BAJAJ
Bajaj Holdings & Investment Limited
(formerly Bajaj Auto Limited)
CIN: L35911PN1945PLC004656
Regd. Office : Bajaj Auto Limited Complex,
Mumbai Pune Road, Akurdi, Pune 411035.
Tel.: 020-27472851, Fax :020-27407380
Website: www.bhil.in

11 May 2015

Corporate Relations Department.
BSE Limited
1st Floor, , New Trading Ring
Rotunda Building, P J Tower
Dalal Street, Mumbai 400 001
Email: corp.relations@bseindia.com

BSE Code: 500490

Corporate Relations Department.
National Stock Exchange of India Ltd
Exchange Plaza, 5th Floor
Plot No.C-1, G Block
Bandra-Kurla Complex
Bandra (East), MUMBAI 400 051
Email: cmlist@nse.co.in

NSE Code: BAJAJHLDNG

Sub: Disclosure under clause 36 of the Listing Agreement – Outcome of litigation vide Bombay High Court Order dated 8 May 2015

Dear Sir,

Background:

1. As regards Maharashtra Scooters Ltd. (MSL), a company jointly promoted by the Company (erstwhile Bajaj Auto Ltd.) and Western Maharashtra Development Corporation Ltd. (WMDC), WMDC had in 2003 offered to sell its 27 per cent shareholding in MSL and the Company had confirmed its willingness to purchase these shares.

2. The price at which the shares were to be sold, had been jointly referred to a sole Arbitrator, Justice Arvind V Savant (Retd), with an understanding in writing that the arbitral award would be binding on both. The Award of the Arbitrator dated 14 January 2006 valued the share price of MSL at ₹ 151.63 per share as the rate at which 3,085,712 equity shares of MSL held by WMDC are to be sold to the Company. The said Award was challenged by WMDC in the Bombay High Court.

3. After hearing both the parties, the single Judge Bench of Hon'ble Bombay High Court, vide its order dated 15 February 2010, while confirming the ruling of the Arbitrator on his jurisdiction, the relevant date for valuation, the methodology adopted by the Arbitrator on valuation and the price, set aside the Award of the Learned Arbitrator on the ground that the Arbitral Award goes contrary to the provisions of section 111A of the Companies Act, 1956, which relates to free transferability of shares in a public limited company. The Company challenged the decision of the Hon'ble Bombay High Court by way of filing an Appeal before the Division Bench of the High Court on various grounds. WMDC filed Cross Objections on the issues regarding jurisdiction, date of valuation, methodology and price.

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Order of Bombay High Court dated 8 May 2015:

The matter came up for hearing before Division Bench of the Hon'ble Bombay High Court in February / March 2015. The Bench has pronounced its Order on 8 May 2015, inter alia, stipulating the following:

1. The Company's Appeal No.153 of 2010 is allowed and the impugned order of the Single Judge dated 15th February 2010 is set aside in so far as it set aside the arbitral Award on the ground that Clause 7 of the Protocol Agreement was in the nature of a restriction on free transferability of the shares and was therefore contrary to section 111A of the Companies Act, 1956.

2. The Cross Objections filed by the Respondent (WMDC) have no merit and therefore stand dismissed.

3. In the peculiar circumstances of the case and in the interest of justice, the Appellant (BHIL), for the purchase of the 3,085,712 equity shares of MSL, shall pay to the Respondent (WMDC) a sum of ₹ 46.79 Crore (calculated at Arbitral Award price of ₹ 151.63 per share) together with simple interest @ 18% per annum from 14 January 2006 (date of Arbitral Award) till payment.

This is for your information please.

Thanking You,

Yours Faithfully,
For **Bajaj Holdings & Investment Limited**,

Vallari Gupte
Company Secretary