consent of the Company be and is hereby accorded in terms of Section 180(1)(c), 180(2) and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof, for the time being in force), to the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any Committee thereof) for borrowing any sum or sums of monies for and on behalf of the Company from time to time, which together with the monies already borrowed by the Company, (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) may exceed aggregate of its paid-up share capital and free reserves, provided that the total amount so borrowed by the Company shall not exceed ₹ 7500 crore (Rupees Seven Thousand Five Hundred Crore Only) or the aggregate of paid-up share capital and free reserves of the Company, whichever is higher."

"RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board or any Committee or person(s) authorized by the Board be and is/are hereby authorised to finalise, settle and execute such documents/ deeds/ writings/ papers/ agreements and to do all acts, deeds, matters and things, as may be required."

Authority to Board of Directors for Creation of Charges on the movable and immovable properties of the Company, both present and future, in respect of borrowings, etc.

2. To consider and if thought fit, to pass, the following resolution as a Special Resolution:-

"RESOLVED THAT consent of the Company be and is hereby accorded in terms of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof, for the time being in force), to the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any Committee thereof) to create such charges, mortgage, pledge and hypothecation, in addition to existing charges, mortgages, pledges and hypothecation created by the Company on such movable and/or immovable, tangible and/or intangible properties of the Company, both present and future, in such form and manner and with such ranking as to priority and for such time and on such terms as the Board may deem fit, together with the power to take over the management of the business and concern of the Company in certain events of default, in favour of the lender(s), agent(s), trustee(s) for securing the borrowings of the Company availed/to be availed by way of loan(s) (in foreign currency and/or rupee currency) and securities (comprising fully/partly convertible debentures and/or non-convertible debentures with or without detachable or non-detachable warrants and/or secured premium notes and/or floating rates notes/bonds or other debt instruments), issued /to be issued by the Company, from time to time, subject to the limits approved under Section 180(1)(c) of the Companies Act, 2013 (corresponding to erstwhile Section 293 (1) (d) of the Companies Act, 1956) and temporary loans obtained from the Company's Bankers in the ordinary course of business, together with interest at the respective agreed rates, additional interest, compound interest in case of default, accumulated interest, liquidated damages, commitment charges, premia on pre-payment, remuneration of agent(s) / trustee(s), premium (if any) on redemption, all other costs, charges and expenses, including any increase as a result of devaluation/ revaluation/ fluctuation in the rates of exchange and all other monies payable by the Company in terms of loan agreement(s), heads of agreement(s), debenture trust deed(s) or any other document entered into/to be entered into between the Company and the lender(s)/ agent(s)/ trustee(s), in respect of the said loans/ borrowings/ debentures and containing such specific terms and conditions and covenants in respect of enforcement of security as may be stipulated in that behalf and agreed to between the Board of Directors or Committee thereof and the lender(s)/ agent(s)/ trustee(s)."

"RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board or any Committee or person(s) authorized by the Board be and is/are hereby authorised to finalise, settle and execute such documents/ deeds/ writings/ papers/ agreements and to do all acts, deeds, matters and things, as may be required."

Issue of further shares by way of QIP/GDRs/ADRs/FCCBs issue, etc.

3. To consider and if thought fit, to pass, 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 statutory modification 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 upto ₹ 2000 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 upto 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."

Payment of Overall and Minimum remuneration to Mr. Shishir Bajaj, Managing Director, in event the Company has in any financial year no profits or if its profits are inadequate at anytime during the period of three years from July 1, 2013.

4. To consider and if thought fit, to pass, the following resolution as a Special Resolution:-

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309 and other applicable provisions, if any, of the Companies Act, 1956 read with Schedule XIII thereto (including any statutory modification or re-enactment thereof, for the time being in force) and subject to the approval of Central Government and such other approval(s), permission(s) and / or sanction (s) as may be necessary and in partial modification of the Special Resolution passed by the Shareholders of the Company through Postal Ballot on August 19, 2013 consent and approval of the Company be and is hereby accorded for payment of remuneration to Mr. Shishir Bajaj, Managing Director, as stated in the explanatory statement annexed to this Notice, as Overall and Minimum Remuneration during the period of initial 3 (three) years (i.e from July 1, 2013 to June 30, 2016) out of the present tenure of re-appointment as the Managing Director for 5 (five) years, commencing from July 1, 2013, to the extent provided below:

I. Overall Remuneration:

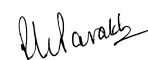
The aggregate of salary and perquisites in any corporate financial year shall, subject to approval by the Central Government be governed by the provisions of part II of Schedule XIII to the Companies Act, 1956, including any statutory modifications or re-enactment thereof, as may, for the time being, be in force, and

II. Minimum Remuneration:

In the event of loss or inadequacy of profits, in any financial year, the payment of salary, commission, perquisites and other allowances shall, subject to approval by the Central Government be governed by the provisions of Section II of part II of Schedule XIII to the Companies Act, 1956, including any statutory modifications or re-enactment thereof, as may, for the time being, be in force."

"RESOLVED FURTHER THAT the Board of Directors of the Company, be and is hereby authorized to take all the actions and steps expedient or desirable to give effect to this resolution in conformity with the provisions of the Act as may be prevailing, and also to settle any question, difficulty or doubt that may arise in this regard without requiring to secure any further consent or approval of the shareholders of the Company."

By order of the Board of Directors
For Bajaj Hindusthan Limited



Pradeep Parakh
**Group President (GRC) &
Company Secretary**

Place : Mumbai
Dated : November 12, 2013

Notes:

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (erstwhile Section 173 of the Companies Act, 1956) and Section 192A of the Companies Act, 1956 setting out all material facts is annexed hereto.
2. The Companies Act, 2013 has been notified in the Official Gazette and is being implemented by the Ministry of Corporate Affairs in phases. On implementation of various provisions, approval of the shareholders, being sought through this Postal Ballot in terms of existing provisions to the extent applicable shall be deemed to be in accordance with relevant corresponding provisions of the Companies Act, 2013.
3. The Postal Ballot Form for voting by you as a Shareholder of the Company is enclosed.
4. The Board of Directors has appointed Mr. R. Ramachandran, Practising Company Secretary as the Scrutinizer for conducting this Postal Ballot voting process in a fair and transparent manner. His address is The Scrutinizer, C/o Bajaj Hindusthan Limited, Bajaj Bhawan, 2nd Floor, Jammalal Bajaj Marg, 226, Nariman Point, Mumbai 400 021.
5. Shareholders are requested to read carefully the instructions printed on the Ballot Form and return the form duly completed, in the attached self addressed postage pre-paid envelope, so as to reach the Scrutinizer on or before **December 28, 2013**. Please note that any Postal Ballot Form (s) received after the said date will be treated as not having been received. No other form or photocopy thereof is permitted. The scrutinizer will submit his report to the Chairman of the Company after completion of the scrutiny of the Postal Ballots. The results of the Postal Ballot will be announced on January 9, 2014 at the Registered Office of the Company. The result shall also be announced to the Stock Exchanges where shares of the Company are listed and thereafter will be published in newspapers. The result will also be put on the Company's website www.bajajhindusthan.com. The Resolutions, if approved, will be taken as passed effectively on the date of declaration of result.
6. All documents referred to in the accompanying Notice and the Explanatory Statement are available for inspection by shareholders at the Registered Office of the Company during the office hours on any working days, except Saturdays between 11.00 A.M. and 1.00 P.M. upto January 9, 2014.
7. **The Company also offers e-Voting facility. Please see the instructions below for details.**
In compliance with the provisions of Section 192A of the Companies Act, 1956 read with Companies (Passing of the Resolution by Postal Ballot) Rules, 2011, the Company also offers e-voting option to all the shareholders. For this purpose, the Company will be making necessary arrangement with National Securities Depository Limited (NSDL) for facilitating e-voting and is pleased to offer e-voting facility as an alternate, for its Shareholders to enable them to cast their votes electronically instead of dispatching Postal Ballot Form. E-voting is optional.
8. Shareholders have option to vote either through e-voting or through Ballot Form. Shareholders irrespective of who have registered their e-mails for receipt of documents in electronic mode under the Green Initiative and who wish to vote through Ballot Form can download Ballot Form from the link www.evoting.nsdl.com or seek duplicate form from R & T Agent M/s Sharepro Services (India) Pvt. Ltd., Unit : Bajaj Hindusthan Limited, 13 AB, 2nd Floor, Samhita Warehousing Complex, Behind Sakinaka Telephone Exchange, Andheri-Kurla Road, Sakinaka, Andheri (East), Mumbai 400 072, fill in the details and send the same to the Scrutinizer by Post at the address given at Sr. No.4 above.
9. The instructions for shareholders for voting Electronically, are as under:-

A . In case of Shareholders receiving e-mail from NSDL

- a. Open e-mail and open PDF file viz. "BHL e-Voting.pdf" with your Client ID or Folio No. as password containing your user ID and password for e-voting. Please note that the password is an initial password.
- b. Launch internet browser by typing the following URL: [https:// www.evoting.nsdl.com/](https://www.evoting.nsdl.com/)
- c. Click on "Shareholder" - "Login"

- d. Put user ID and password as initial password noted in step (a) above. Click Login.
- e. Password change menu appears. Change the password with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- f. Home page of "e-Voting" opens. Click on "e-Voting"-- Active Voting Cycles.
- g. Select "EVEN" of Bajaj Hindusthan Limited.
- h. Now you are ready for "e-Voting" as "Cast Vote" page opens.
- i. Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
- j. Institutional shareholders (i.e. other than individuals, HUF, NRI, etc.) are also required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to kadhikari@bajajhindusthan.com with a copy marked to evoting@nsdl.co.in.

B. In case of shareholders other than in (A) above

- a. Initial password is provided at the bottom of the Postal Ballot Form. Please follow all steps from Sr.No.(b) to Sr.No.(j) above, to cast vote.
10. **The date of commencement of e-voting is November 29, 2013 and the last date for e-voting is December 28, 2013. The e-voting module will be disabled for voting thereafter by NSDL.**
 11. Shareholders can opt for only one mode of voting i.e. either by physical ballot or by electronic mode. If the shareholder opts for voting by electronic mode, then he/she should not vote by physical ballot also and vice-versa.
However, in case Shareholder (s) cast their vote both by physical ballot and by electronic mode, then voting done by physical shall prevail and voting done by electronic will be treated as invalid.
 12. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for shareholders and e-voting user manual for shareholders available at the "downloads" section of www.evoting.nsdl.com or call on (022) 2499 4600.
 13. If you are already registered with NSDL for e-voting then you can use your existing user ID and password for casting your vote.

Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (erstwhile Section 173 of the Companies Act, 1956) and 192A of the Companies Act, 1956

In respect of Item no. 1 and 2

In terms of Section 180(1)(c) of the Companies Act, 2013 (the Act) in respect of the borrowing powers of the Board of Directors of a company made effective from September 12, 2013 in place of the erstwhile Section 293(1)(d) of the Companies Act, 1956, the Board of Directors of a company shall exercise the power to borrow monies, where the monies to be borrowed, together with the monies already borrowed by the company, apart from the temporary loans obtained from the company's bankers in the ordinary course of business, is in excess of the aggregate of its paid-up share capital and free reserves, only with the consent of the company by a Special Resolution.

The Shareholders of the Company at the 78th Annual General Meeting held on March 18, 2010 had accorded their consent to the Board of Directors for borrowing monies up to ₹ 6000 crore in addition to paid-up share capital of the Company and its free reserves. As on September 30, 2012, the aggregate of paid-up share capital and free reserves (that is to say, reserves not set apart for any specific purpose in accordance with the meaning ascribed under the Companies Act, 1956) of the Company was ₹ 4121.05 crore, resulting into the borrowing power in hands of the Board of Directors of the Company of an amount upto ₹ 10121.05 crore as per the shareholders resolution passed at the 78th Annual General Meeting.

In view of Section 180(1)(c) of the Companies Act, 2013 relating to the borrowing powers of the Board notified with effect from September 12, 2013 and considering requirements for funds for the present business operations and future plans and additional working capital requirements of the Company, consent of shareholders by special resolution under Item No. 1 is proposed to be sought through postal ballot to enable the Board of Directors to borrow monies upto an aggregate amount not exceeding ₹ 7500 crore or the aggregate of paid-up share capital and free reserves of the Company, whichever is higher.

The borrowings of the Company may, if necessary, be secured by way of charge/ mortgage/ pledge/ hypothecation on the Company's assets comprising of the movable and/or immovable, tangible/ intangible properties of the Company, present or future, in favour of the lender(s)/agent(s)/trustee(s) from time to time, in such form, manner and ranking as mentioned in the Resolution at Item No. 2. The documents relating to charge and/or mortgage and/or pledge and/or hypothecation in favour of the lender(s)/agent (s)/trustees may contain the provisions to take over substantial assets of the Company in certain events with a power to take over the management of the business and concern of the Company, which may be regarded as disposal of the Company's undertaking(s) within the meaning of Section 180(1)(a) of the Companies Act, 2013.

As per Section 180(1)(a) of the Companies Act, 2013, the Board of Directors of the Company shall exercise the power to sell, lease or otherwise dispose of the whole or substantially whole of the undertaking of the company, only with the consent of the Company by a Special Resolution.

The Resolution under Item No. 2 is therefore proposed to be passed to seek consent of shareholders for creation of charge/ mortgage/ pledge/ hypothecation to secure borrowings subject to the limits approved under Section 180 (1) (c) of the Companies Act, 2013 and temporary loans obtained from the Company's Bankers in the ordinary course of business.

The Board of Directors recommends passing of the Special Resolutions at Item No. 1 and 2 of the Notice.

None of the Directors and the Key Managerial Personnel of the Company, including their relatives, is in any way, concerned or interested in the said resolutions.

In respect of Item no. 3

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 (GDRs),

American Depository Receipts (ADRs), Foreign Currency Convertible Bonds (FCCBs), 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 14, 2013 for an amount upto ₹ 2000 crore, which for the purpose of raising funds through QIP issue is valid only upto February 13, 2014. 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, upto an amount not exceeding ₹ 2000 crore (Rupees Two Thousand Crore Only).

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. 3 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. 3 of the Notice.

All the Directors and Key Managerial Personnel of the Company, including their relatives may be deemed to be interested in the Resolution at Item No. 3, to the extent of shares and/or securities that may be offered to them and/or entities in which any of respective Director and Key Managerial Personnel of the Company, including their relatives is deemed to be interested.

In respect of Item no. 4

The payment of remuneration to Managing Director in event of loss or inadequacy of profits requires approval of Remuneration and Compensation Committee, Board of Directors, Shareholders by way of Special resolution and also approval of Central Government in the following cases:

- a) The Managing Director is having any direct or indirect interest in the capital of the company or its holding company or through any other statutory structures at any time during last two years before or on the date of appointment; and
- b) is not having a graduate level qualification with expert and specialized knowledge in the field of his profession.

The Board of Directors, at its meeting held on May 9, 2013 had, re-appointed Mr. Shishir Bajaj, who is holding directly and indirectly through promoter and promoter group, 29,49,30,766 equity shares of ₹ 1 each which constitute 46.13 % of the paid-up share capital of the Company, as the Managing Director of the Company for a further period of 5 (five) years from July 1, 2013, at a remuneration approved by the Remuneration and Compensation Committee of the Directors at its Meeting held on May 9, 2013. The said re-appointment and remuneration payable were approved by the shareholders of the Company by passing special resolution through Postal Ballot on August 19, 2013.

In the event of inadequacy or absence of profits, in any financial year during a period of three years with effect from July 1, 2013, the Shareholders, through their special resolution passed on August 19, 2013, restricted the payment of Minimum Remuneration and Overall Remuneration to the limits prescribed under Schedule XIII to the Companies Act, 1956.

The terms of remuneration payable to Mr. Shishir Bajaj, as approved by the shareholders of the Company on August 19, 2013 as mentioned aforesaid, are as under:

Remuneration:

- a) **Salary:** ₹ 14,00,000 p.m. in the scale of ₹12,50,000 - ₹ 25,00,000.
- b) **Perquisites and Allowances:**
 - I. Housing:
 - a) Residential accommodation OR House Rent Allowance at the rate of 50% of Salary.
 - b) Expenses pertaining to gas, electricity, water and other utilities will be borne /reimbursed by the Company.
 - c) The Company shall provide such furniture and furnishing as may be required by the Managing Director.
 - II. Leave Travel Concession: Reimbursement of all the expenses (like travel fare, lodging, boarding, conveyance and other expenses) incurred for self and his family during leave travel periods, wherever undertaken, whether in India or abroad.
 - III. Medical Reimbursement: Reimbursement of actual medical expenses incurred in India and/or abroad and including hospitalisation, nursing home and surgical charges for himself and his family. In case of any medical treatment abroad, the travelling, boarding and lodging expenses for patient and attendant are also payable.
 - IV. Club Memberships: Subscription or reimbursement of membership fees for clubs in India and/or abroad, including admission and life membership fees.
 - V. Entertainment Expenses: Reimbursement of entertainment expenses incurred in the course of business of the Company.
 - VI. Personal Accident Insurance: Personal accident insurance policy in accordance with the scheme applicable to senior employees of the Company.
 - VII. Other Perquisites: Subject to overall ceiling on remuneration mentioned herein below, the Managing 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, 1962, wherever applicable and in absence of any such rule, perquisites shall be evaluated at actual cost.

- c) **Commission:** Commission at the rate of 1% (one per cent) of the net profits of the Company for each financial year, payable after adoption of the annual accounts for that financial year by shareholders.

d) Others 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: Company's contribution to Superannuation Fund equal to 15% of salary or allowance in lieu thereof or up to such an amount permissible under the law and as may be decided by the Board of Directors from time to time.
- III. Gratuity: Gratuity at the rate of one month's salary for each completed year of service.
- IV. Leave: Leave with full pay or encashment thereof as per the Rules of the Company.
- V. Conveyance: The Company shall provide suitable conveyance facilities as may be required by the Managing Director.
- VI. Communication: The Company shall provide telephone, telefax and other communication facilities at the Managing Director's residence.
- VII. Other Facilities: Reimbursement of books and periodicals expenses as per the Rules of the Company.

The Board of Directors, at its meeting held on November 12, 2013, on the recommendation of the resolution passed by the Remuneration and Compensation Committee at its meeting held on November 12, 2013, proposed to pay the remuneration stated above as Overall Remuneration and Minimum Remuneration in event of inadequacy or absence of profits in any financial year during the period of 3 (three) years from July 1, 2013 to June 30, 2016 subject to the approval of the Central Government.

All other terms and conditions of re-appointment of Managing Director, Mr. Shishir Bajaj, vide Special Resolution passed through Postal Ballot on August 19, 2013, remain unaltered.

This may also be treated as Abstract and Memorandum of Interest of Directors under Section 302 of the Companies Act, 1956.

As Board has proposed to pay the above remuneration as the Minimum Remuneration which, in the event of absence or inadequacy of profits of the Company in any financial year during the initial period of three years from the date of re-appointment of Mr. Shishir Bajaj as Managing Director, i.e. with effect from July 1, 2013 to June 30, 2016, would be in excess of the maximum remuneration payable to him as a Managing Director as specified in Schedule XIII to the Companies Act, 1956, the same will require approval of the shareholders and also the Central Government in terms of Section 198(4) read with Schedule XIII to the Companies Act, 1956. Statement as required under Section II, part II of the Schedule XIII to the Companies Act, 1956 with reference to Resolution at the Item No. 4 is annexed hereto and marked as **Annexure - A**.

Pursuant to the provisions of Sections 198, 269, 309 and other applicable provisions, if any, of the Companies Act, 1956 read with Schedule XIII hereto, payment of remuneration (including as Minimum Remuneration) to Mr. Shishir Bajaj as the Managing Director of the Company is subject to the approval of shareholders by way of Special Resolution. The Board of Directors of the Company recommends passing of the Special Resolution as Item no. 4 of the Notice.

A copy each of the Resolution passed by the Board of Directors and the Remuneration and Compensation Committee at their respective meetings held on November 12, 2013, as referred to above, are available for inspection by shareholders at the Registered Office of the Company during the office hours on any working days, except Saturdays between 11.00 A.M. and 1.00 P.M. upto January 9, 2014.

Mr. Shishir Bajaj, Chairman and Managing Director, is and Mr. Kushagra Bajaj, Vice Chairman and Joint Managing Director (son of Mr. Shishir Bajaj), and their relatives, may be deemed to be interested in the Resolution at Item No. 4 of the Notice. Save as aforesaid, none of the Directors and Key Managerial Personnel of the Company, including their relatives, is, in any way, concerned or interested in the said resolution.

Details of Director (pursuant to Clause 49 of the Listing Agreement) as on November 12, 2013:-

Name of the Director	Mr. Shishir Bajaj
DIN	00017612
Date of Birth	10.12.1947
Nationality	Indian
Date of Appointment on the Board	01.02.1986
Relationship with other Director	Father of Mr. Kushagra Bajaj
Qualifications	MBA from New York University
Experience and expertise in specific functional area	An Industrialist, he is actively looking after the affairs of the Company since 1974. He was inducted on the Board as Joint Managing Director of the Company in 1986 and became Managing Director in 1988. Presently, he is also the Chairman of the Company
Shareholding in Bajaj Hindusthan Ltd.	83,96,341 equity shares of ₹1/-each
List of Directorship held in other companies	Bajaj Resources Limited Bajaj Capital Ventures (P) Ltd. Bajaj Trustee Company Pvt. Ltd. Bajaj Power Ventures Pvt. Ltd. A.N. Bajaj Enterprises Pvt. Ltd.
Chairman / Member of the committees of the Board of other Companies in which he is a Director	Nil

By order of the Board of Directors
For Bajaj Hindusthan Limited



Pradeep Parakh
**Group President (GRC) &
Company Secretary**

Place : Mumbai
Dated : November 12, 2013

Annexure A

Statement as required under Section II, part II of the Schedule XIII of the Companies Act, 1956 with reference to the Resolution at Item No. 4 is as follows:

I. General Information:

- (1) Nature of industry: Manufacturing of Sugar, Industrial Alcohol and Bagasse Board and Co-generation of Power.
- (2) Date or expected date of commencement of commercial production: Existing Company already commenced since 1931.
- (3) In case of new Companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: Existing Company, not applicable.
- (4) Financial performance based on given Indicators:

Sl. No.	Particulars	Audited figure for 12 month period ended 30.09.2012 (₹ in Crore)	Audited figure for 12 month period ended 30.09.2011 (₹ in Crore)	Audited figure for 12 month period ended 30.09.2010 (₹ in Crore)
1.	Revenue from operations	4262.63	4903.80	2928.59
2.	Other income	106.15	15.35	100.39
3.	Total Expenses	3804.87	4053.35	2415.16
4.	Finance Charges (net)	536.41	515.95	301.34
5.	Depreciation & Amortisation	348.82	330.91	257.44
6.	Profit / (Loss) before tax	(321.32)	18.94	55.04
7.	Provision for Tax Expenses	(86.75)	6.94	3.29
8.	Profit / (Loss) after tax	(234.57)	12.00	51.75

- (5) Export performance and net foreign exchange collaborations: Earnings in foreign exchange during 2011-12 was ₹ 30.43 crore.
- (6) Foreign investment of collaborators, if any: Nil

II. Information about the appointee Mr. Shishir Bajaj

- (1) Background details:

Mr. Shishir Bajaj is an eminent industrialist from Bajaj family, is actively looking after the affairs of the Company since 1974. Mr. Bajaj, aged 65 years, has been on the Board of the Company since February 1, 1986 as Joint Managing Director. He was appointed as Managing Director of the Company with effect from July 1, 1988. Presently, he is also the Chairman of the Company.

- (2) Past remuneration:

Financial Year	Amount in ₹
2011 - 12	1,91,16,000
2010 - 11	2,18,59,927
2009 - 10	2,05,93,018

The remuneration paid to Mr. Shishir Bajaj, Managing Director, during last 3 years, is as follows:

- (3) Recognition of awards: Nil.
- (4) Job profile and suitability: Mr. Shishir Bajaj, Chairman and Managing Director is overall in charge of running the affairs of the Company under the supervision and control of the Board of Directors. The performance of the Company has been commendable under the stewardship of Mr. Shishir Bajaj. Over the last five years, the Company consolidated its operational capacities by successfully completing the merger of Bajaj Hindusthan Sugar and Industries Limited with the Company which resulted in the Company's revenues crossing the ₹ 4000 crore in revenue in 2010-11.
- (5) Remuneration proposed: As stated in Resolution at Item No.4, the approval of shareholders by a Special Resolution and Central Government is sought for payment of Overall and Minimum Remuneration in the event the Company has no profit or inadequate profit in any financial year during a period of 3 (Three) years with effect from July 1, 2013.
- (6) Comparative remuneration profile with respect to industry size of the Company, profile of the position and person (in expatriates, the relevant details would be w.r.t. the country of origin): The Remuneration as proposed of Mr. Shishir Bajaj is similar to that drawn by the peers in the similar capacity in the similar industry.
- (7) Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any: Mr. Shishir Bajaj is a Promoter Director of the Company, holding directly and indirectly through promoter and promoter group 29,49,30,766 equity shares of ₹ 1 each which constitute 46.13 % of the paid-up share capital of the Company. Mr. Kushagra Bajaj, Vice Chairman and Joint Managing Director of the Company, is the son of Mr. Shishir Bajaj. No other managerial personnel have any relationship with Mr. Shishir Bajaj.

III. Other information:

- (1) Reasons for loss or inadequate profits:

Internationally, all the leading sugar producing nations, viz., Brazil, Thailand and Australia, follow a formula for sugarcane pricing, whereby the sugarcane price is derived from the prevailing market price of sugar. Whereas in the State of Uttar Pradesh (where all the sugar mills of the Company are located), the sugarcane price is fixed by the Government in an arbitrary manner without any reference whatsoever to the prevailing sugar price in form of State Advised Price (SAP).

The secular increase in sugarcane price year after year in form of high SAP, is in stark contrast to the fluctuating sugar prices that have

been comparatively quite low most of the times during last couple of years.

Another disruptive factor was the disparity in sugarcane price in Uttar Pradesh. The U.P. Government had announced SAP of ₹ 280 per quintal for sugar season 2012-2013 irrespective of sugar recovery, which was much higher than FRP (Fair & Remunerative Price) fixed by the Central Government.

On top of it, the sugar production in India during last few years witnessed an unprecedented leap resulting in sharp drop in sugar prices due to demand supply mismatch. Cost of production of sugar in the current year has moved up, but the same could not be covered by increase in realisation.

In the year 2010-11, Raw Sugar had been sold for ₹ 606.31 crore, however sales of Raw Sugar were almost negligible in the current year. Six months operations ending September 30, 2012 of Boards Division has contributed in a loss of ₹ 18.83 crore.

This coupled with the increase in interest cost resulted in incurring of loss by almost all sugar mills in Uttar Pradesh (U.P). BHL presently is the largest producer of sugar not only in U.P. but in India. Its aggregate crushing capacity is 1.36 lakhs TCD. If the present SAP and the market price of sugar continue, even variable costs may not be covered.

Furthermore, a large amount on account of various incentives/ subsidies under the U.P. Sugar Promotion Policy and the levy sugar price difference is held up with Government authorities. This is resulting in increased debt burden and consequently the interest cost.

(2) Steps taken or proposed to be taken for improvement:

The Company has taken certain initiatives towards operational efficiencies which will increase percentage of recovery and production of sugar. The Company's initiatives towards better financial management will also reduce in finance cost on Company's borrowings. The Company plans to reduce its debts and consequently the interest cost. The improved usage of by-product is also expected to contribute to overall realisations.

Following development will also improve the profitability of the Company:

- Ethanol Price: Recently Price Bid for Ethanol for the year 2013 has been opened by Oil Marketing Companies and based on the same the average price is expected to be higher than previous year.
- Abolition of Release Mechanism & 10% Sugar Levy Obligation: Company had 10% levy obligation i.e. 10% of sugar produced was required to be sold to Government at an approximate price of ₹ 20 per kg. The Rangarajan Committee led by Chairman of the Prime Minister's Economic Advisory Council has advised de-regulation of sugar industry and recently Central Government in its meeting of CCEA on 4th April 2013 has announced partial decontrol of sugar sector. Accordingly, it has taken the decision of abolition of (i) regulated release mechanism with immediate effect and (ii) levy sugar obligation on the mills with effect from October 1, 2012.

(3) Expected increase in productivity and profits in measurable terms:

The Company is the largest producer of sugar in U.P. with sugarcane crushing capacity of 1,36,000 TCD. The continuous efforts for improving the operational efficiencies and value-additive utilisation of its by-products are expected to improve the productivity as also the profitability.

The alcohol manufacturing capacity of the Company is 800 KL per day, improved prices of industrial alcohol and ethanol are likely to add to both - Company's top-line and bottom-line.

The improved operational efficiency coupled with other factors like demand-supply position and value addition for its by-products etc. are likely to increase the profitability of the Company.

Due to factors stated in para (2) above, Company expects significant rise in revenues and profits. Similarly, after abolishment of regulated release mechanism, Company will now be able to discount the opportunities of gap between demand and supply in the domestic market and thereby improve its average realization.

IV. Disclosures:

- (1) Remuneration package of the managerial person: Fully described in the respective Resolution and/or Explanatory Statement;
- (2) Disclosures in the Board of Directors' report under the heading 'Corporate Governance' is to be attached to the Annual Report in respect of the following:
 - i. All elements of remuneration package such as salary, benefits, stock options, pension etc. of all the directors;
 - ii. Details of fixed component and performance linked Incentives along with the performance criteria;
 - iii. Service contracts, notice period, severance fees;
 - iv. Stock option details, if any, and whether the same has been issued at a discount as well as the period over which accrued and over which exercisable.

The requisite details in respect of para 2(i) to 2(iv) in respect of all Directors (except two newly appointed Directors, appointed w.e.f. 01.10.2012) are given in the Corporate Governance Report for the financial year ended September 30, 2012 attached to the 81st Annual Report.