



BALRAMPUR CHINI MILLS LTD.

Regd. Office : "FMC FORTUNA", 2nd Floor,
234/3A, Acharya Jagadish Chandra Bose Road, Kolkata - 700 020

NOTICE

Notice is hereby given that an Extra-Ordinary General Meeting of the members of Balrampur Chini Mills Ltd. will be held on Tuesday, the 8th June, 2010 at 10.00 A.M. at Kalakunj, 48 Shakespeare Sarani, Kolkata - 700 017 to consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution :

Resolved that subject to the approval of Hon'ble Board for Industrial and Financial Reconstruction (BIFR) the Draft Rehabilitation Scheme containing the Scheme of Arrangement for the demerger of Suger Division of Indo Gulf Industries Ltd. (IGIL) situated at Maizapur, Gonda, U.P. and merger of the said Sugar Division with Balrampur Chini Mills Ltd. (BCML) including the share exchange ratio of 1 equity share of Re. 1 each fully paid up of Balrampur Chini Mills Ltd. for every 100 equity shares of Re. 1 each (post restructuring) in IGIL, circulated by Hon'ble BIFR for the revival of IGIL vide order dated 26th March, 2010 be and is hereby adopted and approved with the appointed date of 1st October, 2008 or such other date and on such terms and conditions as may be acceptable to BCML and IGIL and sanctioned by the Hon'ble BIFR.

Further Resolved that Shri Vivek Saraogi (Managing Director), Shri Kishor Shah (Director cum Chief Financial Officer), Dr. A. K. Saxena (Wholetime Director) and Shri S.K. Agrawala (Company Secretary) be and are hereby severally and/or jointly authorised to do all such acts and deeds as are required to give effect to the said Draft Rehabilitation Scheme including Scheme of Arrangement after the same is sanctioned by Hon'ble BIFR and to carry out such alterations in the said Scheme and assent to such conditions as may be acceptable to BCML and IGIL and as sanctioned by the Hon'ble BIFR.

Place : Kolkata
Dated : 28th April, 2010

BY ORDER OF THE BOARD
S. K. AGRAWALA
COMPANY SECRETARY

NOTES :

- i) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
- ii) The Draft Rehabilitation Scheme including Scheme of Arrangement as referred to above and a Report determining the Share Exchange Ratio for the proposed demerger/merger by the Auditors of the company dated 19th June, 2009 as circulated by the Hon'ble BIFR shall be opened for inspection of desirous members of the Company on any working day between 11.00 A.M. to 2.00 P.M. upto the date of the meeting at the Regd. Office of the Company and shall also be available at the time of General Meeting.

EXPLANATORY STATEMENT

Pursuant to Section 173(2) of the Companies Act, 1956

Indo Gulf Industries Limited (IGIL) is a subsidiary of Balrampur Chini Mills Ltd. (BCML) having facilities for manufacturing of industrial explosive and also a sugar plant at Maizapur, Gonda, (U.P.) having cane crushing capacity of 3000 tonnes crushing per day (TCD). The Hon'ble Board for Industrial and Financial Reconstruction (BIFR) had vide its order dated 23rd October, 2008 declared IGIL a Sick Industrial Company in terms of Section 3 (1) (O) of the Sick Industrial Companies (Special Provisions) Act, 1985 and appointed State Bank of India (SBI) as Operating Agency under section 17(3) of the said Act to examine the viability of IGIL and formulate a Rehabilitation Scheme based on the IGIL proposal for its revival. The Operating Agency vide its letter dated 14th August, 2009 submitted a Rehabilitation Scheme to the Hon'ble BIFR. The Hon'ble BIFR on the basis of the submitted Rehabilitation Scheme formulated a Draft Rehabilitation Scheme (DRS) for the revival of IGIL which has been circulated to all the concerned as per Section 19(2) of Sick Industrial Companies (Special Provisions) Act, 1985. Among other provisions, the said scheme provides for the following:

- i) Demerger of IGIL's Maizapur Sugar Division from IGIL and its merger with BCML. BCML shall, in consideration of the said merger, shall issue and allot to each equity shareholder of IGIL, whose name is registered in the Register of Members of IGIL on the Record Date to be decided by the Board of BCML, its one equity share of Re. 1 each fully paid up for every 100 equity shares of Re. 1 each (post-restructuring of equity share capital of IGIL, as proposed in the rehabilitation scheme) held by such member in IGIL.
- ii) BCML shall pay an amount of Rs. 75 lacs to IGIL to enable the latter to repay its statutory and other liabilities.
- iii) BCML shall in addition to the issuance of equity shares as per para (i) above and payment of Rs. 75 lacs as per para (ii) above invest Rs. 150 lacs in IGIL in the form of unsecured loans/equity at par to meet the requirement of funds for the revival of IGIL.

As Sugar Division of IGIL situated at Maizapur, Gonda, U.P. is in close proximity with the existing two units of BCML situated at Balrampur and Mankapur and as all the three units are in the similar line of activities i.e. manufacturing of Sugar, the merger as proposed shall result in various locational and other synergies. Further, the proposed merger will result in saving in administrative costs and also BCML shall be able to take the benefit of brought forward business losses and unabsorbed depreciation of IGIL relating to its Sugar Division as per the Income Tax Act, 1961. As such, the scheme provides that all the assets, liabilities, properties, rights, title and interest of the said sugar division of IGIL shall stand transferred to and vested in BCML with effect from 1st October, 2008 on such terms and conditions as may be sanctioned by Hon'ble BIFR. The Board is of the opinion that the proposal is in the interest of the Company and its shareholders. After demerger of sugar unit, IGIL shall continue with its explosive operations.

The Board recommends the resolution for approval of the members.

Dr. Arvind Krishna Saxena who is a director of the Company is also a director in IGIL and as such may be considered to be interested in the resolution.

No other director of the Company is concerned or interested in the resolution.



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PROXY FORM

I/We.....
of.....being
a member/members of BALRAMPUR CHINI MILLS LIMITED hereby appoint.....
.....of....., or failing him,
.....of.....
as my/our proxy to attend and vote for me/us on my/our behalf at the Extra Ordinary General meeting of the Company to
be held on Tuesday, the 8th June, 2010 at 10.00 A.M. and at any adjournment thereof.

Signed.....day of2010

Signature
Folio No./Client ID :



DP ID :
No. of Shares

Note : The Proxy must be returned so as to reach the registered Office of the Company at 'FMC Fortuna' 234/3A, Acharya Jagdish Chandra Bose Road, Kolkata 700 020 not less the FORTY EIGHT HOURS before the time for holding the aforesaid meeting.

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ATTENDANCE SLIP

Extra-Ordinary General Meeting on Tuesday, the 8th June, 2010 at 10.00 A.M. at Kalakunj,
48, Shakespeare Sarani, Kolkata 700 017

Name of the attending Member/Proxy (in block letters)

Member's Folio No./Client ID :

No. of shares held :

I hereby record my presence at the Extra-Ordinary General Meeting held on 8th June, 2010.

.....
Member's/Proxy's Signature

PLEASE BRING THIS ATTENDANCE SLIP TO THE MEETING AND HAND OVER AT
THE ENTRANCE DULY FILLED IN