

bajaj hindusthan ltd.

**70th
ANNUAL
REPORT
2000-01**

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Bajaj Hindusthan Limited

Board of Directors :

Shishir Bajaj (*Chairman & Managing Director*)
Madhav L. Apte
Nirmalkumar Ramniwas Ruia (*upto 21.3.2001*)
Dhirajlal S. Mehta
Uday S. Kotak
Mangal Singh (*Executive Director upto 3.6.2000*)
A. Ramamurthy (*Representing LIC*)
Niraj Bajaj
Ravindrakumar V. Ruia (*from 16.4.2001*)
Ramesh Chandra Singhal (*Whole-time Director from 16.4.2001*)

Audit Committee :

Dhirajlal S. Mehta, *Chairman*
A. Ramamurthy
Ravindra Kumar V. Ruia

Company Secretary :

Pradeep Parakh

Auditors:

Dalal & Shah, Chartered Accountants

Bankers :

State Bank of India
Punjab National Bank

Registered Office:

Bajaj Bhawan,
2nd Floor,
Jamnalal Bajaj Marg, 226, Nairman Point,
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.

70th Annual General Meeting on Monday, the 20th August 2001 at 11.00 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 Seventieth Annual General Meeting of the Members of Bajaj Hindusthan Limited will be held on Monday, the 20th August 2001 at 11.00 A.M. 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 Profit & Loss Account for the Corporate Financial Year ended 31st March 2001 and the Balance Sheet as at that date and the Reports of the Board of Directors and Auditors thereon.
2. To declare dividend on Equity Shares.
3. To appoint a Director in place of Shri M.L.Apte, who retires by rotation and being eligible offers himself for re-appointment.
4. 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 Section 224A and other applicable provisions, if any, of the Companies Act, 1956 M/s. 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 an annual remuneration of Rs.4,50,000 (Rupees four lacs fifty thousand only) plus service tax and reimbursement of travelling and other out-of-pocket expenses."

SPECIAL BUSINESS :

5. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:-

"RESOLVED THAT pursuant to the provisions of Section 257 and all other applicable provisions, if any, of the Companies Act, 1956 (including any amendment thereto or re-enactment thereof for the time being in force), Shri Niraj Bajaj, who was appointed as a Director of the Company to fill the casual vacancy caused by the resignation of Shri Rahul Bajaj and who, as per provisions of Sub-Section(2) of Section 262 of the Companies Act, 1956, holds office only upto the date of this Annual General Meeting and in respect of whom the Company has received a Notice in writing from a member, pursuant to and in accordance with the provisions of Section 257 of the Companies Act, 1956, proposing the candidature of Shri Niraj Bajaj for the office of the Director of the Company, be and is hereby appointed as Director of the Company liable to retire by rotation."

6. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:-

"RESOLVED THAT pursuant to the provisions of Section 257 and all other applicable provisions, if any, of the Companies Act, 1956 (including any amendment thereto or re-enactment thereof for the time being in force), Shri R.V.Ruia, who was appointed as a Director of the Company to fill the casual vacancy caused by the resignation of Shri N.R.Ruia and who, as per provisions of Sub-Section (2) of Section 262 of the Companies Act, 1956, holds office only upto the date of this Annual General Meeting and in respect of whom the Company has received a Notice in writing from a member, pursuant to and in accordance with the provisions of Section 257 of the Companies Act, 1956, proposing the candidature of Shri R.V.Ruia for the office of the Director of the Company, be and is hereby appointed as Director of the Company liable to retire by rotation."

7. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:-

"RESOLVED THAT pursuant to the provisions of Section 257 and all other applicable provisions, if any, of the Companies Act, 1956 (including any amendment thereto or re-enactment thereof for the time being in force), Shri R.C.Singhal, who was appointed as an Additional Director of the Company and who, as per provisions of Section 260 of the Companies Act, 1956, holds office only upto the date of this Annual General Meeting and in respect of whom the Company has received a Notice in writing from a member, pursuant to and in accordance with the provisions of Section 257 of the Companies Act, 1956, proposing the candidature of Shri R.C.Singhal for the office of the Director of the Company, be and is hereby appointed as Director of the Company."

8. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:-

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309 and other applicable provisions, if any, of the Companies Act, 1956 (including any amendment thereto or re-enactment thereof for the time being in force) and Schedule XIII thereto (including any amendment or statutory modification thereto for the time being in force) and subject to such approval(s), permission(s) and/or sanction(s) as may be necessary, the consent and approval of the Company be and is hereby accorded to the appointment of Shri R.C.Singhal as Whole-time Director of the Company

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for a period of 5 (Five) years with effect from 16th April 2001 on the following terms and remuneration:-

I. Remuneration:**a) Salary:**

Rs. 70,000 per month in the scale of 70,000 – 3,500 – 1,50,000. Accelerated increment(s), if any, may be given by the Board of Directors of the Company at its absolute discretion.

b) Perquisites:**i) Housing:**

- 1) Residential accommodation.
- 2) Expenses pertaining to gas, electricity, water and furnishing will be borne/reimbursed by the Company.
- 3) Company shall provide such furniture and fixtures on rental basis as per the Scheme applicable to the Senior Executives of the Company.

ii) Medical Expenses:

Reimbursement of actual medical expenses incurred in India and/or abroad and including hospitalisation, nursing home and surgical charges for himself and family not exceeding one month's salary per annum.

iii) Leave Travel Concession:

Leave travel concession (LTC) in respect of himself and family not exceeding one month's salary per annum. The LTC entitlement for any one year to the extent not availed shall be allowed to be accumulated upto the next two years.

iv) Club Fees:

Reimbursement of membership fee for one club in India including admission and life membership fee.

v) Personal Accident Insurance:

Personal Accident Insurance Policy of such amount, the premium of which shall not exceed the limit laid down in Schedule XIII to the Companies Act, 1956.

vi) Contribution to Provident Fund, Superannuation Fund or Annuity Fund:

Company's contribution to Provident Fund and Superannuation or Annuity Fund to the extent these either singly or put together are not taxable under the Income-tax Act, 1961.

vii) Gratuity:

Gratuity at the rate of half a month's salary for each completed year of service.

viii) Leave:

Leave with full pay as per the Rules of the Company, encashment of unavailed leave being allowed at the end of the tenure.

ix) Other Perquisites:

Subject to overall ceiling on remuneration mentioned hereinbelow the Whole-time Director may be given other allowances, benefits and perquisites as the Board of Directors may from time to time decide.

Explanation:

Perquisites shall be evaluated as per Income-tax Rules, wherever applicable and in absence of any such rule, perquisites shall be evaluated at actual cost.

c) Amenities:**i) Conveyance facilities:**

Free use of Company's car for Company's work as well as for personal purposes along with driver.

ii) Communication facilities:

Telephone, telefax and other communication facilities at the Whole-time Director's residence at Company's cost.

II. Overall remuneration:

The aggregate of salary and perquisites in any corporate financial year shall not exceed the limits prescribed from time to time under Sections 198, 309 and other applicable provisions of the Companies Act, 1956 read with Schedule XIII to the said Act as may for the time being, be in force.

III. Minimum remuneration :

In the event of loss or inadequacy of profits in any corporate financial year during the currency of tenure of service of the Whole-time Director, the payment of salary, perquisites and other allowances shall be governed by the limits prescribed under Section II of the Part II of Schedule XIII to the Companies Act, 1956."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to alter, vary and modify the said terms of appointment and/or remuneration in such manner as may be agreed to between the Board of Directors and Shri R.C.Singhal within and in accordance with and subject to the limits prescribed in Schedule XIII to the Companies Act, 1956, including any amendment or statutory modification thereto for the time being in force."

9. 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 Section 314(1B) and other applicable provisions, if any, of the Companies Act, 1956 (including any amendment thereto or re-enactment thereof for the time being in force) and subject to approval of the Central Government and such modification(s) and

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variation(s) as the Central Government may suggest, which the Board of Directors of the Company (hereinafter referred to as "the Board") is hereby authorised to accept, consent of the members be and is hereby accorded to Shri Kushagra Nayan Bajaj, who is son of Shri Shishir Bajaj, Chairman and Managing Director of the Company, to hold and continue to hold the office or place of profit under the Company with the designation as Executive Director with effect from 20th March 2001, on the following terms as to remuneration:-

A. i) Salary : Rs. 20,000 per month.

ii) Exgratia : As applicable to Senior Executives of the Company.

B. Perquisites:

i) Contribution to Provident Fund and Superannuation Fund:

Company's contribution to Provident Fund and Superannuation Fund to the extent these either singly or put together are not taxable under the Income-tax Act, 1961.

ii) Gratuity:

Gratuity at the rate of one month's salary for each completed year of service.

iii) Leave:

Leave with full pay as per the rules of the Company, encashment of unavailed leave being allowed at the end of the tenure.

iv) Housing :

Free furnished accommodation with gas, electricity, water and furnishings or unfurnished accommodation with gas, electricity, water and furnishings and Company's furniture on rental basis as per the Scheme applicable to the Senior Executives of the Company.

OR

House rent allowance at the rate of 50% of salary.

v) Medical Expenses :

Reimbursement of medical expenses including hospitalisation, nursing home and surgical charges for himself and family whether incurred in India or abroad.

vi) Leave Travel Concession :

Reimbursement of actual traveling expenses for proceeding on leave from Mumbai to any place in India and return therefrom once in a year in respect of himself and family.

vii) Club Fees :

Reimbursement of membership fees for clubs.

viii) Personal Accident Insurance :

Personal accident insurance policy of such an amount the premium for which shall not exceed the limit of Rs.10,000 per annum.

ix) Conveyance facilities :

Free use of Company's car for Company's work as well as for personal purposes along with driver.

x) Communication facilities :

Telephone, telefax and other communication facilities at residence at Company's cost."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do and cause to be done all such acts and things as may be necessary for giving effect to the above resolution."

10. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution: -

"RESOLVED THAT the consent of the Company be and is hereby accorded in terms of Section 293(1)(a) and all other applicable provisions, if any, of the Companies Act, 1956 (including any amendment thereto or re-enactment thereof for the time being in force) to mortgaging and/or charging by the Board of Directors of the Company of all or any of the immovable and/or moveable properties of the Company, wheresoever situate, both present and future, or the whole or substantially the whole of the undertaking(s) of the Company and/or conferring power to enter upon and take possession of the assets of the Company in certain events, to or in favour of Trustee(s) for holders of debentures, bonds or any other debt instrument or Lender(s) for securing the issue of secured non-convertible debentures/ bonds/ other debt instruments to be issued by the Company at any time(s) in one or more tranche(s) and on such terms and conditions as may be decided by the Board, of a principal amount not exceeding in aggregate Rs.100 crores (Rupees one hundred crores only), together with interest, additional interest, compound interest, liquidated damages, remuneration payable to the Trustees, premium, if any, on redemption, costs, charges, expenses and all other monies payable by the Company to the Trustee(s)/ Lender(s) as may be stipulated in that behalf and agreed to between the Board of Directors and the Trustee(s)/ Lender(s)."

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"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to finalise with Trustee(s)/ Lender(s), the documents for creating aforesaid mortgage and/or charge and accepting any modification therein and to do all such acts and things as may be necessary for giving effect to the above resolution."

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

"RESOLVED THAT pursuant to applicable provisions of the Foreign Exchange Management Act, 1999 (FEMA), the Companies Act, 1956 and all other applicable rules, regulations, guidelines and laws (including any amendment thereto or re-enactment thereof for the time being in force) and subject to approval(s) and/or permission(s) and/or sanction(s) of the Central Government, Reserve Bank of India and other regulatory bodies, if required, and subject to such condition(s) as may be prescribed by any of the concerned authorities while granting such approval(s), permission(s) and sanction(s), which may be agreed to by the Board of Directors of the Company (hereinafter referred to as "the Board") the consent of the Company be and is hereby accorded for investment by Foreign Institutional Investors including their sub-accounts (hereinafter referred to as "the FIIs"), in the equity share capital of the Company, either by direct investment or by purchase or acquisition from market under Portfolio Investment Scheme under FEMA, subject to the condition that the total holdings of all FIIs put together shall not exceed 49% of the paid up equity shares capital of the Company or such other limit as may be prescribed from time to time."

"RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds, matters and things and execute all documents or writings as may be necessary, proper or expedient for the purpose of giving effect to this resolution and for matters connected therewith or incidental thereto."

By Order of the Board of Directors
For Bajaj Hindusthan Limited

PRADEEP PARAKH

Company Secretary

Mumbai, Dated: 26th June 2001

Registered Office:

Bajaj Bhawan, 2nd Floor

Jamnalal Bajaj Marg

226, Nariman Point

Mumbai - 400 021

NOTES:

1. 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.
2. For appointment of proxy to be effective at the meeting, the instrument appointing the proxy shall be deposited at the registered office of the Company not less than 48 hours before the commencement of the meeting.
3. Explanatory Statement setting out all material facts relating to the ordinary business specified in Item No. 4 and special business contained in Item Nos. 5 to 11 as required under Section 173(2) of the Companies Act, 1956 is annexed hereto.
4. The Register of Members and the Share Transfer Books of the Company will remain closed from Friday, the 3rd August 2001 to Monday, the 20th August 2001 (both days inclusive).
5. Dividend when declared by shareholders at the Annual General Meeting will be paid to those shareholders:
 - a) Holding shares in electronic form as per the beneficial ownership data made available by the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) as at the end of day on 2nd August 2001.
 - b) Holding shares in physical form whose names shall appear on the Register of Members as on Monday, the 20th August 2001.
6. a) Members are requested to send their Bank Account particulars (Viz. Account No., Name & Branch of the Bank and the MICR Code) to the Company for printing on Dividend Warrant to ensure that the Dividend Warrant, even if lost in transit or stolen, cannot be encashed through any other Bank.
 - b) The details of the Bank Account of the members holding Depository Account are available through the Depository Participants of NSDL/CDSL. The Company, for printing on the Dividend Warrants to prevent fraudulent encashment thereof, can use these. Members are requested to expressly authorise the Company to print the said Bank Account details on the Dividend Warrants. The members who wish to receive dividend in any other Account other than the one specified above, are requested to promptly inform their Bank Account particulars, as mentioned in 6(a) above to the Company, quoting their DP Id and Client Id particulars.

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7. a) In accordance with the provisions of Section 205A of the Companies Act, 1956, the Company has, from time to time, transferred unclaimed dividend relating to the year upto 1993-94 to the General Revenue Account of the Central Government.

The unclaimed dividends relating to the years upto 1989-90 relating to the 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 claims to any of the unclaimed dividends referred to above may claim the same from the Registrar of Companies, Maharashtra, Hakoba Mills Compound, Kalachowkie, Mumbai - 400 033 in the prescribed manner.

- b) Pursuant to the provisions of Sections 205A to 205C of the Companies Act, 1956, all dividend for the years 1994-95 and thereafter, transferred to the respective unpaid dividend account, which remains unclaimed for a period of seven years from the date of such transfer will be transferred by the Company to the "Investor Protection and Education Fund" set up by the Central Government and no claims shall lie against the said fund or the Company in respect thereof. Shareholders who have not encashed the dividend warrant(s) so far in respect of the dividend for the financial year 1994-95 or any subsequent

financial year, are, therefore, requested to make their claims to the registered office of the Company.

8. 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 in respect of their physical share folios, if any.
9. Members holding shares in identical order of names in more than one folio are requested to write to the Company enclosing their share certificates to enable them to consolidate their holdings in one folio.
10. The Company has been maintaining, inter alia, the following statutory registers at its registered office at Bajaj Bhawan 2nd Floor, Jammalal Bajaj Marg, 226, Nariman Point, Mumbai - 400 021 which are open for inspection by members and others as prescribed in the respective Sections of the Companies Act, 1956 :-

- a) Register of Contracts with companies and firms in which directors are interested under Section 301 of the Companies Act, 1956;
- b) 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 the Annual General Meeting and ending three days after the date of its conclusion.

SHAREHOLDER INFORMATION

1. Annual General Meeting : Date and Time : 20th August 2001 11.00 A.M.
2. Dates of Book Closure : 3rd August 2001 to 20th August 2001 (both days inclusive).
3. Stock Exchanges on which Company's Securities are listed :

The Equity shares of the Company are listed on the following two stock exchanges in India :

- | | |
|---|---|
| 1. The Stock Exchange, Mumbai
(Regional Stock Exchange)
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai - 400 023 | 2. National Stock Exchange of India Ltd.
Trade World
Senapati Bapat Marg
Lower Parel
Mumbai - 400 013 |
|---|---|

NOTE: The Company has paid annual listing fee to each of the above Stock Exchanges for the financial year 2001-2002.

4. The equity shares of the Company form part of compulsory scrips for settlement only in Demat form by all investors.

BAJAJ HINDUSTHAN LIMITED**ANNEXURE TO NOTICE****EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956****In respect of Item No. 4**

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

- a) a public financial institution or 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 capital; or
- c) a nationalised bank or an insurance company carrying 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 about 25% of the subscribed capital of the Company is held by financial institutions, banks, etc. the re-appointment of Auditors on terms as set out in the resolution under Item No. 4 of the accompanying Notice is proposed to be passed as a Special Resolution.

The Board of Directors of the Company recommend passing of the resolution at Item No. 4 of the Notice.

None of the Directors of the Company is, in any way, concerned or interested in the said resolution.

In respect of Items No. 5 and 6

Shri Niraj Bajaj was appointed as a Director of the Company with effect from 29th October 1999 to fill the casual vacancy caused by resignation of Shri Rahul Bajaj and Shri R.V.Ruia was appointed as a Director of the Company with effect from 16th April 2001 to fill the casual vacancy caused by the resignation of Shri N. R. Ruia. Both these new Directors would hold office as Directors only upto the date of the ensuing Annual General Meeting pursuant to Section 262 of the Companies Act, 1956.

The Company has received notices alongwith deposits of Rs.500 each, pursuant to and in accordance with Section 257 of the Companies Act, 1956, from some members signifying their intention to propose the appointment of Shri Niraj Bajaj and Shri R.V.Ruia to the office of a Director of the Company. Both the above Directors have consented to continue as Directors of the Company, if appointed. The Board of Directors considers that it would be in the interest of the Company to continue to avail the services of the above Directors and hence recommend their appointment.

A copy each of the notices received under Section 257 of the Companies Act, 1956, as referred to above, are

available for inspection by members during business hours on all working days at the registered office of the Company upto the date of the meeting.

Shri Niraj Bajaj and Shri R.V.Ruia are interested in the Resolutions at Items No. 5 and 6 of the Notice respectively. Save as aforesaid, none of the other Directors of the Company is, in any way, concerned or interested in the said resolutions.

In respect of Items No. 7 and 8

Shri R.C.Singhal, aged 49 years, is a Sugar Industry Professional and Technologist having over 29 years' rich experience of Sugar Industry. He is in charge of both the sugar mills and the distillery of the Company.

In order to strengthen the management of the Company's affairs, Shri R.C.Singhal was appointed as Additional Director of the Company on whole-time basis for a period of 5 (five) years with effect from 16th April 2001 at the remuneration as contained in the Resolution at Item No. 8 of the Notice, subject to the approval of the shareholders and such other approval(s)/ permission(s)/ consent(s) as may be required and designated as President. Shri R.C.Singhal would hold office as Director only upto the date of the ensuing Annual General Meeting pursuant to Section 260 of the Companies Act, 1956. Shri R.C. Singhal has consented to continue as Director of the Company, if appointed. The Board of Directors considers that it would be in the interest of the Company to continue to avail the services of the above Director and hence recommend his appointment.

The Company has received a notice alongwith deposit of Rs.500 each, pursuant to and in accordance with Section 257 of the Companies Act, 1956, from one member signifying his intention to propose appointment of Shri R.C.Singhal to the office of Director of the Company.

Furthermore, pursuant to the provisions of Sections 198, 269, 309 of the Companies Act, 1956 read with Schedule XIII thereto, the above appointment and payment of remuneration is subject to the approval of shareholders by way of resolution passed at a general meeting of the Company. The other terms and conditions of the aforesaid appointments are as under: -

- a. The Whole-time Director shall not be paid any sitting fees for attending the meetings of the Board of Directors or Committees thereof.
- b. The Whole-time Director shall not, so long as he functions as such, become interested or otherwise concerned directly or through his wife and /or minor children in any selling agency of the Company in future without prior approval of the Central Government.
- c. If at any time Shri R.C.Singhal ceases to be in the Whole-time employment of the Company for any cause whatsoever, he shall cease to be the Director of the Company.

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- d. Shri R.C.Singhal is appointed as Whole-time Director by virtue of his employment in this Company and his appointment is subject to the provision of Section 283(1)(l) of the Companies Act, 1956.
- e. The appointment may be terminated by either party by giving the other party three months' notice or paying three months' salary in lieu thereof.

A copy of the notice received under Section 257 of the Companies Act, 1956, as referred to above, is available for inspection by members during business hours on all working days at the registered office of the Company upto the date of the meeting.

Shri R.C.Singhal is interested in the resolutions at Items No. 7 and 8 of the Notice. Save as aforesaid, none of the other Directors of the Company is, in any way, concerned or interested in the said resolutions.

In respect of Item No. 9

The Board of Directors of the Company, at its meeting held on 19th March 2001 appointed Shri Kushagra Nayan Bajaj, son of Shri Shishir Bajaj, Chairman & Managing Director of the Company, as Senior Executive of the Company for a period of 5 years with effect from 20th March 2001 at the remuneration as set out in the resolution at Item No. 9 of the Notice, subject to the approvals of shareholders by way of Special Resolution and the Central Government pursuant to the provisions of Section 314 (1B) of the Companies Act, 1956.

Shri Kushagra Nayan Bajaj is B.S. in Industrial Management (Finance, Economics & Philosophy) 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. Thereafter he worked as Officer on Special Duty of the Company for three months from July 1999 to September 1999. Shri Kushagra Nayan Bajaj then pursued his advanced studies leading to Master of Science (M.S.) in Integrated Marketing Communications (Marketing) in Medill School of Journalism, Northwestern University, Evanston, Illinois, U.S.A. during the period from 20th September 1999 to 10th December 2000. The appointment of Mr. Kushagra Nayan Bajaj as Senior Executive of the Company is expected to benefit the Company.

The Board of Directors of the Company recommend passing of the Special Resolution at Item No. 9 of the Notice.

Shri Shishir Bajaj, Chairman & Managing Director of the Company being relative of Shri Kushagra Nayan Bajaj may be deemed to be concerned or interested in the said resolution.

Save as aforesaid, none of the other Directors of the Company is, in any way, concerned or interested in the said resolution.

In respect of Item No. 10

The Company proposes to raise a sum not exceeding in the aggregate Rs.100 crores by way of issue of non-convertible debentures/ bonds and/or other debt instruments for meeting its requirements of funds for working capital and other general corporate purposes, at appropriate time(s) in one or more tranche(s), at such price or prices, to such person(s) and in such manner as may be decided by the Board of Directors of the Company. The said raising of finance may be required to be adequately secured by way of a first/ pari passu mortgage/ charge on the immovable and/or moveable properties of the Company, present and future, to be created in favour of Trustees(s)/ Lender(s). The detailed terms and conditions and the modalities of the issue, in consonance with the prevailing law, will be finalised a later date in consultation with merchant bankers/ advisors to the issue.

Since creation of such security with power to take over the management of the business and the concern of the Company in certain events, may be considered as disposal of the Company's properties/ undertakings in terms of Section 293(1)(a) of the Companies Act, 1956, consent of shareholders is being sought.

The Board of Directors recommends passing of the Ordinary Resolution at item No.10 of the Notice.

All the Directors may be deemed to be interested in the said resolution to the extent of the debentures/bonds/ other instruments offered and allotted to them, if any. Save as aforesaid, none of the Directors of the Company is, in any way, concerned or interested in the said resolution.

In respect of Item No. 11

Recently the Government has raised the limit of investment by Foreign Institutional Investors (FIIs) to 49% from the earlier limit of 40% of the paid-up equity shares capital of a Company subject, however, to the approval of the Board of Directors of such Company and the members of such Company by way of special resolution. To facilitate investment by the FIIs in the equity shares of the Company as and when deemed appropriate, approval/consent of shareholders is being sought.

The Board of Directors recommends passing of the Special Resolution at item No. 11 of the Notice.

None of the Directors of the Company is, in any way, concerned or interested in the said resolution.

By Order of the Board of Directors
For Bajaj Hindusthan Limited

PRADEEP PARAKH

Company Secretary

Mumbai, Dated: 26th June 2001

Registered Office:

Bajaj Bhawan, 2nd Floor

Jamnalal Bajaj Marg

226, Nariman Point

Mumbai - 400 021

BAJAJ HINDUSTHAN LIMITED**Directors' Report**

The Directors present their Seventieth Annual Report and the Audited Statement of Accounts for the year ended 31st March 2001.

Financial Results

	2000-2001	(Rs. in Lacs) 1999-2000
Sales and other Income	33676	26563
Gross Profit before interest and depreciation	4046	3384
Interest	2051	1606
Depreciation	1076	1031
Provision for Taxation	44	47
Profit after Tax	828	700
Disposable Surplus after adjustments	380	809
Transfer to General Reserve	100	500
Dividend	—	218
Proposed Dividend	218	—
Tax on Dividend	22	24
Balance Carried forward	40	67

Dividend

The Board of Directors of the Company recommend for consideration of shareholders at the Annual General Meeting payment of a dividend of Rs.2.50 per share, same as that of the previous year, on the Equity Shares (of the face value of Rs.10/- each) of the Company for the year ended 31st March 2001. The total payout (including tax on dividend) will be Rs.2.40 crores as against Rs.2.42 crores in the previous year.

Operations

SUGAR DIVISION		2000-2001		1999-2000	
a) Gola Unit:	Account- ing Year	Season 06.11.2000 to 25.04.2001	Account- ing Year	Season 24.11.1999 to 20.05.2000	
Sugarcane crushed (Lac Tonnes)	15.65	14.02	12.56	14.12	
Recovery (%)	9.71	9.73	9.70	9.74	
Sugar Production (Lac Tonnes)	1.52	1.36	1.21	1.42	
b) Palia Unit:	Account- ing Year	Season 17.11.2000 to 30.03.2001	Account- ing Year	Season 28.11.1999 to 13.05.2000	
Sugarcane crushed (Lac Tonnes)	10.51	8.19	8.71	10.47	
Recovery (%)	9.63	9.72	9.36	9.41	
Sugar Production (Lac Tonnes)	1.01	0.80	0.82	0.99	
DISTILLERY DIVISION		2000-2001		1999-2000	
Industrial Alcohol Production (Kilo Litres)		11970		8367	

Sugar Division

With all India production of 18.2 million tonnes of sugar in 1999-2000, the year 2000-2001 started with carryover stocks of 10 million tonnes of sugar. During the current year the production is expected to be around 18.6 million tonnes. With the consumption of sugar being estimated at about 17 million tonnes, the year is set to close with higher stocks of about 11.5 million tonnes.

For the year 2000-2001, the Government of India has increased the minimum statutory cane price from Rs. 56.10 per quintal linked to 8.5% recovery to Rs. 59.50 per quintal.

For the season 2000-2001, the Government of U.P. has increased the State advised cane price from Rs. 85 per quintal to Rs. 90 per quintal for the general varieties and Rs. 95 per quintal for the varieties designated as early ones.

Levy Price

The Government of India has announced the revised levy price for the year 2000-2001. The price for the Central U.P. Zone where our factories are situated has been revised from Rs. 1075.41 per quintal to Rs. 1160.81 per quintal i.e. an increase of Rs. 85.40 per quintal. The Government has also increased the issue price of levy sugar under PDS from Rs. 13 to Rs. 13.25 per kg.

Decontrol

The Government of India has changed the Free/Levy ratio from 70:30 to 85:15 effective 1st February 2001. Moreover the Government has also agreed to decontrol the industry shortly. It has announced futures trading of sugar. The industry has, however, pleaded with the Government that the monthly release mechanism should be retained for some more time. Moreover the industry has pleaded for the creation of 1 million tonnes buffer stock, which is likely to be accepted by the Government very soon.

Exports

The Government has allowed the industry to freely export the sugar from 26th April 2001 in view of increased sugar production and availability in the country.

Crushing and Recovery at Gola and Palia

1. Crushing at Gola, during the current season has been 140.20 lac quintals (previous season 141.20 lac quintals) with recovery of 9.73% as against 9.74% in the last year.
2. Crushing at Palia, during the current season has been lower at 81.90 lac quintals than 104.70 lac quintals in the previous season, mainly due to extremely heavy