



Registered Office : Bajaj Bhawan, 2nd Floor,
Jamnalal Bajaj Marg, 226, Nariman Point, Mumbai - 400 021

MEETING OF THE SECURED CREDITORS

Date : 7th September, 2010
Time : 1:00 p.m.
Venue : Kamalnayan Bajaj Hall, Bajaj Bhawan
Jamnalal Bajaj Marg, 226, Nariman Point
Mumbai - 400 021

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**IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION
COMPANY SUMMONS FOR DIRECTION NO. 503 OF 2010**

In the matter of the Companies Act, 1956;

-And-

In the matter of Sections 391 to 394 of the Companies Act, 1956;

-And-

In the matter of the Scheme of Amalgamation of Bajaj Hindusthan Sugar and Industries Limited with Bajaj Hindusthan Limited.

Bajaj Hindusthan Limited, a company registered under the } Companies Act, 1956, and having its registered office at } Bajaj Bhawan, 2 nd Floor, Jamnalal Bajaj Marg, 226, Nariman } Point, Mumbai - 400 021 }	Applicant Company
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**NOTICE CONVENING THE MEETING OF THE SECURED CREDITORS
OF BAJAJ HINDUSTHAN LIMITED**

To,
The SECURED CREDITORS of Bajaj Hindusthan Limited (the "**Applicant Company**").

TAKE NOTICE that by an Order made on the 23rd day of July, 2010 in the above Company Summons for Direction, the High Court of Judicature at Bombay has directed that a meeting of the Secured Creditors of the Applicant Company be convened and held on **Tuesday, the 7th day of September, 2010 at 1:00 p.m. (1300 hours)** or so soon thereafter after the conclusion of the meeting of the Equity Shareholders of the Applicant Company at Kamalnayan Bajaj Hall, Bajaj Bhawan, Jamnalal Bajaj Marg, 226, Nariman Point, Mumbai - 400 021, for the purpose of considering and, if thought fit, approving with or without modification(s), the Scheme of Amalgamation of Bajaj Hindusthan Sugar and Industries Limited with Bajaj Hindusthan Limited.

TAKE FURTHER NOTICE that in pursuance of the said Order and as directed therein, a meeting of the Secured Creditors of the Applicant Company will be convened and held on **Tuesday, the 7th day of September, 2010 at 1:00 p.m. (1300 hours)** or so soon thereafter after the conclusion of the meeting of the Equity Shareholders of the Applicant Company at Kamalnayan Bajaj Hall, Bajaj Bhawan, Jamnalal Bajaj Marg, 226, Nariman Point, Mumbai - 400 021, at which time and place you are requested to attend.

TAKE FURTHER NOTICE that you may attend and vote at the said meeting in person or by proxy, provided that a proxy in the prescribed form, duly signed by you, or your authorised representative, is deposited at the registered office of the Applicant Company at Bajaj Bhawan, 2nd Floor, Jamnalal Bajaj Marg, 226, Nariman Point, Mumbai - 400 021, not later than 48 hours before commencement of the said meeting.

The High Court of Judicature at Bombay has appointed, Mr. Shishir Bajaj, Chairman & Managing Director of the Applicant Company, in his absence Mr. Kusharga Bajaj, Joint Managing Director of the Applicant Company, and in his absence Dr. Sanjeev Kumar, Director, (Corporate & Legal Affairs) of the Applicant Company, to be the Chairman of the said meeting.

A copy each of the Scheme of Amalgamation, the Statement under Section 393 of the Companies Act, 1956 and a Form of Proxy is enclosed.

Sd/-
(Shishir Bajaj)

Chairman appointed for the meeting

Dated this 23rd day of July, 2010

Registered Office:
Bajaj Bhawan, 2nd Floor, Jamnalal Bajaj Marg
226, Nariman Point, Mumbai - 400 021

Notes:

1. All alterations made in the Form of Proxy should be initialled.
2. Only Secured Creditors (including secured debentureholders) of the Applicant Company may attend and vote (either in person or by proxy) at the meeting. The representative of a body corporate which is a Secured Creditor of the Applicant Company may attend and vote at the Secured Creditors meeting provided a certified true copy of the resolution of the Board of Directors or other governing body of the body corporate is deposited at the registered office of the Applicant Company not later than 48 hours before the meeting authorising such representative to attend and vote at the Secured Creditors meeting.

Encl: as above

**IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION
COMPANY SUMMONS FOR DIRECTION NO. 503 OF 2010**

In the matter of the Companies Act, 1956;

-And-

In the matter of Sections 391 to 394 of the Companies Act, 1956;

-And-

In the matter of the Scheme of Amalgamation of Bajaj Hindusthan Sugar and Industries Limited with Bajaj Hindusthan Limited.

Bajaj Hindusthan Limited, a }
company registered under the }
Companies Act, 1956, and }
having its registered office at }
Bajaj Bhawan, 2nd Floor, Jamnalal }
Bajaj Marg, 226, Nariman Point, }
Mumbai - 400 021 } Applicant Company

**EXPLANATORY STATEMENT UNDER
SECTION 393 OF THE COMPANIES ACT, 1956**

- Pursuant to the Order dated 23rd July, 2010 passed by the High Court of Judicature at Bombay, in the Company Summons for Direction referred to above, meetings of the Equity Shareholders, Secured Creditors and Unsecured Creditors of the Applicant Company are being convened and held for the purpose of considering and, if thought fit, approving with or without modification(s), the arrangement embodied in the Scheme of Amalgamation of Bajaj Hindusthan Sugar and Industries Limited (hereinafter referred to as **"BHSIL"** or the **"Transferor Company"** as the context may admit) a company incorporated under the Companies Act, 1956 (**"Act"**) with Bajaj Hindusthan Limited (hereinafter referred to as **"BHL"** or the **"Applicant Company"** or the **"Transferee Company"** as the context may admit) a company registered under the Act, under Sections 391 to 394 of the Act (the **"Scheme"**).
- A copy of the Scheme, setting out the terms and conditions of the amalgamation of the Transferor Company with the Applicant Company, which has been approved by the respective Board of Directors of the Transferor Company and the Applicant Company at their respective meetings held on 17th June, 2010, is attached to this Explanatory Statement.
- The Applicant Company was incorporated as "The Hindusthan Sugar Mills Limited" on 24th November, 1931 in the State of Maharashtra under the provisions of the Indian Companies Act, 1913. The name of the Applicant Company was subsequently changed to its present name of "Bajaj Hindusthan Limited" and a Fresh Certificate of Incorporation Consequent on Change of Name was issued on 27th June, 1988. The Applicant Company has its registered office at Bajaj Bhawan, 2nd Floor, Jamnalal Bajaj Marg, 226, Nariman Point, Mumbai - 400 021.

- The objects for which the Applicant Company has been established are set out in its Memorandum of Association. The main objects are set out hereunder:

- TO CARRY on business of manufacturers of and dealers in all kinds of sugar, gur and sugar and gur preparations.**
- TO PLANT, grow, buy, sell, refine, prepare for market, manipulate, import, export and deal in sugar and gur of all kinds.**
- TO CARRY on the business of planters and cultivators of sugar plants and any other plants producing anything of a similar character.**

- The authorised, issued, subscribed and paid-up share capital of the Applicant Company as on 30th September, 2009 was as under:

	Rs.	Rs.
Authorised Share Capital:		
30,00,00,000 Equity Shares of Re. 1/- each	30,00,00,000	
50,00,00,000 Unclassified Shares of Re.1/- each	50,00,00,000	80,00,00,000
Issued, Subscribed and Paid-up Share Capital:		
17,68,57,111 Equity Shares of Re.1/- each	17,68,57,111	17,68,57,111

- As on 1st April, 2010 and as on date, the authorized, issued, subscribed and paid-up share capital of the Applicant Company is as under:

	Rs.	Rs.
Authorised Share Capital:		
80,00,00,000 Equity Shares of Re. 1/- each	80,00,00,000	80,00,00,000
Issued, Subscribed and Paid-up Share Capital:		
19,13,57,111 Equity Shares of Re. 1/- each	19,13,57,111	19,13,57,111

- The equity shares of the Applicant Company are listed on Bombay Stock Exchange Limited and National Stock Exchange of India Limited.
- The Transferor Company was incorporated as "The Pratappur Sugar Mills Limited" on 24th July, 1971 in the State of West Bengal under the provisions of the Act and was granted Certificate of Commencement of Business on 19th August, 1971. The name of the Transferor Company was changed to "The Pratappur Sugar & Industries Limited" and a Fresh Certificate of Incorporation Consequent to Change of Name was issued on 2nd August, 1975 by the Registrar of Companies at Calcutta. The name of the Transferor Company was further changed to its present name of "Bajaj Hindusthan Sugar and Industries Limited" and a further Fresh Certificate of Incorporation consequent on Change of Name was issued

by the Registrar of Companies at Kolkata on 25th July, 2006. The place of the registered office of the Transferor Company was subsequently changed from the State of West Bengal to the State of Maharashtra on 9th February, 2007 which change was confirmed by the Company Law Board, CLB Eastern Region vide Order dated 21st December, 2006. The Transferor Company now has its registered office at Bajaj Bhawan, 2nd Floor, Jamnalal Bajaj Marg, 226, Nariman Point, Mumbai – 400 021.

7. The objects for which the Transferor Company has been established are set out in its Memorandum of Association. The main objects are set out hereunder:

- (1) *To manufacture, produce, refine, prepare, purchase, import, export, sell and generally deal in sugar, sugarbeets, sugar-cane, molasses, syrups and alcohol and all products and by-products thereof and to acquire, construct, operate sugar works and to carry on business therein.*
- (2) *To carry on all or any of the businesses of cultivators of sugarcane, maize, rice, tea, cotton, jute, and any other crops, cereals or produce, millers, refiners of sugar, tea, cotton and jute goods.*
- (3) *To conduct or undertake experiments of all kinds or contribute towards the expense of carrying out any experimental work or investigations whether chemical, scientific, mechanical or otherwise in connection with or for the benefit of or likely to promote or improve any business or process of manufacture carried on, undertaken or proposed to be carried on or undertaken by the Company.*

- 8.1 The authorised, issued, subscribed and paid-up share capital of the Transferor Company as on 30th September, 2009 was as under:

	Rs.	Rs.
Authorised Share Capital:		
100,00,00,000 Equity Shares of Re. 1/- each	100,00,00,000	100,00,00,000
Issued, Subscribed and Paid-up Share Capital:		
11,80,00,00,000 Equity Shares of Re. 1/- each	11,80,00,000	11,80,00,000

- 8.2 As on 1st April, 2010 and as on date, the authorised, issued, subscribed and paid-up capital of the Transferor Company remains the same.
- 8.3 The equity shares of the Transferor Company are listed on Bombay Stock Exchange Limited.

BACKGROUND TO THE AMALGAMATION

9. The Transferor Company is a subsidiary of the Transferee Company in terms of Section 4 of the Act. The Transferee Company currently holds 75% of the paid-up equity share capital of the Transferor Company.

10. The Transferor Company is engaged in business which is similar to that of the Transferee Company. The Transferee Company ranks amongst the leading sugar producers in India.

RATIONALE FOR THE AMALGAMATION

11. The amalgamation of the Transferor Company with the Transferee Company would, *inter alia*, have the following benefits:
- a) Both the Applicant Company and the Transferor Company are engaged in similar business of manufacture of sugar, alcohol and allied products. Since the Transferor Company is a subsidiary of the Transferee Company, it is proposed to consolidate the similar business activities of the two companies in one company to create a larger unified entity enabling optimal utilization of resources and synergy of operations. Thus, resulting in better profitability, increased fund mobilisation capacity, enlarged technical resources and enhanced production capacity.
 - b) The amalgamation would economise administrative costs of running two companies and will also achieve better administration, operations and management by consolidation, synchronisation, synergisation and restructuring.
 - c) The amalgamation will enable the amalgamated company to improve its financials both in the short term as well as long term and have a stronger asset base thereby enabling the amalgamated company to avail of greater borrowings, to expand and grow into a larger organization, reduce vagaries of business cycle and to avail of new opportunities and increase its global visibility.
 - d) Integrating and combining the businesses of both the Companies will lead to consolidation of the sugarcane crushing as well as distillery capacities of both Companies with a view to synchronization of business operations in Uttar Pradesh leading to greater and optimal utilization of resources. The amalgamation would enable the amalgamated company to increase value realization of its operations and confer a competitive advantage on the amalgamated company.
12. The Scheme was placed before the respective Board of Directors of the Applicant Company and the Transferor Company on 17th June, 2010, at which the valuers appointed by the Applicant Company and the Transferor Company, namely M/s. L.B. Jha & Co., Chartered Accountants and M/s. T.P. Ostwal & Associates, Chartered Accountants, recommended the share exchange ratio of 1 (one) equity share of Re. 1/- fully paid-up of the Applicant Company for every 5 (five) equity shares of Re. 1/- each fully paid-up held in the Transferor Company as on the Record Date (the **"Share Exchange Ratio"**) for the issuance to the shareholders of the Transferor Company on the Scheme taking effect. The valuers have arrived at the Share Exchange Ratio after using several commonly used and accepted methods.

The Applicant Company also engaged M/s. Systematix Corporate Services Limited, a merchant banker, to issue a fairness opinion. In connection with such engagement,

M/s. Systematix Corporate Services Limited has issued an opinion dated 16th June, 2010, which states that, as of such date, the Share Exchange Ratio is fair, from a financial point of view, to holders of equity shares of the Applicant Company. The opinion was issued based on various assumptions and considerations and is available for inspection and should be read in its entirety for information regarding the assumptions made and factors considered in rendering such an opinion.

The respective Board of Directors of the Applicant Company and the Transferor Company, based on and relying upon the aforesaid expert advice/ opinions, and on the basis of their independent evaluation and judgement, have come to the conclusion that the proposed Share Exchange Ratio is fair and reasonable and have approved the same at their respective meetings on 17th June, 2010.

13. It is therefore proposed to amalgamate the Transferor Company with the Applicant Company by transfer and vesting of the undertaking and entire business of the Transferor Company as a going concern to and in the Transferee Company, being the Applicant Company, by way of a Scheme of Amalgamation under Sections 391 to 394 of the Act.

SALIENT FEATURES OF THE SCHEME

14. The salient features of the Scheme are:-

- (i) The Scheme envisages the amalgamation of the Transferor Company with the Transferee Company pursuant to Sections 391 to 394 and other applicable provisions of the Act on a going concern basis in the manner provided for in the Scheme, and the consequent issue of equity shares by the Transferee Company to the shareholders of the Transferor Company in the Share Exchange Ratio as provided in the Scheme.
- (ii) The Scheme provides that the "Appointed Date" shall be 1st April, 2010 or such other date as may be approved by the High Court of Judicature at Bombay.
- (iii) The "Effective Date" for the Scheme means the last of the dates on which the Orders of the High Court sanctioning the Scheme of Amalgamation are filed with the Registrar of Companies by the Transferor Company and by the Transferee Company.
- (iv) The "Undertaking" (as defined in the Scheme) means the whole of the undertaking and entire business of the Transferor Company as a going concern comprising:
 - (a) All the assets and properties (whether movable or immovable, tangible or intangible, real or personal, corporeal or incorporeal, present, future or contingent) of the Transferor Company, including, without limitation, leases, tenancies, licences, plant and machinery (whether fixed or movable), accessories, implements, equipments, tools, vehicles, raw materials, work in progress, finished goods, by-products, furniture, fixtures, office equipment, appliances, power lines, power sanctions, telephones, telexes, facsimile, internet connections, leased line connections and installations, water, utilities, electricity and other services connections, etc.;

- (b) All deposits and investments of all kinds (including investments in shares, scrips, stocks, bonds, debentures, debenture stock, units and certificates), cash in hand and balances with banks, loans, advances, contingent rights or benefits, receivables, claims, refunds, reimbursements or earnest moneys paid by the Transferor Company, financial assets, leases (including lease rights), hire purchase assets, lending contracts, rights and benefits under any agreements, benefit of any security arrangements or under any guarantees, reserves, provisions and funds;
- (c) All registrations, licences, reversions, powers, authorities, allotments, entitlements, assignments, privileges, sanctions, approvals, licenses, permits, quotas, subsidies, incentives, concessions, exemptions, relaxations, liberties, sanctions, consents, contracts, including benefits, exemptions and incentives arising out of exports or by virtue of any law or programmes or policies of the Government or any municipal or other authority;
- (d) All tax credits, refunds, reimbursements, claims, concessions, exemptions, benefits under the Central Excise Act (Cenvat Credit), service tax laws, value added tax (VAT), entry tax, purchase tax, sales tax or any other duty or tax or cess or imposts under any Central or State law;
- (e) All benefits, incentives, exemptions, subsidies, concessions and entitlements under any policies of the Central and/ or State Government in particular, the Sugar Industry Promotion Policy 2004 of the Government of Uttar Pradesh, whether in the past, present or future;
- (f) All trade and service names and marks, patents, designs, copyrights, software and computer programmes, databases, domain name(s) and rights and other intellectual property rights of any kind including all applications filed by the Transferor Company for registration of any such rights and the benefits thereof and any assignment thereof or related thereto and all records of any kind;
- (g) All rights, benefits and other interest, whether held in trust or otherwise, registrations, contracts, engagements, arrangements of all kind, privileges and all other rights including title, interests, other benefits (including tax benefits), easements, privileges, liberties and advantages of whatsoever nature and wheresoever situate belonging to or in the ownership, possession, power or custody of or in the control of or vested in or granted in favour of or enjoyed by the Transferor Company in connection with or relating to the Transferor Company or its Undertaking and all other interests of all kind and of whatsoever nature, whether in India or abroad;
- (h) All debts, liabilities (including contingent liabilities), duties, undertakings and obligations of the Transferor Company of any kind, nature and description whatsoever and howsoever arising and the liability of the Transferor Company with respect to Foreign Currency Convertible Bonds ("FCCBs") issued by the Transferor Company;

- (v) "Share Exchange Ratio" means the ratio of 1 (one) equity share fully paid-up of the face value of Re. 1/- (Rupee One only) each of the Transferee Company with rights attached thereto as mentioned in the Scheme for every 5 (five) equity shares fully paid-up of the face value (FV) of Re. 1/- (Rupee One only) each held in the Transferor Company as on the "Record Date". The Record Date is defined under the Scheme to mean a date to be fixed by the Board of Directors of the Transferee Company or a Committee thereof for the purpose of reckoning the names of equity shareholders of the Transferor Company, who shall be entitled to equity shares of the Transferee Company on the coming into effect of the Scheme.
- (vi) The Scheme also provides for :
- (a) The manner of vesting and transfer of the assets of the Transferor Company in the Transferee Company;
 - (b) The transfer of all consents, permissions, licenses, certificates, clearances, authorities, powers of attorney given by, issued to or executed in favour of the Transferor Company;
 - (c) The transfer of all debts, liabilities, duties, and obligations of the Transferor Company;
 - (d) The transfer of contracts, deeds, bonds, agreements, schemes, arrangements and other instruments of whatsoever nature relating to the Transferor Company;
 - (e) The transfer of all suits, actions, claims and legal proceedings by or against the Transferor Company;
 - (f) The manner in which the business is to be carried on in trust by the Transferor Company for the benefit of the Transferee Company from the Appointed Date till the Effective Date;
 - (g) The transfer of employees engaged by the Transferor Company as on the Effective Date to the Transferee Company;
 - (h) The issuance of equity shares by the Transferee Company to the equity shareholders of the Transferor Company as on the Record Date in the Share Exchange Ratio and matters related thereto;
 - (i) The issue of equity shares by the Transferee Company to an independent Trustee for the benefit of the Transferee Company in relation to equity shares held by the Transferee Company in the Transferor Company and on conversion of the unsecured loan granted by the Transferee Company to the Transferor Company;
 - (j) The adoption of the existing Employees Stock Option Plan of the Transferor Company by the Applicant Company at the same Terms and Conditions except the following consequential changes pursuant to the Share Exchange Ratio:
 - (i) Entitlement of Equity Shares per Option: "Two (2) equity shares of the Transferee Company" in place of existing "Ten (10) equity shares of the Transferor Company"; and
 - (ii) Exercise Price: "Rs. 50 per equity share of the FV of Re. 1 each of the Transferee Company" in place of existing "Rs. 10 per equity share of the FV of Re. 1 each of the Transferor Company";
 - (k) The adjustment of rights of holders of Foreign Currency Convertible Bonds (FCCBs) in relation to their Conversion Option;
 - (l) The issue of equity shares by the Transferee Company to an independent Trustee for the benefit of the Equity Shareholders of Transferor Company holding fractional shares and distribution of the net proceeds on sale of such shares by the Trustee, to the concerned shareholders in proportion to their respective fractional entitlements;
 - (m) The increase in the authorised share capital of the Transferee Company, and the consequent amendment to the relevant clause of the Memorandum of Association of the Transferee Company, without any further act or deed or payment of stamp duty or registration/filing fees;
 - (n) The manner in which dividend by the Transferor Company and/or Transferee Company during pendency of the Scheme will be declared and paid to shareholders of the Transferor Company and the Transferee Company;
 - (o) The accounting treatment in the books of the Transferee Company; and
 - (p) The ability of the respective Board of Directors of the Transferor Company and the Transferee Company, or a duly authorised committee or director thereof, to agree to or make any addition or modification to the Scheme which they, or the High Courts or any authorities under law, deem fit, and the ability of the Board of Directors of the Transferor Company or the Transferee Company respectively, directly or through a duly authorised Committee or their delegates, to provide their approval, wherever such approval is required under the Scheme.
- (vii) The Scheme is conditional upon and subject to:
- (a) The Scheme being agreed to by the requisite majority of the members and creditors of each of the Transferor Company and of the Transferee Company and by such persons as may be required under the Act and as may be directed by the High Court; and
 - (b) The certified copies of the Orders of the High Court sanctioning this Scheme being filed with the Registrar of Companies, Maharashtra, Mumbai.
- You are requested to read the entire text of the Scheme to get fully acquainted with the provisions thereof. The aforesaid are only the salient features thereof.**
15. The decision on the resolution(s) placed before the meeting shall be ascertained only by taking a poll as required by the Companies (Court) Rules, 1959.
 16. The latest audited accounts of the Applicant Company and the Transferor Company indicate that they both are

Bajaj Hindusthan Limited

in a solvent position and the amalgamated company, i.e. the Applicant Company, would emerge stronger and thus would be able to meet its liabilities as they arise in the ordinary course of business.

17. The rights and interests of the members and the creditors of the Applicant Company will not be prejudicially affected by the Scheme.
18. The Scheme does not affect the rights of any creditors (including debentureholders) of the Applicant Company and all creditors (including debentureholders) would be subject to the same terms and conditions on the transfer of their liabilities from the Transferor Company to the Applicant Company. The meeting of secured creditors includes secured debentureholders and the meeting of unsecured creditors includes unsecured debentureholders and bondholders of the Applicant Company.
19. The Applicant Company has received no objection letters from Bombay Stock Exchange Limited and National Stock Exchange of India Limited both dated 14th July, 2010 for filing the Scheme with the High Court of Judicature at Bombay.
20. No investigation proceedings have been instituted or are pending in relation to the Applicant Company under Sections 235 to 251 of the Act.
21. On the Scheme being approved by the shareholders and creditors of the Applicant Company as per the requirements of Section 391 of the Act, the Applicant Company and the Transferor Company will seek the sanction of the High Court of Judicature at Bombay to the Scheme. On the coming into effect of the Scheme, the Transferor Company shall stand dissolved without winding-up.
22. The Directors of the Applicant Company and the Transferor Company may be deemed to be concerned and/or interested in the Scheme only to the extent of their shareholding in the respective companies, or to the extent the said Directors are common directors in the companies, or to the extent the said Directors are the partners, directors, members of the companies, firms, association of persons, bodies corporate and/or beneficiary of trust that hold shares in any of the companies or to the extent they may be allotted shares in the Applicant Company as a result of the Scheme.
Mr. Kushagra Bajaj, Chairman of the Transferor Company is Joint Managing Director of Applicant Company.
23. The details of the present Directors of the Applicant Company, and their shareholding in the Applicant Company and the Transferor Company either singly or jointly as on 1st April, 2010 are as follows:

Name of Director	Position	Equity Shares held in	
		BHL	BHSIL
Mr. Shishir Bajaj*	Chairman & Managing Director	40,31,890	-
Mr. Kushagra Bajaj	Joint Managing Director	17,87,005	-

Name of Director	Position	Equity Shares held in	
		BHL	BHSIL
Mr. Dhirajlal Shantilal Mehta**	Non-Executive Director	25,080	-
Mr. Madhav Laxman Apte	Non-Executive Director	600	-
Mr. Ravindrakumar Ruia	Non-Executive Director	2,250	-
Mr. Dinesh Kumar Shukla	Non-Executive Director	-	-
Mr. Alok Krishna Agarwal	Non-Executive Director	-	-
Dr. Sanjeev Kumar	Director (Corporate & Legal Affairs)	-	-

* Including Shishir Bajaj-HUF jointly with Minakshi Bajaj 40,487 shares and Shishir Bajaj jointly with Minakshi Bajaj and Kushagra Bajaj 2,562 shares.

** Including 4,500 shares held jointly with Nandini D. Mehta.

24. The details of the present Directors of the Transferor Company, and their shareholding in the Applicant Company and the Transferor Company either singly or jointly as on 1st April, 2010 are as follows:

Name of Director	Position	Equity Shares held in	
		BHL	BHSIL
Mr. Kushagra Bajaj	Chairman	17,87,005	-
Mr. Pradeep Kumar Mittal	Non-Executive Director	-	-
Mr. Purshottam L. Dadheech	Non-Executive Director	-	-
Mr. Gautam Rasiklal Ashra	Non-Executive Director	-	-
Mr. Kannimangalam Subramanian Vaidyanathan	Non-Executive Director	-	-
Mr. Pradeep Parakh	Non-Executive Director	-	5,000

25. (a) The pre and post amalgamation capital structure of the Applicant Company is and will be as follows:

	Pre Amalgamation	Post Amalgamation
Authorised Share Capital		
Equity Shares	Rs. 80,00,00,000	Rs. 180,00,00,000
Issued, Subscribed and Paid-up Capital		
Equity Shares	Rs. 19,13,57,111	Rs. 22,83,57,111

- (b) The pre amalgamation shareholding pattern of the Transferor Company as on 1st April, 2010 is as follows:

Category	Percentage
Promoter and Promoter Group	75.00
Mutual Funds	0.03
Financial Institutions / Banks	0.00
Insurance Companies	0.00
Foreign Institutional Investors	-
Bodies Corporate	10.41
Individuals	6.96
Trust	7.54
NRIs / OCBs	0.06
Total	100.00

(c) The pre and post amalgamation shareholding pattern of the Applicant Company is and will be as follows:

Category	Pre Amalgamation (as on 1 st April, 2010) Percentage	Post Amalgamation (Expected) Percentage
Promoter and Promoter Group	41.79	35.02
Mutual Funds	3.13	2.63
Financial Institutions / Banks	0.52	0.44
Central Government / State Government	0.00	0.00
Insurance Companies	6.84	5.73
Foreign Institutional Investors	15.70	13.15
Bodies Corporate	15.14	13.76
Individuals	14.77	13.08
Trusts	0.26	14.62
Subsidiary Companies	-	-
NRIs/OCBs	0.57	0.49
Clearing members	0.44	0.37
Shares held against GDRs	0.84	0.71
Total	100.00	100.00

26. An equity shareholder/creditor entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of him, and such proxy need not be a member/creditor of the Applicant Company. The instrument appointing the proxy should however be deposited at the registered office of the Applicant Company not later than 48 (forty eight) hours prior to the commencement of the meeting.
27. Corporate members/creditors intending to send their authorised representatives to attend the meeting are requested to lodge a certified true copy of the resolution of the Board of Directors or other governing body of the body corporate not later than 48 (forty eight) hours before commencement of the meeting, authorising such person to attend and vote on its behalf at the meeting.

28. The following documents will be open for inspection by the equity shareholders, secured creditors and unsecured creditors of the Applicant Company up to one day prior to the date of the Meeting at its registered office between 11:00 a.m. and 1:00 p.m. on all working days, except Saturdays:

- Certified copy of the Order passed on 23rd July, 2010 of the Hon'ble High Court of Judicature at Bombay in the Company Summons for Direction No. 503 of 2010 directing convening of the meetings;
- Copy of the Company Summons for Direction No. 503 of 2010 and the affidavit in support thereof;
- Memorandum and Articles of Association of the Applicant Company and the Transferor Company;
- Annual Reports of the Applicant Company and the Transferor Company for the year ended 30th September, 2009;
- Unaudited financial results of the Applicant Company and the Transferor Company for the quarter/six months ended 31st March, 2010 and the Disclosures in accordance with Clauses 41 and 43 of the Listing Agreement for the quarter ended 31st March, 2010 made by the Applicant Company and the Transferor Company;
- Copies of the no objection letters both dated 14th July, 2010, received from The Bombay Stock Exchange Limited and National Stock Exchange of India Limited;
- Copies of the valuation reports dated 14th June, 2010 issued by M/s. L. B. Jha & Co., Chartered Accountants and M/s. T. P. Ostwal & Associates, Chartered Accountants;
- Copy of the fairness opinion dated 16th June, 2010 issued by M/s. Systematix Corporate Services Limited on the valuation of shares done by the valuers;
- Scheme of Amalgamation.

This statement may be treated as the statement under Section 173 and also Section 393 of the Act. A copy of the Scheme and this statement may also be obtained by equity shareholders, secured creditors (including secured debentureholders) and unsecured creditors (including unsecured debentureholders) of the Applicant Company from the registered office of the Applicant Company during ordinary business hours on all working days, except Saturdays.

Sd/-

(Shishir Bajaj)

Chairman appointed for the meeting

Dated this 23rd day of July, 2010

Registered Office:

Bajaj Bhawan, 2nd Floor, Jamnalal Bajaj Marg
226, Nariman Point, Mumbai - 400 021

**SCHEME OF AMALGAMATION
UNDER SECTIONS 391 TO 394 OF
THE COMPANIES ACT, 1956**

OF

Bajaj Hindusthan Sugar and Industries Limited

("Transferor Company")

WITH

Bajaj Hindusthan Limited

("Transferee Company")

PREAMBLE

A. Description of Companies:

A brief description of the Companies are given below:

- (a) Bajaj Hindusthan Sugar and Industries Limited ("**Transferor Company**") is a company incorporated under Companies Act, 1956 having its registered office at 2nd Floor, Bajaj Bhawan, Jamnalal Bajaj Marg, 226, Nariman Point, Mumbai – 400 021, Maharashtra. The Transferor Company is presently engaged in the business of manufacturing sugar, alcohol and allied products. The Transferor Company has three main divisions viz. Sugar Division, Distillery Division and Co-generation Division and its manufacturing facilities are located in various districts of Eastern Uttar Pradesh. The Transferor Company is a subsidiary of the Transferee Company. The equity shares of the Transferor Company are listed on The Bombay Stock Exchange Limited ("BSE").
- (b) Bajaj Hindusthan Limited ("**Transferee Company**") is a company registered under the Companies Act, 1956 having its registered office at Bajaj Bhawan, 2nd Floor, Jamnalal Bajaj Marg, 226, Nariman Point, Mumbai – 400 021, Maharashtra. The Transferee Company is presently engaged in the business of manufacturing sugar, alcohol and allied products. The Transferee Company has three main divisions viz. Sugar Division, Distillery Division and Co-generation Division and its manufacturing facilities are located in various districts of Western and Central Uttar Pradesh. The equity shares of the Transferee Company are listed on the National Stock Exchange of India Limited ("NSE") and The Bombay Stock Exchange Limited ("BSE").

B. Rationale for and benefits of the Scheme of Amalgamation:

- (a) Both the Transferee Company and the Transferor Company are engaged in similar business of manufacture of sugar, alcohol and allied products. Since the Transferor Company is a subsidiary of the Transferee Company, it is proposed to consolidate the similar business activities of the two companies in one company to create a larger unified entity enabling optimal utilization of resources and synergy of operations. Thus, resulting in better profitability, increased fund mobilisation capacity, enlarged technical resources and enhanced production capacity.
- (b) The amalgamation would economise administrative costs of running two companies and will also achieve better administration, operations and management by consolidation, synchronisation, synergisation and restructuring.

- (c) The amalgamation will enable the amalgamated company to improve its financials both in the short term as well as long term and have a stronger asset base thereby enabling the amalgamated company to avail of greater borrowings, to expand and grow into a larger organization, reduce vagaries of business cycle and to avail of new opportunities and increase its global visibility.
- (d) Integrating and combining the businesses of both the Companies will lead to consolidation of the sugarcane crushing as well as distillery capacities of both Companies with a view to synchronization of business operations in Uttar Pradesh leading to greater and optimal utilization of resources. The amalgamation would enable the amalgamated company to increase value realization of its operations and confer a competitive advantage on the amalgamated company.

In view of the aforesaid, it has been thought fit and advantageous to amalgamate the Transferor Company with the Transferee Company pursuant to a Scheme of Amalgamation under the provisions of Sections 391 to 394 of the Companies Act, 1956.

C. Parts of the Scheme:

The Scheme of Amalgamation provides for the transfer and vesting of the entire Undertaking (as defined hereinafter) including all assets, properties and liabilities of the Transferor Company to and in the Transferee Company and for various other matters consequential or otherwise integrally connected with the Scheme.

This Scheme of Amalgamation is divided into the following parts:

- (i) **Part I** deals with definitions of terms used in this Scheme of Amalgamation and the share capital of the Transferor Company and the Transferee Company;
- (ii) **Part II** deals with the transfer of the Undertaking (as defined hereinafter) of the Transferor Company to the Transferee Company;
- (iii) **Part III** deals with issue of Equity Shares by the Transferee Company and incidental matters;
- (iv) **Part IV** deals with general terms and conditions applicable to this Scheme of Amalgamation.

PART I

DEFINITIONS AND SHARE CAPITAL

- 1. In this Scheme, the following terms shall have the meanings set out below:-
 - 1.1 "**Act**" means the Companies Act, 1956 and includes any statutory re-enactment or modification thereof from time to time;
 - 1.2 "**Appointed Date**" means 1st April, 2010 or such other date as may be approved by the High Court;
 - 1.3 "**Effective Date**" means the last of the dates on which the Orders of the High Court sanctioning the Scheme of Amalgamation are filed with the Registrar of Companies by the Transferor Company and by the Transferee Company. Any references in this Scheme to the date of "**coming into effect of this Scheme**" or "**effectiveness of this Scheme**" or "**Scheme taking effect**" shall mean the Effective Date;

- 1.4 **"Governmental Authority"** means any applicable Central, State or local Government, legislative body, regulatory or administrative authority, agency or commission or any board, bureau or instrumentality thereof;
- 1.5 **"High Court"** means the High Court of Judicature at Bombay having jurisdiction in relation to the Transferor Company and the Transferee Company;
- 1.6 **"Record Date"** means the date to be fixed by the Board of Directors of the Transferee Company or a Committee thereof for reckoning the names of the equity shareholders of the Transferor Company who shall be entitled to equity shares of the Transferee Company on the coming into effect of this Scheme;
- 1.7 **"Scheme" or "Scheme of Amalgamation"** means this Scheme of Amalgamation as submitted in the present form to the High Court together with such modification(s), if any, made from time to time as approved or as directed by the High Court;
- 1.8 **"Transferee Company" or "BHL"** means Bajaj Hindusthan Limited, a company registered under the Act having its registered office at Bajaj Bhawan, 2nd Floor, Jamnalal Bajaj Marg, 226, Nariman Point, Mumbai – 400 021, Maharashtra;
- 1.9 **"Transferor Company"** means Bajaj Hindusthan Sugar and Industries Limited, a company incorporated under the Act having its registered office at 2nd Floor, Bajaj Bhawan, Jamnalal Bajaj Marg, 226, Nariman Point, Mumbai – 400 021, Maharashtra;
- 1.10 **"Undertaking"** in relation to the Transferor Company, shall mean the whole of the undertaking and the entire business of the Transferor Company as a going concern, comprising of:
- (i) All the assets and properties (whether movable or immovable, tangible or intangible, real or personal, corporeal or incorporeal, present, future or contingent) of the Transferor Company, including, without limitation, leases, tenancies, licences, plant and machinery (whether fixed or moveable), accessories, implements, equipments, tools, vehicles, raw materials, work in progress, finished goods, by-products, furniture, fixtures, office equipment, appliances, power lines, power sanctions, telephones, telexes, facsimile, internet connections, leased line connections and installations, water, utilities, electricity and other services connections, etc.;
 - (ii) All deposits and investments of all kinds (including investments in shares, scrips, stocks, bonds, debentures, debenture stock, units and certificates), cash in hand and balances with banks, loans, advances, contingent rights or benefits, receivables, claims, refunds, reimbursements or earnest moneys paid by the Transferor Company, financial assets, leases (including lease rights), hire purchase assets, lending contracts, rights and benefits under any agreements, benefit of any security arrangements or under any guarantees, reserves, provisions and funds;
 - (iii) All registrations, licences, reversions, powers, authorities, allotments, entitlements, assignments, privileges, sanctions, approvals, licenses, permits, quotas, subsidies, incentives, concessions, exemptions, relaxations, liberties, sanctions, consents, contracts, including benefits, exemptions and incentives arising out of exports or by virtue of any law or programmes or policies of the Government or any municipal or other authority;
 - (iv) All tax credits, refunds, reimbursements, claims, concessions, exemptions, benefits under the Central Excise Act (Cenvat Credit), service tax laws, value added tax (VAT), entry tax, purchase tax, sales tax or any other duty or tax or cess or imposts under any Central or State law;
 - (v) All benefits, incentives, exemptions, subsidies, concessions and entitlements under any policies of the Central and/or State Government in particular, the Sugar Industry Promotion Policy 2004 of the Government of Uttar Pradesh, whether in the past, present or future;
 - (vi) All trade and service names and marks, patents, designs, copyrights, software and computer programmes, databases, domain name(s) and rights and other intellectual property rights of any kind including all applications filed by the Transferor Company for registration of any such rights and the benefits thereof and any assignment thereof or related thereto and all records of any kind;
 - (vii) All rights, benefits and other interest, whether held in trust or otherwise, registrations, contracts, engagements, arrangements of all kind, privileges and all other rights including title, interests, other benefits (including tax benefits), easements, privileges, liberties and advantages of whatsoever nature and wheresoever situate belonging to or in the ownership, possession, power or custody of or in the control of or vested in or granted in favour of or enjoyed by the Transferor Company in connection with or relating to the Transferor Company or its Undertaking and all other interests of all kind and of whatsoever nature, whether in India or abroad;
 - (viii) All debts, liabilities (including contingent liabilities), duties, undertakings and obligations of the Transferor Company of any kind, nature and description whatsoever and howsoever arising and the liability of the Transferor Company with respect to Foreign Currency Convertible Bonds ("FCCBs") issued by the Transferor Company.
- 1.11 All terms not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act and/or other applicable laws, rules and regulations or any statutory modification or re-enactment thereof, from time to time.
2. (a) As per the last audited annual accounts of the Transferor Company as on 30th September, 2009, the authorised, issued, subscribed and paid-up share capital of the Transferor Company was as under:

	Rs.	Rs.
Authorised Share Capital:		
100,00,00,000 Equity Shares of Re.1/- each	100,00,00,000	100,00,00,000
Issued, Subscribed and Paid-up Share Capital:		
11,80,00,000 Equity Shares of Re.1/- each, fully paid- up	11,80,00,000	11,80,00,000

- (b) As on 1st April, 2010 and as on date, the authorized, issued, subscribed and paid-up share capital of the Transferor Company remains the same.
3. (a) As per the last audited annual accounts of the Transferee Company as on 30th September, 2009, the authorized, issued, subscribed and paid-up share capital of the Transferee Company was as under:

	Rs.	Rs.
Authorised Share Capital:		
30,00,00,000 Equity Shares of Re. 1/- each	30,00,00,000	
50,00,00,000 Unclassified Shares of Re. 1/- each	50,00,00,000	80,00,00,000
Issued, Subscribed and Paid-up Share Capital:		
17,68,57,111 Equity Shares of Re.1/- each	17,68,57,111	17,68,57,111

- (b) As on 1st April, 2010, the authorized, issued, subscribed and paid-up share capital of the Transferee Company was, and as on date, the same is, as under:

	Rs.	Rs.
Authorised Share Capital:		
80,00,00,000 Equity Shares of Re. 1/- each	80,00,00,000	80,00,00,000
Issued, Subscribed and Paid-up Share Capital:		
19,13,57,111 Equity Shares of Re. 1/- each	19,13,57,111	19,13,57,111

4. The Scheme shall come into operation from the Appointed Date, but the same shall become effective only from the Effective Date.

PART II

TRANSFER OF UNDERTAKING

5. On the coming into effect of this Scheme and with effect from the Appointed Date, the whole of the Undertaking of the Transferor Company shall, pursuant to the sanction of this Scheme by the High Court and pursuant to the provisions of Sections 391 to 394 and other applicable provisions, if any, of the Act, be and stand transferred to

and vested in or be deemed to be transferred to and vested in the Transferee Company, as a going concern, without any further act, deed, matter or thing and without the execution of any instrument, document or writing, so as to become the Undertaking of the Transferee Company by virtue of and in the manner provided in this Scheme.

6. Without prejudice to the generality of Clause 5 above, it is specifically provided that upon the coming into effect of this Scheme and with effect from the Appointed Date, pursuant to the provisions of Sections 391 to 394 and all other applicable provisions, if any, of the Act:
- (a) All the assets and properties comprised in the Undertaking, except for the portion dealt with under sub-clause (b) below, of whatsoever nature and wheresoever situate and which are incapable of passing by manual delivery, shall, without any further act or deed or conveyance, be and stand transferred to and vested in the Transferee Company or be deemed to be transferred to and vested in the Transferee Company as a going concern so as to become, the assets and properties of the Transferee Company, subject however to the provisions of Clause 8 hereinbelow, if and so far as applicable.
- (b) With respect to all immovable assets and properties of the Transferor Company, the mutation/ substitution of the title to the immovable properties shall be made and duly recorded in the name of the Transferee Company by the appropriate authorities pursuant to the sanction of the Scheme by the High Court and the Scheme becoming effective in accordance with the terms hereof.
- (c) With respect to such assets and properties of the Transferor Company, as are movable in nature and are capable of transfer by manual delivery or by endorsement and/or delivery, the same shall be so transferred and delivered or, as the case may be, endorsed and/or delivered in favour of and to the Transferee Company and shall, thereupon become the assets and properties of the Transferee Company, without requiring any deed or instrument or conveyance for the same.
- (d) All sundry debtors, receivables, bills, credits, loans and advances, if any, whether recoverable in cash or in kind or for value to be received, bank balances, contingent rights, investments (including investments in shares, scrips, stocks, bonds, debentures, debenture stock, units or certificates) earnest money and deposits with any Government, Semi-Government, local or other authority or body or with any company or other person, shall stand automatically transferred, assigned, endorsed, acknowledged, confirmed in favour of the Transferee Company and made good, paid, held on account of the Transferee Company as the person entitled thereto and appropriate noting, endorsement, acknowledgement, entry shall be passed by the concerned person(s), debtor(s), bank(s), depositor(s) or authority(ies). The Transferor Company and/or the Transferee Company shall, if required, give notice in such form as it may deem fit and proper, to the concerned person(s), debtor(s), bank(s) or depositor(s) or authority(ies), as the case may be, to the effect that pursuant to the High Court having sanctioned the amalgamation of the Transferor Company with the Transferee Company the said debts, receivables,

bills, credits, loans, advances, bank balances, contingent rights, investments, earnest money and deposits be paid or made good or held on account of or in the name of the Transferee Company as the person entitled thereto and that appropriate entry should be passed in its or their books to record the aforesaid change.

- (e) All registrations, licenses, reversions, powers, authorities, allotments, entitlements, assignments, privileges, sanctions, approvals, licenses, permits, quotas, subsidies, incentives, concessions, exemptions, relaxations, liberties, sanctions, consents, contracts, including benefits, exemptions and incentives arising out of exports or by virtue of any law or programmes or policies of the Government or any municipal or other authority, all tax credits, refunds, reimbursements, claims, concessions, exemptions, benefits under the Central Excise Act (Cenvat Credit), service tax laws, value added tax (VAT), entry tax, purchase tax, sales tax or any other duty or tax or cess or imposts under any Central or State law, all benefits, incentives, exemptions, subsidies, concessions and entitlements under any policies of the Central and/ or State Government, whether in the past, present or future, granted to or enjoyed or conferred upon or held or availed of by the Transferor Company and all rights and benefits that have accrued or which may accrue to the Transferor Company, whether before or on or after the Appointed Date, shall without any further act, instrument or deed, cost or charge be and stand transferred to and vest in or be deemed to be transferred to and vested in and be available to the Transferee Company and the same shall remain valid, effective and enforceable on the same terms and conditions.
 - (f) The benefits, incentives, concessions and exemptions under the Sugar Industry Promotion Policy, 2004 of the Government of Uttar Pradesh to which the Transferor Company is entitled or may become entitled shall stand transferred to and vested in the Transferee Company, as if the Transferee Company had set up the concerned units/ made expansions and investment instead of the Transferor Company and the same was available originally to the Transferee Company.
 - (g) All the assets and properties comprised in the Undertaking of the Transferor Company as on the Appointed Date, whether or not included in the books of the Transferor Company, and all the assets and properties, which are acquired by the Transferor Company on or after the Appointed Date till the Effective Date, shall be deemed to be and shall become the assets and properties of the Transferee Company and shall under the provisions of Sections 391 to 394 and all other applicable provisions, if any, of the Act, without any further act, instrument or deed, be and stand transferred to and vested in and be deemed to be transferred to and vested in the Transferee Company upon the coming into effect of this Scheme.
7. Without prejudice to the generality of Clause 5 above, it is specifically provided that on the coming into effect of this Scheme and with effect from the Appointed Date, pursuant to the provisions of Sections 391 to 394 and all other applicable provisions, if any, of the Act:

- (a) All liabilities of every kind, nature and description of the Transferor Company (other than the liability under the unsecured loan granted by the Transferee Company to the Transferor Company) shall be transferred or be deemed to be transferred to the Transferee Company, without any further act, instrument, deed, matter or thing and the same shall be assumed by the Transferee Company so as to become on and from the Appointed Date the liabilities of the Transferee Company on the same terms and conditions as were applicable to the Transferor Company and the Transferee Company shall meet, discharge and satisfy the same and further it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such liabilities have arisen in order to give effect to the provisions of this Clause.
- (b) All debts, loans (other than the liability under the unsecured loan of Rs. 335,00,00,000 granted by the Transferee Company to the Transferor Company), liabilities and obligations (including any guarantees, letters of credit, letters of comfort or any other instrument or arrangement which may give rise to a contingent liability in whatever form), as on the Appointed Date, whether or not provided in the books of the Transferor Company, and all debts or loans raised and liabilities and obligations incurred by the Transferor Company and which arise or accrue against the Transferor Company on or after the Appointed Date till the Effective Date and to the extent they are outstanding on the Effective Date, shall, without any further act, instrument or deed, be and stand transferred to or be deemed to be transferred to the Transferee Company and shall become the debts, loans, liabilities and obligations of the Transferee Company, which shall meet, discharge and satisfy the same and further it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, loans, liabilities and obligations have arisen in order to give effect to the provisions of this Clause.
- (c) Where any of the liabilities of the Transferor Company as on the Appointed Date have been discharged by the Transferor Company on or after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been made for and on account of the Transferee Company.
- (d) All debts, loans (other than the liability under the unsecured loan granted by the Transferee Company to the Transferor Company), liabilities and obligations (including any guarantees, letters of credit, letters of comfort or any other instrument or arrangement which may give rise to a contingent liability in whatever form), due on the Appointed Date, or which may thereafter become due, between the Transferor Company and the Transferee Company shall, ipso facto, stand discharged and come to an end and there shall be no liability in that behalf on either party and appropriate effect shall be given in the books of accounts and records of the Transferee Company. It is hereby clarified that there will be no accrual of interest or other charges in respect of any inter-company debts, loans (including the unsecured loan granted by the Transferee Company to the Transferor

- Company), liabilities and obligations with effect from the Appointed Date.
- (e) Where debentures, bonds (including the FCCBs issued by the Transferor Company) or other debt securities of or issued by the Transferor Company, whether convertible into equity or otherwise, are outstanding on the Effective Date (hereinafter referred to as the "Debt Securities") the same shall, subject to sub-clause (b) of this Clause and pursuant to the provisions of Sections 391 to 394 and all other applicable provisions, if any, of the Act, without any further act, deed or instrument become the Debt Securities of or issued by the Transferee Company on the same terms and conditions and all rights, powers, duties and obligations in relation thereto shall be and stand transferred to or be deemed to be transferred to and shall be exercised by or against the Transferee Company to the same extent as if it were the Transferor Company in respect of the said Debt Securities so transferred. If required, the Transferee Company may issue fresh certificates, in respect of such Debt Securities or, at its option, may make an endorsement on the existing certificates.
 - (f) With respect to the FCCBs issued by the Transferor Company, the same shall be deemed to be issued by the Transferee Company on the same terms and conditions and on exercise of the Conversion Option, the Bondholder(s) shall be entitled to shares of the Transferee Company in accordance with the terms of the FCCB Subscription Agreement dated 26th April, 2007 executed by the Transferor Company provided that the Conversion Price shall be adjusted in accordance with the terms of the said FCCB Subscription Agreement dated 26th April, 2007 as may be mutually agreed between the Transferee Company and the Bondholder(s).
8. (a) In so far as the assets and properties of the Transferor Company are concerned, the securities, charges, encumbrances or liens, if any, (hereinafter referred to as the "Encumbrances") created at any time prior to the Effective Date, over the assets and properties or any part thereof transferred to the Transferee Company in terms of this Scheme and relating to the Liabilities of the Transferor Company, shall, on and from the Effective Date, without any further act, deed or instrument, continue to relate or attach to such assets and properties or any part thereof of the Transferor Company, but such Encumbrances, if any, shall not relate or attach to any of the other assets and properties of the Transferee Company or any part thereof.
 - (b) Without prejudice to sub-clause (a) of this Clause, it is clarified that any reference in any security documents or arrangements to the Transferor Company and its assets and properties, shall be construed as a reference to the Transferee Company and the assets and properties of the Transferee Company, provided always that such Encumbrances, if any, shall extend only to and over those assets and properties of the Transferor Company, which are transferred to and vested in the Transferee Company pursuant to this Scheme and not to any other assets and properties of the Transferee Company.
 - (c) The existing securities, encumbrances or liens over the assets and properties of the Transferee Company or any part thereof which relate to any liability, loan, deposit or facility availed of by the Transferee Company shall continue to relate or attach to the assets and properties of the Transferee Company to which the same relate or attach and nothing contained in this Scheme shall operate to enlarge or extend such securities, charges, encumbrances or liens to any of the other assets or properties of the Transferor Company or any part thereof which are transferred to and vested in the Transferee Company under and pursuant to this Scheme.
9. Subject to Clauses 5 to 8, with effect from the Appointed Date, all inter-party transactions between the Transferor Company and the Transferee Company shall be considered as intra-party transactions for all purposes with effect from the Appointed Date.
 10. On the coming into effect of this Scheme, and subject to the provisions of this Scheme:
 - (a) All contracts, deeds, bonds, agreements, memorandums, arrangements and other instruments (including all tenancies, leases, licenses and other assurances in favour of the Transferor Company or powers or authorities granted by or to it) of whatsoever nature to which the Transferor Company is a party or to the benefit of which the Transferor Company may be eligible, and which are subsisting or having effect immediately before the Effective Date, shall, subject to the provisions of this Scheme, without any further act, instrument or deed, continue in full force and effect in favour of or against the Transferee Company and may be enforced as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party or obligee thereunder.
 - (b) All the contracts and agreements entered into by the Transferor Company and all Power Purchase Agreements and other incidental or allied contracts, agreements and/or arrangements entered into by the Transferor Company with UP Power Corporation Ltd. (UPPCL) and state distribution companies or undertakings (DISCOMS or STUs) for sale of surplus power produced by Co-generation Power Units of the Transferor Company shall, without any further act, deed or instrument, stand transferred to the Transferee Company, as if these were originally entered into with the Transferee Company and UPPCL/DISCOMS/STUs and the Transferee Company shall be entitled to raise bills and receive payment towards sale of power in the name of the Transferee Company. The name of the Transferee Company shall stand substituted instead of the Transferor Company in all such contracts, arrangements, agreements and documents without any further act, deed, matter or thing.
 11. Without prejudice to the other provisions of this Scheme and notwithstanding the fact that the vesting of the Undertaking occurs by virtue of this Scheme itself, the Transferee Company may, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required, under any law or otherwise, take such actions or enter into or issue or execute

deeds, writings, confirmations, assignments, novations, declarations, or other documents with or in favour of any party to any contract or arrangement to which the Transferor Company is a party or any writings as may be necessary to be executed in order to give formal effect to the provisions of this Scheme. The Transferee Company shall, be deemed to be authorised to execute any such writings on behalf of the Transferor Company and to carry out or perform all such formalities or compliances required for the purposes referred to above on the part of the Transferor Company to be carried out or performed.

12. (a) On and from the Appointed Date, all suits, actions and legal proceedings by or against the Transferor Company shall be continued and/or enforced until the Effective Date as desired by the Transferee Company and on and from the Effective Date, shall be continued and/or enforced by or against the Transferee Company as effectually and in the same manner and to the same extent as if the same had been instituted and/or were pending and/or arising by or against the Transferee Company.
- (b) If any suit, appeal or other proceedings of whatever nature by or against the Transferor Company be pending, the same shall not abate, be discontinued or in any way be prejudicially affected by reason of the transfer of the Undertaking or of anything contained in this Scheme but the proceedings may be continued, prosecuted and enforced by or against the Transferee Company in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against the Transferor Company as if this Scheme had not been made.
13. With effect from the Appointed Date and up to and including the Effective Date:
 - (a) The Transferor Company shall carry on and shall be deemed to have carried on its business and activities relating to its Undertaking as hitherto and shall hold and stand possessed of and shall be deemed to have held and stood possessed of its Undertaking on account of, and for the benefit of, and in trust for, the Transferee Company.
 - (b) All the profits or incomes accruing or arising to the Transferor Company, and all expenditure or losses arising or incurred (including all taxes, if any, paid or accruing in respect of any profits and income) by the Transferor Company shall, for all purposes, be treated and be deemed to be and accrue as the profits or incomes or as the case may be, expenditure or losses (including taxes) of the Transferee Company.
 - (c) All taxes (including income tax, sales tax, excise duty, customs duty, service tax, value added tax, etc.) paid or payable by the Transferor Company in respect of the operations and/or the profits of the business before the Appointed Date, shall be on account of the Transferor Company and, insofar as it relates to the tax payment (including, without limitation, sales tax, excise duty, customs duty, income tax, service tax, value added tax, etc.) whether by way of deduction at source, advance

tax or otherwise howsoever, by the Transferor Company in respect of the profits or activities or operation of the business after the Appointed Date, the same shall be deemed to be the corresponding item paid by the Transferee Company, and, shall, in all proceedings, be dealt with accordingly.

- (d) Any of the rights, powers, authorities and privileges exercised by or available to the Transferor Company shall be deemed to have been exercised by the Transferor Company for and on behalf of and as agent for the Transferee Company. Similarly, any of the obligations, duties and commitments that have been undertaken or discharged by the Transferor Company shall be deemed to have been undertaken or discharged for and on behalf of and as agent for the Transferee Company.
14. With effect from the date of filing of this Scheme with the High Court and upto and including the Effective Date:
 - (a) The Transferor Company shall preserve and carry on its business and activities with reasonable diligence and business prudence and shall not undertake any additional financial commitments of any nature whatsoever, borrow any amounts nor incur any other liabilities or expenditure, issue any additional guarantees, indemnities, letters of comfort or commitments either for itself or on behalf of its subsidiaries or group companies or any third party or sell, transfer, alienate, charge, mortgage or encumber or deal with the Undertaking or any part thereof save and except in its ordinary course of business as carried on by it as on the date of filing this Scheme with the High Court or if the same is permitted by this Scheme or if prior written consent of the Transferee Company has been obtained.
 - (b) The Transferor Company and the Transferee Company shall not make any change in its capital structure, whether by way of increase (by issue of equity shares on a rights basis, bonus shares) decrease, reduction, reclassification, sub-division or consolidation, re-organisation or in any other manner which may, in any way, affect the Share Exchange Ratio (as provided in Clause 16 below), except under any of the following circumstances:
 - (i) by mutual consent of the respective Board of Directors of the Transferor Company and of the Transferee Company; or
 - (ii) On the conversion of any debentures or convertible securities (including FCCBs) already issued; or
 - (iii) as may be permitted under this Scheme.
15. (a) On the coming into effect of this Scheme all the employees of the Transferor Company who are in employment as on the Effective Date shall become the employees of the Transferee Company with effect from the Effective Date, without any break or interruption in service and on the same terms and conditions as to employment and remuneration on which they are engaged or employed by the Transferor Company. The Transferee Company undertakes to continue to abide by the agreement / settlement, if any, entered into by the Transferor Company with any employee of the Transferor Company.

- (b) The amounts transferred by the Transferor Company towards gratuity, provident fund, pension and/ or superannuation fund for the benefit of the employees of the Transferor Company (collectively referred to as the "Funds") and the investments made out of such Funds shall, at an appropriate stage, be transferred to the Transferee Company to be held for the benefit of the concerned employees. The Funds shall, subject to the necessary approvals and permission and at the discretion of the Transferee Company, either be continued as separate funds of the Transferee Company for the benefit of the employees of the Transferor Company or be transferred to and merged with other similar funds of the Transferee Company.
- (c) In relation to employees of the Transferor Company for whom the Transferor Company is making contributions to the Government Regional Provident Fund, such of the employees who are eligible to become the members of the approved Provident Fund of the Transferee Company ("BHL Provident Fund Trust"), shall become members of the BHL Provident Fund Trust with effect from the Effective Date and the obligation for contribution to such BHL Provident Fund Trust shall be discharged accordingly by the Transferee Company in accordance with the terms thereof. The accumulated amount to the credit of all such employees of the Transferor Company lying with the Government Regional Provident Fund as on the Effective Date shall be transferred to the credit in their respective accounts with the BHL Provident Fund Trust. In relation to employees of the Transferor Company who are not eligible to become members of the BHL Provident Fund Trust, the Transferee Company shall continue to make contributions to the Government Regional Provident Fund and the name of the Transferee Company shall stand substituted for the name of the Transferor Company in the records of the Government Regional Provident Fund.
- (d) In relation to employees of the Transferor Company for whom the Transferor Company is making contributions to any third party gratuity or superannuation fund, the name of the Transferee Company shall stand substituted for the name of the Transferor Company for all purposes relating thereto, including relating to the obligation to make contributions to the said funds in accordance with the terms of such funds.
- (e) With effect from the first of the dates of filing of this Scheme with the High Court and up to and including the Effective Date the Transferor Company shall not vary or modify the terms and conditions of employment of any of its employees, except with the consent of the Transferee Company. The terms of employment of employees of the Transferor Company shall not be adversely affected by virtue of the amalgamation except with the agreement of the concerned employees.
- (f) Subject to the terms of this Scheme, the transfer and vesting of the Undertaking of the Transferor Company under Clauses 5 to 9, of this Scheme shall not affect any transactions or proceedings already concluded by the Transferor Company before the Appointed Date or on or after the Appointed Date till the Effective Date, to the end and intent that the Transferee Company accepts and adopts all acts, deeds and things made, done and executed by the Transferor Company as acts, deeds and things made, done and executed by or on behalf of the Transferee Company.

PART III ISSUE OF EQUITY SHARES

- 16. In consideration of the transfer and vesting of the Undertaking to and in the Transferee Company, on the coming into effect of this Scheme, the Transferee Company shall, without any further application, act, deed or instrument, issue and allot to each equity shareholder of the Transferor Company holding equity shares of the Transferor Company as on the Record Date or to his/ her/ its heirs, executors or, as the case may be, successors 1 (one) equity share of Re. 1/- (Rupee One) in the Transferee Company credited as fully paid-up (the "**BHL Shares**") for every 5 (five) fully paid up equity shares of Re. 1/- (Rupee One) each held by such equity shareholder in the Transferor Company on the Record Date. The ratio in which equity shares of the Transferee Company are to be issued and allotted to the shareholders of the Transferor Company is hereinafter referred as "**Share Exchange Ratio**".
- 17. On the coming into effect of the Scheme and as an integral part of the Scheme, (a) the 8,85,00,000 Equity Shares of the face value of Re. 1/- each credited as fully paid-up held by the Transferee Company in the Transferor Company shall not stand cancelled but the same shall be deemed to be held by an independent Trustee or Board of Trustees (the "**Trustee**") who or which is unrelated to the Promoters of the Transferee Company; and (b) the principal amount of the unsecured loan granted by the Transferee Company to the Transferor Company shall not stand discharged but shall be deemed to be converted into 6,70,00,000 equity shares of the face value of Re. 1/- each of the Transferor Company credited as fully paid and shall be deemed to be held by the aforesaid independent Trustee. Pursuant to Clause 16 of this Scheme, the Transferee Company shall, without any further application, act, deed or instrument, issue and allot directly to the Trustee (i) 1,77,00,000 fully paid-up BHL Shares in accordance with the Share Exchange Ratio in respect of the said 8,85,00,000 equity shares deemed to be held by the Trustee and (ii) 1,34,00,000 fully paid-up BHL Shares in accordance with the Share Exchange Ratio in respect of the said 6,70,00,000 equity shares deemed to be allotted to the Trustee against the unsecured loan of the Transferee Company to the Transferor Company. The Trustee shall hold the aggregate 3,11,00,000 BHL Shares allotted as aforesaid in trust for the benefit of the Transferee Company subject to the powers, provisions, discretions, rights and agreements contained in the Trust Deed to be executed for establishing the aforesaid Trust in compliance with all applicable laws.

18. (a) The Employees Stock Option Plan 2006 framed by the Transferor Company ("ESOP") shall be binding on the Transferee Company on the same terms and conditions except for the following consequential changes pursuant to the Share Exchange Ratio:
- (i) Entitlement of Equity Shares per Option: "Two (2) equity shares of the Transferee Company" in place of existing "Ten (10) equity shares of the Transferor Company"; and
 - (ii) Exercise Price : "Rs. 50 per equity share of the face value of Re.1 each of the Transferee Company" in place of existing "Rs.10 per equity share of the face value of Re.1 each of the Transferor Company";
- and the Options granted by the Transferor Company under the ESOP scheme shall be deemed to have been granted by the Transferee Company.
- (b) On the coming into effect of the Scheme, the Transferee Company shall in accordance with Clause 16, issue and allot to the Trustees under the ESOP scheme BHL Shares (as defined in Clause 16) in respect of the equity shares held by them in the Transferor Company in accordance with the Share Exchange Ratio and the Trustees shall hold the BHL Shares for the benefit of the eligible employees who shall be entitled thereto in terms of the ESOP scheme. The eligible employees, in whom the Options under the ESOP scheme have vested, shall be entitled to receive the BHL Shares on exercise of their Options at the Exercise Price determined by the Compensation Committee appointed by the Transferee Company. The Compensation Committee shall determine the proportionate number of equity shares of the Transferee Company, which an eligible employee is entitled to against Options vested in him.
- (c) All references in the ESOP Scheme to the Transferor Company shall be construed as references to the Transferee Company and the Board of Directors of the Transferee Company shall appoint a Compensation Committee and entrust it with the authority to administer the ESOP Scheme.
19. On the Scheme becoming effective and as an integral part of the Scheme, the issued, subscribed and paid-up share capital of the Transferee Company shall stand suitably increased consequent on the issue of the BHL Shares. It is clarified that no Special Resolution under Section 81(1A) of the Act shall be required to be passed by the Transferee Company in a general meeting for issue of the BHL Shares under this Scheme and on the members of the Transferee Company approving this Scheme, it shall be deemed that they have given their consent to the issue of BHL Shares of the Transferee Company as provided in this Scheme.
20. (a) In so far as the issue of BHL Shares pursuant to Clause 16 above is concerned, shareholders of the Transferor Company holding shares in physical form shall have the option, exercisable by notice in writing by them to the Transferee Company on or before the Record Date, to receive the BHL Shares of the Transferee Company either in certificate form or in dematerialized form, in lieu of their shares in the Transferor Company in accordance with the terms hereof. In the event that such notice has not been received by the Transferee Company in respect of any of the members of the Transferor Company, the shares of the Transferee Company shall be issued to such members in dematerialized form. Those of the members of the Transferor Company who exercise the option to receive the shares in dematerialized form shall be required to have an account with a depository participant and shall provide details thereof and such other confirmations as may be required in the notice provided by such shareholder to the Transferee Company on or before the Record Date. It is only thereupon that the Transferee Company shall issue and directly credit the demat/ dematerialized securities account of such member with the BHL Shares of the Transferee Company and the share certificates representing the equity shares of the Transferor Company shall stand automatically and irrevocably cancelled on the issue of BHL Shares by the Transferee Company.
- (b) Each of the members of the Transferor Company holding shares of the Transferor Company in dematerialized form shall have the option, exercisable by notice in writing by them to the Transferee Company on or before the Record Date, to receive the BHL Shares of the Transferee Company either in certificate form or in dematerialized form, in lieu of their shares in the Transferor Company in accordance with the terms hereof. In the event that such notice has not been received by the Transferee Company in respect of any of the members of the Transferor Company, the shares of the Transferee Company shall be issued to such members in dematerialized form as per the records maintained by the National Securities Depository Limited and/ or Central Depository Services (India) Limited on the Record Date.
- (c) In the event of there being any pending share transfers, whether lodged or outstanding, of any shareholder of the Transferor Company, the Board of Directors of the Transferee Company or any Committee thereof shall be empowered in appropriate cases, prior to or even subsequent to the Record Date, to effectuate such a transfer as if such changes in the registered holder were operative as on the Record Date, in order to remove any difficulties arising to the transferor or transferee of equity shares in the Transferor Company, after the effectiveness of this Scheme.
- (d) The BHL Shares to be issued by the Transferee Company pursuant to this Scheme in respect of any equity shares of the Transferor Company which are held in abeyance under the provisions of Section 206A of the Act or otherwise shall, pending allotment or settlement of dispute by order of Court or otherwise, be held in abeyance by the Transferee Company.
- (e) The BHL Shares issued and allotted by the Transferee Company in terms of this Scheme shall be subject

to the provisions of the Memorandum and Articles of Association of the Transferee Company and shall, inter-se, rank pari passu in all respect with the then existing equity shares of the Transferee Company, including in respect of dividend, if any, that may be declared by the Transferee Company on or after the Effective Date.

- (f) The BHL Shares of the Transferee Company issued in terms of this Scheme will be listed and/or admitted to trading on The Bombay Stock Exchange Limited and The National Stock Exchange of India Limited where the shares of the Transferee Company are listed and/or admitted to trading. The Transferee Company shall enter into such arrangements and give such confirmations and/or undertakings as may be necessary in accordance with the applicable laws or regulations for complying with the formalities of the said Stock Exchanges. The Promoters of the Transferee Company shall include the Promoters of the Transferor Company on the effectiveness of the Scheme.
 - (g) For the purpose of issue of equity shares to the shareholders of the Transferor Company, the Transferee Company shall, if and to the extent required, apply for and obtain the required statutory approvals and other concerned regulatory authorities for the issue and allotment by the Transferee Company of the BHL Shares.
 - (h) No fractional certificates shall be issued by the Transferee Company in respect of the fractional entitlements, if any, to which the shareholders of the Transferor Company are entitled on the issue and allotment of BHL Shares by the Transferee Company in accordance with this Scheme. The Board of Directors/Committee of Directors of the Transferee Company shall instead consolidate all such fractional entitlements to which the shareholders of the Transferor Company may be entitled on issue and allotment of the BHL Shares of the Transferee Company as aforesaid and shall, without any further application, act, instrument or deed, issue and allot such fractional entitlements directly to an individual trustee or a board of trustees or a corporate trustee (the **"said Trustee"**), who shall hold such fractional entitlements with all additions or accretions thereto in trust for the benefit of the respective shareholders to whom they belong and their respective heirs, executors, administrators or successors for the specific purpose of selling such fractional entitlements in the market at such price or prices and at such time or times as the said Trustee may in its sole discretion decide and pay to the Transferee Company the net sale proceeds thereof and any additions and accretions, whereupon the Transferee Company shall, subject to withholding tax, if any, distribute such sale proceeds to the concerned shareholders of the Transferor Company in proportion to their respective fractional entitlements.
21. (a) On coming into effect of this Scheme and as an integral part of the Scheme, the Authorised

Share Capital of the Transferor Company shall stand transferred to and combined with the Authorised Share Capital of the Transferee Company and the Authorised Share Capital of the Transferee Company shall stand increased from Rs.80,00,00,000/- (Rupees Eighty Crores only) divided into 80,00,00,000 (Eighty Crores) Equity Shares of the face value of Re.1/- (Rupee One only) each to Rs. 1,80,00,00,000/- (Rupees One Hundred Eighty Crores only) divided into 1,80,00,00,000 (One Hundred Eighty Crores) Equity Shares of the face value of Re.1/- (Rupee One only) each without any further act, instrument or deed. The filing or registration fee and stamp duty already paid by the Transferor Company on its Authorised Share Capital shall be deemed to have been paid by the Transferee Company and accordingly, the Transferee Company shall not be required to pay any additional or further filing or registration fee or stamp duty on the Authorised Share Capital so increased.

- (b) Pursuant to the provisions of sub-clause (a) above, on the coming into effect of the Scheme, Clause V of the Memorandum of Association of the Transferee Company shall, without any further act, instrument or deed, be and stand substituted as under : "The Authorised Share Capital of the Company is Rs. 1,80,00,00,000/- (Rupees One Hundred Eighty Crores only) divided into 1,80,00,00,000 (One Hundred Eighty Crores) Equity Shares of Re.1/- (Rupee One) each, with power to increase and reduce the Share Capital of the Company and to divide the shares in the capital for the time being, into several classes and to attach thereto such preferential, deferred, qualified, guaranteed or special rights, privileges or conditions as may be determined by or in accordance with the Articles of Association of the Company and to vary, modify or abrogate any such rights, privileges or conditions, in such manner as may for the time being be provided in the Articles of Association of the Company."
 - (c) It is clarified that no separate resolution under Section 16 and Section 94 of the Act shall be required to be passed by the Transferee Company separately in a general meeting for increase of the Authorised Share Capital of the Transferee Company and on the members of the Transferee Company approving this Scheme, it shall be deemed that they have approved the increase in the Authorised Share Capital in terms of Section 16 and Section 94 of the Act.
22. On the Scheme becoming effective:
- (a) The Transferee Company shall, on the Appointed Date, record the assets and liabilities of the Transferor Company at their respective fair values and record the beneficial interest in Trust pursuant to Clause 17 above at the book value of the underlying assets.
 - (b) The Transferee Company shall transfer the balance in the "Molasses Reserve Account" appearing in the books of the Transferor Company, as on the Appointed Date, being a statutory reserve, to the similar reserve account in the books of the Transferee Company.

- (c) The excess or deficit of the value of net assets determined as per Sub-clause (a) above and the reserve as per Sub-clause (b) above over the paid-up value of the BHL Shares to be issued and allotted to the members of the Transferor Company (including the BHL Shares to be issued and allotted in Trust to the independent Trustee under Clause 17) pursuant to the Scheme net of all the costs and expenses incurred, whether of the Transferor Company or the Transferee Company incidental to this Scheme including expenses in connection with all advisory fees, stamp duty charges, meeting expenses, professional fees, consultant fees and expenses, traveling, conveyance, accommodation, etc., attributable to the implementation of the Scheme, borne by the Transferee Company shall be transferred to "Amalgamation Reserve Account" and the balance in this Account, after considering the effect of sub-clause (d) below, if credit, shall be credited to the "Securities Premium Account" and if debit, shall be treated as "Goodwill" in the books of the Transferee Company.
- (d) Pursuant to the sanction of the High Court to this Scheme, the Board of Directors of the Transferee Company shall re-assess its assets and liabilities at their respective fair values, as on the Appointed Date and the difference, if any, shall be transferred to the "Amalgamation Reserve Account".
23. (a) Any tax liabilities under the Income Tax Act, 1961, Customs Act, 1962, Central Excise Act, 1944, State Sales Tax laws, Central Sales Act, 1956, applicable State value added tax laws or other applicable laws/regulations dealing with taxes/ duties/ levies (hereinafter in this Clause referred to as "**Tax Laws**") allocable or related to the business of the Transferor Company, to the extent not provided for or covered by tax provisions in the accounts of the Transferor Company, made as on the date immediately preceding the Appointed Date, shall be transferred to the Transferee Company. Any surplus in the provision for taxation/ duties/ levies account including advance tax and tax deducted at source (TDS) as on the date immediately preceding the Appointed Date will also be transferred to the Transferee Company.
- (b) Any refund under the Tax Laws due to the Transferor Company and for which no credit is taken in the accounts as on the date immediately preceding the Appointed Date shall also belong to and be received by the Transferee Company.
- (c) The Transferee Company shall be entitled to tax benefits under Section 72A and Section 115JB or any other applicable provisions of the Income Tax Act, 1961 towards brought forward losses, unabsorbed depreciation and Minimum Alternate Tax of the Transferor Company against taxable profits of the Transferee Company with effect from the Appointed Date. The Transferee Company shall continue to enjoy all the tax benefits/concessions provided to or enjoyed by the Transferor Company under applicable laws and regulations and under notifications and circulars issued thereunder.
- (d) The Transferee Company shall be entitled to revise its tax returns and related TDS returns/certificates and to claim refunds, advance tax credits, etc. and its right to make such revisions and to make such claims is expressly reserved.
24. (a) With effect from the date of filing of this Scheme with the High Court and up to and including the Effective Date, the Transferor Company and the Transferee Company shall be entitled to declare and pay dividends, whether interim or final, to their respective shareholders as on the respective record dates for the purpose of dividend and the shareholders of the Transferor Company shall not be entitled to dividends, if any, declared by the Transferee Company prior to the Effective Date. On and from the date of filing this Scheme with the High Court and until the Effective Date, the Transferor Company shall declare a dividend only after prior consultation with the Transferee Company.
- (b) Until the coming into effect of this Scheme, the holders of shares of the Transferor Company and the Transferee Company shall, save as expressly provided otherwise in this Scheme, continue to enjoy their existing rights under their respective Articles of Association including their right to receive dividend.
- (c) It is clarified that the aforesaid provisions in respect of declaration of dividends, whether interim or final, are enabling provisions only and shall not be deemed to confer any right on any member of the Transferor Company and/or the Transferee Company to demand or claim any dividends which, subject to the provisions of the Act, shall be entirely at the discretion of the respective Boards of Directors of the Transferor Company and Transferee Company and subject, wherever necessary, to the approval of the shareholders of the Transferor Company and the Transferee Company, respectively.

PART IV

GENERAL TERMS AND CONDITIONS

25. Upon the coming into effect of this Scheme, the Transferor Company shall stand dissolved without winding-up.
26. Upon the coming into effect of this Scheme the resolutions, if any, of the Transferor Company which are valid and subsisting on the Effective Date, shall continue to be valid and subsisting and be considered as resolutions of the Transferee Company and the borrowing limits approved by the shareholders of the Transferor Company under Section 293(1)(d) of the Act and upper monetary or other limits imposed by resolutions passed under any other applicable provisions of the Act, shall be added to the limits, if any, imposed under like resolutions passed by the Transferee Company or, as the case may be, be deemed to be the borrowing or other limits of the Transferee Company and accordingly, such aggregate limits or, as the case may be, limits shall constitute the limits in the Transferee Company.

27. (a) The Transferor Company and the Transferee Company by their respective Boards of Directors or any Committees thereof or any Director authorised in that behalf (hereinafter referred to as the "**Delegate**") may assent to, or make, from time to time, any modifications or amendments or additions to this Scheme which the High Court or any authorities under law may deem fit to approve of or which the High Court or any authorities under law may impose and which the Transferor Company and the Transferee Company may in their discretion accept or such modifications or amendments or additions as the Transferor Company and the Transferee Company or as the case may be, their respective Delegate may consider necessary for the proper working of, or for the purpose of resolving any doubts or difficulties that may arise in carrying out this Scheme and which may be approved by the High Court and the Transferor Company and the Transferee Company by their respective Boards of Directors or Delegates are authorised to do and execute all acts, deeds, matters and things necessary for bringing this Scheme into effect, or review the position relating to the satisfaction of any conditions of this Scheme and if necessary, waive any of such conditions (to the extent permissible under law) for bringing this Scheme into effect. In the event that any conditions imposed by the High Court or any authorities are found unacceptable by the Transferor Company or the Transferee Company for any reason, then the Transferor Company and the Transferee Company shall be at liberty to withdraw the Scheme. The aforesaid powers of the Transferor Company and the Transferee Company may be exercised by the Delegate of the respective Companies.
 - (b) For the purpose of giving effect to this Scheme or to any modifications or amendments thereof or additions thereto, the Delegates (acting jointly) of the Transferor Company and Transferee Company may give and are authorised to determine and give all such directions as are necessary for settling or removing any question of doubt or difficulty that may arise under this Scheme or in regard to the meaning or interpretation of any provision of this Scheme or implementation thereof or in any matter whatsoever connected therewith (including any question or difficulty arising in connection with any deceased or insolvent shareholders, depositors or debenture holders of the Transferor Company) or to review the position relating to the satisfaction of any conditions of this Scheme and if necessary, to waive any such conditions (to the extent permissible in law) and such determination or directions or waiver, as the case may be, shall be binding on all parties, in the same manner as if the same were specifically incorporated in this Scheme.
28. In the event that any part or provision contained in this Scheme is incapable of being given effect to for any reason whatsoever, then such part or provision shall not affect the remaining parts or provisions of this Scheme and such part or provision which is incapable of being given effect to shall be deemed to be deleted from the Scheme.
 29. The Transferor Company and the Transferee Company shall with all reasonable despatch, make and file all applications and/or petitions under Sections 391 to 394 and other applicable provisions of the Act before the High Court for sanction of this Scheme and for the dissolution without winding up of the Transferor Company under the provisions of law, and shall apply for such approvals as may be required under law.
 30. (a) The Transferee Company shall be entitled, pending the sanction of the Scheme, to apply to any Governmental Authority, if required, under any law for consents and approvals which the Transferee Company may require to own the Undertaking and to carry on the business of the Transferor Company.
 - (b) The Transferee Company shall make all necessary applications and comply with all requirements of Clause 40A of the Listing Agreement executed by the Transferee Company with the Stock Exchanges.
 31. The Transferor Company and the Transferee Company shall also apply for and obtain such consent and approval as may be required under applicable law or contract to the extent necessary to give effect to the Scheme.
 32. This Scheme is conditional upon and subject to:
 - (i) The Scheme being agreed to by the requisite majority of the members and creditors of the Transferor Company and of the Transferee Company and by such other persons as may be required under the Act and as may be directed by the High Court;
 - (ii) The certified copies of the Orders of the High Court sanctioning this Scheme being filed by the Transferor Company and the Transferee Company with the Registrar of Companies.
 33. In the event of this Scheme failing to take effect finally by 30th September, 2011 or by such later date as may be agreed by the Board of Directors of the Transferor Company and the Board of Directors of the Transferee Company, this Scheme shall become null and void and be of no effect and in that event no rights and liabilities whatsoever shall accrue to or be incurred inter-se by the parties or their shareholders or creditors or employees or any other person. In such case, each Company shall bear its own costs, charges and expenses or as may be mutually agreed.
 34. All costs, charges and expenses (including stamp duty, taxes and duties) of or payable by the Transferor Company and the Transferee Company in relation to or in connection with this Scheme and incidental to the completion of the amalgamation of the Transferor Company with the Transferee Company in pursuance of this Scheme shall be borne and paid by the Transferee Company.

**IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION
COMPANY SUMMONS FOR DIRECTION NO. 503 OF 2010**

In the matter of the Companies Act, 1956;

-And-

In the matter of Sections 391 to 394 of the Companies Act, 1956;

-And-

In the matter of the Scheme of Amalgamation of Bajaj Hindusthan Sugar and Industries Limited with Bajaj Hindusthan Limited.

Bajaj Hindusthan Limited, a company registered under the }
Companies Act, 1956, and having its registered office at }
Bajaj Bhawan, 2nd Floor, Jamnalal Bajaj Marg, 226, Nariman } Applicant Company
Point, Mumbai - 400 021 }

FORM OF PROXY

I / We, the undersigned Secured Creditor(s) of the Applicant Company hereby appoint Mr./Ms. _____ of _____ and failing him / her Mr./Ms. _____ of _____ as my / our proxy, to act for me / us at the meeting of the Secured Creditor(s) of the Applicant Company to be held on **Tuesday, the 7th day of September, 2010 at 1:00 p.m. (1300 hours)** or so soon thereafter after the conclusion of the meeting of the Equity Shareholders of the Applicant Company at **Kamalnayan Bajaj Hall, Bajaj Bhawan, Jamnalal Bajaj Marg, 226, Nariman Point, Mumbai – 400 021** for the purpose of considering and, if thought fit, approving, with or without modification(s), the Scheme of Amalgamation of Bajaj Hindusthan Sugar and Industries Limited (the '**Transferor Company**') with Bajaj Hindusthan Limited (the '**Applicant Company**' or the '**Transferee Company**') and at such meeting and at any adjournment or adjournments thereof, to vote, for me / us / and in my / our name _____ (here, if for, insert '**for**'; if against, insert '**against**', and in the latter case, strike out the words below after 'Scheme of Amalgamation') the said Scheme of Amalgamation, either with or without modification(s)*, as my / our proxy may approve.

* *Strike out what is not necessary.*

Dated this _____ day of _____ 2010

Name: _____

Address: _____

Affix
Re. 1
Revenue
Stamp

Signature across the stamp

Signature of Secured Creditor(s) : _____

or

Signature of Proxy : _____

Notes:

1. Please affix Revenue Stamp before putting Signature.
2. All alterations made in the Form of Proxy should be initialled.
3. Proxy must be deposited at the registered office of the Applicant Company, not later than FORTY EIGHT hours before the commencement of the meeting.
4. In case of multiple proxies, the proxy later in time shall be accepted.

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ATTENDANCE SLIP

Registered Office: Bajaj Bhawan, 2nd Floor, Jamnalal Bajaj Marg, 226, Nariman Point, Mumbai - 400 021, Maharashtra, India

PLEASE FILL THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL.

FOR SECURED CREDITORS

Vendor Code/ DP ID &
Client ID/ Folio No.

Value/ No.

NAME AND ADDRESS OF THE SECURED CREDITOR / PROXY HOLDER

I hereby record my presence at the meeting of the Secured Creditors of the Company convened pursuant to the Order dated 23rd July, 2010 of the Hon'ble High Court of Judicature at Bombay on **Tuesday, the 7th day of September, 2010 at 1:00 p.m. (1300 hours)** or so soon thereafter after the conclusion of the meeting of the Equity Shareholders of the Applicant Company at Kamalnayan Bajaj Hall, Bajaj Bhawan, Jamnalal Bajaj Marg, 226, Nariman Point, Mumbai – 400 021.

SIGNATURE OF THE SECURED CREDITOR **OR** PROXY : _____

Note:

Secured Creditors who come to attend the meeting are requested to bring with them copy of the Scheme of Amalgamation.

BOOK - POST
(Under Certificate of Posting)

To,

If undelivered, please return to:

BAJAJ HINDUSTHAN LIMITED

Bajaj Bhawan, 2nd Floor, Jamnalal Bajaj Marg
226, Nariman Point, Mumbai - 400 021
Maharashtra, India