

NOTICE TO SHAREHOLDERS

NOTICE is hereby given that the **Seventy-Ninth Annual General Meeting** of the Members of Bajaj Hindusthan Limited will be held on **Tuesday, the 22nd day of March, 2011 at 11.30 A.M.** at Kamalnayan Bajaj Hall, Bajaj Bhawan, Jamnalal Bajaj Marg, 226, Nariman Point, Mumbai - 400 021, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Balance Sheet as at September 30, 2010, the Profit and Loss account for the year ended on that date and the Report of the Directors and the Auditors thereon for the said year.
2. To declare a dividend on Equity Shares for the year ended September 30, 2010.
3. To appoint a Director in place of Mr. D. S. Mehta, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. M. L. Apte, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint M/s. Chaturvedi & Shah (Firm Registration Number 101720W) retiring Auditors as Auditors of the Company to hold office from conclusion of this Meeting until the conclusion of the next Annual General Meeting of the Company and to fix their remuneration.

SPECIAL BUSINESS:

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

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

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

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

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

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

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

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

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

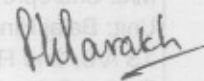
"RESOLVED FURTHER THAT subject to the existing law and regulations, such Securities to be issued, that are not subscribed, may be disposed of by the Board to such person(s) and in such manner and on such terms as the Board may in its absolute discretion think most beneficial to the Company, including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

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

approval of the Company to the end and intent that the Company shall be deemed to have given its approval thereto expressly by the authority of this resolution."

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

By Order of the Board of Directors



Pradeep Parakh

Group President (GRC) & Company Secretary

Place: Mumbai,

Dated: December 20, 2010

NOTES:

1. A member entitled to attend and vote at the ANNUAL GENERAL MEETING ("MEETING") is entitled to appoint a proxy to attend and vote instead of himself/herself and the proxy need not be a member of the Company. The instrument appointing the proxy, in order to be effective, shall be deposited at the registered office of the Company not less than FORTY-EIGHT hours before the commencement of the meeting.
2. Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified true copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.
3. In case of joint holders attending the Meeting, only such joint holder who is higher in order of names will be entitled to vote.
4. In terms of Article 104 of the Articles of Association of the Company, read with Section 256 of the Companies Act, 1956, Mr. D.S. Mehta and Mr. M. L. Apte, Directors, retire by rotation and being eligible, offer themselves for re-appointment. The Board of Directors commends their respective re-appointments.
5. Brief resume of all Directors proposed to be re-appointed, nature of their expertise in specific functional areas, names of the companies in which they hold directorships, memberships/ chairmanships for Board/Committees, shareholding and relationship between directors inter-se as stipulated in Clause 49 of the Listing Agreement with Stock Exchanges in India, are provided in the annexure.
6. An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, relating to Special Business to be conducted at the Meeting is annexed hereto.
7. Relevant documents referred in accompanying Notice are open for inspection by the members at the Registered Office of the Company on all working days, except Saturdays, between 11.00 A.M. and 1.00 P.M. up to the date of the Meeting.
8. The Register of Members and Share Transfer Register Books of the Company shall remain closed from Saturday, March 12, 2011 to Tuesday, March 22, 2011 (both days inclusive).
9. Dividend in respect of the equity shares of the Company as recommended by the Directors, if approved at the Annual General Meeting, will be paid at par on or after March 22, 2011:-
 - a) To those members who hold shares in physical form and whose names shall appear in the Register of Members as on Friday, March 11, 2011.
 - b) In respect of Shares held in electronic form, to the beneficial owners of Shares as at the close of business hours on Friday, March 11, 2011 as per the details to be furnished by the Depository to the Company for this purpose.
10. Members are requested to furnish their Bank Account details, change of address and all other required details to the Registrar & Share Transfer Agents in respect of shares if held in physical form. In case of shares held in electronic form, these details should be furnished to the respective Depository Participants (DPs).
11. The Securities and Exchange Board of India ("SEBI") has mandated the submission of Permanent Account Number ("PAN") by every participant in the securities market. Members holding shares in electronic form are therefore, requested to submit their PAN card numbers/copies of PAN card to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company/Registrar and Share Transfer Agents, M/s. Sharepro Services (India) Private Ltd.

12. For convenience of the Members and for proper conduct of the Meeting, entry to the place of the Meeting will be regulated by way of attendance slip, which is annexed to this Notice. Members are requested to bring their Attendance Slip, sign the same at the place provided and hand it over at the entrance of the venue.
13. Members are requested to send all communications relating to shares to the Registrar and Share Transfer Agents of the Company at the following address:

By Post/ Courier/ Hand Delivery	By Hand Delivery
M/s. Sharepro Services (India) Pvt. Ltd. Unit: Bajaj Hindusthan Limited 13 A/B, 2nd Floor, Samhita Warehousing Complex, Behind Sakinaka Telephone Exchange, Andheri-Kurla Road, Sakinaka, Andheri (East), Mumbai – 400 072 Tel. No.: 022 6772 0400 / 001 / 002 Fax No.: 022 2850 8927, 2859 1568 E-mail: sharepro@shareproservices.com	M/s. Sharepro Services (India) Pvt. Ltd. Unit: Bajaj Hindusthan Limited 912 Raheja Centre, Free Press Journal Road, Nariman Point, Mumbai – 400 021 Tel. No.: 022 2282 1568 / 69 Fax No.: 022 2282 5484 E-mail: sharepro@shareproservices.com

14. Pursuant to the provisions of Section 205A to Section 205C of the Companies Act, 1956, all unclaimed/unpaid monies by way of dividend transferred to the "Unpaid Dividend Account" of the Company as contemplated under Section 205A of the Companies Act, 1956 that remains unclaimed/unencashed for a period of 7 (seven) years from the respective date of such transfer has to be transferred by the Company to "The Investor Education and Protection Fund" being the fund established by the Central Government under Section 205C (1) and no claims shall lie against the said Fund or the Company in respect thereof.

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

Dividend for the year	Date of Declaration of Dividend	Due Date of transfer to The Investor Education and Protection Fund
2002-2003	25.03.2004	30.04.2011
2003-2004	31.03.2005	06.05.2012
2004-2005	28.03.2006	03.05.2013
2005-2006	30.03.2007	05.05.2014
2006-2007	26.02.2008	02.04.2015
2007-2008	24.03.2009	29.04.2016
2008-2009	18.03.2010	23.04.2017

Shareholders who have not encashed / claimed the dividend warrant(s) so far in respect of the above financial years, are therefore, requested to make their claims to the registered office of the Company at the earliest.

ANNEXURE TO THE NOTICE

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

The following Explanatory Statement sets out all the material facts relating to the Special Business under Item No.6 of the accompanying Notice dated December 20, 2010.

In respect of Item No. 6

The Company has been exploring various avenues for arranging funds by way of issue of shares/ convertible securities in form of issues to Qualified Institutional Buyers and/or private placement and/or GDRs/ ADRs/ FCCBs issue, etc. The Company may require long term funds for various purposes, viz. for repayment of debt, to meet long terms working capital requirements, capital expenditure, and other general corporate purposes as per its growth and business related plans from time to time. Accordingly, the management may consider to raise direct equity capital equivalent to amount not exceeding Rs. 2,000 crores (Rupees Two thousand crores only) in one or more tranches as may be advised by issue of equity shares and/or any other financial instruments convertible into equity through Qualified Institutions Placement (QIP) under Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 ["SEBI (ICDR) Regulations, 2009] and/or through issuance of securities in the international markets by way of GDRs/ ADRs/ FCCBs, etc. in one or more tranches.

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

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

For making any further issue of shares to any person/s other than existing Equity Shareholders of the Company as also under the provisions of SEBI (ICDR) Regulations, 2009, approval of Shareholders is required to be obtained by way of passing a Special Resolution, in pursuance to the provisions of section 81 (1A) of the Companies Act, 1956 (the Act).

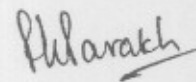
Therefore, the Board of your Company has recommended the Resolution contained in Item No. 6 to be passed by the shareholders, so as to enable it to issue further equity shares and/or other securities which will include issue on QIP basis.

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

The Board of Directors recommend passing of the Special Resolution set out in Item No. 6 of the Notice.

All the Directors may be deemed to be interested in the Resolution at Item No. 6, to the extent of shares and/or securities that may be offered to them and/or entities in which any of respective director is deemed to be interested. None of the Directors of the Company is, in any way, concerned or interested in the Resolution proposed in item no. 6 of the Notice.

By Order of the Board of Directors



Pradeep Parakh

Group President (GRC) & Company Secretary

Place: Mumbai,

Dated: December 20, 2010

ANNEXURE TO ITEMS 3 AND 4 OF THE NOTICE

Details of Directors seeking re-appointment at the forthcoming Annual General Meeting (in pursuance of Clause 49 of the Listing Agreement)

Name of the Director	Mr. D.S. Mehta	Mr. M. L. Apte
Director Identification Number	00038366	00003656
Date of Birth	27.04.1936	05.10.1932
Nationality	Indian	Indian
Date of appointment on the Board	28.01.1986	13.07.1970
Qualifications	Honours degree in Commerce from Mumbai University and is an alumnus of Sydenham College.	Graduated with a B.A. Degree from Elphinstone College, Mumbai.
Expertise in functional area	Corporate law, taxation, finance and investment.	Industrialist.
Number of shares held in the Company	20580	600
List of Directorships held in other companies	Mukand Ltd. Maharashtra Scooters Ltd. Bajaj Auto Finance Ltd. Sikkim Janseva Pratisthan Pvt. Ltd. Janmabhoomi Newspapers Education Foundation Niche Financial Services Pvt. Ltd. Bajaj Auto Limited Bhoopati Shikshan Pratisthan Mahakalp Arogya Pratisthan Benchmark Asset Management Company Pvt. Ltd.	Kulkarni Power Tools Limited The Bombay Burmah Trading Corporation Limited Standard Industries Limited The Raja Bahadur International Ltd. Apte Amalgamations Ltd. Grasim Industries Limited Zodiac Clothing Co. Ltd. Tata Asset Management Ltd.
Chairman/Member of the Committees of the Boards of other companies in which he is Director as on 30.09.2010	Mukand Ltd. - Audit Committee, Shareholders/ Investors Grievance Committee Maharashtra Scooters Ltd. - Audit Committee, Shareholders/ Investors Grievance Committee Bajaj Auto Finance Ltd. - Audit Committee, Shareholders/ Investors Grievance Committee	Grasim Industries Limited - Audit Committee Zodiac Clothing Co. Ltd. - Share Transfer Committee Audit Committee, Compensation Committee, Share Allotment Committee The Bombay Burmah Trading Corporation Limited - Share Transfer Committee, Audit Committee, Investor Grievance Committee Standard Industries Limited - Remuneration Committee, Audit Committee