

Press Release

For Immediate Attention

**BAJAJ HINDUSTHAN LTD.'s AND  
SUBSIDIARY - BAJAJ HINDUSTHAN SUGAR AND INDUSTRIES LTD.'s  
BOARDS APPROVE MERGER**

**Merger to further consolidate leadership position of  
BHL in India's Sugar Sector**

- **BHSIL shareholders to receive one share of BHL for every 5 shares of BHSIL**
- **The appointed date of merger of BHSIL with BHL is April 1, 2010**
- **Merger to enhance efficiencies from scale and synergies**

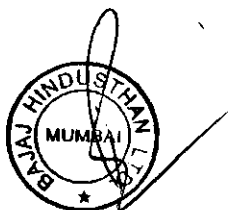
**MUMBAI, 17 June 2010:** The Boards of Directors of Bajaj Hindusthan Ltd. (BHL) and Bajaj Hindusthan Sugar and Industries Ltd. (BHSIL) today unanimously approved the merger of BHSIL with BHL, subject to all necessary approvals. The Boards of both the companies have recommended an exchange ratio of one (1) share of BHL for every five (5) shares of BHSIL.

Commenting on Merger, Mr. Kushagra Bajaj, Jt. Managing Director BHL and Chairman BHSIL said: "Post Merger BHL will have sugarcane crushing capacity of **1,36,000 TCD**, Distillery capacity of **800 KL per day** and surplus bagasse based co-generation thermal power capacity of **105 MW**. Upon merger the combined capacities of BHL and BHSIL along with their respective inherent operational strengths will *strengthen BHL's position in India's sugar sector and will enable the company to further enhance overall shareholder value.*"

Mr. Bajaj further added "The amalgamation is a natural consequence and will result in the creation of a single larger entity in place of two smaller entities carrying on similar business under the same management and control; thus, resulting in rationalisation of operations, better profitability, enhanced production capacity and a stronger competitive position."

**Benefits of Merger:**

The merger will enhance the value for shareholders of both BHL and BHSIL. This merger will lead to a consequential increase in BHL's equity and will be significantly beneficial for post merger BHL's shareholders. There will be further gains and benefits from reduced operating costs arising from the synergies of a combined operation.



The proposed merger will contribute to the substantial benefits for BHL in terms of scale, integration, enhanced financial strength and flexibility, thereby enhancing shareholder value.

Under the proposed terms of the merger, against the stake of BHL in BHSIL, corresponding numbers of BHL shares will be directly issued and allotted to a Trust to be held, for the benefit of BHL.

BHSIL shareholders will benefit from the opportunity to participate in BHL's future growth, by obtaining shares in the No. 1 sugar company in India.

**Merger Details:**

The appointed date of merger of BHSIL with BHL is 1.4.2010.

Under the terms of the proposed merger, BHSIL shareholders will receive 1 (one) share of BHL for every 5 (five) BHSIL shares held by them.

Against the stake of BHL in BHSIL, corresponding numbers of BHL shares will be held in a Trust, for the benefit of BHL, as Treasury Stock.

The proposed merger is subject to necessary approvals by shareholders, creditors, as may be required pursuant to Section 391 to 394 of the Companies Act, 1956 and also other regulatory and statutory approval including by the Hon'ble High Court of Judicature at Mumbai

Other procedural aspects, and timetable for implementation and developments in this regard will be communicated separately for time to time.

