



68th

ANNUAL

REPORT

1998-99

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**bajaj hindusthan ltd.**

# Bajaj Hindusthan Limited

## Board of Directors:

Rahul Bajaj, *Chairman*  
Shishir Bajaj, *Vice - Chairman & Managing Director*  
Late Ramnath A. Podar (Dr.) (upto 6.10.1998)  
Madhav L. Apte  
Nirmalkumar Ramniwas Ruia  
Dhirajlal S. Mehta  
N. Ramamurthi (*Representing LICI upto 20.5.1999*)  
Uday S. Kotak  
Mangal Singh (*Executive Director*) .  
A. Ramamurthy (*Representing LICI from 20.7.1999*)

## Secretary:

R. Ramachandran

## Auditors:

Dalal & Shah, Chartered Accountants

## Bankers:

State Bank of India  
Punjab National Bank

## Registered Office:-

Bajaj Bhawan,  
2nd Floor,  
226, Nariman Point, Jamnalal Bajaj Marg,  
Mumbai 400 021

## Sugar Mills:

Golagokarannath & Palia Kalan  
Dist. Kheri, Uttar Pradesh

## Distillery:

Golagokarannath,  
Dist. Kheri, Uttar Pradesh

### A request:

The practice of distributing copies of the Annual Report at the Annual General Meeting has been discontinued in view of the high cost of paper and printing. You are, therefore, requested to bring your copy of the Annual Report to the Meeting.

**68th Annual General Meeting on Wednesday, the 15th September, 1999  
at 11.45 A.M. at Kamalnayan Bajaj Auditorium, Bajaj Bhawan, Jamnalal  
Bajaj Marg, 226, Nariman Point, Mumbai 400 021.**

**BAJAJ HINDUSTHAN LIMITED****Notice**

NOTICE is hereby given that the Sixty-eighth Annual General Meeting of the Members of Bajaj Hindusthan Limited will be held at 11.45 A.M (S.T.) on Wednesday, the 15th September, 1999 at Kamalnayan Bajaj Auditorium, Bajaj Bhawan, Jamnalal Bajaj Marg, 226, Nariman Point, Mumbai 400 021 to transact the following business:

1. To consider and adopt the Directors' Report and Audited Balance Sheet and Profit and Loss Account for the year ended 31st March, 1999.
2. To declare dividend.
3. To appoint a Director in place of Shri Madhav Laxman Apte, who retires by rotation and being eligible offers himself for reappointment.
4. To appoint a Director in place of Shri Uday S. Kotak, who retires by rotation and being eligible offers himself for reappointment.
5. To consider and, if thought fit, to pass with or without any modifications, the following Resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 224 A and other applicable provisions, if any, of the Companies Act, 1956 Messrs. Dalal & Shah, Chartered Accountants, the retiring Auditors of the Company, be and are, hereby reappointed as Auditors of the Company to hold office from the conclusion of this meeting upto the conclusion of the next Annual General Meeting of the Company on a remuneration of Rs.4,50,000 (Rupees Four Lacs and Fifty Thousand Only) plus service tax and reimbursement of travelling and other out-of-pocket expenses."

**SPECIAL BUSINESS:**

6. To consider and, if thought fit, to pass with or without any modifications, the following Resolution as an Ordinary Resolution:

"RESOLVED THAT Shri A. Ramamurthy, who was appointed as an Additional Director by the Board of Directors of the Company and who will hold office only upto the date of the next Annual General Meeting of the Company and in respect of whom the Company has received a notice under Section 257 of the Companies Act, 1956, proposing his candidature for the office of Director, be and is, hereby appointed a Director of the Company."

7. To consider and, if thought fit, to pass with or without any modifications, the following Resolution as a Special Resolution:

"RESOLVED THAT pursuant to Section 31 and other applicable provisions, if any, of the Companies Act, 1956 and the provisions of other statutes as applicable, the Articles of Association of the Company, be and are, hereby altered as under:

The following new Article 43A be inserted after the existing Article 43:

**43A: Nomination.**

A holder or joint holders of shares or debentures may nominate, in accordance with the provisions of Section 109A of the Companies Act, 1956 or any statutory modification or re-enactment thereof and in the manner prescribed thereunder or any modification thereof, a person to whom all the rights in the shares or debentures of the Company shall vest in the event of death of such holder/s. Any nomination so made shall be dealt with by the Company in accordance with and in the manner prescribed by and/or under the provisions of Section 109B of the Companies Act, 1956 or any statutory modification or re-enactment thereof for the time being in force."

8. To consider and, if thought fit, to pass with or without any modifications, the following Resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 314 and other applicable provisions, if any, of the Companies Act, 1956, the Company hereby accords its approval and consent to Shri Kushagra Nayan Bajaj, a relative of Shri Shishir Bajaj, the Vice-Chairman and Managing Director of the Company and Shri Rahul Bajaj, the Chairman of the Company to hold and continue to hold an office or place of profit under the Company as 'Officer on Special Duty' of the Company or with such other designation as the Directors may from time to time decide with effect from 20th July, 1999 on the following terms and conditions as to remuneration:

- a) Salary of Rs. 10000 per month in the grade of Rs. 10000-500-12500. The first increment will fall due on 20th July, 2000. Accelerated increment/s, if any, may be given by the Board of Directors at its absolute discretion.
- b) Shri Kushagra Nayan Bajaj will be provided with Company's Car and Company's Driver for official use, and reasonable personal use.
- c) Shri Kushagra Nayan Bajaj will be entitled to all other perquisites as applicable to the officers of the Company consisting of exgratia, Company's contribution to Provident Fund, Superannuation, Gratuity, reimbursement of medical expenses, reimbursement of travelling expenses for proceeding on leave as per the Rules of the Company."

**NOTES:**

1. THE RELATIVE EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956, IN RESPECT OF ORDINARY BUSINESS AND SPECIAL BUSINESS SPECIFIED IN THE NOTICE UNDER ITEMS 5, 6, 7 AND 8 IS ANNEXED HERETO.
2. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.



**BAJAJ HINDUSTHAN LIMITED**

3. The Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, the 1st September, 1999 to Wednesday, the 15th September, 1999 (both days inclusive).
4. Payment of dividends, if sanctioned, will be made on or after 20.9.1999 to those shareholders whose names appear:
  - (a) as beneficial owners as at the end of business on 31st August, 1999 as per the list to be furnished by National Securities Depository Ltd. in respect of the shares held in electronic form; and
  - (b) as members in the Register of Members of the company after giving effect to all valid share transfers in physical form lodged with the company on or before 31st August, 1999.
5. Members are requested to notify immediately any change of address to their Depository Participants (DPs) in respect of their electronic share accounts and to the company at its registered office in respect of their physical share folios, if any.
6. The company has been maintaining, inter alia, the following statutory registers at its registered office at Bajaj Bhawan, 2nd Floor, Nariman Point, Mumbai 400 021 which are open for inspection of members and others as prescribed in the respective sections of the Companies Act, 1956 as specified below:
  - i. Register of Contracts with companies and firms in which directors are interested under Section 301 of the Companies Act, 1956 on all working days during business hours.
  - ii. Register of directors' shareholdings under Section 307 of the Companies Act, 1956 on all working days during business hours during the period beginning fourteen days before the date of annual general meeting and ending three days after the date of its conclusion.
7. a) In accordance with the provisions of Section 205A of the Companies Act, 1956, the Company has, from time to time, transferred unclaimed dividends relating to the years upto 1993-94 to the General Revenue Account of the Central Government.  
 The Unclaimed Dividends for the years upto 1989-90 relating to erstwhile Sharda Sugar & Industries Limited (since amalgamated with the Company) have also been transferred to the General Revenue Account of the Central Government.  
 Members who have valid claim to any of the unclaimed dividends referred to above may claim the same from the Registrar of Companies, Maharashtra, Hakoba Mills Compound, 2nd Floor, Dattaram Lad Marg, Kalachowkie, Mumbai 400 033 in the prescribed manner.
- b) As a result of the amendments introduced through Sections 205A to 205C of the Companies Act, 1956, any money transferred to the unpaid dividend account which remains unpaid or unclaimed for a period of 7 years from the date of such transfer shall be transferred by the company to a fund called "Investor Education and Protection Fund" to be set up by the Central Government. Accordingly, the unpaid/unclaimed dividends for the years 1994-95 and 1997-98 will become transferable at the end of seven years respectively, to the said Investor Education and Protection Fund and no claims shall lie against the fund or the company in respect of individual amounts thereafter. Shareholders are, therefore, requested to check up and send their claims, if any, for the relevant years from 1994-95 and 1997-98 before the respective amounts become due for transfer to the above fund.
8. Members in their own interest are requested to furnish if not already done and in case of change/s, if any, to the particulars already furnished under the signature of Sole/First holder the following particulars viz. i) the Bank Account No. (Savings/Current A/c), ii) the Name of the Bank, iii) Name of Branch of the said Bank and iv) Full address of the Branch of the said Bank to enable the Company to print the above particulars in the Dividend Warrant.
9. While opening a depository account with participants of NSDL, the shareholders may have given their bank account details, which will be used by the company for printing on dividend warrants. This ensures that the dividend warrants, even if lost or stolen, cannot be used for any purpose other than for depositing the money in the account specified on the dividend warrant. This ensures safety for investors. However, if the shareholders may want to receive dividend in an account other than the one specified, while opening the depository account, they may change/correct bank account details with their depository participant. They are also requested to kindly give MICR code of their bank to their depository participant.

By Order of the Board of Directors  
For BAJAJ HINDUSTHAN LIMITED

R. Ramachandran  
Secretary

Mumbai, Dated: 20th July, 1999.

Registered Office:  
Bajaj Bhawan, 2nd Floor,  
226, Nariman Point,  
Jamnalal Bajaj Marg,  
Mumbai 400 021.

**BAJAJ HINDUSTHAN LIMITED**

**Annexure to Notice**  
**EXPLANATORY STATEMENT AS REQUIRED BY SECTION 173(2)**  
**OF THE COMPANIES ACT, 1956.**

**Re: Item No. 5**

Section 224A of the Companies Act, 1956, provides that in the case of a Company in which not less than 25% of its subscribed share capital is held whether singly or in any combination, by:

- (a) a public financial or other institution or a Government Company or Central Government or any State Government, or
- (b) any financial or other institution established by any Provincial or State Act in which a State Government holds not less than 51% of the subscribed share capital, or
- (c) a nationalised bank or an insurance company carrying on general insurance business,

the appointment or re-appointment at each Annual General Meeting of an Auditor or Auditors shall be made by a Special Resolution.

As not less than 25% of the subscribed share capital of the Company is held by financial institutions, banks, etc. the reappointment of Auditors on the terms as set out in the Resolution under Item No.5 of the accompanying Notice is proposed by a Special Resolution.

The Directors recommend the Resolution for approval of the Shareholders.

None of the Directors of the Company is in any way concerned or interested in this Resolution.

**Re: Item No. 6**

Shri N. Ramamurthi, representing Life Insurance Corporation of India (LIC) on the Board of the Company resigned as a Director with effect from 20.5.1999. As proposed by LIC, Shri A. Ramamurthy, Executive Director (MS), LIC, Mumbai was appointed as an additional director of the Company under Section 260 of the Companies Act, 1956, with effect from 20.7.1999 and he holds the said office upto the date of the 68th Annual General Meeting.

As required by Section 257 of the Companies Act, 1956, a notice has been received from a member of the Company signifying his intention to propose Shri A. Ramamurthy as a candidate for the office of Director of the Company.

Except Shri A. Ramamurthy, none of the other Directors of the Company is concerned or interested in the said Resolution.

**Re: Item No. 7**

The Companies (Amendment) Act, 1999 has inter alia, made a provision through Sections 109A and 109B whereby a holder or joint holders of shares can nominate a person to whom all the rights in the shares or debentures of a Company shall vest in the event of the death of such holder/s. Such a nominee can elect either to be registered himself as the holder of the shares or debentures or make such transfer of the shares or debentures as the deceased holder/s of shares or debentures could have made. It is therefore, proposed to incorporate a new article 43A (as set out under Item No. 7 of the accompanying Notice) in the Articles

of Association of the Company providing for nomination facility in accordance with the provisions of Sections 109A and 109B of the Companies Act, 1956. The Special Resolution under Item No. 7 is, therefore, proposed pursuant to Section 31 of the Companies Act, 1956. The Directors recommend the Resolution for the approval of the Shareholders.

None of the Directors of the Company is concerned or interested in the Resolution.

The Articles of Association of the Company referred to in the Resolution at Item No. 7 together with the proposed alteration are available for inspection of the members of the Company at the Registered Office of the Company between 11.00 A.M. and 1.00 P. M. on all working days, excepting Saturdays upto and including the day of the meeting.

**Re: Item No. 8**

Shri Kushagra Nayan Bajaj, 22, is B. S. in Industrial Management (Finance) from Carnegie Mellon University, Pittsburgh (U.S.A).

After graduating as above, Shri Kushagra Nayan Bajaj had training in various departments of Bajaj Auto Limited, Pune for about one year.

On his appointment, Shri Kushagra Nayan Bajaj will be entrusted with appropriate responsibilities in business affairs of the Company. The Board and the Managing Director may, however, assign such other duties and functions to him with such suitable redesignation as they consider appropriate from time to time.

The terms of remuneration of Shri Kushagra Nayan Bajaj are set out in the Resolution.

Shri Kushagra Nayan Bajaj is the son of Shri Shishir Bajaj, the Vice-Chairman and Managing Director of the Company and a member of Kamalnayan Bajaj HUF of which Shri Rahul Bajaj is the Karta and as such related to both of them and therefore approval of the Members under Section 314 of the Companies Act, 1956 is necessary for him to hold and continue to hold office or place of profit in the Company on the remuneration as proposed in the Resolution.

Except Shri Rahul Bajaj and Shri Shishir Bajaj, no other Director is concerned or interested in this Resolution.

By Order of the Board of Directors  
 For BAJAJ HINDUSTHAN LIMITED

R. Ramachandran  
 Secretary

Mumbai, Dated: 20th July, 1999.

Registered Office:

Bajaj Bhawan, 2nd Floor,  
 226, Nariman Point,  
 Jamnalal Bajaj Marg,  
 Mumbai 400 021.

**SHAREHOLDER INFORMATION****Stock Exchanges on which the Company's Securities are listed**

The Equity Shares of the Company are listed at the following 2 Stock Exchanges in India :-

- |   |   |
|---|---|
| 1. The Stock Exchange, Mumbai<br>(Regional Stock Exchange)<br>Phiroze Jeejeebhoy Towers<br>Dalal Street<br>Mumbai - 400 001 | 2. National Stock Exchange of India Ltd.<br>Trade World<br>Senapati Bapat Marg<br>Lower Parel<br>Mumbai - 400 013 |
|---|---|

The Non-Convertible Debentures issued on Rights basis are listed only on the Stock Exchange, Mumbai.

**NOTE :** The Company has paid annual listing fees to each of the above Stock Exchanges for the financial year 1999-2000 for the above.

## BAJAJ HINDUSTHAN LIMITED

### Directors' Report

The Directors present their Sixty Eighth Annual Report and the Audited Statement of Accounts for the year ended 31st March, 1999.

#### Financial Results:

	1998-99	1997-98
	(Rs. in Lacs)	
Sales and other Income	<b>30407</b>	25698
Gross Profit before interest and depreciation	<b>5688</b>	5145
Interest	<b>2025</b>	2528
Depreciation	<b>1088</b>	1113
Provision for Taxation	<b>600</b>	161
Balance Profit for the year	<b>1975</b>	1343
Disposable Surplus after adjustments	<b>2090</b>	1269
Proposed Dividend	<b>218</b>	218
Provision for Dividend Tax	<b>24</b>	22
Transfer to General Reserve	<b>1800</b>	184
Transfer to Debenture Redemption Reserve	—	488
Transfer to Investment Allowance Reserve	—	265
Balance Carried to Balance Sheet	<b>48</b>	92

#### Dividend:

The Directors recommend for consideration of shareholders at the Annual General Meeting payment of a Dividend of Rs.2.50 per Equity Share of the face value of Rs.10 each amounting to Rs.218 Lacs for the year ended 31st March, 1999. The proposed dividend of Rs.2.50 per Equity Share is subject to the approval of the financial institutions who have granted loans to the Company.

#### Operations:

SUGAR MILLS	1998-99		1997-98	
a) Gola Unit:	Accounting year	Season 22.11.98 to 28.4.99	Accounting year	Season 20.11.97 to 14.4.98
Sugarcane crushed (Lac Tonnes)	<b>11.45</b>	<b>12.41</b>	12.09	10.57
Recovery (%)	<b>9.55</b>	<b>9.60</b>	9.94	10.05
Sugar Production (Lac Tonnes)	<b>1.09</b>	<b>1.21</b>	1.20	1.08
b) Palia Unit:	Accounting year	Season 30.11.98 to 16.4.99	Accounting year	Season 27.11.97 to 21.4.98
Sugarcane crushed (Lac Tonnes)	<b>8.28</b>	<b>7.76</b>	8.46	8.04
Recovery (%)	<b>9.31</b>	<b>9.15</b>	9.64	9.79
Sugar Production (Lac Tonnes)	<b>0.77</b>	<b>0.71</b>	0.82	0.79

DISTILLERY:	<b>1998-99</b>	1997-98
Industrial Alcohol Production (Kilo Litres)	<b>7378</b>	10855

#### Sugar Division:

With All India production of 12.85 million tonnes of sugar in 1997-98 the year 1998-99 started with carryover stocks of 5.5 million tonnes of sugar. During the current year, the production is expected to further increase to about 15.4 million tonnes. In addition 2.35 million tonnes of sugar have already been contracted for imports and registered with Agricultural Products Export Development Agency (APEDA) out of which approximately 1.38 million tonnes have already arrived in the country. In this scenario, the year is expected to close with a carry forward stock of about 6.4 million tonnes of sugar after accounting for imports.

For the year 1998-99, the Government of India increased the minimum statutory cane price from Rs. 48.45 per quintal to Rs. 52.70 per quintal linked to the base of 8.50% recovery. The levy sugar price is yet to be refixed.

For the season, 1998-99, the Government of Uttar Pradesh has increased the State advised cane price from Rs. 75 per quintal of last season to Rs. 80 per quintal.

As reported last year, the High Power Committee under the Chairmanship of Shri Mahajan had submitted its report to the Government in April 1998. This report is still receiving the attention of the Government. However, the Government of India has delicensed the sugar industry reducing the spatial distance from 25 km to 15 km.

On representation by the industry the Government has imposed a customs duty of 20% and in the budget further increased it to 27.50% + Rs. 850 per M.T. countervailing duty. This increase could not check or reduce the inflow of imported sugar in the country because in the intervening period the sugar prices in the international market crashed to as low as US\$ 175 per M.T. To contain this adverse effect, the industry has taken up with the Govt. imposition of 50% Customs Duty and also subject the imported sugar to 40% levy obligation and release mechanism as in case of the domestic sugar.

Under the ongoing programme of varietal replacement, both Gola and Palia units have introduced the early and high sugarcane varieties as available to the extent of 20% and 10% respectively. Due to this we were expecting the recovery to be better in the current season. However, due to adverse weather conditions like heavy untimely rains, continuance of high temperature in pre-winter period, inadequate sunshine and prolonged foggy weather, the accumulation of sugar in cane was adversely affected as a result of which the recovery in the entire Northern region has been lower by 0.6% as compared to last year.

The Supreme Court of India had directed the Central Government to announce additional cane price after considering the Clause 5A of Sugar Control Order for the

season 1974-75 to 1978-79. The Government has yet to implement the directive.

#### **Distillery:**

The project of Biomethanation of the Distillery spentwash with the objective of production of methane gas and treatment of effluent costing Rs. 306 Lacs has since been completed and commissioned.

Due to the restriction imposed on the sale of Industrial Alcohol outside U.P. State, the off-take was very low. The restriction is now removed. We expect good working of Distillery Division next year.

#### **INHOUSE RESEARCH AND DEVELOPMENT:**

##### **SUGAR CANE**

The Jamnalal Bajaj Institute of Applied Agricultural Research established during the year 1996 with the objective of carrying out Applied Research on Sugar Cane and other co-crops intensified and expanded its working in Gola, Palia and some neighbouring factory areas to have data base on multilocation trails of varieties. The Government of India in the Ministry of Science and Technology, Department of Scientific and Industrial Research evaluated the work done and the activities of the Institute and accorded recognition in December, 1998.

##### **1) SEED PROGRAMME**

(a) The new Technique of pregerminated single bud transplanting in Polybags developed and commercialised at Gola has also been accepted by the Government for rapid multiplantation of Cane seed in the State. At Gola and Palia about 2 crores seedlings of improved varieties have found their way in the Minikit seed development programme, Nurseries and even Commercial planting. About 10000 farmers have so far adopted this technique.

##### **(b) TISSUE CULTURE**

Under micropropagation more than 40 Tons of quality seed were produced and distributed to the farmers for raising primary Nursery. The Tissue Culture facilities have been upgraded and the release of plantlets have started. During March, 1999 more than 10000 plants were produced and 2 lacs plants are in pipeline. A joint venture programme with UPCSR, Shahjahanpur is also finalised for testing of Tissue Culture Plants and production of good quality seeds on the Research Farm of the Government of U.P.

- (c) Multiratooning programme also intensified. In an organised trial at Jamnabad Research Farm an yield of 120.60 Tons per Hectare was recorded in third ratoon of variety COS 88230.
- (d) Treated 760 Tons of Sugarcane Seed with Moist Heat Treatment Units to raise disease free Nursery Seed. 4 Mobile Plants also introduced to provide Door to Door service to the farmers.

##### **2) INTEGRATED PEST MANAGEMENT**

Biological Control Lab established at Palia is functioning well. More than 150 lacs parasites of borer i.e. Trichogramma chilonis are produced and 85 lacs released in the field under the supervision of Entomologists. Under Environment friendly pest control system spraying of Urea at formative stage adopted as suggested by the Expert of Haryana Agricultural University.

3) Soil testing programme and manurial recommendations to the farmers continued to be made. At the Vermicompost production centre of Gola and Palia 311 Tons rich manure was produced and distributed to farmers.

##### **4) OTHERS**

Under 4 Years varietal replacement programme distributed 45,000 Tons of quality seed of improved varieties to replace old deteriorating varieties. Distributed 5000 Danti and Palkati, got installed 340 Shallow borings and provided 121 Diesel Engines to farmers under the subsidy programme.

Farmers Training Programmes were organised regularly to educate farmers about the latest Technologies in Sugarcane culture and provided extension services to 18000 farmers at 11 Zonal Centres at Gola and Palia. 185 Demonstrations on increasing productivity also kept at farmers' fields.

##### **Depository:**

The Company has entered into an Agreement with National Securities Depository Limited ('NSDL') to enable investors to hold and trade in Company's shares in electronic form with effect from 15.2.1999. Any shareholder opening a securities Account with a Depository Participant (DP) can now hold his shares in Bajaj Hindusthan Limited in the form of electronic entry. This is expected to eliminate the need to hold paper securities and the connected problems of fraud and forgery. It will also result in a fast and efficient trade and settlement system.

##### **Y2K Compliant:**

The Company has taken appropriate and effective steps to achieve year 2000 (Y2K) readiness by October/ November 1999 when the next sugar season commences. The necessary expenditure to ensure Y2K compliant will be around Rs. 35 Lacs. The Company is in the process of preparing a contingency plan to reduce risk from any outside agency not achieving the required status of Y2K readiness.

##### **Directors:**

Dr. Ramnath A. Podar expired on 6.10.1998. He was on the Board of Company since 13.4.1956. The Board places on record the valuable contribution made by Dr. Ramnath A. Podar.

Shri N. Ramamurthi and Shri Madhav Laxman Apte retire by rotation and being eligible for reappointment have offered themselves accordingly.



## BAJAJ HINDUSTHAN LIMITED

### Pollution & Environmental Control

As required by pollution control laws, the Company has already submitted environmental statement for the year 1997-98 to the U.P. State Pollution Control Board. The environmental statement for the year 1998-99 will be submitted shortly. To improve the environment, the Units launched tree planting campaigns. Generation of liquid effluents has been minimised by adoption of water reuse and recycling systems.

### Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

The relevant data regarding the above is given in the Annexure hereto and forms part of this Report.

### Particulars of Employees

Particulars required under Section 217(2A) of the Companies Act, 1956 as amended regarding employees are set out in the Annexure hereto and forms part of this Report.

### Rural Development Activities at Gola and Palia

To improve the Socio-Economic condition of the weaker sections of the Society, the Company set a comprehensive programme of rural development for 3 years (1998-99-2000-2001) which was subsequently approved by the National Committee for Promotion of Social and Economic Welfare, Deptt. of Revenue, Ministry of Finance, Govt. of India. Accordingly the activities in association with Jamnalal Bajaj Foundation (JBF), Khadi and Village Industries Commission (KVIC), Council for Advancement of People's Action & Rural Technology (CAPART), Non-Conventional Energy Development Agency (NEDA), Family Planning Association of India (FPAI), State Health and Forest Depts. were undertaken intensively.

The activities included, among others, family planning operations - 386, distribution of condoms - 550, Copper T and Oral Pills - 75, Immunisation - 29183, Cholera Vaccination - 785, Naturopathy treatments - 6227, tree plantation - 1800 saplings, training of 156 youth under self-employment and income generating Schemes. Installed 24 Biogas plants, distributed 56 Solar equipments and treated 608 patients through 3 Eye Camps in the rural areas, operated 5 NMC Centres for thread weaving in villages so as to ensure employment of 150 ladies, produced 94 Carpets at Carpet Centre at Gola.

Under the awareness programme, organised 10 Exhibitions, 11 Seminars and 25 village meetings.

### Relief to Flood Victims

During this year heavy floods occurred in Gola and Palia areas affecting about 30,000 dwellers. Our Company organised special Camps in affected areas for a month and provided substantial relief in the form of food, clothes and medical relief to the victims which was all appreciated very much by the District Administration and the general public.

During this year Company also joined hands with Family Planning Association of India wherein a Project office is opened at Gola with necessary infrastructure. Under its auspices many activities were undertaken like Mother and Child Health 333 cases, Family Planning in 231 cases and 797 other cases including reproductive health groups. 113 counselling done to provide training to 764 beneficiaries and organised 18 workshops to educate 551 people of rural areas.

One Sewing Centre and one Balwadi are also started to train 60 people. Under sustainable community action, 24 Local Voluntary Group (LVG) and 10 Community Based Development Services (CBDS) were also organised.

### Cultural and Welfare Activities

1. Second anniversary of Laxmi Narayan Temple was celebrated on 20.2.99 at Gola. On this occasion Brij Ki Raas Lila presented by Swami Sri Hargobindji and his party was also organised from 17.2.99 to 20.2.99.
2. Two parks with lawn, greeneries and ornamentals were developed adjacent to Temple and Colony. Jogging tracks also provided for morning walks and exercises etc.
3. Various Games/Sports and Cultural Programmes were organised on the eve of National and Religious festivals in factory premises.
4. T.V. Relay Centre was expanded to cover more than 24 channels through Cable T.V.
5. 178 Students were provided Scholarships under Educational Promotion Programme.
6. Religious Tours - Two buses sent to Purnagiri and one bus each to Vaishno Devi and Haridwar for religious tours for the families of employees of the factories.
7. One new children's park and Joggers Park were made at Palia.
8. Friendly matches were organised between Gola and Palia workers.
9. During off-season '98, training programmes for technicians covering pumps maintenance, boiler water treatment, Pan Boiling Centrifugal operation and maintenance etc. were organised in collaboration with other participating factories.

### Industrial Relations:

The Industrial relations have been cordial at both the Sugar Divisions at Gola and Palia and the Distillery Division at Gola.

The Directors express their appreciation of the sincere co-operation received from the workers, staff and the executives during the year:-

For and on behalf of the Board of Directors

**RAHUL BAJAJ**

Chairman

Mumbai,

Dated : 11th May, 1999.



**BAJAJ HINDUSTHAN LIMITED****Annexure to Directors' Report****DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO AS REQUIRED UNDER THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988.****CONSERVATION OF ENERGY :****Gola**

The new 80T/Hr. high pressure boiler with automated controls together with 2 Nos. 3 MW multistage back pressure turbo alternators had been in use with overall improvement in the efficiency and self sufficiency of steam and power generation for the increased crush at rates of 9000 TCD with saving of bagasse.

Boiler blow down heat recovery system was designed and installed. A tubular heater was also designed for superheating of water by the waste heat of the boiler flue gases to realise additional economy of steam.

Biomethanation plant of 750 M<sup>3</sup> capacity per day has been installed and commissioned to treat the spent wash of the distillery. This will produce methane gas to be used as fuel in boiler to generate steam and power.

With these measures in place both the sugar and distillery units are self sufficient in fuel and energy.

**Palia**

Palia Unit has 2 new boilers of 70 Ton/Hr. 45 kg/CM<sup>2</sup> pressure and Multistage back pressure turbo alternators in operation with improved steam-fuel, energy balance and efficiency. Also one 600 KVA Capacitor has been installed to improve power use efficiency.

**FORM-A****Disclosure of particulars with respect to Conservation of Energy  
(To the extent applicable)**

		<b>This Year</b>	<b>Previous Year</b>
<b>Power and Fuel Consumption:</b>			
Electricity			
a) Purchased			
i) Unit (Sugar Divn. Gola)	000 KWH	<b>2572</b>	1742
Total amount (Rs.)	Rs. Lakhs	<b>138</b>	80
Rate/Unit (Rs.)	Rs./KWH	<b>5.35</b>	4.57
ii) Unit (Sugar Divn. Palia)	000 KWH	<b>660</b>	1144
Total amount (Rs.)	Rs. Lakhs	<b>39</b>	52
Rate/Unit (Rs.)	Rs./KWH	<b>5.91</b>	4.55
b) Own Generation through Diesel Generator			
i) Unit (Sugar Divn. Gola)	000 KWH	<b>1274</b>	1878
Unit per litre of Diesel Oil	KWH/LTR	<b>2.86</b>	2.78
Cost (Rs.)	Rs. Lakhs	<b>55</b>	82
Rate/Unit (Rs.)	Rs./KWH	<b>4.35</b>	4.35
ii) Unit (Sugar Divn. Palia)	000 KWH	<b>1085</b>	687
Unit per litre of Diesel Oil	KWH/LTR	<b>3.11</b>	2.53
Cost (Rs.)	Rs. Lakhs	<b>47</b>	32
Rate/Unit (Rs.)	Rs./KWH	<b>4.33</b>	4.65

**FORM-B****Disclosure of particulars with respect to Technology Absorption  
(To the extent applicable)****Research & Development (R&D)**

1. Special areas in which R&D is carried out by the Company

Under Sugarcane Research & Development, the activities of 1997-98 were accelerated as under :

Functioning of Micropropagation of Sugarcane seeds through Tissue Culture, Polybag method and multiple ratooning, front line demonstrations on various techniques of Sugarcane culture, evaluation of 85 Sugarcane varieties, development of Biological parasites to control borers, soil testing, Vermicompost production and thermo-therapy of Sugarcane seeds for multiplying high sugared varieties etc. were adopted in both the Units.

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2. Benefits derived as a result of above R&D activities

R&D work in the plants on waste heat recovery for Blow downs and flue gases was taken up. System for recycling of water designed and installed. Besides this work, on process optimisation was taken up with the objective of improvement in product quality.

- a) Sugarcane productivity increased from 56.28 Tons to 56.50 Tons/Ha.
- b) Incidence of pest and disease minimised to produce healthy crops.
- c) Availability of Raw Material increased.
- d) Several new high sugared varieties introduced and seed material reached to the farmers for multiplication and commercial cultivation.
- e) Irrigation potentiality created in about 1360 Ha.
- f) Reduction in cost of fertilizer application demonstrated to farmers with use of Vermicompost.
- g) Supply of early maturing varieties increased both in Gola and Palia units.
- h) Several farmers adopted improved cultural practices as a result of extensive services by the company.
- i) The plants worked with better fuel/steam/energy use efficiencies which resulted in savings of bagasse.
- j) Based on Inhouse R&D work on process optimisation plans have been prepared for upgrading the plants for production of better Quality Sugar.

3. Future Plan of Action

- a) Expand the activities of Biological control laboratory and introduce the environment friendly Integrated Pest Management.
- b) Replacement of old and deteriorating varieties with new and promising ones.
- c) Establish Soil Testing Lab in Palia also.
- d) Increase the activities of JBIAR to expand collaborative applied to research work.
- e) Recognition of JBIAR by the Director General (ITE), Calcutta u/s.35(1)(iii) of the Income-tax Act.
- f) Boiling House upgradation for sugar quality improvement.

4. Expenditure on R&D

a) Capital	(Rs. in Lacs)
b) Recurring	1.17
c) Total	29.12
d) Total R&D Expenditure as a percentage of total turnover :	30.29
	0.10%

Technology absorption, adaptation and innovation

1. Efforts in brief, made towards technology absorption, adaptation and innovation
2. Benefit derived as a result of the efforts e.g. product improvement, cost reduction, product development, import substitution etc...
3. In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year) following information may be furnished.
  - a) Technology imported

Nil