

Re.: Scheme of Amalgamation of Bajaj Hindusthan Sugar and Industries Limited (BHSIL/Transferor Company) with Bajaj Hindusthan Limited (BHL/Transferee Company)

Synopsis of the Scheme of Amalgamation

1. 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.

2. Entitlement of shares and Share Exchange Ratio:

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"**.

3. Treatment of fractional entitlements:

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.



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