



## **Bajaj Hindusthan Sugar Limited**

CIN: L15420UP1931PLC065243

Registered Office: Golagokarannath, Lakhimpur-Kheri, District Kheri, Uttar Pradesh 262 802

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### **NOTICE FOR PASSING OF RESOLUTION BY POSTAL BALLOT (Pursuant to Section 110 of the Companies Act, 2013 and Rules made thereunder)**

#### **TO THE SHAREHOLDERS OF BAJAJ HINDUSTHAN SUGAR LIMITED**

Notice is hereby given pursuant to Section 110 and other applicable provisions, if any, of the Companies Act, 2013, read with Companies (Management and Administration) Rules, 2014 including any statutory modification(s) or amendment(s) thereto or re-enactment thereof for the time being in force, Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, General Circular No. 17/2020 dated April 13, 2020 issued by Ministry of Corporate Affairs, Government of India, that the resolution as set out hereunder is proposed to be passed by the Members through postal ballot only through remote e-voting. The explanatory statements setting out the material facts concerning the said item and reasons thereof are annexed hereto for your consideration.

In view of the current extraordinary circumstances due to COVID-19 pandemic requiring social distancing, Ministry of Corporate Affairs, Government of India (the "MCA") in terms of the MCA Circulars, has advised the companies to take all decisions requiring members' approval, other than items of ordinary business or business where any person has a right to be heard, through the mechanism of postal ballot / e-voting in accordance with the provisions of the Act and Rules made thereunder, without holding a general meeting that requires physical presence of members at a common venue. MCA has clarified that for companies that are required to provide e-voting facility under the Act, while they are transacting any business(es) only by postal ballot up to June 30, 2020 or till further orders, whichever is earlier, the requirements provided in Rule 20 of the Rules as well as the framework provided in the MCA Circulars will be applicable mutatis mutandis. Further, the Company will send Postal Ballot Notice by email to all its members who have registered their email addresses with the Company or depository / depository participants and the communication of assent / dissent of the members will only take place through the remote e-voting system. This Postal Ballot is accordingly being initiated in compliance with the MCA Circulars.

Hence, in compliance with the requirements of the MCA Circulars, hard copy of Postal Ballot Notice along with Postal Ballot Forms and pre-paid business reply envelope will not be sent to the members for this Postal Ballot and members are required to communicate their assent or dissent through the remote e-voting system only.

**SPECIAL BUSINESS:**

1. **Providing security by extending pledge of Shares of Lalitpur Power Generation Company Limited (LPGCL) held by the Company, as part of a joint obligation for all the existing shareholders of LPGCL to secure working capital loans for an Adhoc limit of Rs. 269.70 crore to be availed by LPGCL**

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 Sections 180(1)(a), 185, 186, 188 and other applicable provisions of the Companies Act, 2013, read with the Companies (Meetings of Board and its Powers) Rules, 2014, Regulation 23 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and all other rules, regulations, notifications and circulars issued by the Ministry of Corporate Affairs in this regard and as amended from time to time and the relevant provisions of the Memorandum of Association and Articles of Association of the Company, consent of members of the Company be and is hereby accorded to the Board of Directors of the Company or any Committee of the Board (‘the Board’) to provide security by extending pledge over 1,32,57,025 fully paid up Equity Shares of Rs. 10/- each of Lalitpur Power Generation Company Limited (“LPGCL”) presently being 14.53%, held by the Company, out of 76% of fully paid up equity shares of LPGCL, stipulated as part of a joint obligation for all the existing shareholders of LPGCL, to secure working capital loans for an Adhoc limit of Rs. 269.70 crore to be availed by LPGCL.”

“RESOLVED FURTHER THAT the Board be and is hereby authorized to do and perform or cause to be done or proposed all such acts, deeds, matters and things, as may be required or deemed necessary or incidental thereto and to settle and finalize all issues that may arise in this regard, without further referring to the Members of the Company, including without limitation, negotiating, finalizing and executing necessary agreements, memoranda, deeds of assignment/ novation/ conveyance and such other documents as may be deemed necessary or expedient in its own discretion and in the best interest of the Company.”

“RESOLVED FURTHER THAT all actions taken by the Board in connection with any matter referred to or contemplated in any of the foregoing resolution is hereby approved, ratified and confirmed in all respect.”

By Order of the Board of Directors

**Kausik Adhikari**

Company Secretary

(Membership No. ACS 18556)

Place: Mumbai  
Dated: May 29, 2020

**NOTES:**

1. The Statement pursuant to Section 102 of the Companies Act, 2013 setting out material facts relating to the item of the proposed special business is annexed hereto.
2. The Postal Ballot Notice is being sent by email to all the Members, whose names appear in the Register of Members/ List of Beneficial Owners as received from Depositories i.e. National Securities Depository Limited (“**NSDL**”) / Central Depository Services (India) Limited (“**CDSL**”) as on **Friday, May 22, 2020** and who have registered their email addresses in respect of electronic holdings with the Depository through the concerned Depository Participants and in respect of physical holdings with the Company’s Registrar and Share Transfer Agent, Link Intime India Private Limited.
3. The voting rights of the members shall be in proportion to their shares in the total paid-up equity share capital of the Company as on **Friday, May 22, 2020**.
4. Pursuant to the applicable provisions of the Act and Rules framed thereunder and the SEBI Listing Regulations, the Company can serve notices, annual reports and other communication through electronic mode to those Members who have registered their e-mail addresses either with the Depository Participant(s) or the Company. Members who have not registered their e-mail addresses with the Company can now register the same by sending an e-mail to the RTA on [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in). Members holding shares in demat form are requested to register their e-mail addresses with their Depository Participant(s) only.
5. The Board of Directors of the Company has appointed M/s Gupta Baul & Associates, Company Secretaries as the Scrutinizer for conducting the postal ballot process in fair and transparent manner. The Scrutinizer will submit the result to the Chairman of the Company or any authorised person of the company after completion of the scrutiny of the e-voting. The result of the postal ballot would be announced on **Tuesday, June 30, 2020** at the Registered Office of the Company.
6. The result of the postal ballot will be placed on the Company’s website [www.bajajhindusthan.com](http://www.bajajhindusthan.com) and also the website of National Securities Depository Limited at [www.evoting.nsdl.com](http://www.evoting.nsdl.com) and shall be intimated to the Stock Exchanges where the shares of the Company are listed. The result of the postal ballot will also be displayed at the Registered Office of the Company.
7. Resolution, if approved by the requisite majority of members by means of Postal Ballot, shall be deemed to have been passed on the last date of voting, i.e. **Monday, June 29, 2020** in terms of Secretarial Standard – 2 on General Meetings (“SS-2”) issued by the Institute of Company Secretaries of India.
8. 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 download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990 or send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or any grievances or queries of the members of the Company connected with the electronic voting can be addressed to the Company’s Registrar & Share Transfer Agents, M/s Link Intime India Private Limited, C 101, 247 Park, L.B.S. Marg, Vikhroli West, Mumbai - 400 083 India or may write to the Company Secretary at the Registered Office of the Company or at [postalballot@bajajhindusthan.com](mailto:postalballot@bajajhindusthan.com).

9. On account of threat posed by COVID-19 and in terms of the MCA Circulars, the Company will send Postal Ballot Notice in electronic form only and hard copy of Postal Ballot Notice along with Postal Ballot forms and pre-paid business envelope will not be sent to the members for this Postal Ballot. Accordingly, the communication of the assent or dissent of the members would take place through the remote voting system only. Therefore, those members who have not yet registered their email address are requested to get their email addresses registered by following the procedure given below:
- (i) In light of the MCA Circulars, members who have not registered their email address and in consequence could not receive the postal ballot/ e-voting notice may temporarily get their email registered with the Company's RTA, Link Intime India Private Limited, by clicking the link: [https://linkintime.co.in/emailreg/email\\_register.html](https://linkintime.co.in/emailreg/email_register.html) and following the registration process as guided thereafter. Post successful registration of the email, the members would get soft copy of the notice and the procedure for e-voting along with the User ID and the Password to enable e-voting for this Postal Ballot. In case of any queries, members may write to [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)
  - (ii) It is clarified that for permanent registration of email address, the members are however requested to register their email address, in respect of electronic holdings with the Depository through the concerned Depository Participants and in respect of physical holdings with the Company's Registrar and Share Transfer Agent, Link Intime India Private Limited.
10. Document referred to in the Notice of this Postal Ballot and the Explanatory Statement thereto, is available on the website of the Company for inspection by the Members, but can be accessed by the Members by following the procedure mentioned below:
- a. Members desirous of inspecting the Document shall send request to the Company for the same to [postalballot@bajajhindusthan.com](mailto:postalballot@bajajhindusthan.com) through the email id of such member registered with the Company.
  - b. On receipt of such request, the Company will provide "Password" to the Members on the Mail to view these Documents available on the website of the Company at [www.bajajhindusthan.com](http://www.bajajhindusthan.com).
  - c. The document will be available for inspection upto the last date of voting i.e. June 29, 2020 (5.00 P.M. IST).

## VOTING THROUGH ELECTRONIC MEANS

In terms of Sections 108, 110 and other applicable provisions of the Companies Act, 2013, as amended, read together with Rule 22 of the Companies (Management and Administration) Rules, 2014 and in compliance with Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time, the Company is pleased to provide e-voting facility to all its members, to enable them to cast their vote electronically instead of dispatching the physical Postal Ballot form by post. The Company has engaged the services of National Securities Depository Limited (NSDL) for the purpose of providing e-voting facility to all its members.

The instruction for e-voting are as under:

The e-voting period commences on **Sunday, May 31, 2020 at 09:00 A.M.(IST) and ends on Monday, June 29, 2020 at 5:00 P.M. (IST)**. The remote e-voting module shall be disabled for voting thereafter. During this period, the members of the Company holding shares in physical form or in dematerialized form, as on the cut-off date, being **Friday, May 22, 2020**, may cast their vote by electronic means in the

manner and process set out hereinbelow. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

The details of the process and manner for remote e-voting are explained as mentioned below:

**Step 1: Log-in to NSDL e-voting system at <https://www.evoting.nsdl.com/>**

**Step 2: Cast your vote electronically on NSDL e-voting system.**

**Details on Step 1 is mentioned below:**

How to Log-in to NSDL e-voting website?

1. Visit the e-voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-voting system is launched, click on the icon “Login” which is available under ‘Shareholders’ section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.  
*Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can login at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you login to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. cast your vote electronically.*
4. Your User ID details are given below:

<b>Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical</b>	<b>Your User ID is:</b>
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID  For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID  For example if your Beneficiary ID is 12***** then your user ID is 12*****
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company  For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Your password details are given below:
  - a) If you are already registered for e-voting, then you can use your existing password to login and cast your vote.
  - b) If you are using NSDL e-voting system for the first time, you will need to retrieve the ‘initial password’ which was communicated to you by NSDL. Once you retrieve your ‘initial

- password’, you need to enter the ‘initial password’ and the system will force you to change your password.
- c) How to retrieve your ‘initial password’?
    - i. If your email ID is registered in your demat account or with the Company, your ‘initial password’ is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your ‘User ID’ and your ‘initial password’.
  6. If you are unable to retrieve or have not received the “initial password” or have forgotten your password:
    - a) Click on “Forgot User Details/Password?” (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
    - b) “Physical User Reset Password?” (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
    - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address.
    - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-voting system of NSDL.
  7. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
  8. Now, you will have to click on “Login” button.
  9. After you click on the “Login” button, Home page of e-voting will open.

**Details on Step 2 is given below:**

How to cast your vote electronically on NSDL e-voting system?

1. After successful login at Step 1, you will be able to see the Home page of evoting. Click on e-voting. Then, click on Active Voting Cycles.
2. After clicking on Active Voting Cycles, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle is in active status.
3. Select “EVEN” of company for which you wish to cast your vote.
4. Now you are ready for e-voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
6. Upon confirmation, the message “Vote cast successfully” will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

**General Guidelines for shareholders**

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [prasanjit.baul@gmail.com](mailto:prasanjit.baul@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).

2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details/Password?” or “Physical User Reset Password?” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
3. 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 download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990 or send a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).

## **STATEMENT SETTING OUT MATERIAL FACTS PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013**

### **In respect of Item No. 1**

The Company has currently pledged 1,32,57,025 Equity Shares held by it in Lalitpur Power Generation Company Limited (LPGCL), group Company operating 1980 MW power plant at Lalitpur, in the state of Uttar Pradesh, aggregating to 14.53 % of the paid up share capital of LPGCL, as a part of joint obligation on the sponsors/promoters of LPGCL to secure various facilities availed by LPGCL.

LPGCL has vide its letter dated May 19, 2020 informed the Company that as a result of disruptions caused in the economy due to COVID 19 pandemic, the Company is unable to receive any payment from Uttar Pradesh Power Corporation Limited (UPPCL) till June 30, 2020 pursuant to the notification dated March 28, 2020, issued by the Ministry of Power (MOP), Government of India, which provides a three months moratorium (i.e. till June 30, 2020) to all Discoms (incl. UPPCL) for Not Making Payments to all generating companies including LPGCL.

LPGCL has further informed the Company that it is experiencing liquidity problems to run its plant due to non-payment by UPPCL (because of Lock down and MOP Circular) and therefore immediately need additional working capital to run the plant. On request of the LPGCL, State Bank of India, lead consortium lender has proposed all the working capital lenders to provide 10% of their limit under working capital as an additional fund on immediate basis so that the plant can run smoothly. The proposed working capital loans for an Adhoc limit of Rs. 269.70 crore shall inter alia be secured by way of pledge over 76% of equity shares present and future held by the promoter shareholders of LPGCL.

LPGCL has requested the Company, to provide security jointly with other shareholders of LPGCL viz., Bajaj Energy Limited and Bajaj Power Ventures Private Limited to extending pledge of up to 76% of the Paid Up Share Capital of the LPGCL as a part of Joint Obligation on the shareholders of LPGCL to secure Adhoc working capital limit (approx. Rs. 269.70 crore) to be availed by LPGCL and to execute Share pledge agreement/Amendment to the share pledge agreement in respect of and other documents as may be required in this regard.

As per Section 180(1)(a) of the Companies Act, 2013, the Board of Directors of the Company shall exercise the power to sell, lease or otherwise dispose of the whole or substantially whole of the undertaking of the company, only with the consent of the Company by as Special Resolution. As per explanation to section 180(1)(a) of the Companies Act, 2013 (“Act”), since the investment in shares of LPGCL exceeds twenty percent of the networth of the Company during the previous financial year ended March 31, 2019, consent of the members would be required by way of a Special Resolution to provide security by way of pledge of LPGCL shares, which may deemed to sell, lease or otherwise dispose of the undertaking of the Company. Pursuant to provisions of Section 110 of the Act read with Companies

(Management and Administration) Rules, 2014, the approval of the members has to be obtained, mandatorily through a Postal Ballot process.

As per Section 185(2) of the Companies Act, 2013 a company may provide any security in connection with any loan taken by any person in whom any of the director of the company is interested, subject to the condition that a special resolution is passed by the company in general meeting. The explanatory statement to the notice for the relevant general meeting shall also disclose the full particulars security provided and the purpose for which the security is proposed to be utilised by the recipient of the loan. As per the explanation to Section 185(2) of the Act any person in whom any of the director of the company is interested" means any body-corporate at a general meeting of which not less than twenty-five per cent of the total voting power may be exercised or controlled by any such director, or by two or more such directors, together. Since Mr. Kushagra Bajaj, Chairman of the Company interested in LPGCL the Special Resolution under item no. 1 is proposed to be passed by the shareholders.

As per Section 186(2) of the Companies Act, 2013 no company shall directly or indirectly give any guarantee or provide security in connection with a loan to any other body corporate or person exceeding sixty per cent of its paid-up share capital, free reserves and securities premium account or one hundred per cent of its free reserves and securities premium account, whichever is more. As per Section 186(3) of the Companies Act, 2013, where the aggregate of the loans and investment so far made, the amount for which guarantee or security so far provided to or in all other bodies corporate along with the investment, loan, guarantee or security proposed to be made or given by the Board, exceed the limits specified under sub-section (2), no investment or loan shall be made or guarantee shall be given or security shall be provided unless previously authorised by a special resolution passed in a general meeting. Since the proposed security to be provided alongwith the existing loans, investments, guarantee and security provided is exceeding the specified limit under section 186(2), the Special Resolution under item no. 1 is proposed to be passed by the shareholders.

As per Section 188(1) of the Act read with Rule 15 of the Companies (Meetings of Board and Its Powers) Rules, 2014 ('Rules') and Regulation 23 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation 2015 ['SEBI (LODR)'], material transaction entered into between related parties to be approved by the members of the Company by way of an Special Resolution. As per Regulation 23 of SEBI (LODR), since the amount for pledge of shares exceeds ten percent of the annual consolidated turnover of the Company as per the last audited financial statements, consent of the members would be required for pledge of shares in respect of working capital loans for an Adhoc limit of Rs. 269.70 crore to be availed by Lalitpur Power Generation Company Limited, a related party.

The third proviso to section 188(1) of Act states that section 188(1) of the Act shall not apply to any transaction entered into by the Company in its ordinary business, on an arm's length basis. Accordingly, even though the proposed transaction of pledge of shares to be entered on an arm's length basis, since this transaction could be construed as being outside the ordinary course of business, the approval of the members of the Company under section 188 of the Act is being sought by way of Special Resolution as set out at item no. 1 of the notice.

Additional information required to be disclosed pursuant to Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014:-

- a) *Name of the related party:* Lalitpur Power Generation Company Limited (LPGCL).
- b) *Name of the director or key managerial personnel who is related, if any:* Mr. Kushagra Bajaj, Chairman and Promoter of the Company.
- c) *Nature of relationship:* LPGCL is a promoter Group Company.



- d) *Nature, material terms, monetary value and particulars of the contract or arrangement:* Share Pledge agreement in respect of pledge of 1,32,57,025 Equity Shares held by the Company in Lalitpur Power Generation Company Limited (LPGCL) aggregating to 14.53% of the paid up share capital of LPGCL, as a part of joint obligation on the sponsors/promoters of LPGCL to secure the Adhoc working capital facilities to be availed by LPGCL.
- e) *Any other information relevant or important for the members to take a decision on the proposed resolution:* All important information forms part of the Statement setting out Material Facts pursuant to Section 102(1) of the Companies Act, 2013 which have been mentioned in the foregoing paragraphs.

Pursuant to Regulation 23 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015, all entities falling under the definition “Related Party” shall abstain from voting in respect of the resolution proposed at item no. 1 of the notice, irrespective of whether the entity is a party to the particular transaction or not.

The Board of Directors recommends passing of the Special Resolution set out in item no. 1 of the notice.

A copy of the draft Share pledge agreement is available for inspection by the Shareholders of the Company at the website of the Company at [www.bajajhindusthan.com](http://www.bajajhindusthan.com) upto June 29, 2020 (5.00 P.M. IST).

As on the date of proposing the resolution, the Company is holding 1,54,39,900 equity shares amounting to 16.92% in LPGCL. Also Mr. Kushagra Bajaj who is a director of the Company belongs to the promoter group of LPGCL (Shishir Bajaj group), which holds the remaining 83.08% equity share capital of LPGCL. Further two independent directors of the Company viz. Mr. D.K Shukla and Mrs. Shalu Bhandari are also independent directors of LPGCL. Accordingly the directors and/or their relatives may be deemed to be concerned or interested in the resolution at item no. 1 of the notice, directly or indirectly to the extent of respective shareholding of the Company and/or the promoter group (shishir bajaj group) in LPGCL or otherwise for holding such position in LPGCL. Except as above none of the directors and/or key managerial personnel of the Company and/or their relatives are concerned or interested in these resolutions.

By Order of the Board of Directors



**Kausik Adhikari**  
Company Secretary  
(Membership No. ACS 18556)

Place: Mumbai  
Dated: May 29, 2020