

NOTICE FOR PASSING OF RESOLUTIONS BY POSTAL BALLOT

(Pursuant to Section 192A of the Companies Act, 1956)

NOTICE TO THE MEMBERS

Notice is hereby given pursuant to Section 192A(2) of the Companies Act, 1956, read with the Companies (passing of the resolution by postal ballot) Rules, 2011, that the Company is seeking the Shareholders' consent to pass the proposed Special Resolutions by way of Postal Ballot. The Explanatory Statement pertaining to the said Resolutions setting out the material facts and the reasons thereof is annexed hereto along with a Postal Ballot Form and postage pre-paid envelope.

1. Alteration to the Memorandum of Association of the Company

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

“RESOLVED THAT pursuant to Sections 16, 17 and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof, for the time being in force) the Memorandum of Association of the Company be and are hereby altered as under:-

Inserting the new sub-clause 29 under clause III regarding “Amalgamation” after the existing sub-clause 28:-

29. To amalgamate with any other company or body corporate or body of persons”.

2. Investment, Corporate Guarantee, Loan under Section 372A of Companies Act, 1956

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

“RESOLVED THAT pursuant to Section 372A and all other applicable provisions of the Companies Act, 1956 (including any statutory modification or re-enactment thereof, for the time being in force) and subject to consent(s), approval(s) and/ or permission(s) as may be necessary the approval and consent of the Company be and is hereby accorded to the Board of Directors of the Company to invest/acquire by way of subscription, purchase, conversion or otherwise, Equity Shares, Preference Shares, Debentures (whether convertible or non-convertible) or any other financial instruments of one or more bodies corporate and/or to make/ give, any loan or loans to any body/bodies corporate and/or to give any guarantee(s) and/or provide any security, in connection with any loan(s) made, by any other person(s) to, or to any other person(s) by, any body(ies) corporate as the Board may think fit, for the amount exceeding the limits specified in section 372A of the Companies Act, 1956, as per details mentioned herein below:

Name of the Company	Maximum amount	Purpose
Lalitpur Power Generation Company Ltd.	1040 crore	To invest in equity shares/ make loan, provide guarantee/ security for availing short term loan/ bridge loan in connection with the 1980 MW power project.
Bajaj Energy Pvt. Ltd.	200 crore	To meet the additional expenses towards cost overrun/ cost escalation”

“RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to delegate all or any of the powers herein conferred, to any Committee of Directors or any one or more Directors of the Company”.

“RESOLVED FURTHER THAT for the purpose of giving effect to the above, the Board of Directors of the Company and/ or Committee of Directors constituted for this purpose be and is hereby authorised to take all such actions and to give all such directions as may be necessary or desirable and also to settle any question or difficulty that may arise in regard to the proposed investment(s) or loan(s) or guarantee(s) or security(ies) and further to do all such acts, deeds, matters and things and to execute all such deeds, documents and writings as may be necessary, desirable or expedient in connection therewith.”

3. Confirmation of the resolutions passed at the meeting of Board of Directors for Corporate Guarantee given in accordance with the provisions of Section 372A of Companies Act, 1956

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

“RESOLVED THAT pursuant to Section 372A and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof, for the time being in force) the confirmation and approval of the Company be and is hereby accorded to the Corporate Guarantees furnished by the Board from time to time in respect of facilities granted by various lenders to Lalitpur Power Generation Company Limited (LPGCL), a subsidiary of the Company, as per details given below:

Sl no.	In favour of	Amount (Rs. in crore)	Details of Loan and Corporate Guarantee	Date of Board approval
1	Central Bank of India	100	Corporate Guarantee for the purpose of availing short term Loan of Rs. 100 crore from Central Bank of India by LPGCL	July 15, 2011
2	UCO Bank	100	Corporate Guarantee for the purpose of availing short term Loan of Rs. 350 crore from UCO Bank by LPGCL	August 12, 2011
3	Syndicate Bank	350	Corporate Guarantee for the purpose of availing short term Loan of Rs. 350 crore from Syndicate Bank by LPGCL	August 12, 2011
4	Yes bank Ltd.	250	Corporate Guarantee for the purpose of availing short term Loan of Rs. 250 crore from Yes bank Limited	September 20, 2011
5	United Bank of India	100	Corporate Guarantee for the purpose of availing of short term Loan of Rs. 100 crore from United Bank of India by LPGCL	October 19, 2011
6	SREI Infrastructure Finance Ltd.	250	Corporate Guarantee for the purpose of availing of short term Loan of Rs. 250 crore from Srei Infrastructure Finance Ltd. by LPGCL	October 19, 2011
7	State Bank of India	675	Corporate Guarantee for the purpose of availing of short term Loan of Rs. 675 crore, pending disbursement of regular term loan from State Bank of India	March 13, 2012
	Total	1825		

By order of the Board of Directors
For Bajaj Hindusthan Limited

Pradeep Parakh
Group President (GRC) & Company Secretary

Place : Mumbai

Dated : March 13, 2012

Notes:

1. The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 setting out all material facts and the reasons thereto is annexed hereto.
2. The Postal Ballot Form for voting by you as a Shareholder of the Company is enclosed.
3. The Board of Directors has appointed Mr. R. Ramachandran, Practising Company Secretary as the Scrutinizer for conducting this Postal Ballot voting process in a fair and transparent manner. His address is The Scrutinizer, C/o Bajaj Hindusthan Limited, Bajaj Bhawan, 2nd Floor, Jamnalal Bajaj Marg, 226, Nariman Point, Mumbai 400 021.
4. Members are requested to read carefully the instructions printed on the Ballot Form and return the Form duly completed, in the attached self addressed postage pre-paid envelope, so as to reach the Scrutinizer on or before May 03, 2012. Please note that any Postal Ballot Form (s) received after the said date will be treated as not having been received. No other form or photocopy thereof is permitted. The scrutinizer will submit his report to the Chairman of the Company after completion of the scrutiny of the Postal Ballots. The results of the Postal Ballot will be announced on May 14, 2012 at the Registered Office of the Company. The result shall also be announced to the Stock Exchanges where shares of the Company are listed and intimated through a Press Release in newspapers. The result will also be put on the Company's website www.bajajhindusthan.com The Resolutions, if approved, will be taken as passed effectively on the date of declaration of result.
5. All documents referred to in the accompanying Notice and the Explanatory Statement are open for inspection at the Registered Office of the Company during the office hours on all working days except Saturdays between 11.00 a.m. and 1.00 p.m. upto May 14, 2012.

6. **The Company also offers e-Voting facility. Please see the instructions below for details.**
 In compliance with the provisions of Section 192A of the Companies Act, 1956 read with Companies (passing of the resolution by postal ballot) Rules, 2011, the Company also offers e-voting option to all the shareholders. For this purpose, the Company will be making necessary arrangement with National Securities Depository Limited (NSDL) for facilitating e-voting and is pleased to offer e-voting facility as an alternate, for its Members to enable them to cast their votes electronically instead of dispatching Postal Ballot Form. E-voting is optional.
7. Shareholders have option to vote either through e-voting or through Ballot Form. Shareholders irrespective of who have registered their e-mails for receipt of documents in electronic mode under the Green Initiative and who wish to vote through Ballot Form can download Ballot Form from the link www.evoting.nsdl.com or seek duplicate form from R & T Agent M/s Sharepro Services (India) Pvt. Ltd., Unit Bajaj Hindusthan Limited, 13 AB, 2nd Floor, Samhita Warehousing Complex, Behind Sakinaka Telephone Exchange, Andheri-Kurla Road, Sakinaka, Andheri (East), Mumbai 400 072, fill in the details and send the same to the Scrutinizer by Post at the address given at Sr. No.2 above.
8. The instructions for shareholders for voting Electronically, are as under:
- A. In case of shareholders receiving e-mail from NSDL**
- Open e-mail and open PDF file viz. " BHL e-Voting.pdf"with your Client ID or Folio No. as password containing your user ID and password for e-voting. Please note that the password is an initial password.
 - Launch internet browser by typing the following URL: [https:// www.evoting.nsdl.com/](https://www.evoting.nsdl.com/)
 - Click on "Shareholder" - "Login"
 - Put user ID and password as initial password noted in step (a) above. Click Login.
 - Password change menu appears. Change the password with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
 - Home page of "e-Voting" opens. Click on "e-Voting":— Active Voting Cycles.
 - Select "EVEN" of Bajaj Hindusthan Limited
 - Now you are ready for "e-Voting" as "Cast Vote" page opens.
 - Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
 - Institutional shareholders (i.e. other than individuals, HUF, NRI, etc.) are also required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail kadhikari@bajajhindusthan.com with a copy marked to evoting@nsdl.co.in.
- B. In case of shareholders other than in (A) above**
- Initial password is provided at the bottom of the Postal ballot form. Please follow all steps from Sr.No.(b) to Sr.No.(j) above, to cast vote.
9. **The voting period ends on the close of day of 03.05.2012. The e-voting module will be disabled for voting thereafter by NSDL.**
10. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for shareholders and e-voting user manual for Shareholders available at the "downloads" section of www.evoting.nsdl.com or call on (022) 2204 9056

Explanatory Statement pursuant to Section 173(2) and 192(A) of the Companies Act, 1956

In respect of Item No.1

Presently the Object Clause of Memorandum of Association (MOA) of the Company does not have any power regarding amalgamation/ merger etc. Although it has been held by various decisions of the courts that there is no necessity to have special power in the object clause of the MOA of a company for its amalgamation with another company to facilitate speedy disposal of amalgamation process in future, a specific clause relating to the power of amalgamation is proposed to be incorporated in the object clause of the MOA of the Company.

The MOA of a Company can be altered only when approved by shareholders by passing of special resolution in terms of Section 16 and 17 of the Companies Act, 1956.

Approval of the shareholders is, therefore, sought by voting by Postal Ballot in terms of provisions of Section 192A of the Companies Act, 1956, read with the provisions of the Companies (passing of the resolution by postal ballot) Rules, 2011 to alter the Memorandum of Association of the Company as aforesaid.

The Board of Directors recommend passing of the Special Resolution set out in Item No. 1 of this Notice.

A copy of the Memorandum and Articles of Association of the Company, with the proposed amendments is available for inspection by members during business hours on any working days at the registered office of the Company between 11.00 A.M. to 1.00 P.M. upto May 14, 2012.

None of the Directors of the Company is, in any way, concerned or interested in the resolution at Item No.1 of the Notice.

In respect of Item nos. 2 and 3

In connection with the 1,980 MW (660 MW X 3) mega thermal power project at Lalitpur, Uttar Pradesh, being implemented through Lalitpur Power Generation Company Limited (LPGCL), a Special Purpose Vehicle created for this purpose, the estimated cost of project of Rs. 11,848 crore is proposed to be funded through a mix of debt and equity. For debt portion LPGCL has already entered into a facility agreement on August 24, 2011 with syndicate of lenders for term loan financing of Rs. 8,886 crore. For equity portion BHL will be required to contribute and maintain a minimum of 26% equity in the SPV - LPGCL until the successful commissioning of the projects. Towards this minimum commitment of holding at least 26% equity in the SPV, BHL would be obligated to invest an aggregate of Rs. 771 crore, in phased manner. Thus, the Company along with its consortium partner in respect of the Lalitpur project has to bring an aggregate sum of around Rs. 771 crore as equity contribution for the projects, as enumerated above. Towards this equity contribution BHL has till date invested an aggregate of Rs. 234.98 crore in LPGCL. The balance amount of equity contribution of around Rs. 540 crore will be required in a phased manner over the implementation period of the projects.

Pending disbursement of the term loans, various banks have granted Short Term Loans/Bridge loans aggregating to Rs. 2,950 crore to LPGCL with one of the conditions to obtain Corporate Guarantee from the holding company, i.e. BHL. The Company from time to time had received request from LPGCL for issuance of corporate guarantees in favour of various banks. To facilitate smooth and timely progress of the project work, the Board of Directors of the Company have approved issuance of Corporate Guarantees aggregating to Rs.1,825 crore as mentioned in resolution no. 3. The approval of the said Corporate Guarantees which together with aggregate of all investments, loans, securities and guarantees provided by the Company were in excess of the limits specified under Section 372A of the Companies Act, 1956, the same were approved from time to time as permitted under the provisions of Section 372A subject, inter alia, to the confirmation within 12 months by a special resolution passed by the shareholders.

As per the terms of the sanction of syndicated term loan of Rs. 8,886 crore mentioned above one of the pre disbursement conditions was to obtain Letter of Assurance (LOA) from Coal India Limited or its subsidiaries for supply of domestic coal for meeting the domestic coal requirements of the project. However, due to lack of clear coal supply policy, it seems to take some more time. Since the lender will disburse the term loan only after affirmation of the domestic coal supply, LPGCL may have to continue to avail short term loans for the purpose of its project. Since such short term loans may be required to be secured by way of guarantee an enabling approval from shareholder is proposed to facilitate giving loans and/or give securities/guarantees for the short term loans to be taken by LPGCL upto an aggregate amount of Rs. 500 crore.

Further in connection with the 450 MW (90 MW x 5) power projects at five locations, which is being implemented through Bajaj Energy Private Limited (BEPL), a special purpose vehicle at the original estimated project cost of Rs. 2,320 crore, there was a cost overrun of around Rs. 400 crore. As per the terms of sanctions of Term Loans from various banks, if cost of project exceeds the projected cost of completion, the same shall be met by Bajaj Hindusthan Limited (BHL) through additional equity contribution/ subordinated debt from BHL or loans arranged by BHL. In order to fund the said cost overrun the Company may consider providing upto Rs. 200 crore by way of equity contribution and/or subordinated debt, depending upon its cash flow position.

These investments, loans, guarantees and securities are made/ proposed to be made out of own/ surplus funds internal accruals / borrowed funds, the objective of which is optimum utilization of funds of the Company and also to achieve long term strategic and business objectives. The Investments, loans, guarantees and securities will be made on terms and conditions most beneficial to the Company / at prevailing market rates.

Pursuant to Section 372A of the Companies Act, 1956, a company cannot, except with the permission of the Shareholders, make investment, give loan or guarantee or provide any security in excess of the limits set out therein. However, the Board may give guarantee, without being previously authorised by a special resolution in case of exceptional circumstances and also the subject to the confirmation in a general meeting within twelve months of the resolution of the Board. As per the Companies (passing of the resolution by postal ballot) Rules, 2011, giving loans or extending guarantees or providing security in excess of the limit prescribed under sub section (1) of Section 372A shall be passed through postal ballot.

Your approval is sought by voting by postal ballot in terms of the provisions of Section 192A of the Companies Act, 1956 read with the provisions of the Companies (passing of the resolution by postal ballot) Rules, 2011 in respect of resolution no. 2 for making loan/ giving guarantee or providing security and Investment by way of subscribing securities, in excess of the limits specified in Section 372A of the Companies Act, 1956 and in respect of resolution no.3 for Confirmation of the resolutions passed at the meetings of Board of Directors for Corporate Guarantees given in accordance with the provisions of Section 372A of Companies Act, 1956.

The Board of Directors recommend passing of the Special Resolutions set out in Item Nos. 2 and 3 of this Notice.

Mr. Kushagra Bajaj, Vice Chairman and Joint Managing Director is deemed to be concerned or interested in Resolution no. 2, being the director of BEPL. Dr. Sanjeev Kumar, Director (Corporate and Legal Affairs) is deemed to be concerned or interested in Resolutions no. 2 and 3, being the director in LPGCL.

None of the other Directors of the Company is, in any way, concerned or interested in the resolutions at Item Nos.2 and 3 of the Notice.

By order of the Board of Directors
For Bajaj Hindusthan Limited

Pradeep Parakh
Group President (GRC) & Company Secretary

Place : Mumbai

Dated : March 13, 2012