

July 18, 2014

Deputy General Manager Corporate Relationship Department BSE Limited First Floor, New Trade Wing Rotunda Building, Phiroze Jeejeebhoy Towers, Dalal Street, Fort Mumbai 400 023 Stock Code: 500032 Fax No. 2272 3719/2037	National Stock Exchange of India Ltd. Exchange Plaza, 5th Floor Plot.No. C/1, 'G' Block Bandra – Kurla Complex Bandra (East) Mumbai 400 051 Stock Code BAJAJHIND Fax No. 2659 8237 / 8238
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Dear Sirs,

Re: Clause 31 and 49 of the Listing Agreement

With reference to Clause 31 and 49 of the Listing Agreement, we send herewith the following:

1. Six copies of the Annual Report for the 18 months period ended March 31, 2014 containing the Directors' Report, Management Discussion and Analysis Report, Report on Corporate Governance Compliance (with a separate section on the shareholder information) (ref. Clause 49) and Auditors' certificate thereon, Auditors' Report, Balance Sheet as at March 31, 2014, Statement of Profit and Loss for the period ended March 31, 2014, Cash Flow Statement for the period ended March 31, 2014 and Auditors' Certificate thereon.
2. Six copies of Notice convening the 82nd Annual General Meeting of the Shareholders of the Company.
3. One copy of Auditors' Certificate on compliance of Corporate Governance requirement pursuant to Clause 49 of the Listing Agreement.

Kindly take the same on record.

Please note that we are also sending one copy of the documents mentioned in Para 1 and 2 above to all the other recognised Stock Exchanges in India simultaneously.

Thanking you,

Yours faithfully,
For **Bajaj Hindusthan Limited**

Kausik Adhikari

Kausik Adhikari
Deputy Company Secretary

Encl: as above

To the Members,
Bajaj Hindusthan Limited

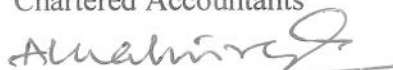
We have examined the compliance of conditions of Corporate Governance by Bajaj Hindusthan Limited, for the eighteen months period ended on 31st March, 2014, as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to a review of the procedures and implementation thereof adopted by the Company for ensuring compliance with the conditions of the Corporate Governance as stipulated in the said Clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and based on the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

We state that such compliance is neither an assurance as to future viability of the Company nor of the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For and on behalf of
CHATURVEDI & SHAH
Firm Registration Number : 101720W
Chartered Accountants



Amit Chaturvedi
Partner
Membership No.: 103141
Place: Mumbai
Date: May 16, 2014



NOTICE TO SHAREHOLDERS

NOTICE is hereby given that the **Eighty Second Annual General Meeting** of the Members of Bajaj Hindusthan Limited will be held on **Tuesday, August 12, 2014 at 11.00 a.m.** at BHL Club Hall, Golagokarannath, Lakhimpur Kheri, District Kheri, Uttar Pradesh 262 802, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Standalone and Consolidated Financial Statements for the 18 months period ended as at March 31, 2014, and the Reports of the Directors and the Auditors thereon for the said period.
2. To appoint a director in place of Mr. Manoj Maheshwari (DIN 02581704), who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint M/s. Chaturvedi & Shah (Firm Registration Number 101720W), Chartered Accountants, pursuant to provisions of Section 139 of the Companies Act, 2013, as Auditors of the Company for one year, being the balance tenure of their first term, to hold office from conclusion of this 82nd Annual General Meeting until the conclusion of the 83rd Annual General Meeting of the Company at such remuneration as shall be fixed by the Board of Directors.

SPECIAL BUSINESS:

4. 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 152 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any amendment thereto or re-enactment thereof for the time being in force), office of Mr. Kushagra Bajaj (DIN 00017575), earlier appointed as a director not liable to retire by rotation, be and is hereby changed as Director whose period of office is liable to determination by rotation."
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 Sections 149, 150 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any amendment thereto or re-enactment thereof for the time being in force), Mr. M. L. Apte (DIN 00003656), Director of the Company who retires by rotation at this annual general meeting and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 proposing Mr. M. L. Apte as a candidate for the office of director of the Company, be and is hereby appointed as an Independent Director of the Company to hold office upto March 31, 2019."
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 Sections 149, 150 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any amendment thereto or re-enactment thereof for the time being in force), Mr. D.S. Mehta (DIN 00038366), Director of the Company who retires by rotation at this annual general meeting and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 proposing Mr. D.S. Mehta as a candidate for the office of director of the Company, be and is hereby appointed as an Independent Director of the Company to hold office upto March 31, 2019."
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 Sections 149, 150 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any amendment thereto or re-enactment thereof for the time being in force), Mr. R.V. Ruia (DIN 00035853), Director of the Company who retires by rotation at this annual general meeting and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 proposing Mr. R.V. Ruia as a candidate for the office of director of the Company, be and is hereby appointed as an Independent Director of the Company to hold office upto March 31, 2019."
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 149, 150 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any amendment thereto or re-enactment thereof for the time being in force), Mr. Alok Krishna Agarwal (DIN 00127273), Director of the Company who retires by rotation at this annual general meeting and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 proposing Mr. Alok Krishna Agarwal as a candidate for the office of director of the Company, be and is hereby appointed as an Independent Director of the Company to hold office upto March 31, 2019."
9. 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 149, 150 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any amendment thereto or re-enactment thereof for the time being in force), Mr. D.K. Shukla (DIN 00025409), Director of the Company who retires by rotation at this annual general meeting and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 proposing Mr. D.K. Shukla as a candidate for the office of director of the Company, be and is hereby appointed as an Independent Director of the Company to hold office upto March 31, 2019."
10. 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 62(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 (including any amendment thereto or re-enactment thereof for the time being in force), the Foreign Exchange Management Act, 1999, the Foreign Exchange Management (Transfer or Issue of any Foreign Security) Regulations, 2004, the Issue of Foreign Currency Convertible Bonds and Ordinary Shares (Through Depository Receipt Mechanism) Scheme, 1993, Foreign Currency Exchangeable Bonds Scheme, 2008, Regulations for Qualified Institutions Placement contained in Chapter VIII of the Securities

and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, 2009, the Companies (Issue of Global Depository Receipts) Rules, 2014, the notifications issued by the Reserve Bank of India ("RBI") and other applicable laws, listing agreement entered into by the Company with the stock exchanges where the shares of the Company are listed, Articles of Association and subject to all statutory and regulatory approval(s), consent(s), permission(s) and/ or sanction(s) as may be required of the Government of India, RBI, Securities and Exchange Board of India ("SEBI") and all other concerned authorities (hereinafter singly or collectively referred to as the "Appropriate Authorities") and subject to such terms, conditions and modifications as may be prescribed by any of the Appropriate Authorities while granting any such approval, consent, permission and/ or sanction and as may be agreed to by the Board of Directors of the Company (the "Board") (which term shall be deemed to include any Committee which the Board may have constituted or hereafter constitute for the time being exercising the powers conferred on the Board by this resolution), which the Board be and is hereby authorised to accept, if it thinks fit in the interest of the Company, the Board be and is hereby authorised to create, issue, offer and allot eligible securities including equity shares, non-convertible debt instruments along with warrants (whether detachable or non-detachable) entitling the warrant holder to apply for equity shares/instruments or securities representing equity shares and convertible securities (convertible either at the option of the Company or of the holders thereof) other than warrants through qualified institutions placement ("QIP") to qualified institutional buyers ("QIB") and/ or through global depository receipts ("GDRs"), american depository receipts ("ADRs"), foreign currency convertible bonds ("FCCBs"), foreign currency exchangeable bonds ("FCEBs"), any other depository receipt mechanism, or any combination thereof (hereinafter collectively referred to as the "Securities") whether denominated in Indian rupee(s) or foreign currency(ies), in the course of domestic and/ or international offering(s) in one or more foreign market(s), for a value of up to Rs. 3,000 crores (Rupees Three thousand crores only), with authority to retain over subscription up to such percentage as may be permitted by the Appropriate Authorities, to be subscribed to by resident or non-resident/ foreign investors, whether or not such persons or any of them are members of the Company, to all or any of them, through prospectus, offer document and/ or other letter or circular from time to time in one or more tranches as may be deemed appropriate by the Board and such issue and allotment of Securities to be made by the Board on such occasion or occasions, at such price or value or values, whether at a discount or at a premium to the market price prevailing at the time of the issue and in such form and manner and on such terms and conditions or with such modifications thereto including the number of Securities to be issued, face value, rate of interest, redemption period, manner of redemption, amount of premium on redemption/ prepayment, number of further equity shares to be allotted on conversion/ redemption/ extinguishment of debt(s), exercise of rights attached to the warrants, the ratio of exchange of shares and/ or warrants and/ or any other financial instrument, period of conversion, fixing of record date or book closure and all other related or incidental matters as the Board may in its absolute discretion think fit and decide in consultation with the Appropriate Authority(ies), the merchant banker(s) and/ or lead manager(s) and/ or underwriter(s) and/ or advisor(s) and/ or such other experts, but without requiring any further approval or consent from the shareholders;"

"RESOLVED FURTHER THAT in case of issue of Securities through QIP, a minimum of 10% of the Securities issued pursuant to applicable regulations shall be allotted to mutual funds and if no mutual fund is agreeable to take up the minimum portion or any part thereof, then such minimum portion or part thereof may be allotted to other QIB(s) or otherwise."

"RESOLVED FURTHER THAT the Relevant Date for determining the pricing of the securities [whether on Qualified Institutional Placement to QIBs as per the provisions of Chapter VIII of SEBI (Issue of Capital & Disclosure Requirements) Regulations, 2009] or issue of equity shares underlying the GDRs or securities issued on conversion of FCCBs shall be the date of the meeting in which the Board decides to open the proposed issue or such other date, if any, as may be notified by SEBI or the RBI or any Appropriate Authority from time to time."

"RESOLVED FURTHER THAT the Board be and is hereby authorised to allot further shares up to 15 (fifteen) percent of its issue size to the stabilisation agent by availing the Green Shoe Option subject to the provisions of relevant SEBI Regulations and enter into and execute all such agreements and arrangements with any merchant banker or book runner, as the case may be, involved or concerned in such offerings of Securities and to pay all such fee/expenses as may be mutually agreed between the Company and the said stabilisation agent."

"RESOLVED FURTHER THAT the Board be and is hereby authorised to enter into and execute all such agreements and arrangements with any lead manager(s), co-lead manager(s), manager(s), advisor(s), underwriter(s), guarantor(s), depository(ies), custodian(s), trustee, stabilisation agent, banker/ escrow banker to the issue and all such agencies as may be involved or concerned in such offerings of Securities and to remunerate all such agencies by way of commission, brokerage, fees or the like, and also to seek the listing of such Securities in one or more Indian/international stock exchanges."

"RESOLVED FURTHER THAT the Board and/ or an agency or body authorised by the Board may issue depository receipt(s) or certificate(s), representing the underlying securities issued by the Company in registered or bearer form with such features and attributes as are prevalent in Indian and/ or international capital markets for the instruments of this nature and to provide for the tradability or free transferability thereof, as per the Indian/ international practices and regulations and under the norms and practices prevalent in the Indian/ international markets."

"RESOLVED FURTHER THAT the Board be and is hereby authorised to issue and allot such number of further equity shares as may be required to be issued and allotted upon conversion of any Securities or as may be necessary in accordance with the terms of the offering, all such further equity shares ranking pari-passu with the existing equity shares of the Company in all respects except provided otherwise under the terms of issue and in the offer document."

"RESOLVED FURTHER THAT subject to the existing laws and regulations, such Securities to be issued, that are not subscribed, may be disposed off by the Board to such person(s) and in such manner and on such terms as the Board may in its absolute discretion think most beneficial to the Company, including offering or placing them with resident or non-resident/ foreign investor(s) (whether institutions and/ or incorporated bodies and/ or individuals and/ or trusts and/ or otherwise)/ FIIs/QIBs/ mutual funds/ pension funds/ venture capital funds/banks and/ or employees and business associates of the Company or such other person(s) or entity(ies) or otherwise, whether or not such investors are members of the Company, as the Board may in its absolute discretion decide."

"RESOLVED FURTHER THAT for the purpose of giving effect to the above resolutions, the Board be and is hereby authorised on behalf of the Company to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary or desirable for such purpose, including without limitation the entering into of underwriting, marketing, depository and custodian arrangements and with power on behalf of the Company to settle any questions, difficulties or doubts that may arise in regard to any such issue(s)/ offer(s) or allotment(s) or otherwise and utilisation of the issue proceeds and/ or otherwise to alter or modify the terms of issue, if any, as it may in its absolute discretion deem fit and proper without being required to seek any further consent or approval of the Company to the end and intent that the Company shall be deemed to have given its approval thereto expressly by the authority of this resolution."

11. 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 148 of the Companies Act, 2013, Companies (Audit and Auditors) Rules, 2014 and other applicable provisions, if any of the Companies Act, 2013 (including any amendment thereto or re-enactment thereof for the time being in force), payment of remuneration of an aggregate amount of Rs.3,25,000/- (Rupees Three lac twenty five thousand only) plus service tax as applicable and reimbursement of actual travel and out of pocket expenses to M/s B.J.D. Nanabhoy & Co., Cost Accountants, Mumbai, appointed as Cost Auditor of the Company by the Board of Directors, to conduct the cost audit of the Company for the financial year ended March 31, 2015, be and is hereby ratified and confirmed."

By Order of the Board of Directors



Pradeep Parakh

Group President (GRC) & Company Secretary

Place: Mumbai

Dated: July 04, 2014

NOTES:

- A member entitled to attend and vote at the Annual General Meeting ("meeting") is entitled to appoint a proxy to attend and vote on a poll instead of himself /herself and the proxy need not be a member of the Company. The instrument appointing the proxy, in order to be effective, shall be deposited at the Registered Office of the Company not less than forty-eight hours before the commencement of the Meeting. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company. A member holding more than ten percent, of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.**
- Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified true copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.
- In case of joint holders attending the Meeting, only such joint holder who is higher in order of names will be entitled to vote.
- In terms of Article 104 of the Articles of Association, read with Section 152 of the Companies Act, 2013 Mr. Manoj Maheshwari, (DIN 02581704), Director retire by rotation and being eligible, offer himself for reappointment. The Board of Directors commends his reappointment.
Mr. M.L. Apte (DIN 00003656), Mr. D.S. Mehta (DIN 00038366), Mr. R.V. Ruia (DIN 00035853), Mr. Alok Krishna Agarwal (DIN 00127273) and Mr. D.K. Shukla (DIN 00025409), Non executive Directors of the Company were Independent Directors as per Clause 49 of the Listing Agreement with Stock Exchanges. As per Explanation to Section 152(6)(e) of the Companies Act 2013, total number of Directors for the purpose of determining directors liable to retire by rotation shall not include independent directors, whether appointed under the Companies Act, 2013 or any other law for the time being in force.
- Brief resume of all Directors proposed to be re-appointed/appointed, nature of their expertise in specific functional areas, names of the companies in which they hold directorships, memberships/ chairmanships for Board/Committees, shareholding and relationship between directors inter-se as stipulated in Clause 49 of the Listing Agreement with Stock Exchanges are provided in the annexure to the notice.
- A Statement pursuant to Section 102(1) of the Companies Act, 2013, relating to Special Business to be conducted at the Meeting is annexed hereto.
- Relevant documents referred to in accompanying Notice are open for inspection by the members at the Registered Office of the Company on all working days, except Saturdays, between 11.00 a.m. and 1.00 p.m. up to the date of the Meeting.
- The register of members and share transfer register of the Company shall remain closed from Saturday, August 2, 2014 to Tuesday, August 12, 2014 (both days inclusive).
- Members are requested to furnish their bank account details, change of address and all other required details to the Registrar & Share Transfer Agent in respect of shares if held in physical form. In case of shares held in electronic form, these details should be furnished to the respective Depository Participants (DPs).
- The Securities and Exchange Board of India ("SEBI") has mandated the submission of Permanent Account Number ("PAN") by every participant in the securities market. Members holding shares in electronic form are therefore, requested to submit their PAN card numbers/copies of PAN card to their depository participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company/Registrar and Share Transfer Agent, M/s. Sharepro Services (India) Private Ltd.
- For convenience of the members and for proper conduct of the meeting, entry to the place of the meeting will be regulated by way of attendance slip, which is annexed to this Notice. Members are requested to bring their Attendance Slip, sign the same at the place provided and hand it over at the entrance of the venue.
- Members are requested to send all communications relating to shares to the Registrar and Share Transfer Agent of the Company at the following address:

By Post/ Courier/ Hand Delivery	By Hand Delivery
M/s Sharepro Services (India) Pvt. Ltd. Unit : Bajaj Hindusthan Limited 13 A/B, 2 nd Floor, Samhita Warehousing Complex, Behind Sakinaka Telephone Exchange, Andheri Kurla Road, Sakinaka, Andheri (East), Mumbai 400 072 Tel. No.: 022 6772 0400 / 001 / 002 Fax No.: 022 2850 8927, 2859 1568 Email: sharepro@shareproservices.com	M/s Sharepro Services (India) Pvt. Ltd. Unit : Bajaj Hindusthan Limited 912 Raheja Centre, Free Press Journal Road Nariman Point, Mumbai – 400 021 Tel. No.: 022 2282 1568 / 69 Fax No.: 022 2282 5484 Email: sharepro@shareproservices.com

13. Pursuant to the provisions of Section 124 and 125 of the Companies Act, 2013 (corresponding to Section 205A to Section 205C of the Companies Act, 1956), all unclaimed/unpaid monies by way of dividend transferred to the "Unpaid Dividend Account" of the Company as contemplated under Section 124 of the Companies Act, 2013 (corresponding to Section 205A of the Companies Act, 1956) that remains unclaimed/unencashed for a period of 7 (seven) years from the respective date of such transfer has to be transferred by the Company to "The Investor Education and Protection Fund" (IEPF) being the fund established by the Central Government under Section 125 of the Companies Act, 2013 (corresponding to Section 205C (1) of the Companies Act, 1956) and no claims shall lie against the said Fund or the Company in respect thereof.

The details of dividends paid by the Company and the corresponding due dates for transfer of such unencashed dividend to the aforementioned Fund constituted by the Central Government are furnished hereunder:

Dividend for the year	Date of Declaration of Dividend	Due Date of transfer to The Investor Education and Protection Fund
2006-2007	26/02/2008	02/04/2015
2007-2008	24/03/2009	29/04/2016
2008-2009	18/03/2010	23/04/2017
2009-2010	22/03/2011	27/04/2018
2010-2011	11/02/2012	17/03/2019
2011-2012	14/02/2013	21/03/2020

Members who have not encashed/claimed the dividend warrant(s) so far in respect of the above financial years, are therefore, requested to make their claims to the Registered Office of the Company or M/s. Sharepro Services (India) Pvt. Ltd. well in advance of the above due dates.

The Ministry of Corporate Affairs (MCA) on 10th May, 2012 notified the IEPF (Uploading of information regarding unpaid and unclaimed amounts lying with Companies) Rules, 2012 (IEPF Rules), which is applicable to the Company. The objective of the IEPF Rules is to help the shareholders ascertain status of the unclaimed amounts and overcome the problems due to misplacement of intimation thereof by post etc. In terms of said IEPF Rules, the Company has uploaded the information in respect of the Unclaimed Dividends in respect of the financial years from 2006, as on the date of the 81st Annual General Meeting held on 14th February, 2013, on the website of the IEPF viz. www.iepf.gov.in and under 'Investors Section' on the website of the Company viz. www.bajajhindusthan.com

14. Members can avail of the facility of nomination in respect of shares held by them in physical form pursuant to the provisions of Section 72 of the Companies Act, 2013 (corresponding to Section 109A of the Companies Act, 1956). Members desiring to avail of this facility may send their nomination in the prescribed Form No. SH. 13 duly filled in to M/s. Sharepro Services (India) Pvt. Ltd. at the above mentioned address or the Registered Office of the Company. Members holding shares in electronic form may contact their respective Depository Participants for availing this facility.
15. As per the Companies Act, 2013 and rules made thereunder all documents to be sent to shareholders like General Meeting Notices (including AGM), Audited Financial Statements, Directors' Report, Auditors' Report, etc. henceforth to the shareholders in electronic form, to the e-mail address provided by them and made available to us by the Depositories. The physical copies of the annual report will also be available at our Registered Office for inspection during office hours.
- Members are also requested to register/update their email addresses, with the depository participant (in case of shares held in dematerialised form) or with Company/M/s. Sharepro Services (India) Private Limited, Registrar and Share Transfer Agent of the Company (in case of Shares held in physical form).
16. Electronic copy of the annual report for 2014 is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the annual report for 2014 is being sent in the permitted mode.
17. Electronic copy of the Notice of the 82nd Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Notice of 82nd Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.
18. Members may please note that the Notice of the 82nd Annual General Meeting and the annual report for 2014 will also be available on the Company's website www.bajajhindusthan.com for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's investor email id: investor.complaints@bajajhindusthan.com.
19. **Voting through electronic means**
- I. In compliance with provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and clause 35B of the listing agreement, the Company is pleased to provide members facility to exercise their right to vote at the 82nd Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting services provided by National Securities Depository Limited (NSDL).
- The process and instructions for e-Voting are as under:
- A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participants(s)]:
- (i) Open email and open PDF file viz., 'Bajaj Hindusthan e-Voting.pdf' with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for e-Voting. Please note that the password is an initial password.

- (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>
- (iii) Click on Shareholder – Login
- (iv) Put user ID and password as initial password/PIN note in step (i) above. Click Login.
- (v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (vi) Home page of e-Voting opens. Click on e-Voting: Active Voting Cycles.
- (vii) Select "EVEN" of Bajaj Hindusthan Limited.
- (viii) Now you are ready for e-Voting as Cast Vote page opens.
- (ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
- (x) Upon confirmation, the message "Vote cast successfully" will be displayed.
- (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
- (xii) 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. together with attested specimen signature of the duly authorized signatory/ies who are authorized to vote, to the Scrutinizer through e-mail to bajajhindusthascrutinizer.com or kadhikari@bajajhindusthan.com with a copy marked to evoting@nsdl.co.in.

B. In case a Member receives physical copy of the Notice of AGM (for members whose email IDs are not registered with the Company/Depository Participants(s) or requesting physical copy):

- (i) Initial password is provided as below/at the bottom of the Attendance Slip for the AGM:

EVEN (e Voting Event Number)

USED ID

PASSWORD/PIN

- (ii) Please follow all steps from Sl.No.(ii) to Sl.No.(xii) above, to cast vote

C. For members who wish to vote using Ballot form :

Pursuant to clause 35B of the listing agreement, members may fill in the Ballot Form enclosed with the Notice (a copy of the same is also part of the soft copy of the Notice) and submit the same in Business Reply envelope to the Scrutinizer, C/o Bajaj Hindusthan Ltd., 2nd Floor, Jamnalal Bajaj Marg, 226, Nariman Point, Mumbai - 400021 so as to reach by **6.00 p.m. on August 8, 2014**. Unsigned, incomplete or incorrectly ticked forms are liable to be rejected and the decision of the Scrutinizer on the validity of the forms will be final.

- II. 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 Downloads section of www.evoting.nsdl.com
 - III. If you already registered with NSDL for e-Voting then you can use your existing user ID and password/PIN for casting your vote.
 - IV. You can also update your mobile number and email id in the user profile details of the folio which may be used for sending future communications(s)
 - V. The e-Voting period commences on **August 6, 2014 (9.00 a.m.)** and ends on **August 8, 2014 (6.00 p.m.)**. During this period shareholders' of the Company, holding shares either in physical form or in dematerialised form, as on the cut-off date (record date) of **July 4, 2014**, may cast their vote electronically. The e-Voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently. Further, members who have previously cast their vote electronically, shall not be allowed to vote again at the meeting.
 - VI. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date (record date) of **July 4, 2014**.
 - VII. Mr. R. Ramachandran (Membership No. FCS-188) has been appointed as the Scrutinizer to scrutinize the e-Voting process in a fair and transparent manner.
 - VIII. The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-Voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
 - IX. The results shall be declared on or after the annual general meeting of the Company. The results declared alongwith the Scrutinizer's report shall be placed on the Company's website www.bajajhindusthan.com and on the website of NSDL within two (2) days of passing of the resolutions at this annual general meeting of the Company and communicated to BSE and NSE .
20. The process of shifting of registered office from Mumbai, Maharashtra to Golagokarannath, Uttar Pradesh, pursuant to the approval of shareholders by way of Special Resolution passed on September 30, 2013 is at an advance stage. The approval of the Central Government has been obtained and the certified copy of the Order of the Regional Director (Western Region), Ministry of Corporate Affairs, Mumbai, has been filed with the Registrar of Companies. The requisite fresh Certificate of incorporation in this regard from Registrar of Companies, Kanpur is expected by July 2014, upon which the aforesaid change shall take effect and the registered office of the Company shall stand shifted to Golagokarannath, Lakhimpur Kheri, District Kheri, Uttar Pradesh 262802. Accordingly, the address of the registered office of the Company presently continues to be at the Mumbai address. However, as the date of the annual general meeting is on a date after approval of Central Government has been received, the place of the annual general meeting is stated as Golagokarannath, Uttar Pradesh.

STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

The following Statement sets out all the material facts relating to the Special Business mentioned under Item Nos. 4 to 11 of the accompanying Notice.

In respect of Item No. 4

Mr. Kushagra Bajaj (DIN 00017575), was re-appointed as Vice Chairman & Joint Managing Director of the Company at the 80th Annual General Meeting of the Company to hold office for a period of 5 years with effect from April 24, 2012. Pursuant to Article 131B of the Articles of Association of the Company, Mr. Kushagra Bajaj was appointed as a Director, not liable to retire by rotation.

Clause (a) of sub-section of Section 152 of the Companies Act, 2013 provides that unless the articles provide for the retirement of all directors at every general meeting, not less than two thirds of the total number of directors of a public company shall be persons whose period of office is liable to determination by retirement of directors by rotation. The Explanation to sub-section (6) of Section 152 of the Companies Act, 2013 provides that total number of directors shall not include independent directors, whether appointed under the said Act or any other law for the time being in force, on the Board of a company. The Board of Directors of the Company presently consists of total 10 directors, out of which 5 directors are independent (as per Clause 49 of the listing agreement). Out of balance 5 directors not less than two-thirds i.e. 4 directors shall be directors whose period of office shall be liable to determination by retirement by rotation at every annual general meeting of the Company. Presently 2 directors are appointed as non retiring director. To fulfil the condition of 4 directors whose office is liable to determination by retirement by rotation, the Company proposes to change the office of Mr. Kushagra Bajaj from non-retiring category to director whose office is liable to retire by rotation.

The Board recommends the resolution for the approval by the shareholders of the Company.

Mr. Kushagra Bajaj and Mr. Shishir Bajaj are interested in the Resolution at Item No. 4 of the Notice. Save as aforesaid, none of the Directors of the Company and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in any way, in the said resolution.

In respect of Item Nos. 5 to 9

As per the provisions of Sections 149, 150, 152 and Schedule IV of the Companies Act, 2013 every listed company shall have atleast one-third of total directors as Independent Director. Section 149 of the Companies Act, 2013 provides that an independent director in relation to a company, means a director other than a managing director or whole-time director or a nominee director and who in the opinion of the Board, is a person of integrity and possesses relevant expertise and experience and also fulfils other prescribed criteria for appointment as independent director. The provisions of the Act in respect of retirement of directors by rotation shall not be applicable to appointment of independent directors. The appointment of independent director(s) of the Company is required to be approved at the meeting of the shareholders.

In terms of Clause 49 of the listing agreement Mr. M. L. Apte (DIN 00003656), Mr. D. S. Mehta (DIN 00038366), Mr. R. V. Ruia (DIN 00035853), Mr. Alok Krishna Agarwal (DIN 00127273) and Mr. D. K. Shukla (DIN 00025409) are presently considered as Independent Directors of the Company.

Mr. M. L. Apte joined the Board of Directors of the Company in July 1970. Mr. Apte is a non-executive Director of the Company holding the position of Independent Director of the Company as per the Listing Agreement. Mr. Apte is a Member of Nomination and Remuneration Committee (earlier Remuneration and Compensation Committee) of the Board of Directors of the Company. Mr. Apte is also the Chairman of the Apte group of companies. He is a former Sheriff of Mumbai, a former President of the Maharashtra Chamber of Commerce, the Bombay Chamber of Commerce, the Cricket Club of India and the Indian Sugar Mills Association, a former member of the Indian Cotton Mills Federation and a former Chairman of the Textiles Committee.

Mr. D. S. Mehta joined the Board of Directors of the Company in January 1986. Mr. Mehta is a Non-Executive Director of the Company holding the position of Independent Director as per the Listing Agreement. Mr. Mehta is Chairman of the Nomination and Remuneration Committee (earlier Remuneration and Compensation Committee) and a member of the Shareholders & Investors Grievance Committee, of the Board of Directors of the Company. Mr. Mehta is a fellow member of both the Institute of Chartered Accountants of India and the Institute of Company Secretaries of India. Mr. Mehta holds a B.Com (Hons.) degree from Mumbai University. He is associated with a number of social, educational and welfare organizations. He has been associated with the Bajaj group of companies since 1966 and has more than 48 years experience in corporate law, taxation, finance and investment.

Mr. R. V. Ruia joined the Board of Directors of the Company in April 2001. Mr. Ruia is a Non-Executive Director of the Company holding the position of Independent Director as per the Listing Agreement. Mr. Ruia is the Chairman of the Audit Committee and a member of the Nomination and Remuneration Committee (earlier Remuneration and Compensation Committee) and Member of Shareholders & Investors Grievance Committee, of the Board of Directors of the Company. Mr. Ruia holds Bachelors degree in commerce from Mumbai University in 1982. He is a director of Dawn Apparels Private Limited. Mr. Ruia was a committee member at the Bombay Mill Owners' Association, Indian Cotton Mills Federation and Bombay Textile Research Association and was a trustee of various public charity trusts.

Mr. Alok Krishna Agarwal joined the Board of Directors of the Company in April 2007. Mr. Agarwal was a non-executive Director holding the position of Independent Director as per the Listing Agreement. Mr. Agarwal is also a member of the Audit Committee of the Board of Directors of the Company. Mr. Agarwal is the founder of Juris Consultus, Law Office now called Sheldon Law Firm at New Delhi. He is also the editor of the monthly Law Magazine 'LAWZ'. He graduated in law from the Delhi University in the year 1988. He was admitted to the rolls of Bar Council in the year 1989. He is a member of the Supreme Court Bar Association. He is also life member of the Indian Council of Arbitration.

Mr. Dinesh Kumar Shukla joined the Board of Directors of the Company in October 2001. Mr. Shukla is a Non-Executive Director holding the position of Independent Director as per the Listing Agreement. Mr. Shukla is also a member of the Audit Committee and a member of the Nomination and Remuneration Committee (earlier Remuneration and Compensation Committee), of the Board of Directors of the Company. Mr. Shukla holds a Bachelors degree in Arts from Lucknow University in 1963 and a Masters degree in Social Work from Lucknow University in 1965. He served as a nominee director for the Life Insurance Corporation of India on the Board until November 11, 2008. Mr. Shukla was re-inducted in the Board with effect from December 21, 2008 as an Independent Director as per the Listing Agreement.

Mr. M. L. Apte, Mr. D. S. Mehta, Mr. R. V. Ruia, Mr. Alok Krishna Agarwal and Mr. D. K. Shukla ceased to be directors liable to retire by rotation, as per Explanation to Section 152(6)(e) of the Companies Act, 2013. In terms of Section 149 and other applicable provisions of the Companies Act, 2013 they are each proposed to be appointed as Independent Directors for a term of five consecutive years. As per Explanation to Section 149(11) of the Companies Act, 2013, any tenure of an Independent Director on the date of commencement of the Act (i.e. 01.04.2014) shall not be counted as a term for considering the five consecutive term as mentioned in Section 149(10) of the Act. Since the term after 01.04.2014 shall be considered as the term of five consecutive years, the tenure of appointment shall be only upto March 31, 2019. Separate notices have been received from members proposing each of Mr. M. L. Apte, Mr. D. S. Mehta, Mr. R. V. Ruia, Mr. Alok Krishna Agarwal and Mr. D. K. Shukla as candidates for the office of Directors of the Company.

In the opinion of the Board each of Mr. M. L. Apte, Mr. D. S. Mehta, Mr. R. V. Ruia, Mr. Alok Krishna Agarwal and Mr. D. K. Shukla fulfil the conditions specified in the Companies Act, 2013 and rules made thereunder for their appointment as an Independent Director of the Company and they are each independent of the management. Copy of the draft letter for appointment of each candidate as an Independent Director setting out the terms and conditions of appointment is available for inspection.

The Board considers that their continued association would be of immense benefit to the Company and it is desirable to continue to avail of the expertise and knowledge of Mr. M. L. Apte, Mr. D. S. Mehta, Mr. R. V. Ruia, Mr. Alok Krishna Agarwal and Mr. D. K. Shukla as Independent Directors. Accordingly, the Board recommends the Resolutions at Item Nos. 5 to 9 of the Notice in relation to appointment of Independent Directors, for the approval by the shareholders of the Company.

Mr. M. L. Apte, Mr. D. S. Mehta, Mr. R. V. Ruia, Mr. Alok Krishna Agarwal and Mr. D. K. Shukla are interested in the Resolutions pertaining to their respective appointment at Item Nos. 5 to 9 of the Notice. Save as aforesaid, none of the Directors of the Company and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in any way, in the said resolutions.

In respect of Item No. 10

Any increase in subscribed capital by issue of further shares by any company is required to be in compliance of the provisions of Section 62 of the Companies Act, 2013 (the "Act"). For issuance of further shares that may be offered to any person otherwise than as stated in Section 62(1) (a) of the Act, prior permission of shareholders is required to be obtained by way of passing of a special resolution pursuant to Section 62(1)(c) of the Act.

The provisions of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 [SEBI (ICDR), Regulations, 2009] and various regulations under Foreign Exchange Management Act, 1999 (FEMA), require approval of shareholders by way of special resolution to be obtained for issuance of further shares by way of qualified institutional placement (QIP). A special resolution is also required for issue of global depository receipt (GDRs), American depository receipt (ADRs), foreign currency convertible bond (FCCBs), debentures or any other securities convertible into equity shares by any listed company.

As per Regulation 88 of Chapter VIII of the SEBI (ICDR) Regulations, 2009, allotment pursuant to the special resolution approving the QIP issue passed by the shareholders shall be completed within a period of twelve months from the date of passing of the resolution. The Company has been seeking such enabling approval from shareholders for issuance of further shares from time to time. The last resolution in this regard was passed by the Company through postal ballot dated January 9, 2014 for an amount up to Rs. 2,000 crore, which for the purpose of raising funds through QIP issue is valid only up to January 8, 2015. To enable the Company to raise equity funds depending upon its business needs and as may be advised, approval of shareholders is being sought, as an enabling authorization, for issue of equity shares and/or any other financial instruments convertible into equity shares through qualified institutional placement (QIP) under SEBI (ICDR) Regulations, 2009 and/or through such other modes, as the Board may deem appropriate, including through issue of securities in the international markets by way of GDRs/ ADRs/ FCCBs etc. in one or more tranches, up to an amount not exceeding Rs. 3,000 crore (Rupees Three thousand crore).

As per Regulation 85 of Chapter VIII of the SEBI (ICDR) Regulations, 2009, issue of specified securities shall be made at a price not less than the average of the weekly high and low of the closing prices of the related shares quoted on a stock exchange during the two weeks preceding the relevant date. The "relevant date" for the purpose of Regulation 85 means the date of meeting in which the Board or any committee of directors duly authorised by the Board of the Company decides to open the proposed issue.

Further, as per Regulation 89 of Chapter VIII of the SEBI (ICDR) Regulations, 2009, the aggregate of the proposed qualified institutional placements and all previous qualified institutional placements made by the Company in the same financial year shall not exceed 5 times the net worth of the Company as per the audited Balance Sheet of the previous financial year.

Therefore, the Board of your Company has recommended the Special Resolution at Item No. 10 of the Notice to be passed by the shareholders, so as to enable it to issue further equity shares and/or other securities in an appropriate manner, which will include issue on QIP basis.

The said Special Resolution is only an enabling one seeking authority to the Board to raise funds from time to time as may be required.

The Board of Directors recommend passing of the Special Resolution set out at Item No. 10 of the Notice.

All the Directors may be deemed to be interested in the Resolution at Item No. 10 to the extent of shares and/or securities that may be offered to them and/or entities in which any of respective Director is deemed to be interested. Save as aforesaid, none of the Directors of the Company and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in any way, in the said resolution.

In respect of Item No. 11

On recommendation of Audit Committee at its meeting held on May 16, 2014, the Board has considered and approved appointment of M/s B.J.D. Nanabhoy & Co., Cost Accountants, Mumbai, to conduct the cost audit for the year ended March 31, 2015 of the Company's Sugar units located at Golagokarannath, Palia Kalan, Khambarkhera, Barkhera, Maqsoodapur, Kinauni, Thanabhawan, Budhana, Bilai, Gangnauli, Pratappur, Rudauli, Utraula, and Kundarkhi at an aggregate remuneration of Rs. 3.25 lacs (Rupees Three Lac twenty five thousand only) plus service tax as applicable and reimbursement of actual travel and out of pocket expenses.

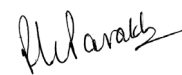
As per provisions of Section 148 of the Companies Act, 2013 and Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the cost auditor has to be ratified by the shareholders of the Company.

Accordingly, consent of the shareholders is sought for passing the Ordinary Resolution as set out at Item No. 11 of the Notice for ratification of the remuneration payable to the cost auditor for the financial year ending March 31, 2015.

The Board of Directors recommend passing of the Ordinary Resolution set out at Item No. 11 of the Notice.

None of the Directors of the Company and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in any way, in the said resolution set out at Item No. 11 of the Notice.

By Order of the Board of Directors



Pradeep Parakh

Group President (GRC) & Company Secretary

Place: Mumbai
Dated: July 04, 2014

Details of Directors seeking appointment/re-appointment at the 82nd Annual General Meeting (in pursuance of Clause 49 of the Listing Agreement)

Name of the Director	Mr. Manoj Maheshwari	Mr. D. S. Mehta	Mr. M. L. Apte	Mr. R. V. Ruia	Mr. Alok Krishna Agarwal	Mr. D.K. Shukla
Director Identification Number	02581704	00038366	00036566	00035853	00127273	00025409
Date of Birth	05.01.1966	27.04.1936	05.10.1932	01.05.1961	03.02.1964	01.03.1943
Nationality	Indian	Indian	Indian	Indian	Indian	Indian
Date of appointment on the Board	01.10.2012	28.01.1986	13.07.1970	16.04.2001	24.04.2007	21.12.2008
Relationship with other director	None	None	None	None	None	None
Qualifications	FCA, FCS and MBA (Marketing)	B.Com, CA, CS	B.A.	Management and Corporate Strategies	LLB	B.A. and Masters Degree in Social Work
Expertise in functional area	Strategy formulation, Corporate Finance and Planning and Secretarial functions	Corporate Law, Taxation, Finance and Investment		Management and Corporate strategies	Corporate and Commercial Laws	Recruitment, Marketing, training promotions, etc.
Number of shares held in the Company	Nil	150000	1800	6750	Nil	Nil
List of Directorships held in other companies	- Lalitpur Power Generation Company Ltd. - Bajaj Power Generation Pvt. Ltd.	- Mukand Limited - Jannabhoomi Newspapers education Foundation - Bajaj Finance Limited - The States People Private Limited - Niche Financial Services Private Limited - Mahakalp Arogya Pratishthan - Bhoopati Shikshan Pratishthan - Bajaj Auto Limited	- Kulkarni Power Tools Limited - Raja Bahadur International Limited - Standard Industries Limited - Bombay Burmah Trading Corporation Limited - Grasim Industries Limited - Zodiac Clothing Company Limited	- Dawn Apparels Private Limited - Special Paints Limited - Altamont Holdings & Trading Company Private Limited - Ruia Industries Private Limited - Nysa Corporation Limited - RNR Trading Private Limited - Breezwell Homes & Holdings Private Limited - Innocent Infrastructure Private Limited	- Lawz Media Private Limited - Advanced Law College of India Private Limited - Milestone Global Limited - Wearit Global Limited - PNP Technologies (India) Private Limited - SPBP Tea (India) Limited - Brady AIR Private Limited - HIND Syntex Limited - Lalitpur Power Generation Company Limited	None
Chairman/Member of the Committees of the Boards of other companies in which he is Director as on 31.03.2014	- Mukand Ltd. - Bajaj Finance Ltd.	- Mukand Ltd. - Bajaj Finance Ltd.	- Grasim Industries Limited - Zodiac Clothing Co. Ltd. - Bombay Burmah Trading Corporation - Standard industries Limited	None	Milestone Global Limited	None



CIN: L15420MH1931PLC001797

Registered Office: Bajaj Bhawan, 2nd Floor, Jamnalal Bajaj Marg, 226, Nariman Point, Mumbai 400021

Tel.: +91-22-22023626, 22842110, Fax: +91-22-22022238, Website: www.bajajhindusthan.com

ATTENDANCE SLIP

Please fill attendance slip and hand it over at the entrance of the meeting hall Joint shareholders may obtain additional Slip at the venue of the meeting

D.P. Id*		Folio No.	
Client Id *		No. of Shares	

NAME OF THE SHAREHOLDER / PROXYHOLDER : _____

I hereby record my presence at the **82nd Annual General Meeting** of the Company held on **Tuesday, August 12, 2014** at **11.00 a.m.** at BHL Club Hall, Golagokarannath, Lakhimpur Kheri, District Kheri, Uttar Pradesh 262 802

Signature of Shareholder/Proxyholder

Note 1. Members are requested to bring their Attendance Slip, sign the same at the place provided and hand it over at the entrance of the venue.
2. The process of shifting of registered office from Mumbai, Maharashtra to Golagokarannath, Uttar Pradesh is in progress.

..... (Tear Here)



CIN: L15420MH1931PLC001797

Registered Office: Bajaj Bhawan, 2nd Floor, Jamnalal Bajaj Marg, 226, Nariman Point, Mumbai 400021

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PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and rule 19(3) of the Management and Administration) Rules, 2014]

Name of the member(s) : _____
Registered Address : _____
Email ID : _____
Folio No./Client ID/DP ID : _____

I/We, being the member(s) of _____ shares of the above named Company, hereby appoint:

1) Name : _____ Address : _____

Email ID : _____ Signature : _____ or failing him
2) Name : _____ Address : _____

Email ID : _____ Signature : _____ or failing him
3) Name : _____ Address : _____

Email ID : _____ Signature : _____ or failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 82nd Annual General Meeting of the Company, to be held on **Tuesday, August 12, 2014 at 11.00 a.m.** at BHL Club Hall, Golagokarannath, Lakhimpur Kheri, District Kheri, Uttar Pradesh 262 802 and at any adjournment thereof in respect of such resolutions as are indicated below:

Ordinary business	Special Business
- Adoption of financial statements for the 18 months period ended March 31, 2014 and Reports of Directors' and Auditors' thereon. - Re-appointment of Mr. Manoj Maheshwari, who retires by rotation. - Appointment of auditors and fixing their remuneration.	- To change the office of Mr. Kushagra Bajaj, from Non-rotational to Rotational. - Appointment of Mr. M.L. Apte as an Independent Director. - Appointment of Mr. D.S. Mehta as an Independent Director. - Appointment of Mr. R.V. Ruia as an Independent Director. - Appointment of Mr. Alok Krishna Agarwal as an Independent Director. - Appointment of Mr. D.K. Shukla as an Independent Director. - Further issue of share capital pursuant to Section 62(1)(c) of the Companies Act, 2013 by way of QIP/GDR/FCCBs etc. - Ratification of the remuneration to cost auditors.

Signed this _____ day of _____ 2014.

Affix
15 paise
Revenue
Stamp

Signature of shareholder

Signature of the proxy (holders)

Notes:

- This form, in order to be effective, should be duly completed, stamped, signed and deposited at the registered office of the Company, not less than 48 hours before the commencement of the meeting.
- Notwithstanding the above the Proxies can vote on such other items which may be tabled at the meeting by the shareholders present.
- The process of shifting of registered office from Mumbai, Maharashtra to Golagokarannath, Uttar Pradesh is in progress.



CIN: L15420MH1931PLC001797

Registered Office: Bajaj Bhawan, 2nd Floor, Jamnalal Bajaj Marg, 226, Nariman Point, Mumbai 400021
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Serial No.

BALLOT FORM

1. Name and Registered Address :
of the Sole/First named
Shareholder

2. Name(s) of the Joint holder(s), :
if any

3. Registered Folio Number / :
DP ID No. / Client ID No.

4. Number of Share(s) held :

I/We hereby exercise my/our vote in respect of the Resolution(s) to be passed for the business stated in the Notice dated May 16, 2014 convening the 82nd Annual General Meeting of the Company to be held on August 12, 2014, by conveying my/our assent or dissent to the said Resolution(s) by placing the tick(✓) mark at the appropriate box below.

Item No.	Description of Resolution	Type of Resolution	No. of equity shares	I/We assent to the resolution (For)	I/We dissent to the resolution (Against)
1	Adoption of Financial statements for the 18 months period ended March 31, 2014 and Reports of Directors' and Auditors' thereon	Ordinary Resolution			
2	Re-appointment of Mr. Manoj Maheshwari, who retires by rotation	Ordinary Resolution			
3	Appointment of M/s Chaturvedi & Shah, Chartered Accountants, as Auditors and fixing their remuneration	Ordinary Resolution			
4	To change the office of Mr. Kushagra Bajaj, from Non-rotational to Rotational	Ordinary Resolution			
5	Appointment of Mr. M.L. Apte as an Independent Director	Ordinary Resolution			
6	Appointment of Mr. D.S. Mehta as an Independent Director	Ordinary Resolution			
7	Appointment of Mr. R.V. Ruia as an Independent Director	Ordinary Resolution			
8	Appointment of Mr. Alok Krishna Agarwal as an Independent Director	Ordinary Resolution			
9	Appointment of Mr. D.K. Shukla as an Independent Director	Ordinary Resolution			
10	Further Issue of share capital pursuant to Section 61(1)(c) of the Companies Act, 2013 by way of QIP/GDRs/FCCBs, etc.	Special Resolution			
11	Ratification of the remuneration to Cost Auditors	Ordinary Resolution			

Place : _____

Date : _____

Signature of the shareholder

NOTE: Kindly read the instructions printed overleaf before filing the form. Valid Ballot Forms received by the Scrutinizer by **6.00 p.m. on August 8, 2014** shall only be considered.

E-VOTING

Users who wish to opt for e-voting may use the following login credentials.

EVEN (E Voting Event No.)	User ID	PASSWORD

Please follow steps for e-voting procedure as given in the Notice of AGM by logging on to- <https://www.evoting. nsdl.com/>

INSTRUCTIONS

1. Members may fill up the Ballot Form printed overleaf and submit the same in the enclosed self addressed business reply envelope to the Scrutinizer, C/o Bajaj Hindusthan Limited, Bajaj Bhawan, 2nd Floor, Jamnalal Bajaj Marg, 226, Nariman Point, Mumbai 400 021 so as to reach by **6.00 p.m. on August 8, 2014**. Ballot Form received thereafter will strictly be treated as if not received.
2. The Company will not be responsible if the envelope containing the Ballot Form is lost in transit.
3. Unsigned, incomplete or incorrectly ticked forms are liable to be rejected and the decision of the Scrutinizer on the validity of the forms will be final.
4. In the event member casts his votes through both the processes i.e. E-voting and Ballot Form, the votes in the electronic system would be considered and the Ballot Form would be ignored.
5. The right of voting by Ballot Form shall not be exercised by a proxy.
6. To avoid fraudulent transactions, the identity/signature of the members holding shares in electronic/demat form is verified with the specimen signatures furnished by NSDL/CDSL and that of members holding shares in physical form is verified as per the records of the share transfer agent of the Company (i.e. Sharepro Services (India) Pvt. Ltd.). Members are requested to keep the same updated.
7. There will be only one Ballot Form for every Folio/DP ID Client ID irrespective of the number of joint members.
8. In case of joint holders, the Ballot Form should be signed by the first named shareholder and in his/her absence by the next named shareholders. Ballot form signed by a joint holder shall be treated valid if signed as per records available with the Company and the Company shall not entertain any objection on such Ballot Form signed by other joint holders.
9. Where the Ballot Form has been signed by an authorized representative of the Body Corporate/Trust/Society, etc. a certified copy of the relevant authorization/Board resolution to vote should accompany the Ballot Form.
10. Instructions for e-voting procedure are available in the Notice of annual general meeting and are also place on the website of the Company.
11. The process of shifting of registered office from Mumbai, Maharashtra to Golagokarannath, Uttar Pradesh is in progress.

THE PROMISE OF A BETTER FUTURE.





MAKING A WORLD OF DIFFERENCE.



At Bajaj Hindusthan, we believe in ploughing back resources towards social and environmental causes. The Company is India's leading sugar and ethanol manufacturing company. The Company has an aggregate sugarcane crushing capacity of 136,000 TCD (tonnes crushed per day) and has an Industrial Alcohol/Ethanol producing capacity of 800 KL (kilolitres) per day.

At Bajaj Group, we have an unwavering dedication to fulfil our corporate social responsibility by contributing towards social and environmental causes. We undertake a wide range of initiatives for economic improvement as also for spreading health and hygiene awareness in the rural community. As a responsible corporate citizen, we also work towards the preservation of environment through various water and soil conservation programmes. We follow an integrated participatory approach to contribute towards the larger societal benefits and to invest back into the society.

Our commitment to environment-friendly technologies entails recycling of waste material and following green practices. Bagasse waste residue out of sugar operations is used to generate power and manufacture MDF and particle boards, which allows us to contribute significantly in reducing deforestation and power usage. We have also initiated Convergence of Agriculture Interventions in Maharashtra (CAIM) in collaboration with State Government, International Fund for Agriculture Development (IFAD) and Sir Ratan Tata Trust. NABARD (National Bank for Agriculture and Rural Development) has joined hands with us for the promotion of horticulture and watershed development project.

VILLAGES NOW REAP THE BENEFITS OF OUR WATER HARVESTING PROGRAMME.

With the ever-increasing demand by industries and rising population pressures, water scarcity is inevitable.

To tide over the perennial water scarcity in villages, Kamalnayan Jamnalal Bajaj Foundation (KJBF) promote judicious use of water through promotion of micro-irrigation systems like Drip, Sprinklers and Group Lift Irrigation programmes. These programmes cover more than 27 villages and ensure efficient use of water in 2045 acres.









Construction of check dams on revived rivers/streams

Check dams constructed	70
Villages benefited.....	45
Farmers benefited	2920
Water table in surrounding wells increased (feet)	8 to 12
Agricultural land benefited (acres).....	8048.58

Net income increased from - ₹ 10,000/acre to ₹ 45,000/acre



Bori bundh: a seasonal and low cost rainwater harvesting structure

Bori bundhs constructed.....	799
Villages covered	110
Farmers benefited	3877
Agricultural land benefited (acres).....	7878
Cropping intensity increased.....	1 crop to 3 crops
Cotton yield increased (with 2 support irrigation).....	6 quintal/acre to 25 quintal/acre

WE EDUCATED WOMEN IN VILLAGES BY TEACHING THEM SELF-RELIANCE.

It is important to create avenues for the social development of rural women. BHL women society aims to elevate the status of women through awareness and by making them financially self-reliant.

The Jamnalal Kaniram Bajaj Trust (JKBT) plays an active role in women empowerment through promotion of 145 self-help groups in 50 villages.









Women's empowerment through self-help groups

Women's self-help groups formed	1647
Total members	22145
Villages covered	494



Promotion of need-based income generation activities

Villages covered	231
Women/families benefited	2797

WHAT ARE WE DOING FOR OUR WORKERS' FAMILIES? WE HELP THEM GROW AND FLOURISH.

India is one of the fastest growing economies and the citizens of tomorrow will ensure the same growth trajectory. At Bajaj Hindusthan, we realised the need to impart quality education to our workers' families. The group established and inaugurated 'Bajaj Public School' at its various units. The school has plans to extend till Standard XII and is well on its way to create responsible and capable citizens of tomorrow.









Establishing Bajaj Public School

Number of schools.....7

Number of students.....1507



Chairman's Letter

Dear Shareholders,

The present year would be defining in two ways. First would be responding to the initial challenges of a slow but sure positive reversal in the global economy. Second would be sustaining the recovery process. Businesses across the globe have seen a major turmoil over the past few years as a direct result of the recessionary trends that embraced the continents as a whole. The woes witnessed

in various nations in Europe further supplemented the distress. Despite the situational adversities, there has been a silver lining. Corporates have possibly seen the worst and are now far more galvanised to steer businesses in a positive direction. It's always said, the strongest ship is the one that braves the rough weather the best. I am sure, across the globe, businesses that withstood the sluggish recessionary period have now emerged far stronger and better in managing resources.

Year 2014 would particularly be welcomed for some excellent positive results emerging across nations and continents that re-emphasises the fact that recovery of economic fundamentals are now more than visible. They are here to stay and the convincing growth results doubly vindicate the firm belief of a growth trend settling across the globe.

To quote from IMF data, which first spoke of signals of growth emerging in October 2013, recent data further proves their initial assumptions. Global growth has risen from 3% last year to 3.6% in the present year and further expected to zoom up to 3.9% next year. The good news further states that US leads this growth with an overall figure at 2.8% in 2014. UK and Germany are leading the recovery at 2.9% and 1.7% each from

the European sector. To improve the scenario further, home in Asia, Japan too has recorded 1.4% growth further contributing to the emerging global strength.

The present decade also witnessed the critical role emerging nations have been playing in further reshaping global growth. These economies are aggressive in their policy pursuits, have a strong appetite to grow and further been a robust consumer and producer of goods and services. In fact, nations like China, India and Brazil have now been playing a convincing if not a dominant role in supply of many commodities to the advanced nations. An increase in growth would generate a rise in demand from such advanced nations and this would create a critical catalyst as an enabling tool for further sustenance of this growth. Hence, while the growth in emerging and developing markets are projected to grow from 4.7% in 2013 to 4.9% in 2014 and further to 5.4% in 2015, this would contribute to more than two thirds of world's overall growth. Therefore, the critical growth mass remains embedded in this block of nations. While financial and monetary prudence has led to an overall recovery, risks while diminishing have not vanished. Herein lies the incumbent threat of the present world economy. A result of such risks have been the inner threats of economies that want to sail on this recovery process.

My personal concern would remain on how such economies having seen the initial fruits of economic prudence manage the remaining process of turning over the tide to their benefit completely. Nations like India and China once again would have a lot of hard work to do in the process. This would call for being flexible in their policy approach, at the same time being cautious in their monetary and fiscal management.

India has just been witness to a new government at the Centre. The decisive shift by the electorate to elect a government with an absolute majority and that too by a single party augurs well for the country. This clearly is a watershed in the history of Indian politics.

A renewed hope has emerged in terms of prompt decision-making, expeditious implementation of policies and its effective monitoring. There has been a visible encouragement in the investment environment with over 60 billion dollars of foreign investments expected to follow soon. The sugar industry looks forward very keenly to resolve critical issues that have been hampering fair growth. Also of concern is the role banks need to play in terms of providing financial support to the sugar industry as a whole. Of late, banks were averse to extending soft loans despite agreeing to an overall package initially to the sector in fear of rising

NPAs due to policy bottlenecks. Export subsidies and import duty re-calibration would also be other areas of address by the present government that needs a serious pragmatic approach with due participation of the sugar industry per se.

We look forward to an encouraging year ahead. International reports suggest global sugar surplus may be coming to an end for the first time in the past four years. Brazil, which accounts for the largest production in the world contributing to over 28% of global production, has witnessed its driest summer in the last seven decades. An immediate fallout has been of sugar prices in the futures markets witnessing a definitive upward movement. Indian sugar producers should benefit from such a move given the government supports with the necessary policy changes that should help the sugar industry and further the nation as a whole in terms of exports. I am very confident, as always that we at Bajaj Hindusthan would continue to play a responsible role in executing the needs of the nation as a dominant player in the sugar industry.

Warm regards,

Shishir Bajaj
Chairman and Managing Director



JMD speaks

Dear Stakeholders,

The last two years have been the most challenging for the sugar industry not only in India but globally as well.

Global production in sugar witnessed an upward trend with consumption remaining constant. A direct result of this has been sluggish to downward price trends in the past four years. This has been a dampener for the sugar industry as a whole. The present year

however, would be of considerable concern in terms of prices. Brazil has faced its worst summer with a drop of almost 50% of rainfall received that would lead to a fall in sugar production. Reports also speak of similar weather challenges expected in both Thailand and India that may lead to a fall in production level. Sugar future prices have witnessed an upward trend and once the dry weather effect cascading to a fall in production level is established, the end of the present year may perhaps see improvement in prices.

Back home, the Indian sugar industry has produced about 23.9 MMT of sugar beginning October 1, 2013 up to May 15, 2014, lower than the 24.7 MMT produced during the corresponding period in the previous year. As per reports on the cane availability for the current sugar season, it is speculated that the sugar production for the full sugar season of 2013-14 will be around 24.2 MMT. The sugar dispatches made by mills during the season 2012-13 was 22.8 MMT for domestic consumption. As against this, it is estimated that dispatches by sugar mills for domestic requirement would be higher this year at

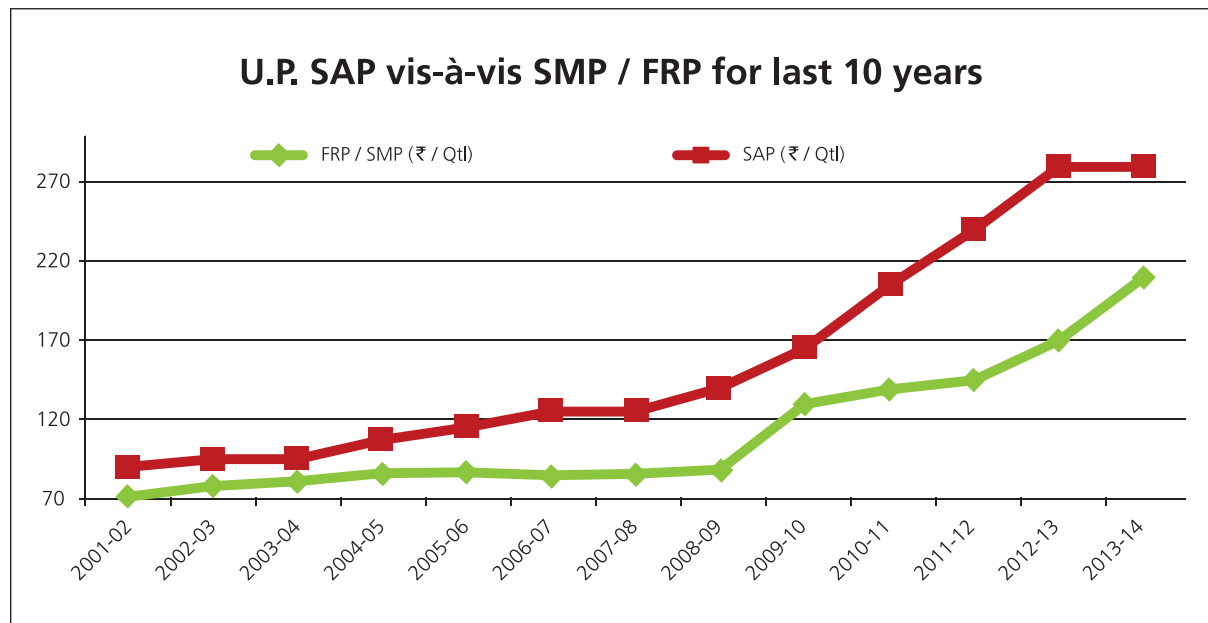
around 24.0 MMT. In the beginning of the sugar season 2013-14, the opening balance as on October 1, 2013 was around 9.3 MMT. Around 2 MMT sugar is expected to be exported by India this season between October 2013 and September 2014. Considering the consumption and production figures, the closing balance as on September 30, 2014 could be around 7.5 MMT. The next season will commence with almost 2 MMT less than last year. However, there will be a surplus of about 1.5 MMT, available for export as and when the opportunity arises.

Post the watershed announcement of decontrol of the sugar industry by the Central government in May 2013, some critical areas of concern remain further to be addressed. Foremost of them is the linking of cane prices to that of actual sugar prices, an issue that is yet to be comprehensively addressed by respective state governments despite the Centre's announcement in adhering to the proposals of the Dr. Rangarajan Committee report.

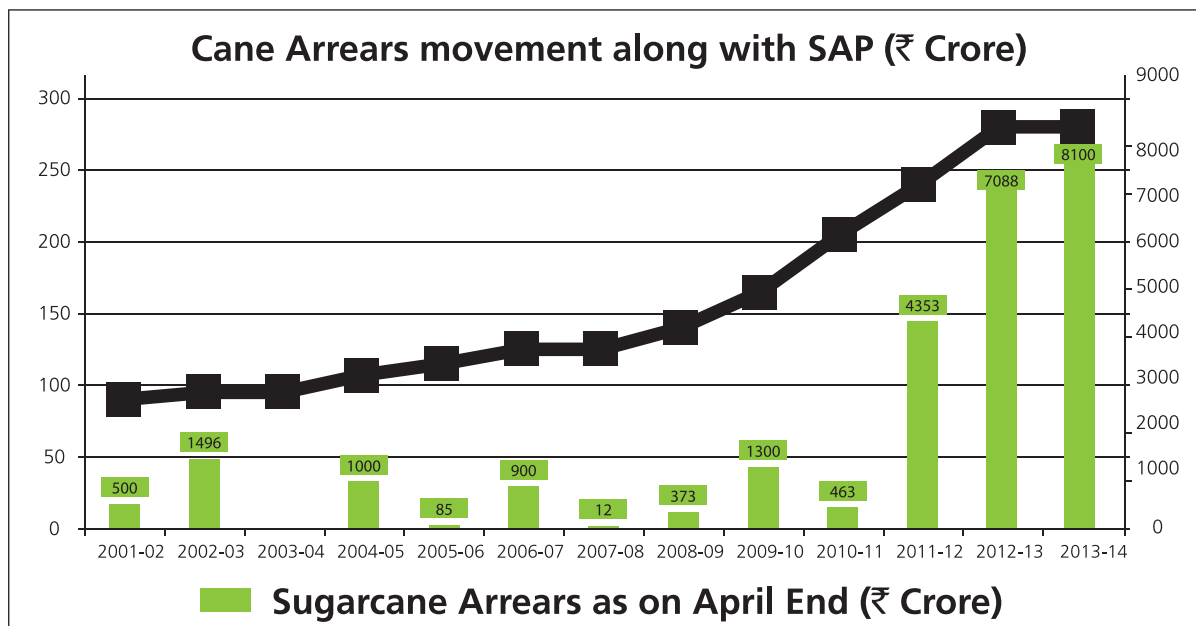
The dual system of cane pricing viz: State Advised Price (SAP) and the central Fair and Remunerative Price (FRP) are quite at variance with each other and affects sugar mills in Uttar Pradesh more severely to the extent that SAP cane prices have become more than sugar realisations. The dual pricing has destroyed the basic level playing field concept that is integral to the success of any business.

The cost of production naturally for UP mills is the highest amongst all states at ₹ 37 per kg as compared to ₹ 28 in Maharashtra the other large sugar producing state. This disparity is simply unsustainable. This is a very deleterious issue as sugar mills are unable to repay bank debts as well as for the cane purchased. Over time, the entire UP sugar industry has bleak future if this irrational pricing were to continue. The consequence of such an eventuality would be quite disastrous not only for the mills but the farmers, workers and Small Scale Industry (S&ME) as well, as the sugar industry is the largest in Uttar Pradesh in terms of size and contribution to the farmers' income as well as to the exchequer.

The chart below indicates the severity of the problem:



This fundamental flaw has already resulted in mounting cane payment arrears.



Moreover, the financial status of the UP sugar mills is extremely precarious as detailed in the chart below:

Particulars	Sugar Cos.		Bank Exposure		Debt Equity Ratio	Remarks
	Nos.	%	₹ Crore	%		
BIFR companies	15	54%	4,177	26%	NA	Negative Equity
CDR companies	6	21%	2,696	16%	3.23	
Financially tight companies	2	7%	6,305	38%	1.48	
Financially stable companies	5	18%	3,261	20%	0.95	
Total number of companies	28	100%	16,439	100%	2.03	
• Banks have downgraded UP sugar mills • ICRA, CRISIL, etc. reports negative on sugar • Banks reluctant to give further loans						

An immediate imperative therefore, is the linkage of cane price to the sugar realisation as has already been adopted by Gujarat, Maharashtra and Karnataka (55% of India's sugar production) and is the norm the world over in sugar producing countries such as Brazil, Australia, Thailand,

United States, Mexico, South Africa to name a few. The following table indicates the relative cane price to sugar in these economies.

Country	Cane cost as % of Sugar Price
Brazil	65%
Thailand	70%
USA	60%-65%
Mexico	54%
South Africa	64%
India (Rangarajan Committee)	75%

It is pertinent to note that even after implementation of the linkage pricing, as recommended by the Dr. Rangarajan Committee, India will continue to pay the highest for cane in relation to sugar price as compared to other major sugar economies.

Implementation of linkage coupled with a proactive and timely Central assistance, would enable the UP sugar industry revive within the next 2 to 3 years.

With a considerable export market developing towards the last two quarters of the present fiscal, it would be an opportunity for the sugar industry to exploit the international prices and bring in valuable forex earnings for the nation as a whole. The Central government needs to continue maintaining the export incentive of

₹ 3,300 per tonne as per the gazette notification of February 28, 2014. A third area of deserved attention is on the front of actual execution of a financial package of ₹ 6,600 crore for the sugar industry as has been originally proposed in December 2013. Banks, after showing some initial interest, have shied away as the proposed sugar policy reforms to collaborate with the package to bring in a quick return to normalcy never materialised simultaneously.

I sincerely hope that remedial actions are instituted expeditiously so that such a large industry which benefits the farmers, workers and Small Scale Industry (S&ME) directly is nursed back to health as quickly as possible. We as a responsible corporate, remain firmly focussed on our role and responsibilities as the largest player in the sugar industry and an eager participant to nation building. We immensely value the trust and faith bestowed on us and as a team by all our stakeholders and this remains our core driving principle.

With best wishes,

Kushagra Bajaj
Vice Chairman & Joint Managing Director

5 YEARS PERFORMANCE TRENDS : 2009-2014

₹ Crore

BALANCE SHEET	31.03.2014*	30.09.2012**	30.09.2011	30.09.2010***	30.09.2009
EQUITY AND LIABILITIES					
Shareholders' Funds					
Share capital	63.94	63.94	22.84	19.14	17.69
Reserves and surplus	2,495.30	4,030.34	3,117.07	3,117.82	2,275.98
Sub Total	2,559.24	4,094.28	3,139.91	3,136.96	2,293.67
Non-current liabilities					
Long-term borrowings	2,509.57	1,500.69	2,239.74	2,788.60	1,538.00
Other long-term liabilities	179.40	-	-	-	-
Deferred tax liabilities (net)	-	-	87.74	83.43	108.04
Long-term provisions	41.36	31.84	26.86	173.26	169.36
Sub Total	2,730.33	1,532.53	2,354.34	3,045.29	1,815.40
Current liabilities					
Short-term borrowings	3,076.14	3,286.30	1,424.33	2,328.24	1,179.51
Trade payables	2,815.92	236.40	284.82	410.64	210.91
Other current liabilities	1,337.04	1,034.96	2,574.89	1,732.60	829.76
Short-term provision	9.74	12.83	14.84	18.72	18.06
Sub Total	7,238.84	4,570.49	4,298.88	4,490.20	2,238.24
Total	12,528.41	10,197.30	9,793.13	10,672.45	6,347.31
ASSETS					
Non-current assets					
Fixed assets					
Tangible assets	4,986.71	5,419.50	5,389.12	5,478.74	2,630.96
Intangible assets	0.13	0.35	0.52	1.17	1.54
Capital work-in-progress	8.14	7.40	24.29	85.12	118.40
Non-current investments	2,431.05	1,600.36	1,343.79	1,113.34	549.06
Long-term loans and advances	60.57	92.11	74.87	93.44	73.16
Other non-current assets	1.40	1.68	1.32	-	-
Sub Total	7,488.00	7,121.40	6,833.91	6,771.81	3,373.12
Current assets					
Current investments	-	-	0.05	0.05	0.05
Inventories	2,673.50	558.24	467.82	1,921.36	800.45
Trade receivables	225.48	192.02	248.20	163.10	28.57
Cash and bank balances	128.24	180.30	583.77	479.20	112.35
Short-term loans and advances	1,491.11	1,735.82	1,227.26	1,013.03	1,748.72
Other current assets	522.08	409.52	432.12	323.90	284.05
Sub Total	5,040.41	3,075.90	2,959.22	3,900.64	2,974.19
Total	12,528.41	10,197.30	9,793.13	10,672.45	6,347.31

* Current Financial Year 2012-14 comprises of a period of 18 months from October 1, 2012 to March 31, 2014.

** The figures of Financial Year 2011-12 includes the effect of amalgamation of Bajaj Eco-Tec Products Ltd. (as per scheme) w.e.f. 01.04.2012.

*** The figures of Financial Year 2009-10 includes the effect of amalgamation of Bajaj Hindusthan Sugar and Industries Ltd. (as per scheme) w.e.f. 01.04.2010.

₹ Crore

NET INCOME STATEMENT period/year ended	31.03.2014 *	30.09.2012**	30.09.2011	30.09.2010***	30.09.2009
INCOME					
Revenue from operations	6,644.25	4,262.63	4,903.80	2,928.59	1,720.88
Other income	49.81	106.15	15.35	100.39	94.01
Total	6,694.06	4,368.78	4,919.15	3,028.98	1,814.89
EXPENSES					
Purchases and materials consumed	7,815.33	3,366.01	2,739.38	2,765.64	816.76
Manufacturing & other expenses	982.38	496.83	425.50	401.09	246.29
Changes in inventories of finished goods and work-in-progress	(2,075.88)	(57.97)	888.47	(751.57)	156.55
Total	6,721.83	3,804.87	4,053.35	2,415.16	1,219.60
Profit before Depreciation, Interest & Tax (PBDIT)	(27.77)	563.91	865.80	613.82	595.29
Finance cost (net)	948.57	536.41	515.95	301.34	187.08
Depreciation and amortisation expense	531.72	348.82	330.91	257.44	202.21
	1,480.29	885.23	846.86	558.78	389.29
Profit/(Loss) before Tax (PBT)	(1,508.06)	(321.32)	18.94	55.04	206.00
Tax expenses	25.06	(86.75)	6.94	3.29	49.77
Profit/(Loss) after Tax (PAT)	(1,533.12)	(234.57)	12.00	51.75	156.23
Dividend (%)	-	10%	40%	70%	70%

* Current Financial Year 2012-14 comprises of a period of 18 months from October 1, 2012 to March 31, 2014.

** The figures of Financial Year 2011-12 includes the effect of amalgamation of Bajaj Eco-Tec Products Ltd. (as per scheme) w.e.f. 01.04.2012.

*** The figures of Financial Year 2009-10 includes the effect of amalgamation of Bajaj Hindusthan Sugar and Industries Ltd. (as per scheme) w.e.f. 01.04.2010.

Board of Directors

Shishir Bajaj

Chairman & Managing Director (Promoter)

Kushagra Bajaj

Vice Chairman & Joint Managing Director (Promoter)

D. S. Mehta

Non-Executive Director (Independent)

M. L. Apte

Non-Executive Director (Independent)

R. V. Ruia

Non-Executive Director (Independent)

D. K. Shukla

Non-Executive Director (Independent)

Alok Krishna Agarwal

Non-Executive Director (Independent)

Dr. Sanjeev Kumar

Executive Director

Manoj Maheshwari

Director & Group CFO

Ashok Kumar Gupta

Director (Group Operations)

Company Secretary

Pradeep Parakh

Group President (GRC) & Company Secretary

Statutory Auditors

Chaturvedi & Shah

Chartered Accountants

Cost Auditors

B.J.D. Nanabhoy & Co.

Cost Accountants

Bankers

Allahabad Bank
Central Bank of India
Corporation Bank
HDFC Bank Limited
IDBI Bank Limited
Oriental Bank of Commerce
Punjab National Bank
State Bank of India
State Bank of Patiala
Bank of Baroda
State Bank of Hyderabad
UCO Bank
Indian Overseas Bank

Registered Office*

Bajaj Bhawan, 2nd Floor, Jamnalal Bajaj Marg,
226 Nariman Point, Mumbai - 400 021.
Tel.: +91-22-22023626, 22842110
Fax: +91-22-22022238
Website : www.bajajhindusthan.com
CIN: L15420MH1931PLC001797

Registrar & Transfer Agent

Sharepro Services (India) Private Limited
13AB Samhita Warehousing Complex,
2nd Floor, Sakinaka Telephone Exchange Lane,
Off Andheri-Kurla Road, Sakinaka,
Andheri (E), Mumbai - 400 072.
Tel.: +91-22-67720400/001/002
Fax: +91-22-28508927
E-mail: sharepro@shareproservices.com

* The process of shifting of registered office from Mumbai, Maharashtra to Golagokarannath, Uttar Pradesh is in progress.

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Directors' Report

Your Directors have pleasure in presenting their Eighty Second annual report and the audited statement of accounts for 18 months period ended March 31, 2014.

Change in financial year

The financial year 2012-13 of the Company was extended by 6 months to end on March 31, 2014 (Financial Year) instead of September 30, 2013 to comply with the provision of the Companies Act, 2013 relating to "financial year" to mean the period ending on March 31 every year.

Financial Results

The results for the Financial Year under review comprises of a period of 18 months and therefore are not comparable with the results of 2011-12, comprising a period of 12 months.

The financial and operating results for current financial are also not strictly comparable with those of previous financial year 2011-12 to the extent that current financial include figures pertaining to the erstwhile subsidiary Bajaj Eco-Tec Products Limited (BEPL) for 18 months period, however, in the previous year these were of six months period ended September 30, 2012, viz. from the Appointed Date as April 01, 2012 to September 30, 2012, consequent upon the merger of BEPL with the Company as per the Scheme of Amalgamation approved by the Hon'ble High Court of Judicature at Bombay vide Order dated September 14, 2012.

The summarised financial results of the Company for the 18 months period ended March 31, 2014 are presented below:

	18 months ended March 31, 2014	Year ended Sept. 30, 2012
Sales and other income	6,694.06	4,368.78
Profit / (Loss) before depreciation, interest and tax	(27.77)	563.91
Depreciation & amortisation	531.72	348.82
Profit / (Loss) after depreciation but before interest and tax	(559.49)	215.09
Finance costs (Net)	948.57	536.41
Profit / (Loss) before tax	(1,508.06)	(321.32)
Provision for taxation (Net)	25.06	0.99
Provision for deferred tax	-	(87.74)
Profit / (Loss) after tax	(1,533.12)	(234.57)
Disposable surplus after adjustments	(1,532.76)	(18.36)
Transfer to reserve for molasses storage tank	0.55	0.37
Transfer from general reserve	-	255.58
Proposed dividend	-	6.39
Dividend distribution tax on proposed dividend	-	1.04
Amount pursuant to scheme of amalgamation	-	(229.42)
Balance carried to balance sheet	(1,533.31)	-

On a stand-alone basis, the Company achieved a turnover of ₹ 6,694.06 crore for the 18 months period ended March 2014 as compared to ₹ 4,368.78 crore in the previous year. The loss after tax was ₹ 1,533.12 crore as compared to the loss of ₹ 234.57 crore in the previous year. On a consolidated basis, the turnover

including other income was ₹ 6,668.96 crore as compared to ₹ 4,451.30 crore in the previous year. The loss after tax and minority interest was ₹ 1,624.68 crore as against loss of ₹ 320.11 crore in the previous year.

Dividend

In view of loss incurred during the period under review, your Directors do not recommend any dividend for the current Financial Year. The dividend paid during the previous year was 10% (₹ 0.10 per equity share).

Operations

The Company continues to be the leading sugar and ethanol manufacturing company in India with its fourteen sugar plants having an aggregate sugarcane crushing capacity of 1,36,000 TCD, six distilleries having aggregate capacity to produce Industrial Alcohol of 800 kilolitres per day and fourteen co-generation plants having a total power generation capacity of 449 MW, two Medium Density Fibre (MDF) Board manufacturing plants having capacity of 1,20,000 MT per annum and one Particle Board (PB) manufacturing plant having capacity of 35,000 MT per annum.

The operations during 18 months period ended March 31, 2014 at all the fourteen sugar plants were satisfactory.

Sugar

The current period ended March 31, 2014 covered almost two crushing seasons, the Company crushed 24.838 MMT of sugarcane. The average recovery of sugar from sugarcane was at 9.20% as against 9.14% in the previous year. The Company produced 22,73,088 MT sugar from sugarcane and 12,65,184 MT molasses during the current Financial Year.

The Company sold 16,30,924 MT of sugar as against 11,38,494 MT during the previous year and also sold 53,883 MT of molasses as against 95,407 MT in the previous year.

Distillery

During current period ended March 31, 2014 Industrial Alcohol / Ethanol production was 2,54,764 KL as compared to 1,45,156 KL in the previous year. Alcohol / Ethanol sale during the period was at 2,25,678 KL as against 1,48,835 KL during the previous year.

Power

The operations of power generation were smooth at all of our fourteen sugar plants. While most of the power generated by us continued to be used captively to run our plants, the surplus power was sold to the Uttar Pradesh state grid.

Power generation was at 16,15,638 MW as compared to 8,21,215 MW in the previous year. This was achieved primarily out of higher quantum of bagasse available from the crushing of sugarcane and optimum utilisation of co-gen capacities resulting from efficient planning. The Company exported 7,02,371 MW of power during the period as against 3,46,180 MW during the previous year.

Bagasse Boards

The operations of Palia and Kinauni plants were suspended after operations for 3 months due to non-availability of adequate quantity of sugarcane bagasse at affordable prices. During this Financial Year 2,616 MT of Particle Board and 5,676 MT of MDF Board were produced. Operations at these plants were to be scaled down due to non-availability of adequate quantity of sugarcane bagasse in and around that area. The sales during the period were 4,807 MT of PB and 11,865 MT of MDF at a value of ₹ 12.50 crore and ₹ 27.81 crore respectively.

Shifting of Registered Office

The Board of Directors of the Company at its meeting held on August 12, 2013 approved to change the situation of the registered office of the Company from Mumbai, Maharashtra to Golagokarannath, Uttar Pradesh located in Central Uttar Pradesh, where the first plant of the Company was established. Shareholders of the Company approved the shifting of registered office and alteration of situation clause of Memorandum of Association vide a Special Resolution passed through postal ballot, result of which was declared on September 30, 2013. The change in place of registered office of the Company was confirmed by Regional Director (Western Region), Ministry of Corporate Affairs, Mumbai. Upon completion of the balance formalities and registration of the said confirmation by the Registrar of Companies, Mumbai, Maharashtra, the registered office of the Company will stand changed from Mumbai, Maharashtra to Golagokarannath, Uttar Pradesh.

Listing of Securities

The Company's equity shares are listed on the BSE Limited and The National Stock Exchange of India Limited. The Annual Listing fees to each of these Stock Exchanges have been paid by the Company.

The Global Depository Receipts (GDRs) were listed on the Luxembourg Stock Exchange and also admitted to trading on international order book of London Stock

Exchange. GDRs of the Company were delisted from Luxembourg Stock Exchange with effect from October 08, 2013 and also de-registered from London Stock Exchange.

Employees Stock Option

The information required to be disclosed in terms of the provisions of SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 is enclosed as per Annexure II to this report.

Management Discussion and Analysis

Management Discussion and Analysis Report is presented in a separate section forming part of this Annual Report.

Subsidiaries

As on March 31, 2014, the Company had the following Subsidiaries, all of them are presently unlisted:

1. Bajaj Aviation Private Limited - 100%
2. Bajaj Power Generation Private Limited - 100%
3. Bajaj Hindusthan (Singapore) Private Limited (BHSPL) - 100%
4. PT. Batu Bumi Persada, Indonesia (step down subsidiary being 99.00% subsidiary of BHSPL)
5. PT. Jangkar Prima, Indonesia (step down subsidiary being 99.88% subsidiary of BHSPL)

In terms of General Circular No. 2/2011 dated February 08, 2011 issued by the Government of India, Ministry of Corporate Affairs granting general exemption under Section 212 of the Companies Act, 1956 and consent of the Board of Directors vide their resolution passed at the Board Meeting, the Company has not attached with its Balance Sheet as at March 31, 2014, copies of the Balance Sheet, Statement of Profit and Loss and reports of the Board of Directors and Auditors of the Company's subsidiaries and has disclosed the requisite information in the Consolidated Balance Sheet as at March 31, 2014.

Pursuant to the General Circular No. 2/2011 dated February 08, 2011 the Company hereby undertakes that:

- I. Annual accounts of the subsidiary companies and the related detailed information shall be made available to shareholders of the Company and subsidiary companies seeking such information at any point of time.

- II. The annual accounts of the subsidiary companies shall also be kept for inspection by any shareholders in the registered office of the Company and of the subsidiary companies concerned.
- III. The Company shall furnish a hard copy of details of accounts of subsidiaries to any shareholder on demand.

Subsidiaries' Operations

PT Jangkar Prima (PTJP) and PT Batu Bumi Persada (PTBBP) became step down subsidiaries of the Company pursuant to acquisition of 99.88% and 99% shares respectively by the wholly owned subsidiary Bajaj Hindusthan (Singapore) Private Limited (BHSPL). During the period shareholding in Lalitpur Power Generation Company Limited (LPGCL) reduced from 51.73% to 40.13% and accordingly LPGCL ceased to be a subsidiary of the Company with effect from January 29, 2014. Shareholding of the Company as on date in LPGCL is 31.75%. As on March 31, 2014 the Company had 5 subsidiaries (including 2 step down subsidiaries).

Changes in nature of business carried on by Company's subsidiaries during the period are stated below:

- a) BHSPL did not carry out the business of trading of commodities due to unfavorable market conditions. Through its two newly acquired subsidiaries in Indonesia, BHSPL has acquired coal mines in Indonesia which are in process of being developed.
- b) Bajaj Aviation Pvt. Ltd. (BAPL) obtained Non-Scheduled Air Operator Permit from the Director General of Civil Aviation and commenced providing Air Transportation Services. BAPL has also entered into arrangement with a Company engaged in the business of Air Transportation Services to lease out its Helicopter – Bell 407.
- c) Bajaj Power Generation Pvt. Ltd. (BPGPL) has obtained permission from Uttar Pradesh Power Corporation Limited (UPPCL) to change the location of the project site from Bargarh, district Chitrakoot to Mirchwar, district Lalitpur subject to receipt of approval from Uttar Pradesh Electricity Regulatory Commission.

Consolidated Financial Statements

In compliance with Accounting Standards 21, 23 and 27 of Companies (Accounting Standards) Rules, 2006 and pursuant to the listing agreement with the stock

exchanges, the Consolidated Financial Statements form part of this Annual Report.

As directed by the Central Government and pursuant to the Accounting Standard – 21 (AS – 21) prescribed under the Companies (Accounting Standards) Rules, 2006, Consolidated Financial Statements presented by your Company include financial information about its aforesaid subsidiaries. The financial statements of BHL as well as its aforesaid subsidiaries will be available on the website of the Company (www.bajajhindusthan.com).

Directors

Mr. Manoj Maheshwari (DIN 02581704), Director of the Company, will retire by rotation and being eligible, offer himself for re-appointment. Appointment of Mr. Manoj Maheshwari is in compliance with the provisions of Section 164(2) of the Companies Act, 2013.

Mr. Kushagra Bajaj (DIN 0017575) earlier appointed as a Director not liable to retire by rotation, proposed to be appointed as a Director whose period of office is liable to determination by rotation.

Mr. D.S. Mehta (DIN 00038366), Mr. M.L. Apte (DIN 00003656), Mr. R.V. Ruia (DIN 00035853), Mr. Alok Krishna Agarwal (DIN 00127273) and Mr. D.K. Shukla (DIN 00025409), Non executive Directors of the Company, Independent Directors as per Clause 49 of the Listing Agreement with Stock Exchanges are proposed to be appointed as Independent Directors for five consecutive years for a term up to March 31, 2019 in accordance with Section 149 of the Companies Act, 2013. Notices have been received from members proposing the aforesaid four Directors as candidates for the office of Director of the Company. In the opinion of the Board, aforesaid persons fulfil the conditions specified in the Companies Act, 2013 and rules made thereunder for their appointment as Independent Directors of the Company and are independent of the management. The Board considers that their continued association would be of immense benefit to the Company. Accordingly, the Board recommends appointment of Mr. Mehta, Mr. Apte, Mr. Ruia, Mr. Agarwal and Mr. Shukla as Independent Directors, for the approval by the shareholders of the Company.

Directors' Responsibility Statement

Pursuant to the provisions of Section 217(2AA) of the Companies Act, 1956, as amended, with respect

to the directors' responsibility statement, it is hereby confirmed:

- (i) that in preparation of accounts for the 18 months period ended March 31, 2014, the applicable accounting standards have been followed along with proper explanation relating to the material departures;
- (ii) that the directors of the Company have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2014 and of the loss of the Company for the 18 months period ended March 31, 2014;
- (iii) that the directors of the Company have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- (iv) that the directors of the Company have prepared the accounts of the Company for the 18 months period ended March 31, 2014 on a going concern basis.

Auditors and Auditors' Report

M/s. Chaturvedi & Shah, Chartered Accountants, existing Statutory Auditors will retire at the conclusion of the ensuing (82nd) Annual General Meeting.

As per Section 139(2) of the Companies Act, 2013, M/s. Chaturvedi & Shah (Firm Registration No. 101720W), Audit firm shall be appointed as Statutory Auditors of the Company for two terms of 5 consecutive years. Since M/s. Chaturvedi & Shah were Auditors of Bajaj Hindusthan Limited for 4 consecutive years with effect from March 18, 2010, and which forms part of the first term of five consecutive years, they are proposed to be appointed as Statutory Auditors for the remaining one year of such first term as Auditors of the Company. The Board of Directors recommends to the shareholders the appointment of M/s. Chaturvedi & Shah as Auditors of the Company up to the conclusion of the 83rd Annual General Meeting.

The Company has received a certificate from M/s. Chaturvedi & Shah to the effect that their appointment, if made, would be within the limits prescribed under Section 141(3)(g) of the Companies Act, 2013.

The observations and comments given in the report of the Auditors read together with notes to accounts are self explanatory and hence do not call for any further information and explanation under Section 217(3) of the Companies Act, 1956.

Cost Auditors

Pursuant to the directives of the Central Government

Sl. No.	Product	Report submitted with Central Government	Financial year ended	Date of filing
1	Sugar and Industrial Alcohol	Cost Audit Report	30.09.2012	28.03.2013
2	Wood and Wood Product	Cost Audit Compliance Report	30.09.2012	28.03.2013

Particulars of employees

As required under the provision of Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended, particulars of employees are set out in Annexure-III and forms part of this report.

However, having regard to the provisions of Section 219(1)(b)(iv) of the Companies Act, 1956, the Annual Report excluding the aforesaid information is being sent to all the members of the Company and others entitled thereto. Any member interested in obtaining such particulars may write to the Company Secretary at the registered office of the Company.

Transfer of amounts to Investor Education and Protection Fund

The amounts of dividend, sum of matured fixed deposits, sum of interest on matured deposits, etc. which has remained unpaid or unclaimed for 7 years have been transferred to the Investor Education and Protection Fund within the time stipulated by law on respective due dates in accordance with the provisions of Section 124(5) of the Companies Act, 2013 (corresponding to Section 205C of the Companies Act, 1956).

under the provisions of Section 233B of the Companies Act, 1956, M/s. B.J.D. Nanabhoy & Co., Cost Accountants, Mumbai (Firm Registration No. 000011) were appointed as the Cost Auditors of the Company. The cost auditors have submitted the Cost Audit Reports and Cost Audit Compliance Report to the Central Government within the time limit of 180 days from the end of the financial year ended on September 30, 2012 for the following products:

Conservation of energy, technology absorption and foreign exchange earnings and outgo

The relevant particulars regarding the above is given in Annexure-I hereto and forms part of this report.

Corporate Governance

The Company has vigorously striven to follow the best corporate governance practices aimed at building trust among the key stakeholders, shareholders, employees, customers, suppliers (including farmers) and other stakeholders on four key elements of corporate governance - transparency, fairness, disclosure and accountability.

Acknowledgements

Industrial relations have been cordial at all the plants of the Company.

The Directors express their appreciation for the sincere co-operation and assistance of Central and State Government authorities, bankers, customers and suppliers and business associates. Your Directors also wish to place on record their deep sense of appreciation for the committed services by your Company's employees. Your Directors acknowledge with gratitude the encouragement and support extended by our valued shareholders.

For and on behalf of the Board of Directors

SHISHIR BAJAJ

Chairman & Managing Director

Mumbai,
May 16, 2014

ANNEXURE-I to Directors' Report for the 18 months period ended March 31, 2014

Disclosure of particulars with respect to conservation of energy, technology absorption and foreign exchange earnings and outgo as required under the Companies Act (Disclosure of Particulars in the report of Board of Directors) Rules, 1988.

A. Conservation of Energy :

a) Energy conservation measures taken:

1. Optimisation of Equipment done on power load basis for maximum capacity utilisation in Boiling House.
2. Using transfer pump of 11 KW in place of feed water pump of 134 MW during boiler startup and shut down and using cooling pump of 11 KW in place of fermentation cooling tower pump 55 KW during plant startup & molasses transferred from sugar to distillery.
3. Use of exhaust steam instead of live steam for soda boiling in evaporator and hot air blower at hoppers. Insulation and 100% lagging of steam carrying lines to minimise heat loss.
4. Automation of super-heating control system and automation of auxiliary cane carrier drive with Variable Frequency Drive & Programmable Logic Controller.
5. Utilisation of Bio Gas in Boiler as fuel efficiently to reduce the consumption of bagasse and to reduce emission load of stack.
6. Soft water used in place of raw water at hydraulic accumulators of pan condensers and vacuum pumps for Oliver filter to minimise scale formation.
7. Re-arrangement of Juice Heater Operation to reduce pumping load.
8. Optimisation of power load in boiling house.
9. Rationalisation of power equipment to save electrical energy. Replaced incandescent lamps by compact fluorescent lamps in administration block and offices.
10. Installation of auto shut off system for underground water reservoir pumps.

b) Total energy consumption and energy consumption per unit of production are given in Form A attached.

B. Technology Absorption :

Efforts made in technology absorption are given in prescribed Form B attached.

C. Foreign Exchange Earnings and Outgo :

- a) Activities relating to exports; initiative taken to increase exports; development of new export markets for products and services and export plans :

None

b) Total foreign exchange used and earned :

For the period/year ended	18 months ended March 31, 2014	Year ended Sept. 30, 2012
	(₹ Crore)	(₹ Crore)
Used	497.57	732.45
Earned	179.53	52.21

Form-A

Disclosure of particulars with respect to conservation of energy (to the extent applicable)

For the period/year ended		18 months ended March 31, 2014	Year ended Sept. 30, 2012
A. Power and Fuel Consumption :			
Electricity			
a) Purchased			
Unit	000 KWH	4,657.36	16,804.60
Total amount	₹ Crore	3.97	7.86
Rate/Unit	₹/KWH	8.52	4.68
b) Own generation through diesel generator			
Unit	000 KWH	1,320	4,502
Unit per litre of Diesel Oil	KWH/LTR	3.03	3.13
Total amount	₹ Crore	2.35	6.14
Rate/Unit	₹/KWH	17.79	13.64
c) Own generation through steam turbine			
Unit	000 KWH	7,76,160	4,27,683
Total amount	₹ Crore	Not applicable, as steam is generated by use of own bagasse	Not applicable, as steam is generated by use of own bagasse
Rate/Unit	₹/KWH		
B. Consumption per unit of production :			
	Industry Standard		
Electricity (KWH/quintal of sugar)	No standard has been fixed	33.80	37.58
Electricity (KWH/MT of Bagasse Board)	No standard has been fixed	672.63	598.02

Form-B

Disclosure of particulars with respect to technology absorption (to the extent applicable)

A. Research and Development (R&D)

Under Sugarcane Research & Development, the activities during the period ended March 31, 2014 were accelerated as under:

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

1. Introduction of Zero Budget Natural Farming concept in the area.
2. Integrated Nutrient Management (I.N.M.) in order to minimise the use of chemical fertilisers in Sugarcane and promote organic manuring.
3. Introduced the final boil off procedure.
4. Utilisation of filtrate clarification system.
5. Installation of efficient lime classifier.
6. Use of Palia designed molasses cooler.
7. Double entry of SO₂ gas with baffle plate arrangement in syrup sulphite or to reduce sulphur consumption.
8. Washing of C.F.W. centrifugals transferred to C1 heavy molasses tank.
9. Lubrication of B-heavy and final molasses in B & C m/c mono vertical cryst. respectively to maintain consistency of massicuite feed and brix of molasses.
10. Introduction of new method of Trench Sowing.
11. Installation of New External Catchall in Vapour Pipe.
12. Installations of High Intensity Magnetic Separator in Sugar Hopper IInd Stream to separate the Iron Particles from Sugar.
13. Modification in condensate withdrawal system in both 3,500 Sq. Mtr. Falling Film Evaporators to improve efficiency.
14. Replacement of New Design Molasses Separator in place of Old Separator.

15. Replacement of New Design KC-1500T Continuous Centrifugal Machines in place of Old SC -1100 model.
16. Automation of Anti-Foam dosing in fermentation.
17. Installation of Spray Engineering Device to make auto system of injection water.
18. Seed treatment through Moist Hot Air Treatment (MHAT) before planting of cane.
19. HHC having GPRS connection ingrained were used for providing mill purchie in purchase centres while sending cane purchase data to mill in real time. GPS enabled HHC were used for cane area survey.
20. Design and installation of bearing protection system for mill roller bearings.
21. Soil analysis and treatment.
22. Smart Information System (SIS) was introduced where information regarding any of the transactions, cane survey, bonding, supply tickets, weightment and cane price payment is being provided through SMS, QSMS (Query SMS), IVRS (Interactive Voice Response System) and Website.

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

1. Zero Budget Natural Farming helps in bringing down the cost of sugarcane cultivation while improving the soil fertility as well as productivity of sugarcane.
2. Use of bio-compost and bio-fertiliser under I.N.M. reduce the dose of chemical fertilisers and help to maintain the soil fertility as well as meet requirement of major micro-nutrients.
3. Minimised the loss of sugar and resulted in recovery gain.
4. Filtrate clarification system has improved sugar quality & sugar recovery.
5. Reduction of lime consumption.

6. Palia designed molasses cooler resulted in bringing down the temperature of final molasses.
 7. Sulphur consumption reduced.
 8. TRS of final molasses controlled.
 9. Brix of final molasses maintained between 88-89 deg.bx.
 10. Trench sowing increased the average yield in the area.
 11. Unknown Sugar Losses were under control.
 12. Ensured Iron Particles Free bagging of Sugar.
 13. Efficiency of FFE improved and Tube leakages due to improper removal of non-condensable Ammonia Gases also avoided.
 14. Intermixing of AL/AH Molasses avoided and quality of Sugar improved.
 15. Better capacity utilisation and improvement in the quality of Sugar.
 16. Consumption of Anti-Foam is reduced.
 17. Reduction of fresh water consumption.
 18. Controlled seed borne disease like Grassy Suit, Red rot, Ratoon stunting, Wilt and Smut and increased in average yield of the area resulting in increase in availability of sugarcane to the mill.
 19. Use of HHC for cane area survey and out centres brought out clarity, transparency, increased efficiency and saving of cost.
 20. Reduction of oil consumption and wastage.
 21. Helped getting improved quality healthy cane for crushing operations in our mills.
 22. By introduction of SIS technology, the farmers can get the required information anywhere and anytime without wasting their time and money to come to the inquiry counter set up in the mill.
2. Filtration of filter juice coming out from O C filter to reduce the quantity of non soluble material in negligible limits.
 3. Excess Hot condensate water utilisation at ETP in winter season to save the aerobic culture.
 4. Installation of the bio gas burner in 90 TPH Boiler also to use bio gas in this boiler during crushing season.
 5. Use of green manure to improve soil fertility.
 6. Use of foliar spray of Urea & Insecticides on cane crop.
 7. Establishment of demonstration on trench method vs. traditional method of planting in farmers' field with the assistance of U.P.C.S.R., Shahjahanpur & U.P. Government.
 8. Establishment of seed nurseries of different promising varieties provided by research stations to propagate amongst the growers after testing their suitability.
 9. Promotion of a promising early variety Co 0238 and other new early varieties up to 30% which have shown good results with the view of cane yield and sugar recovery.
 10. More use of bio-fertiliser which will reduce cost of cane cultivation.
 11. Working for replacement of CoSe 92423 variety which has shown deteriorating results not only in field but also in mill because it has attracted diseases like smut and stinking rot and also developed tendency of flowering in January & February.
 12. More effective implementation of Integrated Nutrient Management (I.N.M.).
 13. Strengthening of Sugarcane information system (SIS) in which IVRS, QSMS, HHT & Website were operational in order to develop strong interface between growers and mill and bring out transparency in the system.
 14. Conduction of village meeting, training of growers for importing them the latest and updated practices of cane cultivation. Distribution of pamphlets on different topics/ activities time to time to make growers aware about current events.
 15. Establishing soil testing laboratory.

3. Future Plan of Action

1. Installation of liquid magnet in Syrup and melt to achieve Zero magnetic non soluble matter in final product.

16. To develop an alternate and a better source of Phosphate for which PSB (Phosphate Solubilising Bacteria) culture.
17. Introduction of new agricultural implements like Mould Bould plough (for Deep ploughing), Rotavator (for Trash Mulching), etc.
18. Installation of Planetary Gear Box for Old Crystallizer Drive.
19. Installation of SEDL System to reduce the consumption of Injection Water.
20. Modification of Quadruple Effect to Quintuple Effect for Steam economy.
21. Installation of DCH for Molasses heating through Ammonia Gases.
22. Installation of I.C. make Sugar Grader in place of Old 4 Deck Graders for better grading of sugar.
23. Installation of Shree Ji make Continuous Pan.
24. Replacement of Old Batch Type 750 Kg. Centrifugal Machine by New NG-1750 Kg.
25. Flashing arrangement at evaporator station to reduce steam consumption.
26. Double entry SO₂ gas connection in other syrup sulphitor to reduce sulphur consumption.
27. Implementation of the energy saving system at sulphur burner from 100% waste heat recovery from CBD of boiler. After implementation, we can save about ₹ 2 lac per season.

4. Expenditure on R&D

For the period/year ended	18 months ended March 31, 2014	Year ended Sept. 30, 2012
	(₹ Crore)	(₹ Crore)
a) Capital	Nil	Nil
b) Recurring	Nil	Nil
c) Total	Nil	Nil
d) Total R&D expenditure as a percentage of total turnover	N.A.	N.A.

Note: The capital and revenue expenditure on R&D incurred during the year have been included in the respective heads of capital and revenue expenditure.

B. Technology absorption, adaptation and innovation

1.	Efforts in brief, made towards technology absorption, adaptation and innovation	None
2.	Benefit derived as a result of the efforts	Not applicable
3.	Information regarding technology imported during the last 5 years:	
	a) Technology imported	None
	b) Year of import	Not applicable
	c) Has technology been fully absorbed	Not applicable
	d) If not fully absorbed, areas where this has not taken place, reason therefore, and future plans of action	Not applicable

ANNEXURE-II to Directors' Report for the 18 months period ended March 31, 2014

Disclosures in compliance with clause 12 of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 are set out below:

a) Options granted till date	11,00,000
b) Pricing formula	Fixed price of ₹ 100/- per share of the face value of ₹ 10/- each. Post sub-division of equity shares by erstwhile Bajaj Hindusthan Sugar and Industries Limited (BHSIL) in August 2006, the fixed price was adjusted at ₹ 100/- per 10 shares of the face value of ₹ 1/- each. Post amalgamation of BHSIL with the Company, the exercise price is adjusted to ₹ 50/- per equity share of the face value of ₹ 1/- each. Entitlement per option is 2 (two) equity shares of face value of ₹ 1/- each.
c) Options vested	11,00,000
d) Options exercised as at March 31, 2014	2,10,000
e) The total number of shares arising as a result of exercise of option during the year	Nil
f) Options lapsed as at March 31, 2014	3,50,000
g) Variation of terms of options	None
h) Money realised by exercise of options	Nil during the period
i) Total number of options in force as at March 31, 2014	5,40,000
j) Employee-wise details of options granted during the period to:	
i) senior managerial personnel	i) Nil
ii) any other employee who received a grant in any one year of options amounting to 5% or more of option granted during that period	ii) Nil
iii) identified employees who were granted option during any one year equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant	iii) Nil
k) Diluted Earnings per Share (EPS) pursuant to issue of shares on exercise of option calculated in accordance with Accounting Standard (AS) 20 'Earning per Share'	(₹ 23.98)
l) i) Method of calculation of the employee compensation cost	i) Intrinsic value method
ii) Difference between the employee compensation cost as computed at (i) above and the employee compensation cost that shall have been recognised if it had used the fair value of the options	ii) Not Applicable (since all the options have already been vested in the year 2007)
iii) The impact of this difference on profits and EPS of the Company	iii) Not Applicable
m) Weighted average exercise price and weighted average fair value of options	₹ 100/- and ₹ 322.18 (Post sub-division and amalgamation ₹ 50/- and ₹ 161.09 respectively)
n) Description of the method and significant assumption used during the year to estimate the fair value of options:	₹ 322.18 is the fair value of the option calculated using Black Scholes option pricing formula. The variables used for the aforesaid calculation are as follows:
i) Risk free interest rate	i) 7.86%
ii) Expected life of options	ii) 4.5 years
iii) Expected volatility	iii) 119.30%
iv) Expected dividend	iv) 0%
v) The price of the underlying shares in the market at the time of option grant	v) ₹ 350.80

Corporate Governance Report

(Pursuant to Clause 49 of the Listing Agreement entered with the Stock Exchanges)

Tenets of Company's Corporate Governance Philosophy

We strongly believe that retaining and enhancing stakeholder trust is indispensable for sustained corporate growth. Maximising the shareholder value while safeguarding and promoting the interests of other stakeholders and maintaining a resolute commitment to ethics and code of conduct forms the nucleus of the Company's Corporate Governance philosophy. For the Company, adherence to Corporate Governance stems not only from the letter of law but also from our inherent belief in doing fair business the right way.

Bajaj Hindusthan is in full compliance with the Corporate Governance norms and disclosures of Clause 49 of the Listing Agreement with the Stock Exchanges. We report our financial results and other relevant disclosures/ developments in a clear and timely manner through print and electronic media. The Company files its quarterly, half yearly, annual results, quarterly shareholding patterns in the manner and within such time as prescribed in the Listing Agreement.

The Company's policies on Corporate Governance and compliance thereof in respect of specific areas for the eighteen months period ended March 31, 2014, in the format prescribed by Clause 49 of the Listing Agreement with the Stock Exchanges are set out below for the information of the shareholders and investors of the Company.

The fundamental theme of Corporate Governance at Bajaj Hindusthan is the nature and extent of accountability of people in the business. The tenets of honesty, transparency and fairness have been entrenched into the corporate culture and each of its associate to ensure adherence to the following main principles of Corporate Governance:-

- **Rights and equitable treatment of shareholders:** To respect the rights of shareholders and help

shareholders to exercise those rights by openly and effectively communicating information and by encouraging shareholders to participate in general meetings.

- **Interests of other stakeholders:** To recognise that the Company has legal, contractual, social, and market driven obligations to the non-shareholder stakeholders comprising of external stakeholder groups represented by investors, lenders, trade creditors, suppliers, customers, communities affected by the Company's activities, policy makers, etc. on the one hand and the internal stakeholders represented by the Board of Directors, executives and other employees on the other.
- **Role and responsibilities of the Board:** The board possesses sufficient relevant skills and understanding to review and challenge management performance with appropriate levels of independence and commitment.
- **Integrity and ethical behaviour:** To practice that integrity is a fundamental requirement in choosing corporate officers and board members. The Company has developed a code of conduct for its Directors and executives that promotes ethical and responsible decision-making.
- **Disclosure and transparency:** The roles and responsibilities of Board and Management are clearly defined, make publicly disseminated to provide stakeholders with a level of accountability. All the material matters concerning the organisation are timely disclosed and balanced to ensure that all investors have access to clear, factual information.

Towards this end all the Directors and Senior Management are committed to adhere to the Company's Code of Conduct and Code for Prevention of Insider Trading. The Management always aims at seeking practical solutions with the objective of strengthening corporate and board governance within the existing framework.

Board of Directors

Composition

The Board of Directors of Bajaj Hindusthan has a healthy blend of Executive and Non-Executive Directors. All the Non-Executive Directors are eminent professionals and bring the wealth of their professional expertise and experience to the Management of the Company.

The Board of Directors as on March 31, 2014 consists of 10 Directors. 5 of the Directors are Executive Directors and the remaining 5 Directors are Non-Executive Directors. The Executive Directors consist of 1 Executive Chairman & Managing Director, 1 Vice Chairman & Joint Managing Director and 3 Whole-time Directors. 2 of the 10 Directors belong to the promoter group.

According to Clause 49 of the Listing Agreement, the Board of Directors of the Company shall have an optimum combination of Executive and Non-Executive Directors with not less than fifty percent of the Board of Directors comprising of Non-Executive Directors. Further, if the Chairman of the Board is an Executive Director, at least half of the Board should comprise Independent Directors. As Table 1 below shows, both these provisions are met by Bajaj Hindusthan.

Board Procedures

Information supplied to the Board

The Board of Bajaj Hindusthan has complete access to any information within the Company and to any employee of the Company. At the meetings, the Board is provided with all the relevant information on important matters affecting the working of the Company as well as all the related details that require deliberation by the members of the Board.

Attendance Record of the Directors

During the eighteen months period ended March 31, 2014, the Board of Directors met twenty eight times on October 5, 2012, November 26, 2012, December 6, 2012, December 20, 2012, December 28, 2012, February 14, 2013, March 22, 2013, March 26, 2013, April 12, 2013, April 24, 2013, May 9, 2013, May 31, 2013, June 21, 2013, June 28, 2013, August 6, 2013, August 12, 2013, September 3, 2013, October 9, 2013, October 29, 2013, November 12, 2013, December 5, 2013, December 30, 2013, January 22, 2014, February 14, 2014, March 5, 2014, March 12, 2014, March 26, 2014 and March 27, 2014. The gap between any two meetings has been less than four months.

Out of the aforesaid, eighteen Board Meetings were held through video conferencing facility in terms of the circulars issued by the Ministry of Corporate Affairs.

Table 1: Composition of the Board of Directors and Attendance Record of Directors during the eighteen months period ended March 31, 2014

Name	Category	Board Meetings held / attended	Whether attended previous AGM held on February 14, 2013
Mr. Shishir Bajaj (Chairman & Managing Director) DIN: 00017612	Executive	28/21	Yes
Mr. Kushagra Bajaj (Vice Chairman & Joint Managing Director) DIN: 00017575	Executive	28/15	Yes
Mr. D. S. Mehta DIN: 00038366	Independent, Non-Executive	28/15	Yes
Mr. M. L. Apte DIN: 00003656	Independent, Non-Executive	28/24	Yes
Mr. R. V. Ruia DIN: 00035853	Independent, Non-Executive	28/21	Yes
Mr. D. K. Shukla DIN: 00025409	Independent, Non-Executive	28/11	Yes
Mr. Alok Krishna Agarwal DIN: 00127273	Independent, Non-Executive	28/14	No
Dr. Sanjeev Kumar Executive Director DIN: 00364416	Executive	28/18	Yes
Mr. Manoj Maheshwari Director & Group CFO DIN: 02581704	Executive	28/17	Yes
Mr. Ashok Kumar Gupta Director (Group Operations) DIN: 02608184	Executive	28/17	Yes

Other Directorship and Membership of Board Committees

Details of the number of Directorships held in other companies and positions held in all public limited companies by Directors of Bajaj Hindusthan are summarised in Table 2.

Table 2: Directorship in other companies and Committee position in all public limited companies as at March 31, 2014

Name	Directorship	Committee Membership			Committee Chairmanship		
	In all other Companies	In Listed Public Companies	In Unlisted Public Companies	Total	In Listed Public Companies	In Unlisted Public Companies	Total
Mr. Shishir Bajaj	3	1	Nil	1	Nil	Nil	Nil
Mr. Kushagra Bajaj	5	Nil	Nil	Nil	Nil	Nil	Nil
Mr. D.S. Mehta	9	5	Nil	5	1	Nil	1
Mr. M.L. Apte	7	5	Nil	5	Nil	Nil	Nil
Mr. R.V. Ruia	9	2	Nil	2	1	Nil	1
Mr. D.K. Shukla	1	1	Nil	1	Nil	Nil	Nil
Mr. Alok Krishna Agarwal	10	2	Nil	2	Nil	Nil	Nil
Dr. Sanjeev Kumar	6	1	1	2	1	Nil	1
Mr. Manoj Maheshwari	3	Nil	Nil	Nil	Nil	Nil	Nil
Mr. Ashok Kumar Gupta	1	Nil	Nil	Nil	Nil	Nil	Nil

Notes:

1. Private Limited Companies, Foreign Companies and Companies under Section 25 have been excluded for the purposes of calculating committee positions.
2. Memberships/Chairmanship in only Audit Committees and Shareholders & Investors Grievance Committees in all Public Limited Companies (including Bajaj Hindusthan) have been considered for committee positions as per the Listing Agreement.

None of the Directors of Bajaj Hindusthan is a member in more than 10 committees and Chairman of more than 5 committees across all companies in which he is a Director.

4 out of remaining 5 Directors shall be such retiring Directors.

Membership term

As per statutory requirements, at least two-third of the Board (other than Independent Directors) should consist of retiring Directors. Of these, one-third is required to retire every year by rotation and, if eligible, may seek re-appointment at a general meeting. 5 out of the 10 Directors of Bajaj Hindusthan are Independent Directors.

Code of Conduct

The Company has adopted a Code of Conduct for the Directors and senior management of the Company. The same has been posted on the website of the Company. The members of the Board and senior management of the Company have submitted their affirmation on compliance with the Code for the effective period. The Declaration by the Chairman & Managing Director to that effect forms part of this Report.

Board Committees

As of March 31, 2014, the Board had four committees (See Table 3)

Table 3: Board Committees as of March 31, 2014

Committee	Members (Position)
Audit Committee	Mr. R.V. Ruia, Chairman* (Non-Executive, Independent) Mr. D. K. Shukla (Non-Executive, Independent) Mr. Alok Krishna Agarwal (Non-Executive, Independent)
Remuneration & Compensation Committee	Mr. D. S. Mehta, Chairman* (Non-Executive, Independent) Mr. M. L. Apte (Non-Executive, Independent) Mr. R.V. Ruia (Non-Executive, Independent) Mr. D. K. Shukla (Non-Executive, Independent)
Shareholders & Investors Grievance Committee	Mr. D. S. Mehta, Chairman* (Non-Executive, Independent) Mr. Shishir Bajaj (Chairman & Managing Director) Mr. R.V. Ruia (Non-Executive, Independent)
Management Committee	Mr. Shishir Bajaj, Chairman* (Chairman & Managing Director) Mr. Kushagra Bajaj (Vice Chairman & Joint Managing Director) Dr. Sanjeev Kumar, Executive Director Mr. Manoj Maheshwari, Director & Group CFO Mr. Ashok Kumar Gupta, Director (Group Operations)

* Chairman of the respective Committee.

The Board is responsible for constituting, assigning, co-opting and fixing of terms of service for committee members of various committees. The Chairman of the Board, in consultation with the Company Secretary and the Committee Chairman, determines the frequency and duration of the committee meetings.

Recommendations of the committees are submitted to the Board for approval. The quorum for meetings is either two members or one-third of the members of the committees, whichever is higher. In the case of all the above committees of Bajaj Hindusthan, two members constitute the quorum.

Audit Committee

Constitution and Composition

The Audit Committee in Bajaj Hindusthan was constituted in 1989. The scope and terms of reference and working of the Audit Committee are constantly reviewed and appropriate changes are made from time to time for greater effectiveness of the Committee. As on March 31, 2014, these conform to the requirements of Clause 49 of the Listing Agreement and Section 292A of the Companies Act, 1956.

The composition of Audit Committee is given in Table 3. All the committee members possess sound knowledge of accounts, audit and finance.

Meetings and Attendance

During the eighteen months period ended March 31, 2014, the Audit Committee met eight times on November 26, 2012, February 14, 2013, March 22, 2013, May 9, 2013, August 12, 2013, September 3, 2013, November 12, 2013 and February 14, 2014. The gap between any two meetings has been less than four months.

Out of the aforesaid, five Audit Committee meetings were held through video conferencing facility in terms of the circulars issued by the Ministry of Corporate Affairs.

The attendance of each Committee Member is provided in Table 4.

Table 4: Attendance at the meetings of the Audit Committee of Directors during the eighteen months period ended March 31, 2014

Name of Committee Members	Position	Audit Committee Meetings held / attended
Mr. R.V. Ruia, Chairman	Non-Executive, Independent	8 / 6
Mr. D. K. Shukla	Non-Executive, Independent	8 / 8
Mr. Alok Krishna Agarwal	Non-Executive, Independent	8 / 5

Mr. Shishir Bajaj, Chairman & Managing Director and Mr. Kushagra Bajaj, Vice Chairman & Joint Managing Director, are permanent invitees to the Audit Committee Meetings. In addition, the heads of the Finance and Internal Audit functions, representatives of Statutory Auditors, Cost Auditors and other executives as are considered necessary, generally attended these meetings. The Company Secretary acts as the Secretary to the Audit Committee.

Brief description of Terms of Reference

The terms of reference of Audit Committee are quite comprehensive and include all requirements mandated under Clause 49 of the Listing Agreement and Section 292A of the Companies Act, 1956. The Committee focussed its attention on overseeing and monitoring the financial reporting system within the Company, considering quarterly, half-yearly and annual financial results of the Company and submitting its observations to the Board of Directors before its adoption by the Board, review of annual budgets, annual internal audit plans, legal compliance reporting system, implementation of SAP, review of internal control systems, audit methodology and process, major accounting policies and practices, compliance with accounting standards, risk management and risk disclosure policy and uses of proceeds from Preferential Issue. The Audit Committee also continued to advise the management on areas where greater internal control and internal audit focus was needed and on new areas to be taken up for audit. These were based on the Committee's discussions and review of the observations of the reports submitted by the Company's Internal Audit Department on systems and controls, cost control measures and statutory compliance in various functional areas.

Remuneration & Compensation Committee

Composition of the Committee

The composition of the Remuneration & Compensation Committee is given in Table 3 above.

Terms of Reference

The Remuneration Committee was constituted in 2003 and has been re-christened as Remuneration & Compensation Committee with effect from August 11, 2010 with the following terms of reference:

- To determine the Company's policy on remuneration to Executive Directors and their relatives working in the Company, including pension rights and compensation payments.
- To approve the remuneration payable to all managerial personnel (under the Companies Act, 1956) including Executive Directors.
- To monitor ESOP Scheme promulgated by erstwhile Bajaj Hindusthan Sugar and Industries Limited till the Scheme is in force.

Meeting and Attendance

During the eighteen months period ended March 31, 2014, the Remuneration & Compensation Committee met four times on October 5, 2012, May 9, 2013, November 12, 2013 and March 12, 2014. The attendance of each Committee Member is provided in Table 5.

Table 5: Attendance at the meetings of the Remuneration & Compensation Committee of Directors during the eighteen months period ended March 31, 2014

Name of Committee Members	Position	Remuneration & Compensation Committee Meetings held / attended
Mr. D.S. Mehta, Chairman	Non-Executive, Independent	4 / 2
Mr. M. L. Apte	Non-Executive, Independent	4 / 4
Mr. R.V. Ruia	Non-Executive, Independent	4 / 3
Mr. D. K. Shukla	Non-Executive, Independent	4 / 2

Remuneration Policy

The Remuneration & Compensation Committee is fully empowered to determine/approve and revise, subject to necessary approvals, the remuneration of managerial personnel including Whole-time Director and Managing Directors after taking into account the financial position of the Company, trend in the industry, qualifications, experience, past performance and past remuneration, etc. The Non-Executive Directors are paid sitting fees for every meeting of the Board and its Committees attended by them.

Remuneration to Directors

Pecuniary relationship and transactions of Non-Executive Directors with Bajaj Hindusthan

The Register of Contracts maintained by the Company pursuant to the provisions of Section 301 of the

Companies Act, 1956, contains particulars of all contracts or arrangements to which Section 297 or 299 applies. The Register is signed by all the Directors present during the respective Board meetings held from time to time.

Remuneration of Non-Executive Directors

Non-Executive Directors were paid a sitting fee of ₹ 20,000 for attending each Board Meeting and ₹ 10,000 for attending each Committee Meeting. The details of sitting fees paid to Non-Executive Directors during the eighteen months period ended March 31, 2014 are provided in Table 6.

Remuneration of Executive Directors

The Executive Directors – Mr. Shishir Bajaj, Mr. Kushagra Bajaj, Dr. Sanjeev Kumar, Mr. Manoj Maheshwari and Mr. Ashok Kumar Gupta were paid remuneration as per their respective terms of appointment approved by the shareholders of the Company.

On his retirement, Mr. Shishir Bajaj is entitled to superannuation benefits payable in the form of an annuity from the Life Insurance Corporation of India and these form part of the perquisites approved for him. Mr. Kushagra Bajaj, Dr. Sanjeev Kumar, Mr. Manoj Maheshwari and Mr. Ashok Kumar Gupta are not entitled to superannuation benefits. No pension is paid by the Company to any of the Directors.

The Company did not advance any loans to any of the Executive and/or Non-Executive Directors during the period under review. Dr. Sanjeev Kumar was granted 2,00,000 options under the Employee Stock Option Plan, 2006 framed by erstwhile Bajaj Hindusthan Sugar and Industries Limited (amalgamated with the Company with effect from December 20, 2010). These options were vested on July 17, 2007 and on non-exercise of options, expired on July 17, 2013. The pricing formula for these options has been described in Annexure II to Directors' Report.

The details of remuneration paid to the Directors of the Company are given in Table 6.

Table 6: Remuneration of Directors during the eighteen months period ended March 31, 2014

Name of Directors	Relationship with other directors	Salary ₹	Commission ₹	Performance linked incentive ₹	Sitting fees ₹	Total ₹	Notice period
Mr. Shishir Bajaj, Chairman & Managing Director	Father of Mr. Kushagra Bajaj	2,43,05,479	--	--	--	2,43,05,479	N.A.
Mr. Kushagra Bajaj, Vice Chairman & Joint Managing Director	Son of Mr. Shishir Bajaj	1,96,25,171	--	--	--	1,96,25,171	N.A.
Mr. D. S. Mehta	--	--	--	--	3,50,000	3,50,000	N.A.
Mr. M. L. Apte	--	--	--	--	5,20,000	5,20,000	N.A.
Mr. R. V. Ruia	--	--	--	--	5,60,000	5,60,000	N.A.
Mr. D. K. Shukla	--	--	--	--	3,20,000	3,20,000	N.A.
Mr. Alok Krishna Agarwal	--	--	--	--	3,30,000	3,30,000	N.A.

Name of Directors	Relationship with other directors	Salary ₹	Commission ₹	Performance linked incentive ₹	Sitting fees ₹	Total ₹	Notice period
Dr. Sanjeev Kumar, Executive Director	--	3,10,01,901	--	4,50,000	--	3,14,51,901	A
Mr. Manoj Maheshwari, Director & Group CFO	--	3,43,29,202	--	6,31,111	--	3,49,60,313	A
Mr. Ashok Kumar Gupta, Director (Group Operations)	--	1,21,08,331	--	1,80,509	--	1,22,88,840	A

Note: The term of office of Mr. Shishir Bajaj and Mr. Kushagra Bajaj is 5 years from the date of their respective re-appointment. The term of office of Dr. Sanjeev Kumar, Mr. Manoj Maheshwari and Mr. Ashok Kumar Gupta are 5 years from the date of appointment / reappointment. The Company does not have any service contract with any of the Directors.

Shares held by Non-Executive Directors

Shares held by Non-Executive Directors of the Company are given in Table 7.

Table 7: Shares held by Non-Executive Directors

Name of Directors	Number of Shares held as on March 31, 2014
Mr. D. S. Mehta	1,50,000
Mr. M. L. Apte	1,800
Mr. R. V. Ruia	6,750
Dr. Sanjeev Kumar	200
Mr. Ashok Kumar Gupta	2,900

Shareholders & Investors Grievance Committee

The Shareholders & Investors Grievance Committee was constituted in 2003 by the Board for a speedy disposal of all grievances/complaints relating to shareholders/investors. Reference to this Committee has been made by SEBI in Clause 49 of the Listing Agreement.

The Committee specifically looks into the redressal of shareholder and investor complaints on matters relating to transfer of shares, non-receipt of Annual Report, non-receipt of declared dividends, etc. In addition, the Committee advises on matters which can facilitate better investor services and relations.

Mr. Kausik Adhikari, Deputy Company Secretary, is designated as the Compliance Officer.

The Company has designated the email id "investor.complaints@bajajhindusthan.com" exclusively for the purpose of registering complaints by investors electronically. This e-mail id is displayed on the Company's website i.e. www.bajajhindusthan.com.

The Table 8 shows the nature of complaints received from shareholders during the eighteen months period ended March 31, 2014.

No complaints were pending as on March 31, 2014.

Table 8: Details of Investor Complaints during the eighteen months period ended March 31, 2014

Nature of complaints	Number of Complaints	Solved to the satisfaction
Non-receipt of Dividend/Dividend Warrant	30	30
Non-receipt of Share Certificate	--	--
Non-receipt of Annual Report	04	04
Legal and others	--	--
Total	34	34

Meetings and Attendance

During the eighteen months period ended March 31, 2014, the Shareholders & Investors Grievance Committee met six times on November 26, 2012, February 14, 2013, May 9, 2013, August 12, 2013, November 12, 2013 and February 14, 2014. The attendance of each Committee Member is provided in Table 9.

Table 9: Attendance at the meetings of the Shareholders & Investors Grievance Committee of Directors during the eighteen months period ended March 31, 2014

Name of Committee Members	Position	Shareholders & Investors Grievance Committee Meetings held / attended
Mr. D. S. Mehta, Chairman	Non-Executive, Independent	6/3
Mr. Shishir Bajaj	Chairman & Managing Director	6/6
Mr. R. V. Ruia	Non-Executive, Independent	6/5

Details of compliance with mandatory requirements and adoption of non-mandatory requirements

The Company has complied with all mandatory requirements of Clause 49 of the Listing Agreement with the Stock Exchanges and compliance with the non-mandatory requirements of this clause has been detailed hereunder:

(1) Remuneration & Compensation Committee

The Company has a Remuneration & Compensation Committee, the details of which are provided in this Report under the section "Remuneration & Compensation Committee".

(2) Shareholders' Right

Half yearly performance reports are sent to every shareholder of the Company.

(3) Audit Qualification

It is always the Company's endeavor to present unqualified financial statements. There are no audit qualifications in the Company's financial statements for the year under review.

(4) Training of Board Members

Directors are fully briefed on all business-related matters, risk assessment and new initiatives proposed by the Company.

(5) Whistle Blower Policy

The Board of Directors of Bajaj Hindusthan Limited (BHL) and Chairman & Managing Director of the Company are committed to maintain the highest standards of honesty, openness and accountability and recognise that each and every person in BHL has an important role to play in achieving the organisational goals. It is the policy of the Company to encourage employees, when they have reasons to suspect questionable accounting/audit practices, or the reporting of fraudulent financial information to shareholders, the Government or the financial markets, and/or serious misconduct otherwise, to report those concerns to the Company's management.

Subsidiary Companies

Lalitpur Power Generation Company Limited (LPGCL) was a material non-listed subsidiary of the Company up to January 28, 2014. Mr. Alok Krishna Agarwal, Independent Director of the Company was appointed as Director of LPGCL with effect from August 7, 2013.

At present, the Company has no material non-listed Subsidiary Company. Accordingly, the requirement of appointing at least one Independent Director on the Board is not applicable.

The Board reviews the financial statements particularly investments made by its subsidiary companies and the minutes of the Board meeting of the unlisted subsidiary

companies are placed at the Board meeting of the Company along with a statement of all significant transactions and arrangements entered into by the Indian Company.

Information to Shareholders

General information of shareholders' interest is set out in a separate section titled "Shareholder Information".

Report on Corporate Governance

This section, read together with the information given in the sections titled (i) Management Discussion and Analysis Report and (ii) Shareholder Information, constitutes a detailed compliance report on Corporate Governance during the eighteen months period ended March 31, 2014.

Management Discussion and Analysis

Management Discussion and Analysis is given in a separate section forming part of the Directors' Report in this Annual Report.

Auditors' Certificate on Corporate Governance

The Company has obtained a certificate from its Auditors testifying to its compliance with the provisions relating to Corporate Governance laid down in Clause 49 of the Listing Agreement with the stock exchanges. This certificate is annexed to the Directors' Report for the eighteen months period ended March 31, 2014 and will be sent to the stock exchanges, along with the Annual Report to be filed by the Company.

Steps for Prevention of Insider Trading Practices

In compliance with the SEBI (Prevention of Insider Trading) Regulations as amended in 2011, the Company has issued a comprehensive set of guidelines after incorporating the amendments prescribed by SEBI, advising and cautioning management staff and other relevant business associates on the procedure to be followed while dealing in equity shares of Bajaj Hindusthan Limited and disclosure requirements in this regard. The Company believes that 'The Code of Internal Procedure and Conduct' and 'The Code of Corporate Disclosure Policies' that it has framed in this regard will help in ensuring compliance with the amended SEBI regulations.

Material Disclosures and Compliance

There were no transactions of material value with related parties viz. Promoters, Directors or the management, subsidiaries or relatives having any potential conflict with the interests of the Company.

Details of Non-compliance

There were no instances of non-compliance on any matter related to the capital markets during the last three years. No penalties or strictures were imposed on the Company by any stock exchange or SEBI or any statutory authority on any matter related to capital markets during last three years.

Shareholder Information

Information on general body meetings

Date, Time and Venue of 82nd AGM :	Tuesday, the 12th day of August, 2014 at 11.00 A.M. at BHL Club Hall, Golagokarannath, Lakhimpur-Kheri, Dist. Kheri, Uttar Pradesh - 262 802.*
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* The process of shifting of registered office from Mumbai, Maharashtra to Golagokarannath, Uttar Pradesh, pursuant to the approval of shareholders by way of Special Resolution passed on September 30, 2013 is in progress. Requisite Certificate of Registration in this regard from Registrar of Companies is expected by July 2014, upon which the aforesaid change shall take effect and the registered office of the Company shall stand shifted to Golagokarannath, Lakhimpur Kheri, District Kheri, Uttar Pradesh 262802.

The previous three Annual General Meetings (AGM) of the Company were held on the following date, time and venue. (See Table 10)

Table 10: Date, Time and Venue of Annual General Meetings held :

AGM	Day, Date & Time	Venue
79th AGM	Tuesday, 22nd March, 2011 at 11.30 A.M.	Kamalnayan Bajaj Hall, Bajaj Bhawan, Jamnalal Bajaj Marg, 226, Nariman Point, Mumbai - 400 021.
80th AGM	Saturday, 11th February, 2012 at 11.30 A.M.	Kamalnayan Bajaj Hall, Bajaj Bhawan, Jamnalal Bajaj Marg, 226, Nariman Point, Mumbai - 400 021.
81st AGM	Thursday, 14th February, 2013 at 11.30 A.M.	Rangaswar, Y.B. Chavan Centre, General Jagannath Bhosale Marg, Nariman Point, Mumbai - 400 021.

The summary of Special Resolutions and other important resolutions passed at the previous 3 Annual General Meetings are reported below :

79th AGM

Subject matter of the Resolution	Type of Resolution
1. Resolution under Section 81 (1A) of the Companies Act, 1956 regarding further issue of share capital read with SEBI (Issue of Capital & Disclosure Requirements) Regulations, 2009.	Special Resolution

80th AGM

Subject matter of the Resolutions	Type of Resolution
1. Re-appointment of Mr. Kushagra Bajaj as Vice Chairman & Joint Managing Director of the Company for a period of 5 (five) years with effect from April 24, 2012.	Special Resolution
2. Revision in terms of remuneration of Dr. Sanjeev Kumar, Whole-time Director with effect from October 01, 2011 till the remaining tenure of his present term.	Special Resolution
3. Payment and Distribution of commission to Non-Executive Directors not exceeding 1% of the Net Profits of the Company for a period of 5 (five) years commencing from October 01, 2011.	Special Resolution
4. Resolution under Section 81 (1A) of the Companies Act, 1956 regarding further issue of share capital read with SEBI (Issue of Capital & Disclosure Requirements) Regulations, 2009.	Special Resolution

81st AGM

Subject matter of the Resolutions	Type of Resolution
1. Appointment of Mr. Manoj Maheshwari as Director of the Company, liable to retire by rotation.	Ordinary Resolution
2. Appointment of Mr. Ashok Kumar Gupta as Director of the Company, liable to retire by rotation.	Ordinary Resolution
3. Appointment and remuneration of Mr. Manoj Maheshwari as Director & Group CFO of the Company for a period of 5 (five) years with effect from October 01, 2012.	Special Resolution
4. Appointment and remuneration of Mr. Ashok Kumar Gupta, as Director (Group Operations) of the Company for a period of 5 (five) years with effect from October 01, 2012.	Special Resolution
5. Resolution under Section 81 (1A) of the Companies Act, 1956 regarding further issue of share capital read with SEBI (Issue of Capital & Disclosure Requirements) Regulations, 2009.	Special Resolution

Postal Ballot

During the year, pursuant to the provisions of Section 192A of the Companies Act, 1956 read with the Companies (Passing of Resolution by Postal Ballot) Rules, 2011, three postal ballots were conducted for seeking approval from the shareholders. The Board of Directors of the Company had appointed Mr. R. Ramachandran, Past President of the Institute of Company Secretaries of India and Practicing Company Secretary as Scrutinizer for conducting Postal Ballot voting process through fair and transparent manner.

The details of the resolutions passed through postal ballot are as follows:

1. A) 1. Special Resolution under Sections 198, 309 and 310 of the Companies Act, 1956 for reappointment and payment of remuneration to Mr. Shishir Bajaj, Chairman & Managing Director for a further period of 5 years w.e.f. July 01, 2013 and payment of minimum remuneration in case of loss or inadequacy of profit for a period of 3 years. (Resolution No.1)
2. Special Resolution for sale of Equity Shares held by the Company in Bajaj Energy Private Limited. (Resolution No. 2)
3. Special Resolution for sale of Ordinary Shares held by the Company in Bajaj Hindusthan (Singapore) Pte. Limited. (Resolution No. 3)
- B) The summary of the votes cast (including e-votes) based on the report submitted by Scrutinizer conducting the postal ballot is given below:

Particulars	Resolution No. 1		Resolution No. 2		Resolution No. 3	
	No. of Shares	% *	No. of Shares	% *	No. of Shares	% *
Votes cast in favour	34,73,56,262	95.47	36,21,19,926	99.74	36,21,71,648	99.75
Votes cast against	1,64,94,238	4.53	9,29,482	0.26	9,13,579	0.25
Total	36,38,50,500	100.00	36,30,49,408	100.00	36,30,85,227	100.00

*% of total shares for valid votes

Therefore as indicated above, three Special Resolutions as circulated to the members vide Postal Ballot Notice dated June 21, 2013 were declared as duly passed by the requisite majority on August 19, 2013.

2. A) 1. Special Resolution under Section 17, 146(2) and 192A of the Companies Act, 1956 for shifting of Registered Office from the State of Maharashtra to the State of Uttar Pradesh and consequential amendment in Memorandum of Association.
- B) The summary of the votes cast (including e-votes) based on the report submitted by Scrutinizer for conducting the postal ballot is given below:

Particulars	Resolution No. 1	
	No. of Shares	% *
Votes cast in favour	42,42,50,312	99.87
Votes cast against	5,41,374	0.13
Total	42,47,91,686	100.00

*% of total shares for valid votes

Therefore as indicated above, Special Resolution as circulated to the members vide Postal Ballot Notice dated August 12, 2013 was declared as duly passed by the requisite majority on September 30, 2013.

3. A) 1. Special Resolution under Section 180(1) (c) and 180(2) of the Companies Act, 2013 for granting authority to Board of Directors, in respect of borrowings (Resolution No.1)
2. Special Resolution under Section 180(1)(a) of the Companies Act, 2013 for granting authority to the Board of Directors for creation of charges on the movable and immovable properties of the Company, both present and future, in respect of borrowings, etc. (Resolution No. 2)
3. Special Resolution under Section 81(1A) of the Companies Act, 1956 for further issue of shares by way of QIP/GDRs/ADRs/FCCBs issue, etc. (Resolution No. 3)
4. Special Resolution under Sections 198, 269 and 309 of the Companies Act, 1956 for payment of overall and minimum remuneration to Mr. Shishir Bajaj, Chairman & Managing Director, in event the Company has in any financial year no profits or its profits are inadequate at any time during the period of three years from July 1, 2013 (Resolution No. 4)
- B) The summary of the votes cast (including e-votes) based on the report submitted by Scrutinizer for conducting the postal ballot is given below:

Particulars	Resolution No. 1		Resolution No. 2		Resolution No. 3		Resolution No. 4	
	No. of Shares	%*	No. of Shares	%*	No. of Shares	%*	No. of Shares	%*
Votes cast in favour	35,93,97,100	99.55	35,92,91,797	99.54	34,36,26,636	95.20	34,72,30,431	96.21
Votes cast against	16,30,376	0.45	16,55,869	0.46	1,73,18,760	4.80	1,36,79,426	3.79
Total	36,10,27,476	100.00	36,09,47,666	100.00	36,09,45,396	100.00	36,09,09,857	100.00

*% of total shares for valid votes

Therefore as indicated above, four Special Resolutions as circulated to the members vide Postal Ballot Notice dated November 12, 2013 were declared as duly passed by the requisite majority on January 9, 2014.

All the resolutions were passed with the requisite majority.

Financial Calendar

Financial Year 2014-15	: April 01, 2014 to March 31, 2015
Audited Annual Results for the year ended March 31, 2014	: Third week of May 2014
Mailing of Annual Report	: Second week of July 2014
Unaudited first quarter financial results	: Second week of August 2014
Unaudited second quarter financial results	: Second week of November 2014
Unaudited third quarter financial results	: Second week of February 2015

Dividend Announcement

In view of loss incurred during the year under review, directors do not recommend any dividend for the current year. The Dividend paid in the previous year was 10% (₹ 0.10 per equity share).

Date of Book Closure

Saturday, August 2, 2014 to Tuesday, August 12, 2014 (both days inclusive).

Unclaimed Dividends

Unclaimed dividends up to 1995-96 have been transferred to the General Revenue Account of the Central Government. Those who have not encashed their dividend warrants for the period prior to and including 1995-96 are requested to claim the amount from Registrar of Companies - Maharashtra, CGO Building, 2nd Floor, "A" Wing, Opp. Police Commissioner's Office, C.B.D. Belapur, Navi Mumbai - 400 614.

In view of amended Section 205C of the Companies Act, 1956, followed by the issue of Investor Education and Protection Fund (Awareness and Protection of Investors) Rules, 2001, any money transferred by the Company to the unpaid dividend account and remaining unclaimed for a period of seven years from the date of such transfer shall be transferred by the Company to a fund called Investor Education and Protection Fund (the fund) set up by the Central Government.

Accordingly, unpaid/unclaimed dividends for the years 1997-98 to 2005-06 were transferred by the Company to the said fund on respective due dates. This would be followed by the transfer of the amounts of unpaid / unclaimed dividends every year in respect of dividends for subsequent years. Shareholders are therefore requested to verify their records and send claims, if any, for the relevant years from 2006-07 onwards, before the respective amounts become due for transfer to the fund. The details of unclaimed dividend are as under: -

Year	No. of shareholders	Amount (₹)	Due date of transfer to Investor Education and Protection Fund
2006-2007	10439	6,65,870.00	02/04/2015
2007-2008	14855	11,28,170.00	29/04/2016
2008-2009	11834	11,87,295.00	23/04/2017
2009-2010	14973	18,66,958.00	27/04/2018
2010-2011	19022	14,06,304.00	17/03/2019
2011-2012	24607	6,42,401.10	21/03/2020

Unclaimed shares in the Suspense Account

In accordance with the requirement of Clause 5A(I) and Clause 5A(II) of the Listing Agreement entered into with the Stock Exchanges, the Company reports the following details in respect of equity shares issued but remained unclaimed lying in the suspense account in demat form:

Particulars	Number of shareholders	Number of equity shares
Aggregate Number of shareholders and the outstanding shares in the Suspense account lying as on October 01, 2012	3387	8,55,870
Number of shareholders who approached the Company for transfer of shares from suspense account during the period	5	26,060
Number of shareholders to whom shares were transferred from the suspense account during the period	5	26,060
Aggregate Number of shareholders and the outstanding shares in the suspense account lying as on March 31, 2014	3382	8,29,810

The voting rights on the shares outstanding in the suspense accounts as on March 31, 2014 shall remain frozen till the rightful owner of such shares claims the shares.

Information on Directors being appointed / re-appointed

The information regarding Directors seeking appointment/re-appointment at the ensuing Annual General Meeting is given under Annexure to item No. 2 & items No. 5 to 9 of the Notice convening 82nd Annual General Meeting.

Communication to Shareholders

The Company has published its quarterly, half-yearly and annual results in all the editions of Free Press Journal (English) and Navshakti (vernacular), Mumbai. Quarterly results were sent to the Stock Exchanges immediately after the Board approved them. The financial results and other relevant information are regularly and promptly updated on the website of the Company www.bajajhindusthan.com.

In terms of Clause 52 of the Listing Agreement, the Company has started voluntarily filing of financial statements under Corporate Filings & Dissemination System (CFDS). The Compliance Officer is responsible for ensuring correctness, authenticity & comprehensiveness of the filings. The Company shall file all information, statements and reports under Corporate Filings & Dissemination System (CFDS) in a phased manner.

Share Transfer

The power to approve share transfer/transmission, etc. as well as the dematerialisation/rematerialisation were delegated to Mr. Shishir Bajaj, Chairman & Managing Director and in his absence to Mr. D. S. Mehta, Director of the Company. With effect from December 15, 2009, the Share Transfer Committee has been dissolved and the aforesaid powers have been delegated to certain directors/officers of the Company. All transfers pertaining to shares held in physical form as well as requests for dematerialisation/rematerialisation are processed in fortnightly cycles.

Registrar and Transfer Agent

M/s. Sharepro Services (India) Private Limited, as the Registrar and Share Transfer Agents of Bajaj Hindusthan, handle all share transfers and related processes. They

provide the entire range of services to the Shareholders of the Company relating to share transfers, change of address or mandate and dividend. The electronic connectivity with both the depositories - National Securities Depository Limited and Central Depository Services (India) Limited is also handled by M/s. Sharepro Services (India) Private Limited.

Share Transfer System

Share transfers received by the Company are registered within 15 days from the date of receipt in most of the cases, provided the documents are complete in all respects.

The number of shares transferred in physical category during the eighteen months period ended March 31, 2014 was 27,270 as compared to 42,410 in 2011-12.

Dematerialisation of Shares

During the eighteen months period ended March 31, 2014, 16,44,741 shares were dematerialised as compared to 41,11,24,597 shares during 2011-12.

The distribution of shares in physical and electronic modes as at March 31, 2014 and September 30, 2012 is provided in Table 11.

Table 11: Details of Shares held in physical and electronic mode

Categories	Position as at March 31, 2014		Position as at September 30, 2012		Shares Dematerialised during the eighteen months period ended March 31, 2014	
	No. of Shares	% to total shareholding	No. of Shares	% to total shareholding	No. of Shares	% to total shareholding
Physical	13,05,709	0.20	29,50,450	0.46	-16,44,741	-0.26
Demat:						
NSDL	41,24,88,919	64.51	41,93,00,428	65.58	-68,11,509	-1.07
CDSL	22,56,05,283	35.28	21,71,49,033	33.96	84,56,250	1.32
Sub-total	63,80,94,202	99.80	63,64,49,461	99.54	16,44,741	0.26
Total	63,93,99,911	100.00	63,93,99,911	100.00	-	-

Listing on Stock Exchanges and Stock Codes

The Company's equity shares are listed and traded on the following Stock Exchanges :

Name	Address	Stock Code	Reuters Code
BSE Limited	1st Floor, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001	500032	BJHN.BO
The National Stock Exchange of India Limited (NSE)	Exchange Plaza, Bandra - Kurla Complex, Bandra (E), Mumbai - 400 051	BAJAJHIND	BJHN.NS

The ISIN Number of Company's equity shares (face value of ₹1/- per share) for NSDL & CDSL: INE306A01021

Company has paid listing fees for the financial year 2013-14 to all the stock exchanges where its securities are listed.

The Global Depository Receipts (GDRs) were listed on the Luxembourg Stock Exchange and also admitted to trading on international order book of London Stock Exchange. GDRs of the Company were delisted from Luxembourg Stock Exchange with effect from October 08, 2013 and also de-registered from London Stock Exchange.

Market Price Data

Equity Shares

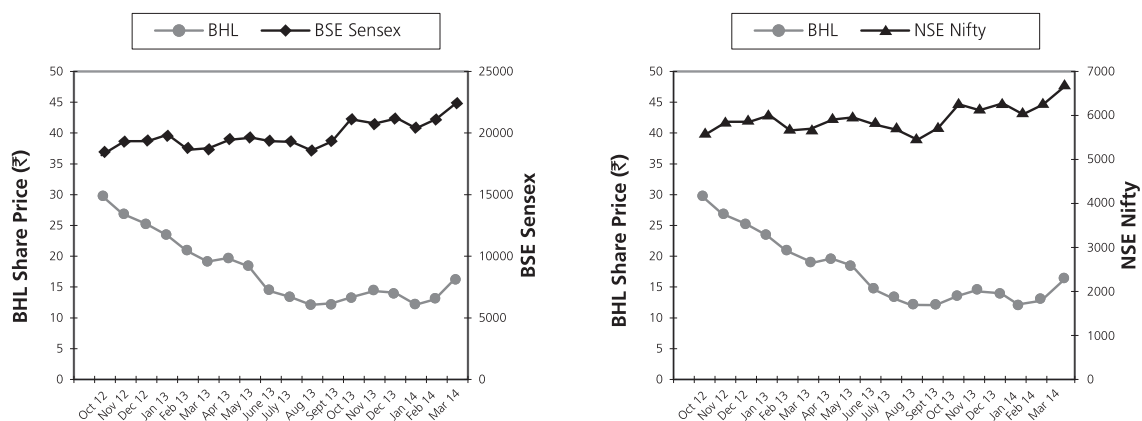
The details of high/low market price of the equity shares of the Company at BSE Limited and at The National Stock Exchange of India Limited (NSE) during the last accounting year of the Company are provided hereunder. (See Table 12)

Table 12: Monthly high/low Market Price of Equity Shares of Bajaj Hindusthan Limited during the eighteen months period ended March 31, 2014

Month	Quotation at BSE (₹)			Quotation at NSE (₹)		
	HIGH	LOW	CLOSING	HIGH	LOW	CLOSING
	FV ₹1	FV ₹1	FV ₹1	FV ₹1	FV ₹1	FV ₹1
October 2012	33.35	29.00	29.65	33.30	28.90	29.25
November 2012	30.25	26.15	26.80	30.55	26.20	26.80
December 2012	28.35	25.00	25.10	28.35	25.05	25.15
January 2013	25.55	21.90	23.40	25.60	21.60	23.40
February 2013	24.45	20.35	21.00	24.50	20.30	20.95
March 2013	23.60	18.00	19.00	23.60	18.05	18.95
April 2013	24.75	18.70	19.75	24.90	18.70	19.80
May 2013	21.95	18.40	18.50	22.00	18.35	18.45
June 2013	18.90	13.55	14.50	18.90	13.55	14.45
July 2013	16.13	12.80	13.33	16.15	12.80	13.35
August 2013	13.95	12.01	12.28	13.70	12.00	12.30
September 2013	14.73	11.70	12.26	14.75	11.85	12.25
October 2013	15.35	12.17	13.50	15.35	12.15	13.55
November 2013	15.50	12.63	14.61	15.50	12.65	14.60
December 2013	15.40	13.43	14.12	15.50	13.40	14.10
January 2014	14.93	11.98	12.26	14.95	11.95	12.25
February 2014	13.58	12.05	13.04	13.50	12.00	13.10
March 2014	17.30	12.90	16.37	17.35	12.95	16.35

The comparable movements of Bajaj Hindusthan's shares against the broadbased indices, namely BSE Sensex and NSE Nifty during the eighteen months period ended March 31, 2014 is depicted in Chart A.

CHART A: Relative Performance of Bajaj Hindusthan's shares versus BSE Sensex/NSE Nifty :



Distribution of Shareholding

The shareholding distribution as at March 31, 2014 (See Table 13)

Table 13: Shareholding distribution as at March 31, 2014

Category	No. of shareholders	% of total holders	No. of Shares	% of Capital
Up to 5000	1,42,228	96.723	6,61,04,736	10.340
5001 to 10000	2,540	1.727	1,87,06,592	2.926
10001 to 20000	1,106	0.752	1,57,06,827	2.456
20001 to 30000	400	0.272	99,20,284	1.551
30001 to 40000	182	0.124	63,52,241	0.993
40001 to 50000	107	0.073	49,68,392	0.777
50001 to 100000	265	0.180	1,89,58,445	2.965
100001 and above	219	0.149	49,86,82,394	77.992
Total	1,47,047	100.000	63,93,99,911	100.000

Shareholding Pattern

Table 14 gives the shareholding pattern of the Company as at March 31, 2014

Table 14: Shareholding pattern as at March 31, 2014

Categories	March 31, 2014		September 30, 2012	
	No. of Shares	Percentage	No. of Shares	Percentage
Promoters	29,49,30,766	46.13	29,49,30,766	46.13
Mutual Funds/UTI	10,743	0.00	6,900	0.00
Financial Institutions/Banks	4,79,27,968	7.50	4,74,01,879	7.41
Insurance Companies	4,34,70,216	6.80	4,34,70,216	6.80
Foreign Institutional Investors	2,03,93,754	3.19	6,69,83,446	10.48
NRIs & OCBs	34,75,136	0.54	19,09,152	0.30
GDRs	4,00,000	0.06	15,75,600	0.25
Others	22,87,91,328	35.78	18,31,21,952	28.63
Total	63,93,99,911	100.00	63,93,99,911	100.00

Investor Services

The Company under the overall supervision of Mr. Pradeep Parakh, Group President (GRC) & Company Secretary is committed to provide efficient and timely services to its shareholders. The Company has appointed M/s. Sharepro Services (India) Private Limited as its Registrar and Share Transfer Agent for rendering the entire range of services to the shareholders of the Company with regard to share transfer, change of address, change of mandate, dividend, etc.

Outstanding GDRs or warrants or any convertible instrument, conversion dates and likely impact on equity

Outstanding Instruments	No. of GDR / Bonds	Value in USD	Conversion dates	Likely impact on equity shares of the Company
GDRs	4,00,000	N.A.	N.A.	N.A.
Foreign Currency Convertible Bonds issued to International Finance Corporation, Washington of USD 15 million	100	1,50,00,000	June 16, 2014	24,49,950 equity shares

Nomination

Individual shareholders holding shares singly or jointly in physical form can nominate a person in whose name the shares shall be transferable in the case of death of all the registered shareholder/s. The prescribed form for such nomination can be obtained from the Company. Nomination facility in respect of shares held in electronic form is also available with depository participant (DP) as per the bye-laws and business rules applicable to NSDL and CDSL.

Plant Locations

Sugar Mills

1. Golagokarannath, Lakhimpur-Kheri, District Kheri, Uttar Pradesh
2. Palia Kalan, District Lakhimpur-Kheri, Uttar Pradesh
3. Kinauni, District Meerut, Uttar Pradesh
4. Thanabhawan, District Muzaffarnagar, Uttar Pradesh
5. Budhana, District Muzaffarnagar, Uttar Pradesh
6. Bilai, District Bijnor, Uttar Pradesh
7. Barkhera, District Pilibhit, Uttar Pradesh
8. Khambarkhera, District Lakhimpur-Kheri, Uttar Pradesh
9. Gangnauli, District Saharanpur, Uttar Pradesh
10. Maqsoodapur, District Shahjahanpur, Uttar Pradesh
11. Pratappur, District Deoria, Uttar Pradesh
12. Rudauli, District Basti, Uttar Pradesh
13. Utraula, District Balrampur, Uttar Pradesh
14. Kundarkhi, District Gonda, Uttar Pradesh

Distillery

1. Golagokarannath, Lakhimpur-Kheri, District Kheri, Uttar Pradesh
2. Palia Kalan, District Lakhimpur-Kheri, Uttar Pradesh
3. Kinauni, District Meerut, Uttar Pradesh
4. Khambarkhera, District Lakhimpur-Kheri, Uttar Pradesh
5. Gangnauli, District Saharanpur, Uttar Pradesh
6. Rudauli, District Basti, Uttar Pradesh

Co-Generation

1. Palia Kalan, Lakhimpur-Kheri, District Kheri, Uttar Pradesh
2. Barkhera, District Pilibhit, Uttar Pradesh
3. Khambarkhera, District Lakhimpur-Kheri, Uttar Pradesh
4. Kinauni, District Meerut, Uttar Pradesh
5. Thanabhawan, District Muzaffarnagar, Uttar Pradesh

6. Budhana, District Muzaffarnagar, Uttar Pradesh
7. Bilai, District Bijnor, Uttar Pradesh
8. Gangnauli, District Saharanpur, Uttar Pradesh
9. Maqsoodapur, District Shahjahanpur, Uttar Pradesh
10. Golagokarannath, Lakhimpur-Kheri, District Kheri, Uttar Pradesh
11. Pratappur, District Deoria, Uttar Pradesh
12. Rudauli, District Basti, Uttar Pradesh
13. Utraula, District Balrampur, Uttar Pradesh
14. Kundarkhi, District Gonda, Uttar Pradesh

Address for Correspondence

Investors and Shareholders can correspond with:

- 1) The Company at the following address:
Secretarial Department
Bajaj Hindusthan Limited
Bajaj Bhawan, 2nd Floor, Jamnalal Bajaj Marg,
226, Nariman Point, Mumbai - 400 021
Tel: (9122) 22049056 Fax: (9122) 22048681
E-mail: investor.complaints@bajajhindusthan.com
Website: www.bajajhindusthan.com

AND/OR

- 2) The Registrars and Share Transfer Agent of the Company M/s. Sharepro Services (India) Private Limited at their following address: -

By Post/ Courier/ Hand Delivery	By Hand Delivery
M/s. Sharepro Services (India) Private Limited Unit : Bajaj Hindusthan Limited 13AB Samhita Warehousing Complex 2nd Floor, Sakinaka Telephone Exchange Lane Off Andheri-Kurla Road, Sakinaka, Andheri (E) Mumbai - 400 072 Tel. No. (022) 67720400/001/002 Fax No. (022) 28508927, 28591568 Email: sharepro@shareproservices.com	M/s. Sharepro Services (India) Private Limited Unit : Bajaj Hindusthan Limited 912 Raheja Centre Free Press Journal Road Nariman Point, Mumbai - 400 021 Tel. No.: (022) 2282 5163 Fax No.: (022) 2282 5484 Email: sharepro@shareproservices.com

Declaration

I, Shishir Bajaj, Chairman and Managing Director of **Bajaj Hindusthan Limited**, hereby affirm and declare, to the best of my knowledge and belief, and on behalf of the Board of Directors of the Company and senior management personnel, that:

- The Board of Directors has laid down a code of conduct for all Board members and senior management of the Company;
- The code of conduct has been posted on the website of the Company;
- The code of conduct has been complied with.

For Bajaj Hindusthan Limited

Shishir Bajaj

Chairman & Managing Director

Mumbai,
May 16, 2014

Certificate

To the Members of

BAJAJ HINDUSTHAN LIMITED

We have examined the compliance of the conditions of Corporate Governance by **BAJAJ HINDUSTHAN LIMITED** for the eighteen months period ended March 31, 2014 as stipulated in Clause 49 of the Listing Agreement of the said Company, with the stock exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance (as stipulated in Clause 49 of the Listing Agreement), issued by the Institute of Chartered Accountants of India and was limited to a review of the procedures and implementations thereof, adopted by the Company for ensuring the compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of the Corporate Governance as stipulated in the above mentioned Listing Agreement.

We further state that, such compliance is neither an assurance as to the future viability of the Company, nor to the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For and on behalf of

CHATURVEDI & SHAH

Firm Registration No. 101720W

Chartered Accountants

Amit Chaturvedi

Partner

Membership No. 103141

Mumbai,
May 16, 2014

Management Discussion and Analysis

I. Global Scenario

World sugar production in 2012-13 increased by 5.4 MMT – from 172.1 MMT (raw value) to 177.5 MMT. This was the fifth successive year-on-year growth recorded in global sugar production. The bulk of the additional sugar production came from the developing countries and the main burden of growth continues to fall on Brazil and India – the top two sugar producing nations. Both Brazil and India have expanded production rapidly in the past two decades, but a slowdown in investment in new mills occurred after the financial crisis of 2008, slowing overall growth in following years. The expansion drive in China and Thailand has contributed to lifting their combined sugar production to around

25.7 MMT from levels of 18.4 MMT in 2009-10. During 2013-14 global sugar production was slightly lower at 175.7 MMT on account of lower production in Brazil. Production in India was also slightly lower to around 27.0 million. Global sugar production for 2014-15 is forecast flat at 176 MMT. With abundant supplies continuing to weigh on the market, global consumption is forecast to rise as demand in India and China is likely to expand.

The table below summarises the country-wise production of sugar:

Table 1: World Sugar Production

(MMT, Raw Value)

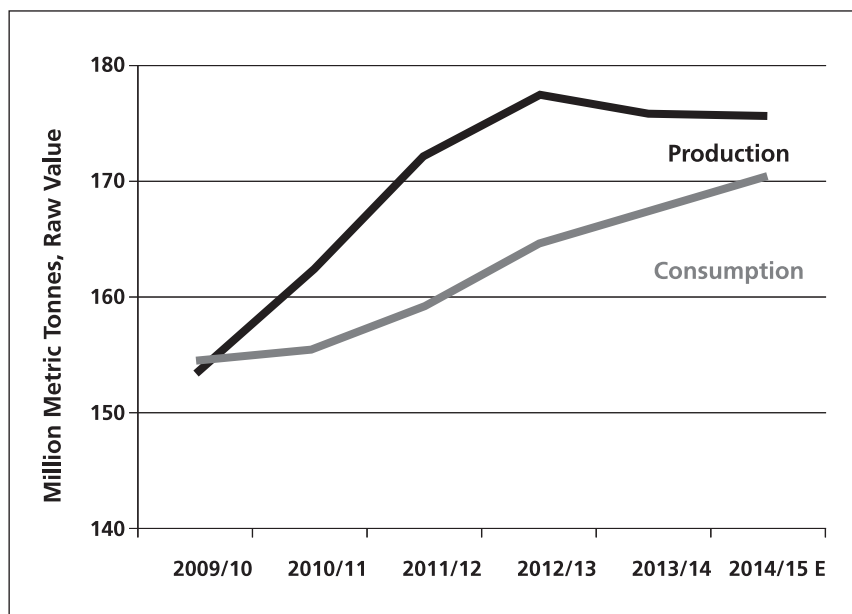
Country / Region	2009-10	2010-11	2011-12	2012-13	2013-14 E
Brazil	36.4	38.4	36.1	38.6	37.8
India	20.1	26.6	28.6	27.3	27.0
EU	16.9	15.9	18.3	16.7	16.1
China	11.4	11.2	12.3	14.0	14.3
Thailand	6.9	9.6	10.2	10.0	11.4
USA	7.2	7.1	7.7	8.1	7.7
Mexico	5.1	5.5	5.4	7.4	6.7
Sub-Total Top 7	104.0	114.3	118.6	122.1	121.0
% of Total World	68%	71%	69%	67%	65%
Others	49.4	47.6	53.5	55.4	54.7
World Total	153.4	161.9	172.1	177.5	175.7

Source: ISO and USDA

Global sugar consumption on the other hand has continued to increase secularly, despite the continuing economic difficulties in many developed countries, compounded by the period of high sugar prices and increased volatility. The increase in sugar prices is likely to cause slower consumption growth over the longer term. Global consumption is projected to grow at 2.2% p.a. during the current decade, down from 2.6% p.a. in the previous ten years. The developing countries will continue to experience the strongest growth in sugar

consumption, fuelled by rising incomes and populations, although with considerable variation between countries. The sugar deficit regions of Asia and the Far East as well as Africa, will be responsible for most of the expansion in use. In contrast, sugar consumption in many developed countries, with their mature sugar markets, are expected to show little or no growth. Total consumption in these countries is expected to increase marginally from 48 MMT to nearly 52 MMT over the projection period.

The chart below depicts that global sugar consumption has expanded while production stagnates.



Sugar Price

The world sugar market has experienced considerable price volatility during the last five years. The world indicator price for raw sugar witnessed a succession of peaks and downward corrections in 2010 before soaring to a 30-year high of USD 36.08 cts/lb (USD 795.4/t) in February 2011. Market fundamentals driving volatile prices were large global sugar deficits in the years 2007-08 and 2008-09 and adverse weather in a number of countries that reduced the size of the expected

rebound in production to higher prices. World sugar stocks, which had already been drawn down, fell to their lowest level in 20 years in 2010-11, supporting higher as well as more volatile market prices. International sugar prices however, eased back thereafter, and, as production grew around the world and the global balance moves into a larger surplus resulting into stock rebuilding.

The following table illustrates the World Sugar Balance:

Table 2: World Sugar Balance

(MMT, Raw Value)

Sugar	2009-10	2010-11	2011-12	2012-13	2013-14 E
Opening Stock	30.5	28.0	29.2	34.9	43.9
Production	153.4	161.9	172.1	177.5	175.7
Imports	48.3	49.3	48.4	51.7	50.5
Consumption	154.4	155.5	159.2	164.5	167.5
Exports	48.3	53.8	55.0	54.5	55.9
Closing Stock	28.0	29.2	34.9	43.9	45.5
Stocks as % of Consumption	18.1%	18.8%	21.9%	26.7%	27.2%
Stocks as No. of Months	1.4	1.5	1.7	1.9	1.8
+ / - Production (%)	6.6%	5.5%	6.4%	3.1%	-1.0%
+ / - Consumption (%)	0.7%	0.7%	2.4%	3.3%	1.8%

Source: USDA

World sugar prices declined from historical highs of 29.74 US cents/lb in 2010-11 to its present level of 17.87 US cents/lb. The margin between raw and white sugar – the white premium – has declined from the high level in 2010 and then to average above USD 90/t over the last four years, reflecting increased sales of white sugar by some traditional sugar exporters and from new destination refineries in the Middle East and Africa. World sugar prices are expected to follow a wave pattern over the short-term period, similar to the past decade, as a result of a continuation of government policies that intervene in sugar markets in many countries and production cycles in Asia, particularly in India, that cause large, periodic swings in trade between imports and exports. As a consequence, world prices are projected to remain under pressure as production peaks in India and rises in other countries and additional exports are placed on the world market. Subsequently, by around 2014-15, the cycle in India is likely to enter the down phase leading to a shortfall in production and the need for large imports to meet consumption needs that may act as a boost to the world price in 2015-16. The upturn in the cycle then recommences leading to a further drop in world prices in 2017-18 and so on.

II. Indian Scenario

a. Domestic Production and Consumption

Sugar production is estimated to decline by around 6-7% in 2012-13 to 24.5 MMT compared to 26.3 MMT in 2011-12, driven mainly by weak and delayed monsoon in several key growing regions. Region-wise the largest decline is reported by Maharashtra followed by Karnataka. Uttar Pradesh (UP) however is likely to witness growth in production because of higher sowing in previous seasons and more favorable weather conditions. With consumption estimated around 23 MMT, the closing inventory would rise to around 8.5 MMT, around 4 months domestic consumption. The sugarcane plantation area was around 5.3 Million hectares of which about two-third is accounted by Uttar Pradesh and Maharashtra. Severe droughts last year faced by Maharashtra have adversely impacted planting of sugarcane. Hence the sugarcane plantation acreage is likely to drop by around 0.5 Million hectares for 2013-14.

A summary of Demand, Supply and Stock position of Sugar is summarised in Table 3.

Table 3: Domestic Demand, Supply and Stock

(Lac MT)

Particulars	2008-2009	2009-2010	2010-2011	2011-2012*	2012-2013*	2013-2014
	Actual	Actual	Actual	Actual	Estimated	Estimated
A. Opening Stock as on Oct 01	105.00	43.64	49.80	58.54	66.01	92.98
B. Production during season**	145.38	189.12	243.94	263.42	251.40	241.00
C. Imports	24.03	40.80			6.76	1.00
D. Total supply availability	274.41	273.56	293.74	321.96	324.17	334.98
E. Offtake :						
a) Internal consumption	229.12	213.28	207.69	226.03	227.71	240.00
b) Exports	1.65	2.35	26.00	29.92	3.48	20.00
Total Offtake	230.77	215.63	233.69	255.95	231.19	260.00
F. Closing Stock as on Sept 30	43.64	57.93	60.05	66.01	92.98	74.98

(Source: ISMA)

* Figures taken as per Directorate of Sugar, Department of Food.

** Production / Imports / Exports figures including both white & raw sugar.

b. Domestic Sugar Prices

In Sugar Season 2012-13, Indian Sugar Industry remained over burdened with huge sugar stocks hitting a 5 year high mark with little scope for its liquidation at the current juncture where export price parity is negative. Domestic sugar prices remained under pressure in the most part of the sugar season 2012-13.

However, prices started to stabilise from June 2012 on account of healthy festive demand coupled with government's decision to allow exports, albeit for a short duration only. By around commencement of crushing activities coupled with changes in release mechanism from monthly to four month order (from December 2012 to March 2013) resulted in prices weakening

from November 2012 onwards. With greater freedom given to mills in meeting open market release orders, companies facing working capital pressure liquidated their inventories in an aggressive way. Prices have fallen below the cost of production for mills located in the State of U.P. After peaking to Rs.3800/ qtl in August 2012, ex-factory prices in Uttar Pradesh during 2012-13 averaged around ₹ 3000/qtl.

Owing to the downward revision in the estimated national production from 26.5 million tonnes to 24.5 million tonnes, the prices started stabilizing and moved up from ₹ 29 per kg in November, 2013 to ₹ 32/- per kg in March, 2014.

c. Domestic Sugarcane prices

Minimum price of sugarcane are regulated by the Government and upper side by market demand-supply. The Central Government decides the minimum price called the Fair and Remunerative Price (FRP), which is the basis for minimum price to be paid by the sugar mills to purchase cane from farmers across the country. For 2012-13 the FRP of Rs. 210 per quintal was announced. As against this, the Government of UP has kept the SAP for the season 2012-13 unchanged at Rs.280 per Qtl. Over last 3-4 years, sugarcane prices have been hiked significantly both by the Centre and State. As a result, sugar margins have got significantly squeezed and turned negative for most producers. Therefore, sugarcane arrears have mounted more steeply in Uttar Pradesh.

Table 4: SAP fixed by Uttar Pradesh Government:

Year	SAP (₹ / Qtl.)	% Increase
2008-2009	140	
2009-2010	165	18
2010-2011	205	24
2011-2012	240	17
2012-2013	280	17
2013-2014	280	Nil

d. Government policy

The domestic sugar industry is highly regulated. The Government of India had set up a committee headed by the chairman of Economic Advisory Council, Dr. C Rangarajan to prepare a roadmap for deregulation.

Some of the key suggestions of the committee include: doing away with all restrictions on sale of sugar and by products; de-reservation of cane areas; fixation of cane prices based on market price of sugar and by products; purchase of sugar by Government for levy obligation at market prices; and freeing up of international trade with export/import duties being the only tools for controlling the same. The Cabinet Committee on Economic Affairs (CCEA) of the Government of India, on 4th April, 2013, accepted the recommendations of the Committee chaired by Dr. C. Rangarajan on the decontrol of the sugar sector. Accordingly, three recommendations have been accepted namely: Abolishment of Release Mechanism, Scrapping of Levy Sugar Obligation and Free Trade Policy.

The report also recommended rationalising the pricing of sugarcane and linking it with revenues of sugar and by products in a phased manner. Such a revenue sharing formula for sugarcane pricing will be beneficial for all the stakeholders i.e. the farmers, mills and the consumers.

The reforms though have covered the sugar (finished goods) side in a comprehensive and conclusive manner, have consciously shied away from addressing the sugarcane (raw material) side. The Centre has pragmatically left certain major decisions to States like linking sugarcane price to realization from sugar, cane area reservation and minimum distance criteria between two sugar mills and pushed ahead with only the first phase of reforms. It is however imperative that a long term formula on cane price with linkage to revenues from sugar and its by-products is evolved soon to decisively address the cyclicity in sugar production and build a long term relationship between the industry and the cane farmers.

Outlook of Sugar for the Year 2013-14

Looking into the issues being faced by the Sugar Industry, Central Government intervened and announced various SOPs for the Industry to help the Industry come out of crisis as under :-

- **Decontrol of Sugar:** In May 2013, Central Government decontrolled the Sugar Sector by abolishing release mechanism under which Sugar Quantity for sale in open market was fixed by the Government. Besides, Sugar Mills were also freed from mandatory supply of levy quota of 10% of their production to the Government at cheaper rate. However, cane price and cane area are still determined by the State Government.

- **Increase in Import Duty:** During July 2013, Import duty on Sugar increased from the level of 10% to 15% discouraging imports of Sugar in country. During the year 2012-13, there has been estimated imports of 7.25 Lac MT of Sugar and during 2013-14, there has been estimated imports of just 1.0 Lac MT.
- **Interest free loans to Sugar millers:** During January 2014, with view to improve liquidity position of the Industry and also enable them to pay the cane arrears of farmers, Central Government notified interest free loans to the Millers to the tune of Central Excise Duty, Cess and Surcharge paid on Sugar during the last 3 years. Interest subvention of 12 percent per annum or actual rate whichever is lower shall be provided to Sugar Mills. The loan has to be repaid in a period of 5 years where Mills can also avail moratorium period of 2 years. The overall loan amount for the Sugar Industry works out to ₹ 6600 crore and interest burden on the loan estimates to ₹ 2750 crore which will be borne by the Centre from Sugar Development Fund.
- **Defraying Expenditure for incentive towards marketing & promotion services for raw sugar production:** On February 28, 2014, Government of India notified incentive at ₹ 3300 per MT to Sugar millers producing Raw Sugar and exporting the same either themselves or through exporters. The said incentive is also available to Sugar Mills supplying Raw Sugar against import invalidation of advance authorisation license provided such domestic supplies of Raw Sugar are refined and exported within 90 days of supply. The subsidy of ₹ 3300 per MT was for the month of February and March 2014 and thereafter will be recalculated on every two months basis prevailing exchange rates. The incentive will be for a total quantity of 40 Lac MT exported during Sugar year 2013-14 and 2014-15.

Distillery Business

In India, Distillery business had always been seen and perceived as a by-product Industry where it uses mainly Molasses (by-product of Sugar Industry) as raw material for manufacture of Alcohol. It is unlike major producers of Alcohol like US where Alcohol is made from Corn, Brazil where Alcohol is made directly from cane. But over the years, Distillery business is evolving and becoming major profit centre for Sugar Industry. On one hand Distillation capacity based on raw material other than molasses (mainly grain) is expanding fast and

demand is picking up. On the other hand blending of Ethanol with petrol is showing better prospects. As a result of this, the Industry is having better international parities with respect to market conditions.

Ethanol blending programme with petrol

In August, 2010, Ministry of Petroleum and Natural gas announced ad-hoc Ethanol basic Price of ₹ 27 per Litre with final price to be decided by committee under chairmanship of Dr. Saumitra Chaudhary (Member Planning Commission). Industry started supplies during the year 2010-11 (Oct-Sept) at ad-hoc basic price of ₹ 27 per Litre with the hope that Final price which will be in line with crude / petrol price. The industry also expected that an increase cost for Sugar Industry will be announced soon. Industry continued Ethanol supplies at ad-hoc basic price of ₹ 27 per Litre during 2010-11 and also 2011-12 but final price has not been declared till date.

On November 22, 2012, CCEA decided that henceforth, the price of Ethanol will be mutually decided between Oil Marketing Companies (OMC) and suppliers. However, there was no clarity on the final price to be paid.

In line with CCEA decision, on January 2, 2013, OMC's floated All India Tender for a quantity of 105 crore Litres for their requirement of blending with petrol at 5% level. In the tender, a quantity of 55 crore Litres was offered by the Industry against which OMCs issued Purchase Orders for a quantity of 38.22 crore Litres.

In line with Industry's requirement to align Ethanol procurement with Alcohol Year (Dec – Nov), OMC's floated another Tender on July 22, 2013 for their All India requirement of 133 crore Litres (except state of UP where supply period starts from June 14 – Nov 14) against which industry offered a quantity of 62 crore Litres and OMCs finalised a quantity of 24.71 crore Litres.

In both above tenders, the tenders have been finalised understandably at basic price in range of ₹ 35-38 per Litre as against earlier ad-hoc price of ₹ 27 per Litre.

A quantity of 16.78 crore Litres in tender dated January 2, 2013 and 37.29 crore Litres in tender dated July 22, 2013 aggregating total quantity of 54.07 crore Litres which was offered by Industry. But the same could not be finalised as quoted prices were high and not accepted by OMCs.

Further, it is learnt from Media reports that in one of Inter-Ministerial group meetings, it has been decided to change the working of determination of reference Refinery Transfer Price (RTP) which becomes the benchmark price for OMC for deciding the price of Ethanol. Earlier, the calculation of RTP was done basis lowest RTP in a period of 12 months but now, it has been decided to take average RTP over a period of 12 months for determination of benchmark price of Ethanol rather than lowest RTP. This change in working for determination of RTP will give increased benchmark price of Ethanol by up to ₹ 5.0 per Litre. (Source: *Hindu Business Line April 05*).

Exports

Export of Alcohol from country has never been conventional / regular and therefore International Trade also never took India as a serious exporter of Alcohol. But now, India is evolving as exporter of Alcohol to niche markets where country is seen exporting Alcohol for Industrial use to regions like Korea, Japan, Fuel Grade to Dubai, Singapore, Philippines and Potable Grade mainly to African countries.

Though state excise control on Alcohol exports is a limitation where State excise permissions are required for exports and issuance of such permissions is quite erratic and uncertain at times.

Outlook for Distillery business is quite promising with better Ethanol blending prospects, better Ethanol price, good demand for Potable and Industrial Sector, export of Alcohol.

III. Bajaj Hindusthan's (BHL) Position

BHL has 14 sugar plants having an aggregate crushing capacity of 136000 TCD, 6 distilleries with aggregate capacity of 800 KL/day and about 151 MW of surplus power.

Key Risks and Concerns

1. Raw Material

Sugarcane is the principal raw material used in the production of sugar. Business depends on the availability of sugarcane and any shortage in availability of sugarcane may adversely affect sugar production.

Some of the main factors that could contribute to a shortage of sugarcane are set forth below: -

- a) Farmers switching over from Sugarcane to other cash crop
- b) Adverse weather conditions, crop disease.
- c) Drop in Drawal rate due to delay in cane price payment.

The Company has sought to mitigate raw material availability risk by diversifying into multiple locations within Uttar Pradesh and at the same time, has an impeccable record of cordial relationship with farmers.

Further, in view to improve cane quality and recovery, BHL has planned for sugarcane varietal replacement in four phases/years, this year being the first phase of the programme. The Company has also achieved the target of planting of prominent variety through our cane growers.

2. Sugar Price Risk

Sugar prices are driven by demand and supply. Fluctuation in price may occur due to various macro, micro and international reasons.

There are several other factor as below which impact the sugar prices;

- i. changes in the availability and price of sugarcane
- ii. variances in the production capacities of our competitors
- iii. the availability of substitutes for the sugar products and
- iv. International demand and supply.

The whole sale price of sugar has significant impact on over profits. The Company has addressed this issue to an extent with its expansion plans whereby, BHL has become the largest sugar producer in India with an overall share of 20% of the Uttar Pradesh production. This would enable better pricing power while reducing cost.

3. Regulatory Risk

The Company operates in a regulated environment. Sugarcane price is controlled by the State Government. This is a systemic risk which cannot be alleviated unless the industry is completely decontrolled and the sugar cane price has linkage with the sugar price on the basis of established and recognized formula.

De-Risking Strategy

As part of our business strategy, we are rapidly de-risking our business with new investment in power generation capacity. This business is non-cyclical and therefore expected to generate steady cash flows year on year. Also company at times evaluate sale of captive consume the by products like Bagasse etc.

Market Share

As of now, BHL is enjoying market share of (SY 2013):

Market share in U.P.	17.42%
Market share on all India basis	5.18%

Internal Control Systems and their adequacy

The large size and nature of the business demands the Company to maintain a proper Internal Control system. The company has a strong system of internal controls comprising authorization levels, supervision, checks and balances and procedures through documented policy guidelines and manuals, which provide that all transaction are authorized, recorded and reported correctly and compliance with policies and statutes are ensured. Efforts are made by the management to maintain a sound financial and commercial practice capable of improving the efficiency of the operations and sustainability of the business. The system ensures that all assets are safeguarded and protected against loss from unauthorized use and in case any of the assets is discarded or disposed of then the transactions are authorized, recorded and reported correctly. Operating managers make sure that all the operations within their area are compliant and safeguarded against any risks, including prevention and detection of fraud and error, ensuring legal and regulatory compliance and validation of IT Security, whereas the internal auditors carry out random audits to detect flaws in the system.

The operational managers exercise their control over business processes through operational systems, procedures, manuals and within financial limits of authority manual, which are reviewed and updated on an ongoing basis to improve the systems and efficiency of operations.

The Company places prime importance on an effective internal audit system, during the year, the internal audit was carried out by the two Chartered Accountants Firms M/s. Singhi & Co., and M/s. L.B. Jha & Co. and coordinated by internal audit team of the company based on the Internal Audit programme duly approved by the Management at the beginning of the year. The

Internal Audit Programme is aligned to the previous year observations and suggestions from the operating managers and audit committee members, existing system and procedures, financial limits of authority and also the risk areas, which are identified and reviewed.

An illustrative list of scope of activities of in-house areas of Internal Audit is broadly summarised as under:

- Coordination with firms Auditors to whom Internal Audit work has been outsourced, for facilitating Audit works, Unit Comments & Implementation of Audit recommendations.
- Cane centre visits:
 - Review of Cane balances at Centre.
 - Review of extraneous matters in Cane.
- Checking of log books maintained for vehicles & diesel consumption.
- Checking of Cane store records for centre material received back from centre after season end.
- Physical Verification of Store Inventory 100% annually.
- Surprise check of dispatches - Sugar, Mollasses, Bagasse, Pressmud, Ethanol etc.
- Physical Verification of civic condition of Sugar Godowns & empty Molasses Tanks.
- Physical Verification of Sugar Stocks annually.
- Verification of Cut and Torn Bags during season.
- Checking of Sugar Bagging, weighment and handling.
- Periodic review of Scrap generation and disposal.
- Fire & other safety measures.
- Physical Verification of Fixed Assets.
- Physical Verification of Cash on monthly basis.
- Verification of Insurance - Sufficient coverage and timely renewal of Insurance policies.
- Special assignments and Audits assigned from time to time.

The scope of activities of outsourced areas of Internal Audit is broadly summarised as under:

- Verification of Accounts Vouchers and records including checking adherence to Company policy, defined authority levels & contingent liabilities.
- Verification of Purchase Orders / Work Orders and related Agreements / Contracts.
- Review of Statutory compliances related to TDS, Service Tax, PF, Minimum Wages and filing of return etc.
- Verification of Cenvat Accounting claims assessment for excise duty and service tax.
- Verification of - Input Credit and assessment.
- Trail and Ledger Scrutiny including General, Debtors, Creditors and Advances Ledger etc.
- Time Office Audit and Security Audit.
- Inspection of Material, and Verification of Stores Ledgers, Records, Issues, Inventory and other subsidiary records + surprise checks and verification on sample basis.
- Verification on sample basis of Sales of Sugar, Molasses, Bagasse, Press Mud, Ethanol, Alcohol, Power and Ecotec Boards.
- Inspection of Weighment, Logbooks, Pool Vehicle, Diesel consumption, Guest House expenses etc.
- Assessment of Budgetary Controls & MIS.
- Review of Compliances of Industrial & other applicable Laws.
- Bank Reconciliation statement, Checking of Interest rate and Bank charges.
- Review of system in place for Physical verification of Fixed Assets, Sugar Stocks, Ecotec Boards and disposal of Scrap.
- Surprise check covering dispatches, Log Books and Civic conditions of Sugar and Ecotec Boards Godown and Safety measures etc.

The Internal Audit carries out audit effectively throughout the year covering all areas of operations including the follow up action. The audit approach is based on random sample selection and takes into consideration the generally accepted business practices. The internal audit reports are first discussed by the

Management and subsequently placed before the Audit Committee of the Board of Directors along with the direction/action plan recommended by the respective Functional Head. The direction is implemented by the respective Head of the Departments and Action Taken Reports are placed before the Audit Committee members in next meeting for their review.

Human Resources/Industrial Relations

The industrial relations at the Company's Sugar Mills and Head Office were cordial throughout the period under review. The Company is committed to create an organisation that nurtures the talent and enterprise of its people, helping them grow and find fulfillment in an open culture. Its growth strategies are based on a strong Human Resource (HR) foundation created through a judicious use of innovative and complementary HR processes and systems. As of March 31, 2014, BHL had 7,790 employees.

The various HR initiatives carried out by the Company during the year are listed below:

Programmes

- A need based training program comprising of Cane sowing, irrigation and pest management techniques, operational procedure and skill up-gradation methods, Safety, House-keeping, Fire Fighting, Environment Health & Occupational Hazards, Energy Conservation, Attitudinal & Behavioural Management, Taxation, Computer Awareness, Statutory Compliances, Awareness on Health & Occupational Diseases, topic related to engineering, production, finance & accounts, store and H.R, Induction Programme for new employees etc. has been designed for all units which are organised at units by internal and external faculties.
- Quality Circle movement to create a sense of belongingness among employees by participation in deciding and implementing process thereby helping in cost reduction through optimum utilisation of resources and cutting wastages. It promotes participation culture, team building & development of employees at grass root level.
- Health Awareness and Health check up programs like physiotherapy, Dental Check-up for employees, celebration of days of National and Social importance like Republic day, Independence day, Labour day, World environment day, Safety day, cultural and

religious programmes like Holi, Dussera, Deepawali, Lohri, Eid, Christmas. Women Club for the spouses of the employees wherein the ladies meet periodically and discuss various matters related to their spouses, family and the company as well and Talent enhancement programme for the family members of the staff, wherein children and female family members take active part in programmes singing, dancing, poetry, oratory, drawing, painting and fancy dress competitions or any other distinguish skills of the family members comes out in light of the others.

- The management announces awards for entire manufacturing locations for their outstanding contributions and distinguished record of performance in respective areas. The Company awards Merit Scholarship to Employees' Children for their academic achievements.

Corporate Social Responsibility

1. Bajaj Public School

In furtherance of the guiding philosophy of the Corporate Social Responsibility (CSR), the group visualised the dire need to impart high standard education at low cost to the wards of the inhabitants. The Bajaj Public School (BPS), a non-profit organisation, is a step in this direction. It was set up in 2009 and extended its branches in Gola, Palia, Barkhera, Gangnauli and Kinauni units in 2010. The school has obtained the CBSE affiliation for Class-X.

2. 'Charkha' – Women Empowerment

BHL undertook a project 'Charkha' (spinning wheel) to boost Women Empowerment (Self Help Groups) and has also conducted surveys in the adjoining villages of some units and finding out the people who are extremely underprivileged. The society helped to fill up the forms, collected clothes, utensils, footwear, medicines etc. and packed them neatly to give it to those who are in need of it. BHL employees also helped the society in raising funds for their projects. BHL Women's Society, prepared Mango pickles, Daliya, Papad. Later, these products were sent to all other units and offices of BHL. Within a few days, the products of the society started receiving orders and dispatches commenced accordingly.

3. Other Activities

Various CSR Activities initiated by HR are:

- (a) General Medical Check-up, Eye Check-up, Hepatitis-B vaccination camps in Factory Campus and also in neighbouring villages etc.
- (b) Woollen Clothes & Blanket Distribution among under-privileged class of surrounding areas.
- (c) Seva Shivir.
- (d) Distributing Organic Manure on subsidised rates to the farmers.
- (e) In winters lighting Alao at every Chauraha by distributing bagasse.
- (f) Fogging & Spray for mosquito removal in nearby villages.
- (g) Blood donation camps.
- (h) An Eye Check-up camp was arranged in factory hospital, Rudhauli in which eye specialists from Sant Kabir Eye Hospital, Basti conducted various eye tests of most of our employees and suitable medicine/spectacles were provided to them on payment. Among the beneficiaries there were various outsiders/farmers also.

IV. Financial Analysis of Operations of the Company

The financial results for the year under review covered a period of 18 months and are not comparable with the results of financial year 2011-12, which covered only 12 months.

The financial and operating results for current financial period are also not strictly comparable with those of previous financial year 2011-12 to the extent that current financial period include figures pertaining to the erstwhile subsidiary Bajaj Eco-Tec Products Limited (BEPL) for 18 months period, however in the previous year these were of six months period ended September 30, 2012, viz. from the Appointed Date as April 01, 2012 to September 30, 2012 consequent upon the amalgamation of BEPL with the Company as approved by Hon'ble High Court of Judicature at Bombay vide Order dated September 14, 2012.

Table 5: Operational Data

Particulars	Unit	18 months ended March 31, 2014	Year ended Sept. 30, 2012
Cane Crushing	MMT	24.838	12.756
Raw Sugar Processed	MMT	-	0.001
Sugar Recovery	%	9.20	9.14
Sugar Production -From Cane -From Raw Sugar	MT MT	22,73,088 -	11,65,761 611
Industrial Alcohol Production	KL	2,54,764	1,45,156
Molasses Production	MT	12,65,184	6,47,585
Boards Production – MDF	MT	5,676	10,118
Boards Production – PB	MT	2,616	4,905
Power Generation	MW	16,15,638	8,21,215

During the period, the production of Sugar from sugarcane has increased to 22,73,088 MT as compared to 11,65,761 MT and production from raw sugar has Nil as compared to 611 MT since there is no processing of raw sugar. The production of Molasses was 12,65,184 MT as compared to 6,47,585 MT in previous year. The Industrial Alcohol / Ethanol production was at 2,54,764 KL as compared to 1,45,156 KL in previous year. Power generation was at 16,15,638 MW as compared to 8,21,215 MW in previous year.

Looking to the increase in sugarcane crop acreage in sugar season 2013-14, Company took necessary steps to ensure availability of cane so that plants can operate at optimum capacity. Cane crop acreage increased in U.P., resulting increase in the quantity of sugarcane crush and higher production of sugar and other related products i.e. molasses and power. Average recovery of sugar from sugarcane was at 9.20% as against 9.14% in the previous year. The farmers have again shifted from other crops to sugarcane crop due to higher Fair and Remunerative Price (FRP) and State Advisory Price (SAP) fixed by the Central Government and State Government respectively.

Results of Operations**Table 6: Summarised Financial Results****₹ Crore**

Particulars	18 months ended March 31, 2014	Year ended Sept. 30, 2012
Revenue	6,694.06	4,368.78
Earnings before interest depreciation and tax (EBIDTA)	(27.77)	563.91
Finance costs (net)	948.57	536.41
Cash profits	(976.34)	27.50
Depreciation and amortisation	531.72	348.82
Profit/(Loss) before tax	(1,508.06)	(321.32)
Tax expenses	25.06	(86.75)
Profit/(Loss) after tax	(1,533.12)	(234.57)
Basic and Diluted earning per share (₹)	(23.98)	(3.87)

Turnover

During the period ended March 31, 2014 the company's total revenue is ₹ 6,694.06 crore as against ₹ 4,368.78 crore in the previous year.

Analysis of Sales

During the period, the Company sold 16,30,924 MT of sugar as against 11,38,494 MT during the previous year. The Company sold 53,883 MT of Molasses as against 95,407 MT in the previous year. However, Alcohol/ Ethanol sales during the period was at 2,25,678 KL as against 1,48,835 KL during the previous year. The Company exported 7,02,371 MW of power during the period as against 3,46,180 MW during the previous year. The sale of Medium Density Fibre (MDF) and Particle Board (PB) is 11,865 MT and 4,807 MT respectively.

Product-wise sales quantity, value and per unit realisation details are given in Table 7:

Table 7: Sales revenue

Particulars		18 months ended March 31, 2014			Year ended Sept. 30, 2012		
	Unit	Qty	Value	Realisation*	Qty	Value	Realisation*
			₹ Crore	₹/MT/KL/MW		₹ Crore	₹/MT/KL/MW
Sugar	MT	16,30,924	5,173.52	31,721	11,38,494	3,452.91	30,329
Alcohol/Ethanol	KL	2,25,678	802.97	35,580	1,48,835	448.34	30,123
Molasses	MT	53,883	20.34	3,775	95,407	25.40	2,662
Boards - MDF	MT	11,865	27.81	23,438	14,415	41.62	28,873
Boards - PB	MT	4,807	12.50	26,004	5,513	15.02	27,245
Power	MW	7,02,371	311.72	4,438	3,46,180	146.99	4,246

* Includes excise duty

Industrial Alcohol was sold in the local market directly to end users, mainly alcohol-based chemical plants. Ethanol was sold to oil companies, who use it for blending with gasoline.

Other Income

Other income (including other operating revenues) for the period was ₹ 94.42 crore against ₹ 158.13 crore in the previous year.

The major component of other income was profit on sale of Non-current investment ₹ 26.29 crore, lease rent received ₹ 19.57 crore, gain on sale of assets ₹ 18.16 crores, duty drawback and other export incentives ₹ 14.64 crore and miscellaneous receipt ₹ 11.59 crore.

Other expenses

During the period, other expenses were ₹ 666.14 crore as against ₹ 304.90 crore in the previous year.

Earnings Before Interest, Depreciation, Tax and Amortisation (EBIDTA)

The EBIDTA achieved for the period is ₹ (-) 27.77 crore as against ₹ 563.91 crore in the previous year.

Finance costs

Increase in interest expense was due to higher interest rates and increase in loans for making cane price payments to growers.

Depreciation and amortisation

The depreciation for the period was ₹ 531.72 crore as against ₹ 348.82 crore in the previous year.

Tax expenses

In the absence of profits, no provision for current tax has been made, in the current period as well as in the previous year. However, during the current period, a short provision of tax of earlier year has been charged by ₹ 13.98 crore and MAT credit entitlement has been lapsed for ₹ 11.08 crore. In the previous year, deferred tax asset has been created of ₹ 87.74 crore and short provision of tax of earlier year has been charged by ₹ 0.99 crore.

Balance Sheet

The summarised Balance Sheet as at March 31, 2014 is given in Table 8.

Table 8: Summarised Balance Sheet

₹ Crore

As at	March 31, 2014	Sept. 30, 2012
EQUITY AND LIABILITIES		
Shareholders' Fund		
Share capital	63.94	63.94
Reserves and surplus	2,495.30	4,030.34
Sub total	2,559.24	4,094.28
Non-current liabilities		
Long-term borrowings	2,509.57	1,500.69
Other long-term liabilities	179.40	-
Long-term provisions	41.36	31.84
Sub total	2,730.33	1,532.53

As at	March 31, 2014	Sept. 30, 2012
Current liabilities		
Short-term borrowings	3,076.14	3,286.30
Trade payables	2,815.92	236.40
Other current liabilities	1,337.04	1,034.96
Short-term provisions	9.74	12.83
Sub total	7,238.84	4,570.49
TOTAL	12,528.41	10,197.30
ASSETS		
Non-current assets		
Fixed assets		
Tangible assets	4,986.71	5,419.50
Intangible assets	0.13	0.35
Capital work-in-progress	8.14	7.40
Non-current investments	2,431.05	1,600.36
Long-term loans and advances	60.57	92.11
Other non-current assets	1.40	1.68
Sub total	7,488.00	7,121.40
Current assets		
Inventories	2,673.50	558.24
Trade receivables	225.48	192.02
Cash and bank balances	128.24	180.30
Short-term loans and advances	1,491.11	1,735.82
Other current assets	522.08	409.52
Sub total	5,040.41	3,075.90
TOTAL	12,528.41	10,197.30

Share capital

There is no change in subscribed and paid-up share capital.

Reserves and surplus

Due to losses during the current period, Reserves and surplus has been brought down to ₹ 2,495.30 crore from ₹ 4,030.34 crore as on Sept. 30, 2012.

Long-term borrowings

Long-term borrowings increased to ₹ 2,509.57 crore as against ₹ 1,500.69 crore in the previous year mainly because of further loans taken to repay short-term loans.

Short-term borrowings

Short-term borrowings decreased to ₹ 3,076.14 crore as against ₹ 3,286.30 crore in the previous year.

Fixed Assets

Gross Block increased from ₹ 7,204.89 crore to ₹ 7,298.09 crore, the increase mainly due to capitalisation of foreign exchange fluctuation amounting to ₹ 59.92 crore as per notification dated March 31, 2009 further amended by notification dated December 29, 2011 issued by the Ministry of Corporate Affairs. However, the change in net block including CWIP was ₹ 432.27 crore from ₹ 5,427.25 crore to ₹ 4,994.98 crore was due to depreciation and amortisation and other routine capitalisation during the period.

Investments

During the period, the Company has invested ₹ 530.29 crore in Lalitpur Power Generation Company Limited (Associate), by subscribing to 1,06,06,000 equity shares of ₹ 10/- each at a premium of ₹ 490/- per share. Further during the period under review the Company has sold part of its investment in Bajaj Energy Private Limited to a promoter group company pursuant to an MOU for sale of shares with the company and received advance against sale proceeds for the balance shares. In accordance with the Scheme of Amalgamation as approved vide Order of the Hon'ble High Court of Judicature at New Delhi dated February 20, 2013, Phenil Sugars Limited had issued 3,50,03,927 Zero coupon Optionally Convertible Preference Shares of ₹ 100/- each amounting to ₹ 350.04 crore on March 25, 2013. Phenil Sugars Limited pursuant to the requisite approval of class of preference shareholders varied the rights to 3,50,03,927 6% Redeemable Non-Convertible Non-cumulative Preference Shares of ₹ 100 each from September 5, 2013.

Inventories

The inventory of sugar at the end of the period was 7,89,982 MT equivalent to 265 days' sales as compared to 48 days' sales in the previous year. Alcohol inventory at the end of the period was 35,870 KL equivalent to 87 days' sales as compared to 12 days' sales in the previous year.

The inventory of MDF and PB at the end of the period was Nil. In view of expected volume growth, the

inventory liquidation is monitored very closely and the Company does not foresee any difficulty in selling the products manufactured by it.

Debtors

In line with the Company's focus on effective working capital management, vigorous efforts were made to recover dues from debtors. The debtors at the end of the period were equivalent to 18 days' of sales as compared to 16 days' of sales in the previous year.

Significant non-recurring income, expenditure and other items

Income

Profit on sale of Non-current investment ₹ 26.29 crore, gain on sale of assets ₹ 18.16 crore, and Provision no longer required / credit balance appropriated ₹ 5.19 crore were of a non-recurring nature.

Expenditure

The loss on assets sold/discarded ₹ 3.02 crore and Loss due to foreign currency fluctuation ₹ 32.37 crore are of a non-recurring nature

Contingent liabilities

The status of contingent liabilities as at March 31, 2014 has been reviewed by the management. Efforts are being made for speedy settlement of pending cases.

Control measures for cane procurement

Besides smooth functioning of plants, timely and regular procurement of sugarcane is the most important activity of the Company. Continuous efforts are being made to ensure systematic indenting, procurement and crushing of sugarcane. Though the current systems are adequate, as a matter of routine, these systems are periodically reviewed by the senior management team from time to time and corrective measures, if and when considered necessary, are taken to ensure the smooth flow of sugarcane.

Unit-wise Operations

Sugar Division

Crushing details of plants during 18 months ended March 31, 2014 are given in Table 9 :

Table 9: Cane Crushing, Sugar Recovery and Sugar Production

		2012-14*			2011-12		
Plant Location	Zone	Cane Crushing (MMT)	Sugar Recovery (%)	Sugar Production (Tonnes)	Cane Crushing (MMT)	Sugar Recovery (%)	Sugar Production (Tonnes)
Gola Gokarannath	Central UP	2.896	9.65	2,76,914	1.705	9.70	1,65,343
Palia Kalan	Central UP	2.262	8.83	2,00,602	1.438	9.07	1,30,460
Khambarkhera	Central UP	1.998	9.54	1,90,342	1.229	9.46	1,16,238
Barkhera	Central UP	1.573	8.73	1,37,933	0.952	8.96	85,295
Maqsoodapur	Central UP	1.410	8.89	1,25,781	0.833	9.18	76,503
Kinauni	Western UP	2.558	8.82	2,23,356	1.256	8.26	1,03,731
Thanabhawan	Western UP	1.718	8.70	1,48,276	0.721	8.33	60,032
Budhana	Western UP	1.911	9.08	1,73,161	0.959	8.83	84,626
Bilai	Western UP	1.814	9.85	1,78,054	0.835	9.63	80,348
Gangnauli	Western UP	1.052	8.57	91,228	0.422	8.51	35,868
Pratappur	Eastern UP	0.768	9.67	73,675	0.295	9.60	28,274
Rudauli	Eastern UP	1.031	9.19	93,960	0.369	9.54	35,160
Utraula	Eastern UP	1.447	9.39	1,34,787	0.574	9.73	55,830
Kundarkhi	Eastern UP	2.400	9.45	2,25,019	1.168	9.25	1,08,053
Total		24.838	9.20	22,73,088	12.756	9.14	11,65,761

* 2012-14 covered two crushing seasons 2012-13 and 2013-14.

Distillery Division

The distillery division produced 2,54,764 KL of Industrial Alcohol/Ethanol against 1,45,156 KL in the previous year. Likewise Alcohol/Ethanol sales aggregated 2,25,678 KL against 1,48,835 KL in the previous year. In value terms, the sale of Industrial Alcohol/Ethanol during the period was ₹ 802.97 crore as against ₹ 448.34 crore in the previous year.

Power Division

The sale of power recorded at ₹ 311.72 crore in the current period as against ₹ 146.99 crore in the previous year due to optimal use of co-gen capacities with better planning.

Boards Division

The operations of Palia and Kinauni plants were suspended after operations for 3 months due to non availability of adequate quantity of sugarcane bagasse at affordable prices. During this period 2,616 MT of Particle Board (PB) and 5,676 MT of Medium Density Fibre Board (MDF) were produced at these 2 Plants. Operations at its 3rd plant at Kundarkhi remain suspended due to non-availability of adequate quantity of sugarcane bagasse in and around that area. The sales during the period were 4,807 MT of PB and 11,865 MT of MDF at a value of ₹ 12.50 crore and ₹ 27.81 crore respectively.

Accounting Policies

The financial statements have been prepared in compliance with the requirements of the Companies Act, 1956 and Generally Accepted Accounting Principles in India. The management of Bajaj Hindusthan Limited accepts responsibility for the integrity and objectivity of these financial statements, as well as for various estimates/judgements used in preparation of these statements. The estimates and/or judgements have been made on a consistent, reasonable and prudent basis to reflect a true and fair picture of the financial performance of the Company.

Cautionary/Futuristic Statements

Statements in the management discussion and analysis report describing the Company's objectives, projections, estimates and expectations may be "forward-looking statements" within the meaning of applicable laws and regulations and futuristic in nature. Actual performance may differ materially from those either expressed or implied. Such statements represent intentions of the management and the efforts put into realising certain goals. The success in realising these depends on various factors both internal and external. Investors, therefore, are requested to make their own independent judgements before taking any investment decisions.

CEO / CFO Certification

The Board of Directors,
Bajaj Hindusthan Limited,
Mumbai

Re: Financial Statements for the extended financial year ending March 31, 2014 – Certification by CEO and CFO

We, Shishir Bajaj, Chairman & Managing Director and Anand Kumar Kanodia, Chief Financial Officer of Bajaj Hindusthan Limited, on the basis of the review of the financial statements and the cash flow statement for the extended financial year ending March 31, 2014, comprising of 18 months period from October 1, 2012 to March 31, 2014, and to the best of our knowledge and belief, hereby certify that:-

1. These statements do not contain any materially untrue statements or omit any material fact or contain statements that might be misleading.
2. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
3. There are, to the best of our knowledge and belief, no transaction entered into by the Company for the extended financial year ending March 31, 2014, comprising of 18 months period from October 1, 2012 to March 31, 2014 which are fraudulent, illegal or violative of the Company's code of conduct.
4. We accept responsibility for establishing and maintaining internal controls and we have evaluated the effectiveness of the internal control systems of the Company. We have disclosed to the auditors and the Audit Committee those deficiencies, of which we are aware, in the design or operation of the internal control systems and that we have taken the required steps to rectify these deficiencies.
5. We further certify that:-
 - (a) there have been no significant changes in internal control during this extended financial year;
 - (b) there have been no significant changes in accounting policies during this extended financial year; and
 - (c) there have been no instances of significant fraud of which we have become aware and the involvement therein, of management or an employee having significant role in the Company's internal control systems.

Shishir Bajaj

Chairman & Managing Director

Anand Kumar Kanodia

Chief Financial Officer

Place: Mumbai

Dated: May 16, 2014

Independent Auditor's Report

To The Members of Bajaj Hindusthan Limited

Report on the Financial Statements

We have audited the accompanying financial statements of BAJAJ HINDUSTHAN LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the eighteen months period then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the

financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- b) in the case of the Statement of Profit and Loss, of the loss of the Company for the period ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows of the Company for the period ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

- b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
- c) the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d) in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956, read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013;
- e) on the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For and on behalf of
CHATURVEDI & SHAH

Firm Registration No. 101720W
Chartered Accountants

Amit Chaturvedi

Partner

Membership No. 103141

Place: Mumbai

Date: May 16, 2014

ANNEXURE REFERRED TO IN INDEPENDENT AUDITOR'S REPORT RE: BAJAJ HINDUSTHAN LIMITED ('THE COMPANY')

[Referred to in paragraph (1) under the heading ("Report on Other Legal and Regulatory Requirements") of our Report of even date.]

1. a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
- b) As explained to us, all the fixed assets have been physically verified by the management in a phased periodical manner as per regular programme of verification, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification;
- c) In our opinion, the Company has not disposed off substantial part of its fixed assets during the period and the going concern status of the Company is not affected.
2. In respect of its inventories:
 - a) As explained to us, the inventory has been physically verified by the management at reasonable intervals, during the period;
 - b) As explained to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business;
 - c) According to the inventory records produced to us for our verification, we are of the opinion that the Company is maintaining proper records of inventory. The differences between the physical verification of inventories, as compared to book records, though not material, have been properly dealt with in the books of account.
3. In respect of loans, secured or unsecured, granted or taken by the Company to/from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956:
 - a) The Company has given unsecured loans to three subsidiary companies. In respect of the said loans, the maximum amount outstanding at any time during the period is ₹ 1097.56 crore and the year end balance is ₹ 1097.56 crore;

- b) In our opinion and according to information and explanations given to us, the rate of interest, where applicable and the other terms and conditions of the loans given by the Company, are not, prima facie prejudicial to the interest of the Company;
 - c) The principal amounts are repayable on demand and there is no repayment schedule. The interest is payable on demand;
 - d) In respect of said loans, the interest is payable on demand and therefore the question of overdue amount doesn't arise;
 - e) The Company has not taken any loan during the period from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Consequently, the requirements of Clauses (iii) (f) and (iii) (g) of paragraph 4 of the Order are not applicable.
4. In our opinion and according to the information and explanations given to us, there is adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system.
5. In respect of contracts or arrangements referred to in Section 301 of the Companies Act, 1956:
- a) On the basis of the audit procedures applied by us, and according to the information and explanations given to us on our enquiries on this behalf and the records produced to us for our verification, the contracts or arrangements that need to be maintained under Section 301 of the Companies Act, 1956 have been so entered;
 - b) The transaction so entered, aggregating in excess of ₹ 5,00,000/- in respect of each party during the period, have been, in our opinion, as per the information and explanations given to us, made at prices, which are reasonable having regard to the prevailing market prices available at which transactions for similar goods have been made with other parties at the relevant time.
6. In our opinion and according to the information and explanations given to us, the Company has complied with the directives issued under Section 58A, 58AA or any other relevant provisions of the

Companies Act, 1956 and Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposit accepted from the public. According to the information and explanations given to us, no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.

7. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
8. We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956 in respect of Company's product to which the said rules are made applicable and are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of the records with a view to determine whether they are accurate.
9. In respect of statutory dues:
- a) According to the records of the Company, the Company has been generally regular in depositing with statutory authorities, undisputed statutory dues, including provident fund, income-tax, sales-tax, wealth-tax, service tax, customs duty, cess and other material statutory dues applicable to it. According to the information and explanations given to us, no undisputed amounts payable in respect of aforesaid dues were outstanding, as at March 31, 2014 for a period of more than six months from the date they became payable.
 - b) On the basis of our examination of documents on records of the Company and information and explanations given to us upon our inquiries in this regard, the disputed amounts payable in respect of Income tax, Sales tax, Wealth tax, Service tax, Customs duty and Excise Duty/Cess not deposited with the appropriate authorities are as under:

Name of the Statute	Nature of Dues	Amount (₹ in crore)	Period for which amount relates	Forum where dispute is pending
Central Sales Tax Act, 1956 and Sales Tax Act/VAT Act of various states	Sales Tax, VAT and Entry Tax	15.57	Various years from 1997-98 to 2012-13	Deputy/Joint Commissioner/Commissioner (Appeals)
		44.36	Various years from 1982-83 to 2012-13	Sales Tax Appellate Tribunal
		1.80	Various years from 1989-90 to 2009-10	High Court
Central Excise Act, 1944	Excise and Service Tax	5.30	Various years from 1981-82 to 2012-13	Commissioner of Central Excise (Appeals)
		19.29	Various years from 1981-82 to 2011-12	Central Excise and Service Tax Appellate Tribunal
		0.93	Various years from 1989-90 to 2009-10	High Court
		12.42	Various years from 2004-05 to 2005-06	Supreme Court
	Total	99.67		

10. The Company has accumulated losses at the end of the financial period, which are less than fifty percent of its net worth. The Company has incurred cash losses during the period covered under the audit, but has not incurred cash losses in the immediately preceding financial year.
11. Based on the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to financial institutions and banks. The Company has not issued debentures.
12. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, the Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, the

provisions of clause 4(xiii) of paragraph 4 of the Order are not applicable.

14. The Company has maintained proper records of the transactions and contracts in respect of dealing or trading in shares, securities, debentures and other investments and timely entries have been made therein. All shares, securities, debentures and other investments have been held by the Company in its own name.
15. The Company has given guarantee for loans taken by its erstwhile subsidiary/associate from banks. The terms and conditions whereof in our opinion are not prima facie prejudicial to the interest of the Company.
16. Based on the information and explanation given to us by the management, the term loans were applied for the purpose for which the loans were raised.
17. According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that no funds raised on short-term basis have been used for long-term investment.
18. The Company has not made during the period any preferential allotment of shares to Companies, firms, parties covered under register maintained under Section 301 of the Companies Act, 1956.
19. In our opinion and according to the information and explanations given to us, the Company has not issued any secured debentures during the period covered by our report. Accordingly, provisions of clause (xix) of paragraph 4 of the Order are not applicable.
20. The Company has not raised any money by public issues during the period.
21. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we have not come across any instance of material fraud on or by the Company, noticed or reported during the period, nor have been informed of such case by the management.

For and on behalf of
CHATURVEDI & SHAH

Firm Registration No. 101720W
Chartered Accountants

Amit Chaturvedi
Partner

Membership No. 103141

Place: Mumbai
Date: May 16, 2014

Balance Sheet as at March 31, 2014

Particulars	Note	As at March 31, 2014 ₹ Crore	As at Sept. 30, 2012 ₹ Crore
EQUITY AND LIABILITIES:			
Shareholders' funds			
Share capital	3	63.94	63.94
Reserves and surplus	4	2,495.30	4,030.34
Sub total		2,559.24	4,094.28
Non-current liabilities			
Long-term borrowings	5	2,509.57	1,500.69
Other long-term liabilities	7	179.40	-
Long-term provisions	8	41.36	31.84
Sub total		2,730.33	1,532.53
Current liabilities			
Short-term borrowings	9	3,076.14	3,286.30
Trade payables	10	2,815.92	236.40
Other current liabilities	11	1,337.04	1,034.96
Short-term provisions	12	9.74	12.83
Sub total		7,238.84	4,570.49
Total		12,528.41	10,197.30
ASSETS:			
Non-current assets			
Fixed assets			
Tangible assets	13	4,986.71	5,419.50
Intangible assets	13	0.13	0.35
Capital work-in-progress	13	8.14	7.40
Non-current investments	14	2,431.05	1,600.36
Deferred tax assets (net)	6	-	-
Long-term loans and advances	15	60.57	92.11
Other non-current assets	16	1.40	1.68
Sub total		7,488.00	7,121.40
Current assets			
Inventories	17	2,673.50	558.24
Trade receivables	18	225.48	192.02
Cash and bank balances	19	128.24	180.30
Short-term loans and advances	20	1,491.11	1,735.82
Other current assets	21	522.08	409.52
Sub total		5,040.41	3,075.90
Total		12,528.41	10,197.30

See accompanying notes (1 to 44) to the financial statements.

As per our attached report of even date

For Chaturvedi & Shah

Firm Registration No.101720W
Chartered Accountants

For and on behalf of the Board

Shishir Bajaj
Chairman & Managing Director

Kushagra Bajaj
Vice Chairman & Joint Managing Director

Amit Chaturvedi

Partner
Membership No. 103141

Anand Kumar Kanodia
Chief Financial Officer

Pradeep Parakh
Group President (GRC) &
Company Secretary

R. V. Ruia
D. K. Shukla
Alok Krishna Agarwal
Dr. Sanjeev Kumar
Manoj Maheshwari
Ashok Kumar Gupta
Directors

Mumbai, May 16, 2014

Statement of Profit and Loss for the period ended March 31, 2014

Particulars	Note	18 months ended March 31, 2014 ₹ Crore	Year ended Sept. 30, 2012 ₹ Crore
INCOME:			
Revenue from operations	22	6,644.25	4,262.63
Other income	23	49.81	106.15
Total Income		6,694.06	4,368.78
EXPENSES:			
Purchases and materials consumed	24	7,815.33	3,366.01
Changes in inventories of finished goods and work-in-progress	25	(2,075.88)	(57.97)
Employee benefits expense	26	316.24	191.93
Finance costs (net)	27	948.57	536.41
Depreciation and amortisation expense	28	531.72	348.82
Other expenses	29	666.14	304.90
Total Expenses		8,202.12	4,690.10
Profit/(Loss) before tax		(1,508.06)	(321.32)
Tax Expenses			
Current tax		-	-
Deferred tax		-	(87.74)
Reversal of MAT credit entitlement of earlier year		11.08	-
Tax relating to earlier years		13.98	0.99
		25.06	(86.75)
Profit/(Loss) after tax		(1,533.12)	(234.57)
Earnings per equity share of face value of ₹1/- each			
Basic and Diluted	38	(23.98)	(3.87)

See accompanying notes (1 to 44) to the financial statements.

As per our attached report of even date

For Chaturvedi & Shah
Firm Registration No.101720W
Chartered Accountants

For and on behalf of the Board
Shishir Bajaj
Chairman & Managing Director

Kushagra Bajaj
Vice Chairman & Joint Managing Director

Amit Chaturvedi
Partner
Membership No. 103141

Anand Kumar Kanodia
Chief Financial Officer

Pradeep Parakh
Group President (GRC) &
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R. V. Ruia
D. K. Shukla
Alok Krishna Agarwal
Dr. Sanjeev Kumar
Manoj Maheshwari
Ashok Kumar Gupta
Directors

Mumbai, May 16, 2014

Cash Flow Statement for the period ended March 31, 2014

Particulars	18 months ended March 31, 2014 ₹ Crore	Year ended Sept. 30, 2012 ₹ Crore
A. Cash flow from operating activities:		
Net profit/ (loss) before taxation	(1,508.06)	(321.32)
Adjustment for:		
Depreciation and amortisation	531.72	348.82
Unrealised (gain) / loss due to foreign exchange fluctuation	18.40	(3.65)
Loss/ (surplus) on sale of fixed assets (net)	(15.14)	1.76
Finance costs	1,127.50	661.28
Dividend / income from current and long-term investment received	(0.00)	(1.22)
Profit on sale of current/ non-current investment	(26.29)	(0.04)
Loss on sale of non-current investment	0.01	-
Interest income	(178.93)	(124.87)
Employees' compensation expenses (ESOP cost)	(1.76)	-
	<u>1,455.51</u>	<u>882.08</u>
Operating profit/(loss) before working capital changes	(52.55)	560.76
Adjustment for:		
Trade and other receivables	(70.71)	(18.77)
Inventories	(2,115.26)	(31.88)
Trade and other payables	<u>3,306.00</u>	<u>(958.27)</u>
Cash generated from operations	<u>1,067.48</u>	<u>(448.16)</u>
Direct taxes paid	<u>2.16</u>	<u>(19.39)</u>
Net cash from / (used in) operating activities	<u>1,069.64</u>	<u>(467.55)</u>
B. Cash flow from investing activities:		
Purchase of fixed assets	(39.22)	(81.82)
Sale of fixed assets	19.77	1.30
Purchase of investments	(280.30)	(372.00)
Sale of investments	75.92	332.09
Loans and advances	(505.11)	(798.71)
Dividend received (₹ 2/-)	0.00	1.22
Interest received	178.38	134.61
Share application money/advance against share application money (given/refunded)	<u>67.14</u>	<u>(322.00)</u>
Net cash (used in) investing activities	<u>(483.42)</u>	<u>(1,105.31)</u>
C. Cash flow from financing activities:		
Proceeds from long-term borrowings	1,972.42	155.88
Repayment of long-term borrowings	(1,195.59)	(1,569.76)
Proceeds from short-term borrowings (net of repayments)	(262.95)	1,832.80
Rights issue of equity shares & premium thereon	-	1,479.75
Issue expenses-rights issue (includes merger expenses)	-	(7.12)
Interest paid	(1,145.45)	(695.28)
Dividend paid (including tax thereon)	(7.04)	(28.18)
Net cash from / (used in) financing activities	<u>(638.61)</u>	<u>1,168.09</u>
Net increase/(decrease) in cash and cash equivalents	<u>(52.39)</u>	<u>(404.77)</u>
Cash and cash equivalents (opening balance)	178.16	581.91
Cash and cash equivalents on amalgamation	-	1.02
Cash and cash equivalents (closing balance)	<u>125.77</u>	<u>178.16</u>

Notes:

- The above cash flow statement has been prepared under the "Indirect Method" as set out in Companies (Accounting Standards) Rules, 2006.
- Figures in brackets indicate cash outflow and without brackets indicate cash inflow.

As per our attached report of even date

For Chaturvedi & Shah
Firm Registration No.101720W
Chartered Accountants

For and on behalf of the Board
Shishir Bajaj
Chairman & Managing Director

Kushagra Bajaj
Vice Chairman & Joint Managing Director

Amit Chaturvedi
Partner
Membership No. 103141

Anand Kumar Kanodia
Chief Financial Officer

Pradeep Parakh
Group President (GRC) &
Company Secretary

R. V. Ruia
D. K. Shukla
Alok Krishna Agarwal
Dr. Sanjeev Kumar
Manoj Maheshwari
Ashok Kumar Gupta
Directors

Mumbai, May 16, 2014

Notes forming part of financial statements

1. Corporate information

Bajaj Hindusthan Limited ('the Company') is a public limited company incorporated in India under the provisions of the Companies Act, 1956. Its Shares are listed on Bombay Stock Exchange and National Stock Exchange. The Company is engaged in the manufacture of sugar, alcohol and generation of power.

2. Significant accounting policies

2.1 Basis of accounting:-

The financial statements of the Company have been prepared in accordance with Generally Accepted Accounting Principles in India. The Company has prepared these financial statements to comply in all material respect with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 1956.

- (i) The Company follows the mercantile system of accounting and recognises income and expenditure on an accrual basis except in case of significant uncertainties.
- (ii) Financial statements are based on historical cost except certain fixed assets which are stated at fair value.

2.2 Use of estimates:-

The preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP) requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses and the disclosure of contingent liabilities on the date of the financial statements. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognised prospectively in current and future periods.

2.3 Current–non-current classification:-

All assets and liabilities are classified into current and non-current.

Assets:-

An asset is classified as current when it satisfies any of the following criteria:

- a) it is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle;
- b) it is held primarily for the purpose of being traded;
- c) it is expected to be realised within 12 months after the reporting date; or
- d) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include the current portion of non-current financial assets. All other assets are classified as non-current.

Liabilities:-

A liability is classified as current when it satisfies any of the following criteria:

- a) it is expected to be settled in the Company's normal operating cycle;
- b) it is held primarily for the purpose of being traded;
- c) it is due to be settled within 12 months after the reporting date; or
- d) the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include current portion of non-current financial liabilities. All other liabilities are classified as non-current.

2.4 Operating cycle:-

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out above which are in accordance with the revised Schedule VI to the Act. Based on

the nature of services and the time between the acquisition of assets for providing of services and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current – non-current classification of assets and liabilities.

2.5 Revenue recognition:-

- (i) Revenue is recognised when the significant risk and rewards of ownership of the goods have been passed to the buyers. Sale of goods is exclusive of excise and sales tax/ VAT. Sales excludes captive consumption.
- (ii) Sugar sold under levy quota for each season, is accounted at the price as notified by the Government as available till such time, pending final notification for each season. The difference in price pending final notification is accounted on an estimation by the management taking into account factors affecting the calculation of levy sugar price .
- (iii) Export incentive in the nature of duty draw back or "Duty Entitlement Pass Book" under "Duty Exemption Scheme" is accounted for in the year of Export.
- (iv) Dividend income is recognised when the right to receive payment is established.
- (v) Interest income is recognised on a time proportion basis taking into account the amount outstanding and the interest rate applicable.

2.6 Fixed Assets and Depreciation:-

(a) Fixed Assets:-

- (i) Fixed assets are carried at cost of acquisition or construction cost and includes amount added on fair valuation, less accumulated depreciation (except freehold land), amortisation and impairment loss, if any.
- (ii) Expenditure during construction period incurred on the projects under implementation are treated as Pre-operative Expenses pending allocation

to the assets, and are included under "Capital Work in Progress". These expenses are apportioned to fixed assets on commencement of commercial production. Capital Work in Progress is stated at the amount incurred up to the date of Balance Sheet.

(b) Depreciation:-

- (i) Depreciation on fixed assets (including on revalued portion on fair value) has been provided as under: -
 - (a) Plant & Machinery & Aircraft:
On straight-line method basis at the rates and in the manner specified in Schedule XIV to the Companies Act, 1956.
 - (b) Other Tangible Assets:
On written down value basis at the rates and in the manner specified in Schedule XIV to the Companies Act, 1956.
 - (c) Intangible Assets represented by computer software is being amortised over a period of five years. Leasehold land is amortised over the lease period.
- (ii) Depreciation on assets added, sold or discarded during the year has been provided on pro-rata basis.
- (iii) Individual assets costing ₹ 5,000 or less are depreciated in full in the year of acquisition.

2.7 Investments:-

Long-term investments are stated at cost of acquisition. Diminution in value of such long-term investments is not provided for except where determined to be of permanent nature. Current investments are stated at lower of cost or fair market value.

2.8 Inventories:-

- (i) Stock of Raw Materials is valued at cost or net realisable value whichever is lower. Cost is arrived at on FIFO Basis.

- (ii) Stock of Materials-in-Process and Finished goods is valued at cost or net realisable value whichever is lower.
- (iii) Stores, Spares and Packing material are valued at cost. Cost is arrived at on Weighted Average Basis.
- (iv) Obsolete stores and spares when identified and technically determined, are valued at estimated realisable value.
- (v) By-products–Molasses and Bagasse has been valued at estimated realisable value.
- (vi) Trial run inventories are valued at cost or estimated realisable value whichever is lower.

2.9 Research and Development:-

Revenue expenditure on Research and Development is expensed out in the Statement of Profit and Loss for the year.

Capital expenditure on Research and Development is shown as an addition to Fixed Assets.

2.10 Government Grants:-

Government grants / subsidies received towards specific fixed assets have been deducted from the gross value of the concerned fixed assets and grant / subsidies received during the year towards revenue expenses have been reduced from respective expenses. Capital Subsidies under Sugar Promotion Policy, 2004 is recognised to the extent the claims are accepted and settled.

2.11 Foreign Currency Transactions:-

Foreign Currency transactions are recorded at the rates of exchange prevailing on the date of transaction. Monetary foreign currency assets and liabilities outstanding at the close of the financial year are revalued at the exchange rates prevailing on the balance sheet date. Exchange differences arising on account of fluctuation in the rate of exchange is recognised in the Statement of Profit and Loss. However, in respect of long-term foreign currency monetary items, the exchange difference relating to acquisition of capital assets, has been adjusted to the capital assets.

In case of items which are covered by forward exchange contracts, the difference between the year end rate and rate on the date of the contract is recognised as exchange difference and the premium paid on forward contract is recognised over the life of the contract. In case of other financial derivative contracts, premiums paid, gains/losses on settlement and provision for losses, are recognised in the Statement of Profit and Loss.

2.12 Employee Benefits:-

(a) Short-Term Employee Benefits:

- (i) Short-term employee benefits are recognised as expenditure at the undiscounted value in the Statement of Profit and Loss of the year in which the related service is rendered.

(b) Post Employment Benefits:

(i) Defined Contribution Plans:

Company's contribution to the superannuation scheme, pension under Employees' Pension Scheme, 1995 etc. are recognised during the year in which the related service is rendered.

(ii) Defined Benefit Plans:

- Gratuity:

Gratuity liability is covered under the Gratuity-cum-Insurance Policy of Life Insurance Corporation of India (LIC). The present value of the obligation is determined based on an actuarial valuation, using the Projected Unit Credit Method. Actuarial gains and losses arising on such valuation are recognised immediately in the Statement of Profit and Loss. The amount funded by the Trust administered by the Company under the aforesaid Policy, is reduced from the gross obligation under the defined benefit plan, to recognise the obligation on a net basis.

- Provident Fund:

Monthly contributions are made to a Trust administered by the Company. The interest rate payable by the Trust to the beneficiaries is notified by the Government. The Company has an obligation to make good the shortfall, if any, between the return on the investments of the Trust and the notified interest rate.

- (c) Long-term compensated absences are provided on the basis of actuarial valuation.
- (d) Compensation to employees under Voluntary Retirement Scheme is charged to Statement of Profit and Loss in the year of accrual.

2.13 Borrowing Cost:-

Borrowing cost attributable to acquisition and construction of assets are capitalised as part of the cost of such assets up to the date when such assets are ready for intended use and other borrowing costs are charged to Statement of Profit and Loss.

2.14 Operating Leases:-

Assets acquired under leases other than finance leases are classified as operating leases. The total lease rentals (including scheduled rental increases) in respect of an asset taken on operating lease are charged to the Statement of Profit and Loss on a straight line basis over the lease term unless another systematic basis is more representative of the time pattern of the benefit. Initial direct costs incurred specifically for an operating lease are deferred and charged to the Statement of Profit and Loss over the lease term.

Assets given by the Company under operating lease are included in fixed assets. Lease income from operating leases is recognised in the Statement of Profit and Loss on a straight line basis over the lease term unless another systematic basis is more representative of the time pattern in which benefit derived from the leased asset is diminished. Costs, including depreciation, incurred in earning the lease income are recognised as expenses. Initial direct costs incurred specifically for an operating lease

are deferred and recognised in the Statement of Profit and Loss over the lease term in proportion to the recognition of lease income.

2.15 Earnings per share (EPS):-

Basic EPS is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted EPS is computed using the weighted average number of equity and dilutive equity equivalent shares outstanding during the year.

2.16 Provision for Current and Deferred Tax:-

- (i) Provision for current tax is made with reference to taxable income computed for the accounting period for which the financial statements are prepared by applying the tax rates relevant to the respective 'Previous Year'. Minimum Alternate Tax (MAT) eligible for set-off in subsequent years (as per tax laws), is recognised as an asset by way of credit to the Statement of Profit and Loss only if there is convincing evidence of its realisation. At each Balance Sheet date, the carrying amount of MAT Credit Entitlement receivable is reviewed to reassure realisation.
- (ii) Deferred tax resulting from 'timing difference' between book and taxable profit for the year is accounted for using the current tax rates. The deferred tax asset is recognised and carried forward only to the extent that there is a reasonable certainty that the assets will be adjusted in future. However, in case of deferred tax assets (representing unabsorbed depreciation or carry forward losses) are recognised, if and only if there is a virtual certainty that there would be adequate future taxable income against which such deferred tax assets can be realised, or to the extent of deferred tax liabilities.

2.17 Impairment of Assets:-

The carrying amount of assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal/ external factors. An asset is impaired when the carrying amount of the asset exceeds the

recoverable amount. An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. An impairment loss recognised in prior accounting periods is reversed if there has been change in the estimate of the recoverable amount.

2.18 Provisions, Contingent Liabilities and Contingent Assets:-

Provisions involving a substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be

an outflow of resources. Contingent Liabilities are not recognised but are disclosed in the Financial Statements. Contingent Assets are neither recognised nor disclosed in the Financial Statements.

2.19 Employee Stock Options and Shares Plan (ESOP):-

In accordance with SEBI guidelines, the excess of the market price of the shares, at the date of grant of options under the ESOP, over the exercise price, is treated as Employee Compensation Expense.

3. Share capital

	As at March 31, 2014 ₹ Crore	As at Sept. 30, 2012 ₹ Crore
Authorised:		
2,71,00,00,000 (1,80,00,00,000) Equity Shares of ₹ 1/- each	271.00	180.00
	<u>271.00</u>	<u>180.00</u>
Issued:		
68,50,71,333 (68,50,71,333) Equity Shares of ₹ 1/- each	68.51	68.51
	<u>68.51</u>	<u>68.51</u>
Subscribed and Paid-up:		
63,93,99,911 (63,93,99,911) Equity Shares of ₹ 1/- each	63.94	63.94
	<u>63.94</u>	<u>63.94</u>

- (i) Detail of shares allotted without payment being received in cash during five years immediately preceding the Balance Sheet date are given below:
3,70,00,000 (3,70,00,000) Equity Shares have been issued, for consideration other than cash to the members of erstwhile Bajaj Hindusthan Sugar and Industries Limited pursuant to Scheme of Amalgamation.
- (ii) The reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period:

Particulars	As at March 31, 2014 No. of Shares	As at Sept. 30, 2012 No. of Shares
Equity Shares (with voting rights) at the beginning of the period	63,93,99,911	22,83,57,111
Add: Shares issued on exercise of rights (rights issue)	-	41,10,42,800
Equity Shares at the end of the period	<u>63,93,99,911</u>	<u>63,93,99,911</u>

(iii) Terms / Rights of equity shares:

The Company has one class of equity shares having par value of ₹1/- per share. All equity shares are ranking pari passu in all respects including dividend. In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive the realised value of the assets of the Company, remaining after payment of all preferential dues. The distribution will be in proportion to the number of equity shares held by the shareholders.

(iv) The details of Shareholders holding more than 5% shares:

Name of Shareholders	As at March 31, 2014		As at Sept. 30, 2012	
	No. of Shares	% Held	No. of Shares	% Held
1. Bajaj Resources Ltd.	8,19,44,455	12.82%	8,19,44,455	12.82%
2. Trustees - Shishir Bajaj Family Trust	6,49,48,632	10.16%	6,49,48,632	10.16%
3. Global World Power Projects Pvt. Ltd.	4,11,11,121	6.43%	4,11,11,121	6.43%
4. Life Insurance Corporation of India	4,10,26,922	6.42%	4,10,26,922	6.42%
5. Janus Overseas Fund *	-	-	3,62,76,761	5.67%

* During the current period, the percentage of holding is less than 5%.

(v) Option on unissued capital:

FCCB's of US\$ 1.50 crore amounting to ₹ 91.01 crore (P.Y. ₹ 79.04 crore) (shown under current maturities of long-term borrowings) issued in the month of June 2007 and can be converted at the option of the bond holder into one equity share at ₹ 250 per equity share, at a pre-determined exchange rate of US\$ 1= ₹ 42.42 at any time up to June 14, 2014.

4. Reserves and surplus

	As at March 31, 2014 ₹ Crore	As at Sept. 30, 2012 ₹ Crore
Capital redemption reserve		
Opening balance	0.05	0.05
Closing balance	0.05	0.05
Securities premium		
Opening balance	3,857.75	2,454.72
Rights issue of equity shares	-	1,438.65
Provision of merger expenses of earlier years written back	-	3.83
Changes in provision of premium & withholding tax thereon on redemption of FCCBs	(0.52)	(1.58)
Expenses related to rights issue	-	(37.87)
Closing balance	3,857.23	3,857.75
General reserve		
Opening balance	154.88	410.00
Transferred from reserve for molasses storage tanks	0.59	1.14
Transferred to statement of profit and loss	-	(255.58)
Merger expenses	-	(0.68)
Closing balance	155.47	154.88
Reserve for molasses storage tanks		
Opening balance	2.36	3.13
Transferred from statement of profit and loss	0.55	0.37
Transferred to general reserve	(0.59)	(1.14)
Closing balance	2.32	2.36
Stock option outstanding		
Opening balance	15.30	15.30
Stock option lapsed during the period	(1.76)	-
Closing balance	13.54	15.30

	As at March 31, 2014 ₹ Crore	As at Sept. 30, 2012 ₹ Crore
Statement of profit and loss [surplus/ (deficit)]		
Opening balance	-	233.87
Profit/(Loss) for the period	(1,533.12)	(234.57)
Dividend & dividend distribution tax written back	0.36	1.45
Appropriations:		
Transferred to reserve for molasses storage tanks	(0.55)	(0.37)
Transferred from general reserve	-	255.58
Dividend paid of earlier year	-	(16.44)
Dividend distribution tax on dividend paid	-	(2.67)
Proposed dividend	-	(6.39)
Dividend distribution tax on proposed dividend	-	(1.04)
Amount pursuant to scheme of amalgamation	-	(229.42)
Closing balance	(1,533.31)	-
	2,495.30	4,030.34

5. Long-term borrowings

	As at March 31, 2014 ₹ Crore	As at Sept. 30, 2012 ₹ Crore
From banks		
- Secured	2,300.06	1,151.34
	2,300.06	1,151.34
From others		
- Secured	208.90	269.21
- Unsecured	0.61	80.14
	209.51	349.35
	2,509.57	1,500.69

5.1 Maturity profile of term loans are set out below :-

₹ Crore

Name of banks/ financial institutions	Interest (%)	Outstanding as at March 31, 2014	Maturity Profile					Details of securities
			Current Maturities (0-1 Year)	2nd Year	3rd Year	4th Year	Beyond 4 Years	
Term loans (Secured)								
From Banks	10.95%- 13.70%	2,806.90	506.84	641.27	531.20	322.20	805.39	Refer note (i) & (ii) below
From others								
International Financial Corporation (ECB)	LIBOR+1.46%	185.93	61.98	61.98	61.97	-	-	Refer note (iii) below
Sugar Development Fund (SDF)	4.00%- 8.25%	113.59	28.64	24.57	26.01	16.74	17.63	Refer note (iv) below
Total - from others		299.52	90.62	86.55	87.98	16.74	17.63	
Total - Secured		3,106.42	597.46	727.82	619.18	338.94	823.02	

₹ Crore

Name of banks/ financial institutions	Interest (%)	Outstanding as at March 31, 2014	Current Maturities (0-1 Year)	Maturity Profile				Details of securities
				2nd Year	3rd Year	4th Year	Beyond 4 Years	
Term loans (Unsecured)								
From others								
Department of Commercial Taxes of Uttar Pradesh	Interest free	1.10	0.49	0.39	0.18	0.04	-	
Foreign Currency Convertible Bonds (FCCB's)	LIBOR+1.00%	91.01	91.01	-	-	-	-	
Total - From others		92.11	91.50	0.39	0.18	0.04	-	
Total - Unsecured		92.11	91.50	0.39	0.18	0.04	-	
Grand Total		3,198.53	688.96	728.21	619.36	338.98	823.02	

Details of securities-

- (i) Term Loans from Banks (except term loan of ₹ 100.00 crore from Punjab National Bank) are secured, on first pari passu charge basis, by hypothecation of certain present and future movable fixed assets and properties including plant and machinery, tools and accessories of the Company and also secured/to be secured, on first pari passu charge basis, by mortgage (by deposit of title deeds) on certain immovable fixed assets and properties and certain term loans are further secured, on second pari passu charge basis, by hypothecation of certain present and future current assets of the Company including inventories, book debts and other receivables. Documentation for mortgage in respect of certain term loans/certain properties is under finalisation.
- (ii) Term Loan of ₹ 100.00 crore from Punjab National Bank is secured/to be secured on residual charge basis, by hypothecation of certain present and future movable fixed assets and properties including plant and machinery, tools and accessories of the Company and also secured/to be secured, on residual charge basis, by mortgage (by deposit of title deeds) on certain immovable fixed assets and properties. Documentation for mortgage of properties is under finalisation.
- (iii) Term Loans (ECB) in foreign currency from IFC of ₹ 185.93 crore is secured on exclusive first charge basis, by hypothecation of Company's movable and immovable assets (present and future) together with all buildings and structures thereon and all plant and machinery attached thereto at its factories at Pratappur, Rudauli, Kundarkhi and Utraula in Uttar Pradesh. Also further secured, on a second pari passu charge basis, by hypothecation of all current assets (present and future) related to the factories at aforesaid four locations.
- (iv) The Sugar Development Fund loan (SDF) from Government of India is secured/to be secured, on exclusive second charge basis, by hypothecation of the whole of movable fixed assets and properties and by mortgage on the whole of immovable fixed assets and properties of the concerned sugar unit of the Company. The Company has also created security in favour of Government of India for certain other SDF loans aggregating to ₹ 2.50 crore, that are yet to be disbursed to the Company, on exclusive second charge basis, by hypothecation of the entire movable fixed assets and properties and by mortgage on the whole of immovable fixed assets and properties of the respective sugar units for which the said SDF loans have been sanctioned.

5.2 FCCB's of US\$ 1.50 crore amounting to ₹ 91.01 crore (P.Y. ₹ 79.04 crore) issued in the month of June 2007 and can be converted at the option of the bond holder into one equity share at ₹ 250 per equity share, at a pre determined exchange rate of US\$ 1= ₹ 42.42 at any time up to June 14, 2014.

6. Deferred tax liabilities/ (assets) (net)

	As at Oct. 1, 2012 ₹ Crore	During the Period ₹ Crore	As at March 31, 2014 ₹ Crore
Deferred tax liabilities:			
Depreciation and amortisation	516.98	(32.43)	484.55
	<u>516.98</u>	<u>(32.43)</u>	<u>484.55</u>
Deferred tax assets:			
Provision for employee benefits	7.19	5.62	12.81
Provision for doubtful debts / advances	0.09	-	0.09
Carry forward losses and unabsorbed depreciation*	509.70	(38.05)	471.65
	<u>516.98</u>	<u>(32.43)</u>	<u>484.55</u>
Deferred tax liabilities/ (assets) (net)	<u>-</u>	<u>-</u>	<u>-</u>

* Deferred tax assets on carry forward losses and unabsorbed depreciation recognised to the extent of deferred tax liabilities on conservative basis.

7. Other long-term liabilities

	As at March 31, 2014 ₹ Crore	As at Sept. 30, 2012 ₹ Crore
Advance against sale of investment	179.40	-
	<u>179.40</u>	<u>-</u>

8. Long-term provisions

Gratuity	11.82	7.77
Leave encashment	13.12	8.06
Premium on redemption of FCCBs *	16.42	16.01
	<u>41.36</u>	<u>31.84</u>

* FCCBs along with premium (if not opted for conversion) are due for redemption on June 14, 2014.

9. Short-term borrowings

Loan from banks		
- Secured	3,076.14	2,866.31
- Unsecured	-	419.99
	<u>3,076.14</u>	<u>3,286.30</u>

Loan from banks (working capital / short-term loans facilities) (except short-term loan of ₹ 250.00 crore which is secured by residual charge on the assets of the Company by way of hypothecation) are secured, on first pari passu charge basis, by hypothecation of inventories, book debts, other receivables and current assets and further secured / to be secured, on a third pari passu charge basis, by hypothecation of certain movable fixed assets and properties and by mortgage on certain immovable fixed assets and properties of the Company. Documentation for mortgage in respect of certain loans is under finalisation.

10. Trade payables

	As at March 31, 2014 ₹ Crore	As at Sept. 30, 2012 ₹ Crore
Micro, Small and Medium Enterprises	0.12	0.45
Others (includes acceptances of ₹ 278.12 crore, P.Y. ₹ 158.29 crore)	2,815.80	235.95
	<u>2,815.92</u>	<u>236.40</u>
The details of amount outstanding to Micro, Small and Medium Enterprise based on available information with the Company is as under :		
Particulars		
The amounts remaining unpaid to micro and small suppliers as at the end of the period		
- Principal	0.12	0.45
- Interest	-	0.01
The amount of interest paid by the buyer as per the Micro Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006)	0.02	-
The amounts of the payments made to micro and small suppliers beyond the appointed day during each accounting period	0.64	0.49
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding the interest specified under MSMED Act, 2006	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting period.	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under the MSMED Act, 2006	-	0.01

11. Other current liabilities

Current maturities of long-term borrowings	688.96	921.01
Interest accrued but not due on borrowings	21.35	39.31
Unclaimed dividends #	0.77	0.75
Unclaimed matured deposits and interest accrued thereon	-	0.08
Other payables * @	625.96	73.81
	<u>1,337.04</u>	<u>1,034.96</u>

These figures do not include any amount due and outstanding to be credited to Investor Education and Protection Fund.

* Includes statutory dues, security deposits, advances from customer and other liabilities.

@ The Company had recognised liability based on substantial degree of estimation for excise duty payable on clearance of goods lying in stock as on March 31, 2014 of ₹ 91.20 crore (P.Y. ₹ 16.30 crore) as per the estimated pattern of dispatches. During the period, ₹ 16.30 crore was utilised for clearance of goods. Provision recognised under this class for the period is ₹ 91.20 crore which is outstanding as on March 31, 2014. Actual outflow is expected in the next financial year. Other class of provisions where recognition is based on substantial degree of estimation relates to supplier/ service provider/ customer/ third party claims, rebates or demand against the Company.

12. Short-term provisions

Gratuity	7.18	4.31
Leave encashment	2.56	1.09
Proposed dividend	-	6.39
Dividend distribution tax on proposed dividend	-	1.04
	<u>9.74</u>	<u>12.83</u>

13. Fixed assets**₹ Crore**

	DESCRIPTION	GROSS BLOCK				DEPRECIATION				NET BLOCK	
Sr. No.	Particulars	As at Oct. 1, 2012	Additions	Deductions & Adjustments	As at March 31, 2014	As at Oct. 1, 2012	For the period	Deductions & Adjustments	Up to March 31, 2014	As at March 31, 2014	As at Sept. 30, 2012
(A) TANGIBLE ASSETS :											
	1. Freehold Land	444.78	1.04	0.47	445.35	-	-	-	-	445.35	444.78
	2. Leasehold Land	0.68	-	(0.34)	1.02	0.10	0.04	-	0.14	0.88	0.58
	3. Buildings	1,267.53	13.44	3.02	1,277.95	331.11	97.08	0.44	427.75	850.20	936.42
	4. Plant & Machinery	5,296.77	83.36	1.58	5,378.55	1,379.90	417.11	0.83	1,796.18	3,582.37	3,916.87
	5. Furniture, Fixtures & Office Equipments	51.68	3.77	0.69	54.76	39.27	4.45	0.53	43.19	11.57	12.41
	6. Vehicles & Aircraft	139.98	1.73	4.69	137.02	31.54	12.82	3.68	40.68	96.34	108.44
	Total (A)	7,201.42	103.34	10.11	7,294.65	1,781.92	531.50	5.48	2,307.94	4,986.71	5,419.50
(B) INTANGIBLE ASSETS :											
	7. Computer Software	3.47	-	0.03	3.44	3.12	0.22	0.03	3.31	0.13	0.35
	Total (B)	3.47	-	0.03	3.44	3.12	0.22	0.03	3.31	0.13	0.35
	Total (A) + (B)	7,204.89	103.34	10.14	7,298.09	1,785.04	531.72	5.51	2,311.25	4,986.84	5,419.85
	Previous Year Total	6,746.38	465.63	7.12	7,204.89	1,356.74	432.03	3.73	1,785.04	5,419.85	5,389.64
8	Capital work-in-progress	7.40	37.62	36.88	8.14	-	-	-	-	8.14	7.40
	Grand Total	7,212.29	140.96	47.02	7,306.23	1,785.04	531.72	5.51	2,311.25	4,994.98	5,427.25
	Previous Year Grand Total	6,770.67	486.19	44.57	7,212.29	1,356.74	432.03	3.73	1,785.04	5,427.25	

Notes:

- Building includes an amount of ₹ 500/- being value of 10 shares of ₹ 50/- each in a co-operative society.
- The assets of distillery division at Palia Kalan were leased up to December 31, 2012 and are regrouped under own assets.
- The Company had fair valued its certain fixed assets as at April 01, 2010 resulting into additions to gross block aggregating to ₹ 1,406.63 crore (which includes Land ₹ 283.93 crore, Building ₹ 137.42 crore and Plant & Machinery ₹ 985.28 crore). The additional depreciation on account of fair valuation of fixed assets aggregating to ₹ 89.33 crore (previous year ₹ 60.65 crore) has been debited to the statement of profit and loss.
- During the period an amount of ₹ 59.92 crore (previous year ₹ 67.76 crore) capitalised towards exchange fluctuation loss on foreign currency loans as per the Notification dated March 31, 2009 further amended vide notification dated December 29, 2011 issued by the Ministry of Corporate Affairs (refer Note 40).
- Particulars of Capital work-in-progress:

₹ Crore

Particulars	As at Oct. 1, 2012	Additions	Deductions & Adjustments	As at March 31, 2014
Plant & Machinery / Civil work-in-progress	7.40	37.62	36.88	8.14
Total	7.40	37.62	36.88	8.14

14. Non-current investments

	As at March 31, 2014 ₹ Crore	As at Sept. 30, 2012 ₹ Crore
Trade investments		
In Equity Shares of Subsidiary companies		
Unquoted, fully paid-up		
2,70,01,000 (2,70,01,000) Shares of Bajaj Hindusthan (Singapore) Private Ltd., Singapore of S\$ 1/- each	92.32	92.32
50,00,000 (50,00,000) Shares of Bajaj Aviation Private Ltd. of ₹ 10/- each	5.00	5.00
20,000 (20,000) Shares of Bajaj Power Generation Pvt. Ltd. of ₹ 10/- each	0.02	0.02
	<u>97.34</u>	<u>97.34</u>
In Equity Shares of Associate		
Unquoted, fully paid-up		
1,53,42,700 (47,36,700) Shares of Lalitpur Power Generation Company Ltd. of ₹ 10/- each * #	765.27	234.98
11,48,400 (11,48,400) Shares of Bajaj Ebiz Pvt. Ltd. of ₹ 10/- each	1.15	1.15
Less: Provision for diminution in value of investments	(1.15)	(1.15)
	<u>-</u>	<u>-</u>
	<u>765.27</u>	<u>234.98</u>
In Equity Shares of other companies		
Unquoted, fully paid-up		
77,99,999 (1,11,00,000), Shares of Bajaj Energy Pvt. Ltd. of ₹ 10/- each ** #	154.20	203.81
5,000 (5,000) Shares of Esugarindia Clearing Corporation Ltd. of ₹ 10/- each	0.01	0.01
Less: Provision for diminution in value of investments	(0.01)	(0.01)
	<u>-</u>	<u>-</u>
	<u>154.20</u>	<u>203.81</u>
Total Trade Investments	<u>1,016.81</u>	<u>536.13</u>
Non-trade investments		
In Equity Shares of other company		
Quoted, fully paid-up		
NIL (9,750) Shares of Mukand Ltd. of ₹ 10/- each	-	0.03
	<u>-</u>	<u>0.03</u>
In Preference Shares of other company		
Quoted, fully paid-up		
NIL (2,437) 0.01% Cumulative Redeemable Preference Shares of Mukand Ltd. of ₹ 10/- each (P.Y. ₹ 24,370/-)	-	0.00
	<u>-</u>	<u>0.00</u>
Unquoted, fully paid-up		
3,50,03,927 (NIL) 6% Redeemable Non-Cumulative Non-Convertible Preference Shares of Phenil Sugars Ltd. of ₹ 100/- each ***	350.04	-
	<u>350.04</u>	<u>-</u>

	As at March 31, 2014 ₹ Crore	As at Sept. 30, 2012 ₹ Crore
In Debentures of other company		
Unquoted, fully paid-up		
3,70,48,321 (3,70,48,321) Zero Coupon Optionally Convertible Debentures of Phenil Sugars Ltd. of ₹100/- each	370.48	370.48
	<u>370.48</u>	<u>370.48</u>
Interest in a Beneficiary Trust	693.72	693.72
	<u>693.72</u>	<u>693.72</u>
Total Non-Trade Investments	1,414.24	1,064.23
	<u>2,431.05</u>	<u>1,600.36</u>
Aggregate value of quoted investment	-	0.03
Market value of quoted investment	-	0.03
Aggregate value of unquoted investment	2,431.05	1,600.33

- * Lalitpur Power Generation Company Limited (LPGCL) has ceased to be a subsidiary of the Company with effect from January 29, 2014 consequent upon allotment of further equity shares by LPGCL on January 29, 2014 resulting in reduction of the Company's shareholding from 51.73% to 40.13%.
- ** Bajaj Energy Private Limited has ceased to be an associate of the Company w.e.f. March 26, 2014 consequent upon sale of investment resulting in reduction of the Company's shareholding from 26.96% to 18.94%. Further, the Company has made an agreement for sale of balance equity shares and received the advance against sale proceeds.
- *** Issued on amalgamation of Basti Sugar Mills Ltd. with Phenil Sugars Ltd. on conversion of secured loan of ₹ 350.04 crore.
- # These investments are pledged against loans taken by company / associate company / body corporate

15. Long-term loans and advances

(Unsecured considered good unless otherwise stated)		
Capital advances	4.37	16.53
Security deposits	13.04	17.18
Security deposit to related parties (refer note 35)	1.26	0.36
Amount paid under protest	2.75	2.75
Advance payment of taxes (net of provisions)	39.15	55.29
	<u>60.57</u>	<u>92.11</u>

16. Other Non-current assets

(Unsecured considered good)		
Fixed deposits *	1.40	1.68
	<u>1.40</u>	<u>1.68</u>

- * Having maturity after 12 months from the reporting date and earmarked for specific purposes

17. Inventories

	As at March 31, 2014 ₹ Crore	As at Sept. 30, 2012 ₹ Crore
(At cost or net realisable value whichever is lower, unless otherwise stated)		
Raw materials	5.76	12.46
Stores, spares & packing materials	79.02	75.72
Finished goods	2,410.48	426.68
By-products	96.50	37.51
Work-in-progress	38.96	5.87
Stock in trade (₹ 49,674/-)	0.00	-
Material in transit	42.78	-
	<u>2,673.50</u>	<u>558.24</u>

18. Trade receivables

(Unsecured considered good unless otherwise stated)		
Outstanding for a period exceeding six months	40.06	70.78
Doubtful	10.00	0.58
Less : Provision	<u>(10.00)</u>	<u>(0.58)</u>
	-	-
Outstanding for a period less than six months	<u>185.42</u>	<u>121.24</u>
	<u>225.48</u>	<u>192.02</u>

19. Cash and bank balances

Cash and cash equivalents		
Cash on hand	0.88	0.81
Cheques, draft on hand	34.18	22.91
Balances with banks		
Current account	53.21	154.44
Fixed deposits (maturity of less than 3 months)	<u>37.50</u>	<u>-</u>
	<u>125.77</u>	<u>178.16</u>
Other bank balances		
Balances with bank (unpaid dividend)	0.77	0.75
Fixed deposits*	<u>1.70</u>	<u>1.39</u>
	<u>2.47</u>	<u>2.14</u>
	<u>128.24</u>	<u>180.30</u>

* Includes ₹1.70 crore (P.Y. ₹1.39 crore) earmarked for specific purposes.

20. Short-term loans and advances

(Secured considered good)		
Loans & advances to others	-	335.31
(Unsecured considered good, unless otherwise stated)		
Loans & advances to related parties (refer note 35)	1,102.42	1,062.70
Loans & advances to others	142.23	8.70
Doubtful	2.29	2.29
Less:- Provision for doubtful loans & advances	<u>(2.29)</u>	<u>(2.29)</u>
	-	-
MAT credit entitlement	79.42	90.50
Balances with excise department	69.77	106.38
Other advances*	<u>97.27</u>	<u>132.23</u>
	<u>1,491.11</u>	<u>1,735.82</u>

* Includes advances given to suppliers, vendors and employees and other advances recoverable in cash or in kind.

20.1 Disclosure as per clause 32 of listing agreement:-

a) Loans and Advances given to subsidiaries and associates:

Name of Subsidiary / Associate Companies	Amount Outstanding		Maximum balances outstanding during the period	
	March 31, 2014	Sept. 30, 2012	March 31, 2014	Sept. 30, 2012
Bajaj Aviation Pvt. Ltd. (Subsidiary)	31.14	6.54	31.14	6.61
Bajaj Hindusthan (Singapore) Private Ltd. (Subsidiary)	11.46	-	11.46	-
Bajaj Power Generation Pvt. Ltd. (Subsidiary)	1,054.96	734.16	1,054.96	784.03
Lalitpur Power Generation Company Ltd. (Associate w.e.f. January 29, 2014) (Share application money)	4.86	-	4.86	-
Lalitpur Power Generation Company Ltd. (Subsidiary up to January 28, 2014) (Advance against share application money)	-	250.00	330.00	250.00
Bajaj Energy Pvt. Ltd. (Associate up to March 26, 2014) (Advance against share application money)	-	72.00	72.00	112.00
	1,102.42	1,062.70		

Notes:

- (i) Loans and advances shown above, to subsidiaries fall under the category of "Short term loans and advances" in the nature of loans where there is no repayment schedule and are re-payable on demand.
- (ii) The above loans and advances (outstanding) are interest bearing except share application money given to Lalitpur Power Generation Company Ltd. and loan given to Bajaj Hindusthan (Singapore) Private Ltd.
- (iii) Loans to employees as per Company's policy are not considered above.

b) Investments by the loanees in the shares of subsidiaries:

Particulars	No. of Shares	As at March 31, 2014 ₹ Crore	No. of Shares	As at Sept. 30, 2012 ₹ Crore
Investment by Bajaj Hindusthan (Singapore) Private Ltd. in equity shares of -				
PT. Batu Bumi Persada, Indonesia (Step down subsidiary)	49,500	26.46	-	-
PT. Jangkar Prima, Indonesia (Step down subsidiary)	49,940	62.34	-	-

21. Other current assets

	As at March 31, 2014 ₹ Crore	As at Sept. 30, 2012 ₹ Crore
(Unsecured considered good)		
Claims / refund recoverable in cash or in kind or for value to be received	518.24	401.84
Duty drawback receivable	2.81	7.20
Interest accrued	1.03	0.48
	522.08	409.52

22. Revenue from operations

	18 months ended March 31, 2014 ₹ Crore	Year ended Sept. 30, 2012 ₹ Crore
Sale of products	6,813.64	4,361.44
Other operating revenues	44.61	51.98
	<u>6,858.25</u>	<u>4,413.42</u>
Less: Excise duty	214.00	150.79
	<u>6,644.25</u>	<u>4,262.63</u>

22.1 Particulars of sale of products

Sugar	5,173.52	3,473.91
Alcohol	793.46	448.34
Power	311.72	146.99
By-products	113.10	72.51
Others	40.31	55.78
Traded goods	381.53	163.91
	<u>6,813.64</u>	<u>4,361.44</u>

22.2 Particulars of other operating revenues

Duty drawback and other export incentives	14.64	0.31
Sale of export licenses	-	21.55
Sale of scrap	6.87	3.98
Others	23.10	26.14
	<u>44.61</u>	<u>51.98</u>

23. Other income

Dividend on long-term investment ₹ 2/- (P.Y. ₹ 2/-)	0.00	0.00
Dividend on current investment	-	1.22
Profit on sale of non-current investment	26.29	-
Profit on sale of current investment	-	0.04
Gain due to foreign exchange fluctuation (net)	-	78.19
Other non-operating income	23.52	26.70
	<u>49.81</u>	<u>106.15</u>

24. Purchases and materials consumed

Opening stock	12.46	35.90
Purchases	7,444.63	3,181.44
	<u>7,457.09</u>	<u>3,217.34</u>
Less: Closing stock	5.76	12.46
Cost of raw material consumed (refer note 30)	<u>7,451.33</u>	<u>3,204.88</u>
Purchase / Cost of traded goods sold	364.00	161.13
	<u>7,815.33</u>	<u>3,366.01</u>

25. Changes in Inventories of finished goods and work-in-progress

	18 months ended March 31, 2014 ₹ Crore	Year ended Sept. 30, 2012 ₹ Crore
Opening stock:		
Finished goods	426.68	328.56
By-products	37.51	50.94
Work-in-progress	5.87	0.29
	<u>470.06</u>	<u>379.79</u>
Add: Stock on amalgamation		
Finished goods	-	18.82
By-products	-	-
Work-in-progress	-	13.48
	<u>-</u>	<u>32.30</u>
Less: Closing stock:		
Finished goods	2,410.48	426.68
By-products	96.50	37.51
Work-in-progress	38.96	5.87
	<u>2,545.94</u>	<u>470.06</u>
	<u>(2,075.88)</u>	<u>(57.97)</u>

26. Employee benefits expense

Salaries & wages	288.47	169.86
Contributions to provident and other funds	26.92	14.27
Employees' welfare expenses	2.61	7.80
Employee compensation expenses (ESOP cost)	(1.76)	-
	<u>316.24</u>	<u>191.93</u>

26.1 Liability for employee benefits has been determined by an actuary, appointed for the purpose, in conformity with the principles set out in the Accounting Standard 15 (Revised) the details of which are as hereunder:

a. Funded scheme - gratuity**Liability to be recognised in Balance Sheet**

Present value of funded obligations	31.87	27.01
Fair value of plan assets	(12.87)	(14.93)
Net liability / (asset)	<u>19.00</u>	<u>12.08</u>

Change in plan assets (Reconciliation of opening & closing balances)

Fair value of plan assets at the beginning	14.93	15.90
Expected return on plan assets	1.88	1.23
Actuarial gain / (losses)	(0.04)	0.18
Contributions	0.44	0.42
Benefits paid	(4.34)	(2.80)
Fair value of plan assets as at end	<u>12.87</u>	<u>14.93</u>

Change in obligation (Reconciliation of opening & closing balances)

Change in defined benefit obligation at the beginning	27.01	24.85
Change in defined benefit obligation of amalgamating company	-	0.53
Current service cost	4.05	2.54
Interest cost	3.97	2.10
Actuarial losses / (gain)	1.18	(0.21)
Benefits paid	(4.34)	(2.80)
Closing obligation	<u>31.87</u>	<u>27.01</u>

	18 months ended March 31, 2014 ₹ Crore	Year ended Sept. 30, 2012 ₹ Crore
Expenditure to be recognised during the period		
Current service cost	4.05	2.54
Interest cost	3.97	2.10
Expected return on plan assets	(1.88)	(1.23)
Net actuarial losses / (gain) recognised during the period	1.22	(0.39)
Total expenses recognised in the statement of profit and loss	7.36	3.02
Assumptions		
Discount rate (per annum)	8.25%	8.00%
Expected rate of return on assets (per annum)	9.00%	8.00%
Salary escalation rate (per annum)	5.00%	5.00%

b. Unfunded scheme - earned leaves

Present value of unfunded obligations	15.68	9.15
Expenses recognised in the statement of profit and loss	10.82	3.61
Discount rate (per annum)	8.25%	8.00%
Salary escalation rate (per annum)	5.00%	5.00%

Experience adjustments

	2014 ₹ Crore	2012 ₹ Crore	2011 ₹ Crore	2010 ₹ Crore	2009 ₹ Crore
Defined benefit obligations	31.87	27.01	24.85	22.33	14.71
Plan assets	(12.87)	(14.93)	(15.90)	(16.08)	(6.37)
Surplus / (deficit)	19.00	12.08	8.95	6.25	8.34
Exp. Adj on plan liabilities loss / (gain)	1.18	(0.21)	(0.11)	2.03	0.49
Exp. Adj on plan assets gain / (loss)	(0.04)	0.18	0.16	0.26	-

c. Provident Fund

The Company has an obligation to fund any shortfall on the yield of the trust's investments over the administered interest rates on an annual basis. These administered rates are notified by the Government annually. The actuary has provided a valuation based on the below provided assumptions and there is no shortfall as at March 31, 2014.

Particulars	18 months ended March 31, 2014 ₹ Crore	Year ended Sept. 30, 2012 ₹ Crore
Plan assets at year end, at fair value	-	-
Present value of benefit obligation at year end	-	-
Cost of shortfall in interest rate guarantee	-	-
Discount rate	9.15%	8.20%
Average remaining tenure of the investment portfolio	8.51	8.88
Expected guaranteed interest rate	8.75%	8.60%

During the period ended March 31, 2014, amount recognised in statement of profit and loss for employee provident fund is ₹ 10.81 crore (P.Y. ₹ 6.51 crore).

Defined contribution plan

Particulars	18 months ended March 31, 2014 ₹ Crore	Year ended Sept. 30, 2012 ₹ Crore
Family pension fund	7.35	4.10
Employees deposit link insurance	0.42	0.26
Superannuation	0.50	0.38

27. Finance costs (net)

Interest expense on:		
Borrowings	1,045.35	608.43
Others	41.49	37.04
Other borrowing costs	40.66	15.81
	<u>1,127.50</u>	<u>661.28</u>
Less: Interest income	178.93	124.87
	<u>948.57</u>	<u>536.41</u>

28. Depreciation and amortisation expense

Depreciation of tangible assets	531.50	348.50
Amortisation of intangible assets	0.22	0.32
	<u>531.72</u>	<u>348.82</u>

29. Other expenses

Stores, spares and packing materials consumed	215.44	112.68
Increase/(decrease) of excise duty on inventories	77.07	(2.64)
Power and fuel	28.77	21.39
Rent	3.94	3.63
Rates and taxes	0.87	0.45
Repairs :		
Building	4.49	2.57
Machinery	93.06	50.12
Others	9.16	4.13
	<u>106.71</u>	<u>56.82</u>
Payment to auditors (refer note 29.1)	0.68	0.51
Insurance	9.61	7.19
Selling commission	14.10	8.54
Selling & distribution	68.84	32.47
Director fees	0.21	0.11
Donations	0.43	0.10
Loss due to foreign currency fluctuation (net)	32.37	-
Provision for doubtful debts	9.44	-
Loss on sale of non-current investment	0.01	-
Loss on assets sold / scrapped / written off	3.02	1.80
Miscellaneous expenses	94.63	61.85
	<u>666.14</u>	<u>304.90</u>

29.1 Payment to auditors

Particulars	18 months ended March 31, 2014 ₹ Crore	Year ended Sept. 30, 2012 ₹ Crore
As auditors - statutory audit	0.33	0.30
For taxation matters	0.10	0.04
For certification work	0.25	0.17
Reimbursement of expenses (₹ 21,103/-)	0.00	-
	<u>0.68</u>	<u>0.51</u>

30. Particulars of materials consumed*

	18 months ended March 31, 2014		Year ended Sept. 30, 2012	
	₹ Crore	% to total consumption	₹ Crore	% to total consumption
Imported				
- Raw Sugar	-	0.00%	17.14	0.53%
	<u>-</u>	<u>0.00%</u>	<u>17.14</u>	<u>0.53%</u>
Indigenous				
- Sugarcane	7,338.94	98.49%	3,121.09	97.39%
- Molasses	94.99	1.27%	37.50	1.17%
- Bagasse	4.62	0.06%	23.95	0.75%
- Others	12.78	0.18%	5.20	0.16%
	<u>7,451.33</u>	<u>100.00%</u>	<u>3,187.74</u>	<u>99.47%</u>
	<u>7,451.33</u>	<u>100.00%</u>	<u>3,204.88</u>	<u>100.00%</u>

*The above includes cost of raw sugar Nil (P.Y. ₹ 15.64 crore) exported.

31. Value of spares and components consumed

	18 months ended March 31, 2014		Year ended Sept. 30, 2012	
	₹ Crore	% to total consumption	₹ Crore	% to total consumption
Imported	-	0.00%	-	0.00%
Indigenous	46.80	100.00%	21.86	100.00%
	<u>46.80</u>	<u>100.00%</u>	<u>21.86</u>	<u>100.00%</u>

32. Value of Import on CIF basis in respect of

	18 months ended March 31, 2014 ₹ Crore	Year ended Sept. 30, 2012 ₹ Crore
Capital goods	0.17	-
Spares and components	-	0.29
Others	3.57	1.33
	<u>3.74</u>	<u>1.62</u>

33. Expenditure in foreign currency

Interest	12.88	10.70
Travelling expenses	0.25	0.10
Others	0.75	0.62
	<u>13.88</u>	<u>11.42</u>

34. Earning in foreign exchange

Export of goods on F.O.B. basis	174.93	30.43
	<u>174.93</u>	<u>30.43</u>

35. Disclosure as required under AS-18 in respect of Related Party Transactions:**a) Details of related parties**

Name of related parties	Description of relationship
i) Bajaj Aviation Private Ltd.	Wholly owned subsidiary
ii) Bajaj Power Generation Pvt. Ltd.	Wholly owned subsidiary
iii) Bajaj Hindusthan (Singapore) Private Ltd., Singapore	Wholly owned subsidiary
iv) PT. Batu Bumi Persada, Indonesia	Step down subsidiary (w.e.f. November 27, 2012)
v) PT. Jangkar Prima, Indonesia	Step down subsidiary (w.e.f. November 27, 2012)
vi) Lalitpur Power Generation Company Ltd.	Associate (subsidiary up to January 28, 2014)
vii) Bajaj Energy Pvt. Ltd.	Associate up to March 26, 2014
viii) Mr. Shishir Bajaj	Chairman & Managing Director (Also key management personnel)
ix) Mr. Kushagra Bajaj	Vice Chairman & Joint Managing Director (Also key management personnel and also son of Mr. Shishir Bajaj)
x) Dr. Sanjeev Kumar	Executive Director (Also key management personnel)
xi) Mr. Manoj Maheshwari	Director and Group CFO (Also key management personnel)
xii) Mr. Ashok Kumar Gupta	Director (Group Operations) (Also key management personnel)
xiii) Bajaj Capital Ventures Pvt. Ltd.	Enterprises over which key management personnel and their relatives are able to exercise significant influence
xiv) Shishir Bajaj Family Trust	
xv) Bajaj Power Ventures Pvt. Ltd.	
xvi) Bajaj Infrastructure Development Company Ltd.	

b) Disclosure as required under AS-18 in respect of Related Party Transactions :

₹ Crore

Transactions	Subsidiaries	Key Management Personnel	Associates	Enterprises described in (xiii to xvi) above	Total
I. Transactions during the period					
Sale of goods	-	-	-	-	-
	(45.49)	(-)	(-)	(-)	(45.49)
Sale of capital goods	0.40	-	-	17.00	17.40
	(-)	(-)	(-)	(-)	(-)
Interest received	157.59	-	-	-	157.59
	(57.56)	(-)	(-)	(-)	(57.56)
Rent / lease rent received	13.33	-	4.67	-	18.00
	(0.31)	(-)	(0.32)	(-)	(0.63)
Rent paid	-	-	-	1.30	1.30
	(-)	(-)	(-)	(0.72)	(0.72)
Remuneration	-	12.41	-	-	12.41
	(-)	(5.29)	(-)	(-)	(5.29)
Investment made	216.00	-	64.30	-	280.30
	(-)	(-)	(66.00)	(-)	(66.00)
Investment sold	-	-	75.90	-	75.90
	(-)	(-)	(-)	(-)	(-)
Deposits given	-	-	-	0.90	0.90
	(-)	(-)	(-)	(-)	(-)
Advance for capital expenditure	-	-	-	0.70	0.70
	(-)	(-)	(-)	(-)	(-)
Refund of advance for capital expenditure	-	-	-	0.70	0.70
	(-)	(-)	(-)	(-)	(-)
Advance given against share application money	-	-	-	-	-
	(250.00)	(-)	(234.00)	(-)	(484.00)
Refund of advance against share application money	-	-	72.00	-	72.00
	(-)	(-)	(122.00)	(-)	(122.00)
Share application money	-	-	4.86	-	4.86
	(-)	(-)	(-)	(-)	(-)
Loans given	472.76	-	-	-	472.76
	(1,507.19)	(-)	(-)	(-)	(1,507.19)
Loans given repaid	115.90	-	-	-	115.90
	(770.51)	(-)	(-)	(-)	(770.51)
Guarantees given	497.20	-	-	-	497.20
	(2,483.93)	(-)	(-)	(-)	(2,483.93)

₹ Crore

Transactions	Subsidiaries	Key Management Personnel	Associates	Enterprises described in (xiv to xvi) above	Total
II. Amounts outstanding at Balance Sheet date					
Loans given	1,097.56	-	-	-	1,097.56
	(740.70)	(-)	(-)	(-)	(740.70)
Other debtors	12.81	-	-	-	12.81
	(-)	(-)	(-)	(-)	(-)
Guarantees given	99.00	-	755.13	-	854.13
	(2,882.93)	(-)	(157.11)	(-)	(3,040.04)
Deposits given	-	-	-	1.26	1.26
	(-)	(-)	(-)	(0.36)	(0.36)
Advance against share application money	-	-	-	-	-
	(250.00)	(-)	(72.00)	(-)	(322.00)
Share application money	-	-	4.86	-	4.86
	(-)	(-)	(-)	(-)	(-)
Investments	97.34	-	765.27	-	862.61
	(332.32)	(-)	(203.81)	(-)	(536.13)

Notes:

1. Related Party relationship is as identified by the Company based on the available information and relied upon by the Auditors.
2. No amount has been written off or written back during the period in respect of debts due from or to related parties.
3. Sale of capital goods includes ₹ 17.00 crore (P.Y. Nil) to Shishir Bajaj Family Trust.
4. Interest received includes ₹ 153.29 crore (P.Y. ₹ 45.46 crore) from Bajaj Power Generation Private Limited and ₹ 4.30 crore (P.Y. ₹ 0.39 crore) from Bajaj Aviation Pvt. Ltd. on loan given to them.
5. Rent received includes ₹ 13.33 crore (P.Y. Nil) from Bajaj Aviation Pvt. Ltd and ₹ 4.67 crore (P.Y. ₹ 0.63 crore) from Bajaj Energy Pvt. Ltd.
6. Rent paid includes ₹ 1.08 crore (P.Y. ₹ 0.72 crore) to Bajaj Capital Ventures Pvt. Ltd and ₹ 0.22 crore (P.Y. Nil) to Shishir Bajaj Family Trust.
7. Remuneration includes ₹ 2.43 crore (P.Y. ₹ 1.91 crore) to Mr. Shishir Bajaj, ₹ 1.96 crore (P.Y. ₹ 1.38 crore) to Mr. Kushagra Bajaj, ₹ 3.15 crore (P.Y. ₹ 2.00 crore) to Dr. Sanjeev Kumar, ₹ 3.58 crore (P.Y. Nil) to Mr. Manoj Maheshwari and ₹ 1.29 crore (P.Y. Nil) to Mr. A.K. Gupta.
8. Investment made of ₹ 216.00 crore (P.Y. Nil) in Lalitpur Power Generation Company Ltd. (as subsidiary) and ₹ 64.30 crore (P.Y. Nil) to Lalitpur Power Generation Company Ltd. (as associate).
9. Investments sold of ₹ 75.90 (P.Y. Nil) to Bajaj Power Ventures Pvt. Ltd.
10. Deposits of ₹ 0.90 crore given to Shishir Bajaj Family Trust.

11. Advance for capital expenditure of ₹ 0.70 crore (P.Y. Nil) to Bajaj Infrastructure Development Company Ltd.
12. Refund of advance for capital expenditure of ₹ 0.70 crore (P.Y. Nil) to Bajaj Infrastructure Development Company Ltd.
13. Refund of advance given against share application money of ₹ 72.00 crore (P.Y. ₹ 122.00 crore) from Bajaj Energy Pvt. Ltd.
14. Share application money of ₹ 4.86 crore (P.Y. Nil) given to Lalitpur Power Generation Company Ltd.
15. Loans given includes ₹ 435.21 crore (P.Y. ₹ 1,413.25 crore) to Bajaj Power Generation Pvt. Ltd., ₹ 11.46 crore (P.Y. Nil) to Bajaj Hindusthan (Singapore) Private Ltd and ₹ 26.09 crore (P.Y. Nil) to Bajaj Aviation Pvt. Ltd.
16. Loans given repaid includes ₹ 114.40 crore (P.Y. ₹ 720.00 crore) from Bajaj Power Generation Ltd. and ₹ 1.50 crore (P.Y. Nil) from Bajaj Aviation Pvt. Ltd.
17. Guarantee given of ₹ 497.20 crore (P.Y. ₹ 2,483.93 crore) for Lalitpur Power Generation Company Ltd.

36. Contingent Liabilities and Commitments

	As at March 31, 2014 ₹ Crore	As at Sept. 30, 2012 ₹ Crore
(I) Contingent liabilities		
(a) In respect of disputed demands / claims against the Company not acknowledged as debts:		
(i) Central excise matters	42.60	33.28
(ii) Trade tax matters	69.73	29.49
(iii) Other claims	25.02	33.21
	<u>137.35</u>	<u>95.98</u>
(b) Guarantees		
The company has furnished guarantees / securities on behalf of subsidiary / associate company / body corporate	1,008.33	3,040.04
(c) Erstwhile Bajaj Eco-tec Products Ltd. (merged with the Company) has procured imported as well as indigenous capital goods under Export Promotion and Capital Goods Scheme (EPCG). The Export obligation pending against such EPCG licenses	4.50	22.24
(d) The Income tax assessment of the Company has been completed up to Assessment Year 2010-11. However, the Company as well as the Income Tax Department are in appeal before the Appellate authorities against the assessment of the earlier years. These appeals have not resulted into any demand on account of carry forward losses.		
(II) Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	9.56	15.44

37. Future Obligation towards lease rental

- Not later than one year	-	2.88
- Later than one year but not later than five years	-	7.39
- Later than five years	-	-
General description of lease term:		
- Lease income is recognised based on the leased terms.		
- Assets are given on lease for the period of 4 to 5 years. The said lease has been terminated during the period.		

38. Earnings Per Share

	As at March 31, 2014 ₹ Crore	As at Sept. 30, 2012 ₹ Crore
(i) Net profit/ (loss) after tax as per statement of profit and loss attributable to Equity Shareholders	(1,533.12)	(234.57)
(ii) Weighted average number of equity shares used as denominator for calculating EPS (Crore)	63.94	60.57
(iii) Basic and diluted earning per share	(23.98)	(3.87)
(iv) Face value per equity share	₹1/-	₹1/-

39. Derivative Instruments

Derivative instruments outstanding are as under:	Forward Contract USD Crore	Forward Contract USD Crore
Hedged		
Creditors (USD)	3.84	1.10
FCCBs (USD)	1.50	-
Premium on redemption of FCCBs (USD)	0.10	-
Unhedged		
Loan given (SGD)	0.24	-
Creditors (USD)	0.68	1.84
PCFC (USD)	-	0.59
FCCBs (USD)	-	1.50
Premium on redemption of FCCBs (USD)	0.17	0.30
ECB (USD)	3.09	5.99

- 40.** As required by paragraph 46 inserted vide notification dated March 31, 2009 to the Accounting Standard AS-11 "The Effect of Changes in Foreign Exchange Rates", the Company had already opted to adjust the exchange fluctuations on long-term monetary items to the carrying cost of fixed assets. Further as per paragraph 46A, inserted vide notification dated December 29, 2011 to AS-11, the Company has adjusted ₹ 59.92 crore being the loss on exchange fluctuation on long-term monetary items for the eighteen months period ended March 31, 2014 to carrying cost of fixed assets. The unamortised foreign exchange fluctuation capitalised to fixed assets, amounts to ₹ 347.26 crore as at March 31, 2014.
- 41.** Pursuant to the General Circular No. 2/2011 dated February 08, 2011 of Ministry of Corporate Affairs and consent of the Board of Directors vide their resolution passed at the Board Meeting held on May 16, 2014 for not attaching the Balance Sheets of subsidiaries, the Company has not attached with its Balance Sheet as at March 31, 2014, the documents specified in Section 212 (1) of the Act in respect of its five subsidiaries, viz. (i) Bajaj Aviation Private Limited, (ii) Bajaj Power Generation Private Limited, (iii) Bajaj Hindusthan (Singapore) Private Limited, (iv) PT. Batu Bumi Persada, Indonesia, (v) PT. Jangkar Prima, Indonesia, and has disclosed the requisite information in the Consolidated Balance Sheet as at March 31, 2014 in Annexure A.
- 42.** The entire proceeds of the Rights issue of ₹ 1,479.75 crore concluded in October 2011, has been utilised towards objects of the issue up to December 31, 2012.
- 43.** Pursuant to approval of Registrar of Companies, Mumbai dated September 18, 2013, Company has extended its accounting year from September 30, 2013 to March 31, 2014. Accordingly, figures for the current year are for a period of 18 months from October 01, 2012 to March 31, 2014, whereas figures for the previous year are for 12 months and hence such figures are not comparable. Previous year figures have been regrouped / reclassified wherever necessary to correspond with the current period's classification / disclosures.

44. As per Accounting Standard (AS) 17 on "Segment Reporting", segment information has been provided under the notes to Consolidated Financial Statements.

Signatures to Notes "1" to "44"

As per our attached report of even date

For Chaturvedi & Shah

Firm Registration No.101720W
Chartered Accountants

For and on behalf of the Board

Shishir Bajaj

Chairman & Managing Director

Kushagra Bajaj

Vice Chairman & Joint Managing Director

Amit Chaturvedi

Partner

Membership No. 103141

Anand Kumar Kanodia

Chief Financial Officer

Pradeep Parakh

Group President (GRC) &
Company Secretary

R. V. Ruia

D. K. Shukla

Alok Krishna Agarwal

Dr. Sanjeev Kumar

Manoj Maheshwari

Ashok Kumar Gupta

Directors

Mumbai, May 16, 2014

Auditor's Report on the Consolidated Financial Statements

To
The Board of Directors of
Bajaj Hindusthan Limited

1. We have audited the accompanying consolidated financial statements of BAJAJ HINDUSTHAN LIMITED (the "Company") and its subsidiaries (collectively referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2014, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the eighteen months period then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

2. Management is responsible for the preparation of these consolidated financial statements that give true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with accounting principles generally accepted in India including Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Group's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of entity's internal control. An audit also includes

evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

5. In our opinion and to the best of our information and according to the explanations given to us, and based on consideration of the reports of the other auditors on the financial statements / consolidated financial statements of the subsidiaries and associates as noted below, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2014;
 - (b) in the case of the Consolidated Statement of Profit and Loss, of the loss of the Group for the period ended on that date; and
 - (c) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the period ended on that date.

Other Matters

6. Financial statements of three subsidiaries, which reflect total assets of ₹ 1,196.59 crore as at March 31, 2014, total revenue ₹ 21.41 crore and net cash outflows amounting to ₹ 5.40 crore for the period then ended, have been audited by other auditors, whose reports have been furnished to us and our opinion, is based solely on the reports of the other auditors.
7. In addition to above, we have relied on the unaudited financial statements of three subsidiaries wherein total assets is ₹ 4.79 crore as at March 31, 2014, total revenue ₹ 0.51 crore and net cash outflows amounting to ₹ 102.36 crore for the period then ended and two associates, in which the share of profit is ₹ 84.51 crore. These unaudited financial statements are approved by the Board of Directors of these companies/associates have been furnished to us by the management and our report in so far as it relates to the amounts included in respect of these subsidiaries/ associates is based solely on such approved unaudited financial statements.

Our opinion is not qualified in respect of these other matters.

For and on behalf of
CHATURVEDI & SHAH
Firm Registration No. 101720W
Chartered Accountants

Amit Chaturvedi
Partner
Membership No. 103141

Mumbai, May 16, 2014

Consolidated Balance Sheet as at March 31, 2014

Particulars	Note	As at March 31, 2014 ₹ Crore	As at Sept. 30, 2012 ₹ Crore
EQUITY AND LIABILITIES:			
Shareholders' funds			
Share capital	3	63.94	63.94
Reserves and surplus	4	2,304.62	3,926.61
Sub total		2,368.56	3,990.55
Minority interest		0.01	225.04
Non-current liabilities			
Long-term borrowings	5	2,509.57	1,500.69
Other long-term liabilities	7	181.13	914.14
Long-term provisions	8	41.37	32.94
Sub total		2,732.07	2,447.77
Current liabilities			
Short-term borrowings	9	3,076.14	6,091.25
Trade payables	10	2,816.30	236.40
Other current liabilities	11	1,347.54	1,408.42
Short-term provisions	12	9.74	13.07
Sub total		7,249.72	7,749.14
Total		12,350.36	14,412.50
ASSETS:			
Non-current assets			
Fixed assets			
Tangible assets	13	4,996.13	5,497.91
Intangible assets	13	63.01	1.89
Capital work-in-progress	13	17.25	1,819.31
Non-current investments	14	2,333.58	1,223.36
Deferred tax assets (net)	6	4.82	4.64
Long-term loans and advances	15	311.08	2,914.57
Other non-current assets	16	9.67	32.24
Sub total		7,735.54	11,493.92
Current assets			
Inventories	17	2,673.50	558.24
Trade receivables	18	215.67	193.58
Cash and bank balances	19	131.78	512.78
Short-term loans and advances	20	1,071.69	1,200.88
Other current assets	21	522.18	453.10
Sub total		4,614.82	2,918.58
Total		12,350.36	14,412.50

See accompanying notes (1 to 39) to the financial statements.

As per our report of even date

For Chaturvedi & Shah
Firm Registration No. 101720W
Chartered Accountants

For and on behalf of the Board
Shishir Bajaj
Chairman & Managing Director

Kushagra Bajaj
Vice Chairman & Joint Managing Director

Amit Chaturvedi
Partner
Membership No. 103141

Anand Kumar Kanodia
Chief Financial Officer

Pradeep Parakh
Group President (GRC) &
Company Secretary

R. V. Ruia
D. K. Shukla
Alok Krishna Agarwal
Dr. Sanjeev Kumar
Manoj Maheshwari
Ashok Kumar Gupta
Directors

Mumbai, May 16, 2014

Consolidated Statement of Profit & Loss for the period ended March 31, 2014

Particulars	Note	18 months ended March 31, 2014 ₹ Crore	Year ended Sept. 30, 2012 ₹ Crore
INCOME:			
Revenue from operations	22	6,645.36	4,344.06
Other income	23	23.60	107.24
Total Income		6,668.96	4,451.30
EXPENSES:			
Purchases and materials consumed	24	7,815.33	3,430.56
Changes in inventories of finished goods and work-in-progress	25	(2,075.88)	(72.10)
Employee benefits expense	26	316.52	200.20
Finance costs (net)	27	1,049.12	599.17
Depreciation and amortisation expense	28	555.74	361.52
Other expenses	29	689.46	328.35
Total Expenses		8,350.29	4,847.70
Profit/ (Loss) before exceptional items and tax		(1,681.33)	(396.40)
Exceptional Items:			
Surplus on cessation of subsidiary / associate		4.44	(28.63)
Profit/(Loss) before tax		(1,685.77)	(367.77)
Tax expenses			
Current tax		-	-
Deferred tax	6	(0.18)	(92.09)
Reversal of MAT credit entitlement of earlier year		11.11	-
Tax relating to earlier year		13.98	0.99
		24.91	(91.10)
Profit/(Loss) after tax		(1,710.68)	(276.67)
Less: Minority interest		1.49	1.25
Add: Share of profit/(loss) of associate after tax		84.51	(44.69)
Profit/(Loss) attributable to consolidated group		(1,624.68)	(320.11)
Earnings per equity share of face value of ₹1/- each			
Basic and Diluted	32	(25.41)	(5.28)

See accompanying notes (1 to 39) to the financial statements.

As per our report of even date

For Chaturvedi & Shah

Firm Registration No.101720W
Chartered Accountants

For and on behalf of the Board

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Manoj Maheshwari
Ashok Kumar Gupta
Directors

Mumbai, May 16, 2014

Consolidated Cash Flow Statement for the period ended March 31, 2014

Particulars	18 months ended March 31, 2014 ₹ Crore	Year ended Sept. 30, 2012 ₹ Crore
A. Cash flow from operating activities:		
Net profit / (loss) before exceptional items and tax	(1,681.33)	(396.40)
Adjustment for:		
Depreciation and amortisation	555.74	361.52
(Gain) / loss due to foreign exchange fluctuation	18.40	(3.65)
Loss / (surplus) on sale of fixed assets (net)	(15.12)	1.76
Finance costs	1,128.58	667.29
Dividend / income from current and long-term investment received	(0.00)	(1.22)
Profit on sale of investment	-	(0.03)
Loss on sale of investment	0.01	-
Interest income	(79.46)	(68.12)
Employees' compensation expenses (ESOP Cost)	(1.76)	-
	<u>1,606.39</u>	<u>957.55</u>
Operating profit before working capital changes	(74.94)	561.15
Adjustment for:		
Trade and other receivables	(90.04)	(169.21)
Inventories	(2,115.26)	(74.37)
Trade and other payables	3,343.41	(856.94)
Cash generated from operations	<u>1,063.17</u>	<u>(539.37)</u>
Direct taxes paid	0.22	(19.15)
Net cash (used in)/ from operating activities	<u>1,063.39</u>	<u>(558.52)</u>
B. Cash flow from investing activities:		
Purchase of fixed assets	(3,745.18)	(2,143.67)
Sale of fixed assets	19.75	1.49
Purchase of investments includes investment in associate	-	(372.00)
Sale of investments	75.92	332.19
On acquisition of subsidiaries	(88.80)	-
Loans and advances	(449.45)	(86.69)
Dividend received (₹ 2/-)	0.00	1.22
Interest received	79.94	77.89
Share application money / advance against share application money (given / refunded)	139.04	(410.75)
Exchange fluctuation reserve on consolidation	3.92	10.24
Net cash (used in) investing activities	<u>(3,964.86)</u>	<u>(2,590.08)</u>
C. Cash flow from financing activities:		
Proceeds from long-term borrowings	7,564.06	186.25
Repayment of long-term borrowings	(1,195.59)	(1,609.17)
Proceeds from short-term borrowings (net of repayments)	(3,067.87)	2,952.08
Share application / advance against share application money received	615.00	819.00
Rights issue of equity shares & premium thereon	-	1,479.75
Issue expenses-rights issue / merger expenses	-	(7.12)
Minority interest	-	(153.00)
Interest paid	(1,167.21)	(689.00)
Dividend paid (including tax thereon)	(7.05)	(28.18)
Net cash from financing activities	<u>2,741.34</u>	<u>2,950.61</u>
Net increase/(decrease) in cash and cash equivalents	<u>(160.13)</u>	<u>(197.99)</u>
Cash and cash equivalents (opening balance)	509.59	722.22
Cash and cash equivalents on acquisition of subsidiaries	0.54	-
Cash and cash equivalents on cessation of subsidiary	(220.69)	(14.64)
Cash and cash equivalents (closing balance)	<u>129.31</u>	<u>509.59</u>

Notes:

- The above cash flow statement has been prepared under the "Indirect Method" as set out in Companies (Accounting Standards) Rules, 2006.
- Figures in brackets indicate cash outflow and without brackets indicate cash inflow.

As per our report of even date

For Chaturvedi & Shah
Firm Registration No.101720W
Chartered Accountants

For and on behalf of the Board
Shishir Bajaj
Chairman & Managing Director

Kushagra Bajaj
Vice Chairman & Joint Managing Director

Amit Chaturvedi
Partner
Membership No. 103141

Anand Kumar Kanodia
Chief Financial Officer

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R. V. Ruia
D. K. Shukla
Alok Krishna Agarwal
Dr. Sanjeev Kumar
Manoj Maheshwari
Ashok Kumar Gupta
Directors

Mumbai, May 16, 2014

Notes forming part of financial statements

Corporate information

1. Bajaj Hindusthan Limited is a public limited company incorporated in India under the provisions of the Companies Act, 1956. Its shares are listed on Bombay Stock Exchange and National Stock Exchange. The Company is engaged in the manufacture of sugar, alcohol and generation of power.

2. Significant accounting policies

2.1 Basis of accounting:

The financial statements of Bajaj Hindusthan Limited ('the Company'), its subsidiary companies and associate (the Group) have been prepared in compliance with the mandatory Accounting Standards notified by the Companies (Accounting Standards) Rules 2006 issued by the Central Government, in consultation with the National Advisory Committee on Accounting Standards.

- (i) The Company follows the mercantile system of accounting and recognises income and expenditure on an accrual basis except in case of significant uncertainties.
- (ii) Financial statements are based on historical cost except certain fixed assets which are stated at fair value.

2.2 Principles of consolidation:

- (i) The consolidated financial statements of the Group have been prepared on the following basis:
 - The consolidated financial statements of the Group are prepared in accordance with the Accounting Standard - 21 "Consolidated Financial Statements" and Accounting Standard - 23 "Accounting for Investments in Associates in Consolidated Financial Statements" notified by the Companies (Accounting Standards) Rules 2006.
 - The financial statements of the Company and its Subsidiary Companies have been consolidated on a line-by-line basis by adding together the book value of like items of assets, liabilities, income and expenses, after eliminating intra-group balances

and intra-group transactions resulting in unrealised profits or unrealised cash losses.

- Investment in the Associate has been accounted as per the equity method as prescribed in Accounting Standard - 23.
- The excess of cost of investment in the subsidiary companies over the Company's portion of equity of the Subsidiary at the date of investment made is recognised in the financial statements as goodwill, which is written off over a period of five years. The excess of Company's portion of equity of the Subsidiary over the cost of investment therein is treated as capital reserve.
- The financial statements of non-integral foreign operation are translated as follows:
 - The assets and liabilities are translated at the closing rate.
 - Income and expenses items are translated at average rate prevailing during the year.
 - All differences are accumulated in a foreign currency translation reserve on consolidation until the disposal of the net investment.
- The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented, to the extent possible, in the same manner as the Company's separate financial statements.
- Minority Interest's share of net profit of consolidated subsidiaries for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to shareholders of the Company. Minority Interest's share of net assets of consolidated subsidiaries is identified and presented in the consolidated balance sheet separate from liabilities and the equity of the Company's shareholders.

- (ii) Companies considered in the consolidated financial statements are:

Name of the Company	Country of incorporation	Holding as on March 31, 2014	Financial Year ends on
Subsidiaries:			
Bajaj Aviation Private Ltd. #	India	100.00%	31.03.2014
Bajaj Hindusthan (Singapore) Private Ltd. #	Singapore	100.00%	31.03.2014
Lalitpur Power Generation Company Ltd. # @	India	-	31.03.2014
Bajaj Power Generation Private Ltd. #	India	100.00%	31.03.2014
PT. Batu Bumi Persada # \$	Indonesia	99.00%	31.12.2013
PT. Jangkar Prima # \$	Indonesia	99.88%	31.12.2013
Associates:			
Bajaj Ebiz Private Ltd. *	India	49.50%	31.03.2014
Bajaj Energy Private Ltd. **	India	-	31.03.2014
Lalitpur Power Generation Company Ltd. @	India	40.13%	31.03.2014

Management has compiled the accounts for period ended March 31, 2014, in order to consolidate the accounts with that of the Holding Company.

@ Lalitpur Power Generation Company Limited (LPGCL) has ceased to be a subsidiary of the Company w.e.f. January 29, 2014 consequent upon allotment of further equity shares by LPGCL on January 29, 2014 resulting in reduction of the Company's shareholding from 51.73% to 40.13%.

* The Company has made provision for permanent diminution in the value of its investment in Bajaj Ebiz Private Ltd. (an associate company). Hence, no further adjustment in the value of investment is required to be made in the consolidated financial statement.

** Bajaj Energy Private Limited has ceased to be an associate of the Company w.e.f. March 26, 2014 consequent upon sale of investment resulting in reduction of the Company's shareholding from 26.96% to 18.94%.

\$ During the period, PT. Jangkar Prima and PT. Batu Bumi Persada have become subsidiary companies of Bajaj Hindusthan (Singapore) Private Limited, a wholly owned subsidiary of the Company.

- (iii) Other significant accounting policies are set out in the respective notes to account under "Notes to Financial Statements" of the Company and subsidiary companies.

3. Share capital

	As at March 31, 2014 ₹ Crore	As at Sept. 30, 2012 ₹ Crore
Authorised:		
2,71,00,00,000 (1,80,00,00,000) Equity Shares of ₹ 1/- each	271.00	180.00
	<u>271.00</u>	<u>180.00</u>
Issued:		
68,50,71,333 (68,50,71,333) Equity Shares of ₹ 1/- each	68.51	68.51
	<u>68.51</u>	<u>68.51</u>
Subscribed and Paid-up:		
63,93,99,911 (63,93,99,911) Equity Shares of ₹ 1/- each	63.94	63.94
	<u>63.94</u>	<u>63.94</u>

- (i) Detail of shares allotted without payment being received in cash during five years immediately preceding the Balance Sheet date are given below:

3,70,00,000 (3,70,00,000) Equity Shares have been issued, for consideration other than cash to the members of erstwhile Bajaj Hindusthan Sugar and Industries Limited pursuant to Scheme of Amalgamation.

- (ii) The reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period:

Particulars	As at March 31, 2014 No. of Shares	As at Sept. 30, 2012 No. of Shares
Equity Shares (with voting rights) at the beginning of the period	63,93,99,911	22,83,57,111
Add: Shares issued on exercise of rights (rights issue)	-	41,10,42,800
Equity Shares at the end of the period	<u>63,93,99,911</u>	<u>63,93,99,911</u>

- (iii) Terms/Rights of equity shares:

The company has one class of equity shares having par value of ₹1/- per share. All equity shares are ranking pari passu in all respects including dividend. In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive the realised value of the assets of the Company, remaining after payment of all preferential dues. The distribution will be in proportion to the number of equity shares held by the shareholders.

- (iv) The details of Shareholders holding more than 5% shares:

	As at March 31, 2014		As at Sept. 30, 2012	
Name of Shareholders	No. of Shares	% held	No. of Shares	% held
1. Bajaj Resources Ltd.	8,19,44,455	12.82%	8,19,44,455	12.82%
2. Trustees - Shishir Bajaj Family Trust	6,49,48,632	10.16%	6,49,48,632	10.16%
3. Global World Power Projects Pvt. Ltd.	4,11,11,121	6.43%	4,11,11,121	6.43%
4. Life Insurance Corporation of India	4,10,26,922	6.42%	4,10,26,922	6.42%
5. Janus Overseas Fund *	-	-	3,62,76,761	5.67%

*During the current period, the percentage of holding is less than 5%.

- (v) Option on unissued capital:
FCCB's of US\$ 1.50 crore amounting to ₹ 91.01 crore (P.Y. ₹ 79.04 crore) (shown under current maturities of long-term borrowings) issued in the month of June 2007 and can be converted at the option of the bond holder into one equity share at ₹ 250 per equity share, at a pre-determined exchange rate of US\$ 1= ₹ 42.42 at any time up to June 14, 2014.

4. Reserves and surplus

	As at March 31, 2014 ₹ Crore	As at Sept. 30, 2012 ₹ Crore
Capital redemption reserve		
Opening balance	0.05	0.05
Closing balance	<u>0.05</u>	<u>0.05</u>
Capital reserve		
Opening balance	-	8.91
On cessation of subsidiary	-	(8.91)
Closing balance	<u>-</u>	<u>-</u>
Securities premium		
Opening balance	3,857.06	2,454.72
Rights issue of equity shares	-	1,438.65
Provision of merger expenses written back	-	3.83
Changes in provision of premium & withholding tax thereon on redemption of FCCBs	(0.52)	(1.58)
Preliminary expenses written off	-	(0.69)
On cessation of subsidiary	0.69	-
Expenses related to rights issue	-	(37.87)
Closing balance	<u>3,857.23</u>	<u>3,857.06</u>
General reserve		
Opening balance	154.88	410.00
Transferred from reserve for molasses storage tanks	0.59	1.14
Transferred to statement of profit and loss	-	(255.58)
Merger expenses	-	(0.68)
Closing balance	<u>155.47</u>	<u>154.88</u>
Reserve for molasses storage tanks		
Opening balance	2.36	3.13
Transferred from statement of profit and loss	0.55	0.37
Transferred to general reserve	(0.59)	(1.14)
Closing balance	<u>2.32</u>	<u>2.36</u>
Stock option outstanding		
Opening balance	15.30	15.30
Stock option lapsed during the period	(1.76)	-
Closing balance	<u>13.54</u>	<u>15.30</u>
Exchange Fluctuation Reserve on consolidation of overseas subsidiaries		
Opening balance	6.44	(3.77)
Change during the period	3.92	10.24
Transfer from statement of profit and loss	-	(0.03)
Closing balance	<u>10.36</u>	<u>6.44</u>
Statement of profit and loss [surplus/(deficit)]		
Opening balance	(109.48)	(19.52)
Profit/(Loss) for the period	(1,624.68)	(320.11)
Dividend & dividend distribution tax written back	0.36	1.45
Appropriations:		
Transferred to reserve for molasses storage tanks	(0.55)	(0.37)
Transferred from general reserve	-	255.58
Dividend paid of earlier year	-	(16.44)
Dividend distribution tax on dividend paid	-	(2.67)
Transfer to exchange fluctuation reserve	-	0.03
Proposed dividend	-	(6.39)
Dividend distribution tax on proposed dividend	-	(1.04)
Closing balance	<u>(1,734.35)</u>	<u>(109.48)</u>
	<u>2,304.62</u>	<u>3,926.61</u>

5. Long-term borrowings

	As at March 31, 2014 ₹ Crore	As at Sept. 30, 2012 ₹ Crore
From banks		
Secured	2,300.06	1,151.34
	<u>2,300.06</u>	<u>1,151.34</u>
From others		
Secured	208.90	269.21
Unsecured	0.61	80.14
	<u>209.51</u>	<u>349.35</u>
	<u>2,509.57</u>	<u>1,500.69</u>

5.1 Maturity Profile

₹ Crore

Maturity Profile								
Particulars	Interest (%)	Outstanding as at March 31, 2014	Current Maturities (0-1 Year)	2nd Year	3rd Year	4th Year	Beyond 4 Years	Details of securities
Term Loans (Secured)								
From Banks	10.95%- 13.70%	2,806.90	506.84	641.27	531.20	322.20	805.39	Refer note (i) and (ii) below
From others								
International Financial Corporation (ECB)	LIBOR+1.46%	185.93	61.98	61.98	61.97	-	-	Refer note (iii) below
Sugar Development Fund (SDF)	4.00%- 8.25%	113.59	28.64	24.57	26.01	16.74	17.63	Refer note (iv) below
Total - from others		299.52	90.62	86.55	87.98	16.74	17.63	
Total - Secured		3,106.42	597.46	727.82	619.18	338.94	823.02	
Term Loans (Unsecured)								
From others								
Department of Commercial Taxes of Uttar Pradesh	Interest free	1.10	0.49	0.39	0.18	0.04	-	
Foreign Currency Convertible Bonds (FCCB's)	LIBOR+1.00%	91.01	91.01	-	-	-	-	
Total - From others		92.11	91.50	0.39	0.18	0.04	-	
Total - Unsecured		92.11	91.50	0.39	0.18	0.04	-	
Grand Total		3,198.53	688.96	728.21	619.36	338.98	823.02	

Details of securities-

- (i) Term Loans from Banks (except term loan of ₹ 100.00 crore from Punjab National Bank) are Secured, on first pari passu charge basis, by hypothecation of certain present and future movable fixed assets and properties including plant and machinery, tools and accessories of the Company and also secured/to be secured, on first pari passu charge basis, by mortgage (by deposit of title deeds) on certain immovable fixed assets and properties and certain term loans are further secured, on second pari passu charge basis, by hypothecation of certain present and future current assets of the Company including inventories, book debts and other receivables. Documentation for mortgage in respect of certain term loans/certain properties is under finalisation.
- (ii) Term Loan of ₹ 100.00 crore from Punjab National Bank is secured/to be secured on residual charge basis, by hypothecation of certain present and future movable fixed assets and properties including plant and machinery, tools and accessories of the Company and also secured/to be secured, on residual charge basis, by mortgage (by deposit of title deeds) on certain immovable fixed assets and properties. Documentation for mortgage of properties is under finalisation.
- (iii) Term loans (ECB) in foreign currency from IFC of ₹ 185.93 crore is secured on exclusive first charge basis, by hypothecation of Company's movable and immovable assets (present and future) together with all buildings and structures thereon and all plant and machinery attached thereto at its factories at Pratappur, Rudauli, Kundarkhi and Utraula in Uttar Pradesh. Also further secured, on a second pari passu charge basis, by hypothecation of all current assets (present and future) related to the factories at aforesaid four locations.
- (iv) The Sugar Development Fund loan (SDF) from Government of India is secured/to be secured, on exclusive second charge basis, by hypothecation of the whole of movable fixed assets and properties and by mortgage on the whole of immovable fixed assets and properties of the concerned sugar unit of the Company. The Company has also created security in favour of Government of India for certain other SDF loans aggregating to ₹ 2.50 crore, that are yet to be disbursed to the Company, on exclusive second charge basis, by hypothecation of the entire movable fixed assets and properties and by mortgage on the whole of immovable fixed assets and properties of the respective sugar units for which the said SDF loans have been sanctioned.

5.2 FCCB's of US\$ 1.50 crore amounting to ₹ 91.01 crore (P.Y. ₹ 79.04 crore) issued in the month of June 2007 and can be converted at the option of the bond holder into one equity share at ₹ 250 per equity share, at a pre determined exchange rate of US\$ 1= ₹ 42.42 at any time up to June 14, 2014

6. Deferred tax liabilities / (assets) (net)

	As at Oct. 1, 2012 ₹ Crore	During the period ₹ Crore	As at March 31, 2014 ₹ Crore
Deferred tax liabilities:			
Depreciation and amortisation	521.69	(32.46)	489.23
	<u>521.69</u>	<u>(32.46)</u>	<u>489.23</u>
Deferred tax assets:			
Provision for employee benefits	7.19	5.62	12.81
Provision for doubtful debts / advances	0.09	-	0.09
Carry forward losses and unabsorbed depreciation*	519.05	(37.90)	481.15
	<u>526.33</u>	<u>(32.28)</u>	<u>494.05</u>
Deferred tax liabilities / (assets) (net)	<u>(4.64)</u>	<u>(0.18)</u>	<u>(4.82)</u>

* Deferred tax assets on carry forward losses and unabsorbed depreciation relating to holding company is recognised to the extent of deferred tax liabilities on conservative basis.

	As at March 31, 2014 ₹ Crore	As at Sept. 30, 2012 ₹ Crore
7. Other long-term liabilities		
Payable - capital goods	-	95.12
Advance against share application money	-	819.00
Security deposits from related parties (refer note 35)	0.75	-
Security deposits from others	0.98	0.02
Advance against sale of investment	179.40	-
	<u>181.13</u>	<u>914.14</u>
8. Long-term provisions		
Gratuity	11.83	8.02
Leave encashment	13.12	8.91
Premium on redemption of FCCBs*	16.42	16.01
	<u>41.37</u>	<u>32.94</u>

*FCCBs along with premium (if not opted for conversion) are due for redemption on June 14, 2014.

9. Short-term borrowings

Loan from banks		
Secured	3,076.14	4,891.26
Unsecured	-	419.99
	<u>3,076.14</u>	<u>5,311.25</u>
Loan from others		
Unsecured	-	780.00
	-	780.00
Total	<u>3,076.14</u>	<u>6,091.25</u>

Loan from banks (working capital / short-term loans facilities) (except short-term loan of ₹ 250.00 crore which is secured by residual charge on the assets of the Company by way of hypothecation) are secured, on first pari passu charge basis, by hypothecation of inventories, book debts, other receivables and current assets and further secured / to be secured, on a third pari passu charge basis, by hypothecation of certain movable fixed assets and properties and by mortgage on certain immovable fixed assets and properties of the Company. Documentation for mortgage in respect of certain loans is under finalisation.

	As at March 31, 2014 ₹ Crore	As at Sept. 30, 2012 ₹ Crore
10. Trade payables		
Micro, Small and Medium Enterprises	0.12	0.45
Others (includes acceptances of ₹ 278.12 crore, P.Y. ₹ 158.29 crore)	2,816.18	235.95
	<u>2,816.30</u>	<u>236.40</u>
The details of amount outstanding to Micro, Small and Medium Enterprise based on available information with the Company are as under :		
Particulars		
The amounts remaining unpaid to micro and small suppliers as at the end of the period		
– Principal	0.12	0.45
– Interest	-	0.01
The amount of interest paid by the buyer as per the Micro Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006)	0.02	-
The amounts of the payments made to micro and small suppliers beyond the appointed day during each accounting period	0.64	0.49
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding the interest specified under MSMED Act, 2006		
The amount of interest accrued and remaining unpaid at the end of each accounting period	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under the MSMED Act, 2006	-	0.01
11. Other current liabilities		
Current maturities of long-term borrowings (refer note 5.1)	688.96	921.01
Interest accrued but not due on borrowings	21.35	59.98
Payable - capital goods	-	328.30
Unclaimed dividends [#]	0.77	0.75
Unclaimed matured deposits and interest accrued thereon	-	0.08
Other payables*	636.46	98.30
	<u>1,347.54</u>	<u>1,408.42</u>
[#] These figures do not include any amount due and outstanding to be credited to Investor Education and Protection Fund.		
*Includes statutory dues, security deposits, advances from customers and other liabilities.		
12. Short-term provisions		
Gratuity	7.18	4.41
Leave encashment	2.56	1.23
Proposed dividend	-	6.39
Dividend distribution tax on proposed dividend	-	1.04
	<u>9.74</u>	<u>13.07</u>

13. Fixed Assets

₹ Crore

	DESCRIPTION	GROSS BLOCK				DEPRECIATION				NET BLOCK	
Sr. No.	Particulars	As at Oct. 1, 2012	Additions	Deductions & Adjustments	As at March 31, 2014	As at Oct. 1, 2012	For the period	Deductions & Adjustments	Up to March 31, 2014	As at March 31, 2014	As at Sept. 30, 2012
(A) TANGIBLE ASSETS :											
1.	Freehold Land	506.52	2.92	63.06	446.38	-	-	-	-	446.38	506.52
2.	Leasehold Land	0.68	0.56	0.22	1.02	0.10	0.06	0.03	0.13	0.89	0.58
3.	Buildings	1,267.86	15.05	4.81	1,278.10	331.38	97.56	1.18	427.76	850.34	936.48
4.	Plant & Machinery	5,297.69	101.87	21.01	5,378.55	1,379.94	423.30	7.05	1,796.19	3,582.36	3,917.75
5.	Furniture, Fixtures & Office Equipment	57.91	5.24	8.31	54.84	40.28	5.87	2.94	43.21	11.63	17.63
6.	Vehicles & Aircraft	152.98	2.43	6.79	148.62	34.03	14.01	3.95	44.09	104.53	118.95
Total (A)		7,283.64	128.07	104.20	7,307.51	1,785.73	540.80	15.15	2,311.38	4,996.13	5,497.91
(B) INTANGIBLE ASSETS :											
7.	Goodwill on consolidation	-	85.90	-	85.90	-	23.02	-	23.02	62.88	-
8.	Computer Software	5.29	1.70	3.55	3.44	3.40	1.04	1.13	3.31	0.13	1.89
Total (B)		5.29	87.60	3.55	89.34	3.40	24.06	1.13	26.33	63.01	1.89
Total (A)+(B)		7,288.93	215.67	107.75	7,396.85	1,789.13	564.86	16.28	2,337.71	5,059.14	5,499.80
Previous Year Total		7,170.84	641.03	522.94	7,288.93	1,429.80	364.37	5.04	1,789.13	5,499.80	5,741.04
9.	Capital work-in-progress	1,819.31	4,111.98	5,914.04	17.25	-	-	-	-	17.25	1,819.31
Grand Total		9,108.24	4,327.65	6,021.79	7,414.10	1,789.13	564.86	16.28	2,337.71	5,076.39	7,319.11
Previous Year Grand Total		9,392.27	2,658.43	2,942.46	9,108.24	1,429.80	364.37	5.04	1,789.13	7,319.11	

Note:

- Building includes an amount of ₹ 500/- being value of 10 shares of ₹ 50/- each in a co-operative society.
- The assets of Distillery Division at Palia Kalan were leased upto December 31, 2012 and are regrouped under own assets.
- Deduction & Adjustments to gross block includes ₹ 97.62 crore on account of cessation of subsidiary Lalitpur Power Generation Company Ltd. w.e.f. January 29, 2014.
- Deduction & Adjustments to depreciation includes ₹ 10.77 crore on account of cessation of subsidiary (LPGCL) w.e.f. January 29, 2014.
- During the period an amount of ₹ 59.92 crore (P.Y. ₹ 69.65 crore) capitalised towards exchange fluctuation loss on foreign currency loans as per the Notification dated March 31, 2009 further amended vide notification dated December 29, 2011 issued by the Ministry of Corporate Affairs.
- The Company had fair valued its certain fixed assets as at April 01, 2010 resulting into additions to gross block aggregating to ₹1,406.63 crore (which includes Land ₹ 283.93 crore, Building ₹ 137.42 crore and Plant & Machinery ₹ 985.28 crore). The additional depreciation on account of fair valuation of fixed assets aggregating to ₹ 89.33 crore (P.Y. ₹ 60.65 crore) has been debited to the statement of Profit and Loss.
- Particulars of Capital work-in-progress:

Particulars	As at Oct. 1, 2012	Additions	Deductions & adjustments	As at March 31, 2014	₹ Crore	
					Depreciation debited to the statement of profit and loss	555.74
Plant & Machinery / Civil work-in-progress	1,247.63	3,220.70	4,456.29	12.04	Depreciation debited to capital work-in-progress	9.12
Preoperative project expenses:					Total depreciation for the period	564.86
Manpower cost	35.95	34.95	70.90	-		
Rent	2.48	5.27	7.75	-		
Rates and taxes	20.43	0.50	18.85	2.08		
Repairs - others	1.30	1.47	2.77	-		
Insurance	0.28	-	0.28	-		
Professional charges	16.41	20.83	36.71	0.53		
Miscellaneous expenses	59.05	29.33	88.09	0.29		
Interest and finance charges	433.94	789.81	1,221.44	2.31		
Depreciation	1.84	9.12	10.96	-		
Sub total Preoperative project expenses	571.68	891.28	1,457.75	5.21		
Total	1,819.31	4,111.98	5,914.04	17.25		

- Deductions & adjustments of capital work in progress includes ₹ 5,877.41 crore on account of cessation of subsidiary Lalitpur Power Generation Company Ltd. w.e.f. January 29, 2014.

	As at March 31, 2014 ₹ Crore	As at Sept. 30, 2012 ₹ Crore
14. Non-current investments		
Trade investments		
In Equity Shares of associates		
Unquoted, fully paid-up		
Nil (1,11,00,000) Shares of Bajaj Energy Pvt. Ltd. of ₹ 10/- each *	-	176.52
Share in net assets	-	(12.70)
Goodwill/ (Capital reserve)	-	163.82
Equity investment in associate - at cost	-	40.00
Investment made during the year	-	203.82
Share of loss of associate after tax	-	(44.69)
	-	159.13
1,53,42,700 (Nil) Shares of Lalitpur Power Generation Company Ltd. of ₹ 10/- each**	764.58	-
Share in net assets	0.69	-
Goodwill/ (Capital reserve)	765.27	-
Equity investment in associate-at cost	(0.13)	-
Share of loss of associate after tax	765.14	-
11,48,400 (11,48,400) Shares of Bajaj Ebiz Pvt. Ltd. of ₹ 10/- each	1.15	1.15
Less: Provision for diminution in value of investments	(1.15)	(1.15)
	-	-
	765.14	159.13
In Equity Shares of other companies		
5,000 (5,000) Shares of Esugarindia Clearing Corporation Ltd. of ₹ 10/- each	0.01	0.01
Less: Provision for diminution in value of investments	(0.01)	(0.01)
	-	-
77,99,999 (Nil) Shares of Bajaj Energy Pvt. Ltd. of ₹ 10/- each**	154.20	-
	154.20	-
Total Trade Investments	919.34	159.13
Non-Trade investments		
In Equity Shares of other company		
Quoted, fully paid up		
Nil (9,750) Shares of Mukand Ltd. of ₹ 10/- each	-	0.03
	-	0.03
In Preference Shares of other companies		
Quoted, fully paid up		
Nil (2,437) 0.01% Cumulative Redeemable Preference Shares of Mukand Ltd. of ₹ 10/- each- (P.Y. ₹ 24,370/-)	-	0.00
	-	0.00
Unquoted, fully paid up		
3,50,03,927 (NIL) 6% Redeemable Non Cumulative Non Convertible Preference Shares of Phenil Sugars Ltd. of ₹ 100/-each***	350.04	-
	350.04	-
In Debentures of other company		
Unquoted, fully paid up		
3,70,48,321 (3,70,48,321) Zero coupon Optionally Convertible Debentures of Phenil Sugars Ltd. of ₹ 100/- each	370.48	370.48
	370.48	370.48
Interest in a Beneficiary Trust	693.72	693.72
	693.72	693.72
Total Non-Trade Investments	1,414.24	1,064.23
	2,333.58	1,223.36
Aggregate Value of quoted investment	-	0.03
Market Value of quoted investment	-	0.03
Aggregate Value of unquoted investment	2,333.58	1,223.33

* Bajaj Energy Private Limited has ceased to be an associate of the Company w.e.f. March 26, 2014 consequent upon sale of investment resulting in reduction of the Company's shareholding from 26.96% to 18.94%. Further, the Company has made an agreement for sale of balance equity shares and received the advance against sale proceeds.

** Lalitpur Power Generation Company Limited (LPGCL) has ceased to be a subsidiary of the Company w.e.f. January 29, 2014 consequent upon allotment of further equity shares by LPGCL on January 29, 2014 resulting in reduction of the Company's shareholding from 51.73% to 40.13%.

*** Issued on amalgamation of Basti Sugar Mills Ltd. with Phenil Sugars Ltd. on conversion of secured loan of ₹ 350.04 crore.

These investments are pledged against loans taken by company/ associate company/ body corporate.

	As at March 31, 2014 ₹ Crore	As at Sept. 30, 2012 ₹ Crore
15. Long-term loans and advances		
(Unsecured considered good unless otherwise stated)		
Capital advances	252.37	2,835.60
Security deposits	13.59	17.79
Security deposit to related parties (refer note 35)	1.26	0.36
Other advances recoverable in cash or in kind or for value to be received	-	2.75
Amount paid under protest	2.75	2.75
Advance payment of taxes (net of provisions)	41.11	55.32
	<u>311.08</u>	<u>2,914.57</u>
16. Other non-current assets		
(Unsecured considered good)		
Fixed deposits *	1.40	3.77
Other bank balances	8.27	28.47
	<u>9.67</u>	<u>32.24</u>
*Having maturity after 12 months from the reporting date and earmarked for specific purposes.		
17. Inventories		
(At cost or net realisable value whichever is lower, unless otherwise stated)		
Raw materials	5.76	12.46
Stores, spares & packing materials	79.02	75.72
Finished goods	2,410.48	426.68
By-products	96.50	37.51
Work-in-progress	38.96	5.87
Stock in trade (₹ 49,674/-)	0.00	-
Material in transit	42.78	-
	<u>2,673.50</u>	<u>558.24</u>
18. Trade receivables		
(Unsecured considered good unless otherwise stated)		
Outstanding for a period exceeding six months	34.48	70.78
Doubtful	10.00	0.58
Less : Provision	(10.00)	(0.58)
	-	-
Outstanding for a period less than six months	181.19	122.80
	<u>215.67</u>	<u>193.58</u>
19. Cash and bank balances		
Cash and cash equivalents		
Cash on hand	0.88	0.89
Cheques, draft on hand	34.18	22.91
Balance with banks		
Current account	55.75	485.79
Fixed deposits (Maturity of less than 3 months)	38.50	-
	<u>129.31</u>	<u>509.59</u>
Other bank balances		
Balance with banks (unpaid dividend)	0.77	0.75
Fixed deposits*	1.70	2.44
	<u>2.47</u>	<u>3.19</u>
	<u>131.78</u>	<u>512.78</u>

* Includes ₹ 1.70 crore (P.Y. ₹ 2.44 crore) earmarked for specific purposes.

	As at March 31, 2014 ₹ Crore	As at Sept. 30, 2012 ₹ Crore
20. Short-term loans and advances		
(Secured considered good)		
Loans & advances to others	-	335.31
(Unsecured considered good, unless otherwise stated)		
Loans & advances to related parties (refer note 35)	4.86	72.00
Loans & advances to others (including advance against share application money)	819.14	456.32
Doubtful	2.29	2.29
Less: Provision for doubtful loans & advances	(2.29)	(2.29)
	-	-
MAT credit entitlement	79.60	90.71
Balances with excise department	69.77	106.38
Security deposits	-	0.56
Other advances*	98.32	139.60
	<u>1,071.69</u>	<u>1,200.88</u>

*Includes advances given to suppliers, vendors and employees and other advances recoverable in cash or in kind.

21. Other current assets

(Unsecured considered good)		
Claim / refund recoverable in cash or in kind or for value to be received	518.34	445.42
Duty drawback receivable	2.81	7.20
Interest accrued	1.03	0.48
	<u>522.18</u>	<u>453.10</u>

	18 months ended March 31, 2014 ₹ Crore	Year ended Sept. 30, 2012 ₹ Crore
22. Revenue from operations		
Sale of products / services	6,828.08	4,442.15
Other operating revenues	31.28	52.69
	<u>6,859.36</u>	<u>4,494.84</u>
Less: Excise duty	214.00	150.78
	<u>6,645.36</u>	<u>4,344.06</u>
22.1 Particulars of sale of products / services		
Sugar	5,173.52	3,520.24
Alcohol	793.46	448.34
Power	311.72	144.21
By-products	113.10	55.60
Others	40.31	108.89
Traded goods	381.53	163.91
Aircraft services	14.44	0.96
	<u>6,828.08</u>	<u>4,442.15</u>
22.2 Particulars of other operating revenues		
Duty drawback and other export incentives	14.64	0.31
Sale of export licenses	-	21.55
Sale of scrap	6.87	4.69
Others	9.77	26.14
	<u>31.28</u>	<u>52.69</u>
23. Other income		
Dividend on long-term investment ₹ 2/- (P.Y. ₹ 22,497/-)	0.00	0.00
Dividend on current investment	-	1.22
Profit on sale of current investment	-	0.03
Gain due to foreign exchange fluctuation (net)	-	78.64
Other non-operating income	23.60	27.35
	<u>23.60</u>	<u>107.24</u>
24. Purchases and materials consumed		
Opening stock	12.46	31.96
Purchases	7,444.63	3,249.93
	<u>7,457.09</u>	<u>3,281.89</u>
Less: Closing stock	5.76	12.46
Cost of raw material consumed	7,451.33	3,269.43
Purchase/cost of traded goods sold	364.00	161.13
	<u>7,815.33</u>	<u>3,430.56</u>
25. Changes in inventories of finished goods and work-in-progress		
Opening stock:		
Finished goods	426.68	342.07
By-product	37.51	50.94
Work-in-progress	5.87	4.95
	<u>470.06</u>	<u>397.96</u>
Less: Closing stock:		
Finished goods	2,410.48	426.68
By-products	96.50	37.51
Work-in-progress	38.96	5.87
	<u>2,545.94</u>	<u>470.06</u>
	<u>(2,075.88)</u>	<u>(72.10)</u>

	18 months ended March 31, 2014 ₹ Crore	Year ended Sept. 30, 2012 ₹ Crore
26. Employee benefits expense		
Salaries & wages	288.75	177.61
Contributions to provident and other funds	26.92	14.61
Employees' welfare expenses	2.61	7.98
Employee compensation expenses (ESOP cost)	(1.76)	-
	<u>316.52</u>	<u>200.20</u>

26.1 Liability for employee benefits has been determined by an actuary, appointed for the purpose, in conformity with the principles set out in the Accounting Standard 15 (Revised) the details of which are as hereunder:

a. Funded Scheme - Gratuity

Liability to be recognised in Balance Sheet		
Present value of funded obligations	31.87	27.34
Fair value of plan assets	(12.87)	(14.93)
Net liability / (asset)	<u>19.00</u>	<u>12.41</u>
Change in plan assets (Reconciliation of opening and closing balances)		
Fair value of plan assets at the beginning	14.93	15.90
Expected return on plan assets	1.88	1.23
Actuarial gain / (losses)	(0.04)	0.18
Contributions	0.44	0.48
Benefits paid	(4.34)	(2.86)
Fair value of plan assets at the end	<u>12.87</u>	<u>14.93</u>
Change in obligation (Reconciliation of opening and closing balances)		
Defined benefit obligation at the beginning	27.01	25.63
Defined benefit obligation of amalgamating company	-	0.53
Current service cost	4.05	2.75
Interest cost	3.97	2.11
Actuarial losses / (gain)	1.18	(0.82)
Benefits paid	(4.34)	(2.86)
Closing obligation	<u>31.87</u>	<u>27.34</u>
Expenditure to be recognised during the period		
Current service cost	4.05	2.75
Interest cost	3.97	2.11
Expected return on plan assets	(1.88)	(1.23)
Net actuarial losses / (gain) recognised during the period	1.22	(1.00)
Total expenses recognised in the statement of profit and loss	<u>7.36</u>	<u>2.63</u>
Assumptions		
Discount rate (per annum)	8.25%	8.00%
Expected rate of return on assets (per annum)	9.00%	8.00%
Salary escalation rate (per annum)	5.00%	5.00%

b. Unfunded Scheme - Earned Leaves

Present value of unfunded obligations	15.68	10.13
Expenses recognised in the statement of profit and loss	10.82	3.61
Discount rate (per annum)	8.25%	8.00%
Salary escalation rate (per annum)	5.00%	5.00%

	18 months ended March 31, 2014 ₹ Crore	Year ended Sept. 30, 2012 ₹ Crore
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c. Provident Fund

The Company has an obligation to fund any shortfall on the yield of the trust's investments over the administered interest rates on an annual basis. These administered rates are notified by the Government annually. The actuary has provided a valuation based on the below provided assumptions and there is no shortfall as at March 31, 2014.

Plan assets at year end, at fair value	-	-
Present value of benefit obligation at year end	-	-
Cost of short fall in interest rate guarantee	-	-
Discount rate	9.15%	8.20%
Average remaining tenure of the investment portfolio (years)	8.51	8.88
Expected guaranteed interest rate	8.75%	8.60%

During the period ended March 31, 2014, amount recognised in statement of Profit and loss for employee provident fund is ₹ 11.97 crore (P.Y. ₹ 7.81 crore).

27. Finance costs (net)

Interest expense on:		
Borrowings	1,046.40	613.82
Others	41.49	37.04
Other borrowing costs	40.69	16.43
	<u>1,128.58</u>	<u>667.29</u>
Less:		
Interest income	79.46	68.12
	<u>1,049.12</u>	<u>599.17</u>

28. Depreciation and amortisation expense

Depreciation on tangible assets	555.52	361.20
Amortisation on intangible assets	0.22	0.32
	<u>555.74</u>	<u>361.52</u>

29. Other expenses

Stores, spares and packing materials consumed	215.44	114.62
Increase/(decrease) of excise duty on inventories	77.07	(2.64)
Power and fuel	28.77	23.05
Rent	4.21	3.91
Rates and taxes	0.89	0.64
Repairs :		
Building	4.49	2.68
Machinery	95.74	52.79
Others	9.16	4.13
	<u>109.39</u>	<u>59.60</u>
Payment to auditors (refer note 29.1)	0.76	0.58
Insurance	9.78	7.52
Selling commission	14.10	8.54
Selling & distribution	68.84	41.34
Director fees	0.21	0.11
Donations	0.52	0.10
Loss due to foreign currency fluctuation (net)	32.40	-
Provision for doubtful debts	9.44	-
Loss on sale of non-current investment	0.01	-
Loss on assets sold / scrapped / written off	3.04	1.80
Miscellaneous expenses	114.59	69.18
	<u>689.46</u>	<u>328.35</u>

	18 months ended March 31, 2014 ₹ Crore	Year ended Sept. 30, 2012 ₹ Crore
29.1 Payment to auditors		
As auditors - statutory audit	0.40	0.36
For taxation matters	0.10	0.05
For certification work	0.26	0.17
Reimbursement of expenses - ₹ 32,253 (P.Y. ₹ 9,612)	0.00	0.00
	0.76	0.58

	As at March 31, 2014 ₹ Crore	As at Sept. 30, 2012 ₹ Crore
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30. Contingent Liabilities and Commitments

(I) Contingent liabilities

(a) In respect of disputed demands / claims against the Company not acknowledged as debts:

(i) Central excise matters	42.60	33.28
(ii) Trade tax matters	69.73	29.49
(iii) Other claims	25.02	52.44

(b) Guarantees / Letter of Credit given

	909.33	157.11
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(c) Erstwhile Bajaj Eco-Tec Products Limited (merged with the Company) has procured imported as well as indigenous capital goods under Export Promotion and Capital Goods Scheme (EPCG). The export obligation pending against such EPCG licenses

	4.50	22.24
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(d) The Company and its subsidiaries as well as the Income tax department are in appeal before the appellate authorities against the assessment of the earlier years. These appeals have not resulted into any demand on account of carry forward losses.

(II) Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	9.56	5,992.46
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31. Future Obligation towards lease rental

Not later than one year	-	2.88
Later than one year but not later than five years	-	7.39
Later than five years	-	-

General description of lease term:

Lease income is recognised based on the leased terms.

Assets were given on lease for the period of 4 to 5 years. The said lease has been terminated during the period.

32. Earnings Per Share

(i) Net profit/(loss) after tax as per statement of profit and loss attributable to equity shareholders	(1,624.68)	(320.11)
(ii) Weighted average number of equity shares used as denominator for calculating EPS (In crore)	63.94	60.57
(iii) Basic and Diluted earning per share	(25.41)	(5.28)
(iv) Face value per equity share	₹1/-	₹1/-

	As at March 31, 2014 ₹ Crore	As at Sept. 30, 2012 ₹ Crore
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33. Derivative Instruments

Derivative instruments outstanding are as under:	Forward Contract USD Crore	Forward Contract USD Crore
Hedged		
Creditors (USD)	3.84	1.10
FCCBs (USD)	1.50	-
Premium on redemption of FCCBs (USD)	0.10	-
Unhedged		
Creditors (USD)	0.68	1.84
PCFC (USD)	-	0.59
FCCB (USD)	-	1.50
Premium on redemption of FCCBs (USD)	0.17	0.30
ECB (USD)	3.09	5.99

	18 months ended March 31, 2014 ₹ Crore	Year ended Sept. 30, 2012 ₹ Crore
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34. Segment Information:

The Company has identified its Business Segments as its Primary Reportable Segments comprising of Sugar, Distillery and Power

Primary Segment Information:

1. Segment revenue

a. Sugar	5,566.60	3,633.80
b. Distillery	764.76	419.25
c. Power	675.78	334.68
d. Others	428.67	273.76
Total	7,435.81	4,661.49
Less : Inter-segment revenue	821.73	370.12
Net Sales / Income from operations	6,614.08	4,291.37

2. Segment results

(Profit/ (Loss) before tax and interest)		
a. Sugar	(1,213.19)	(243.10)
b. Distillery	225.14	150.25
c. Power	508.32	275.76
d. Others	(31.32)	(21.85)
Total	(511.05)	161.06
Less: (i) Interest (Net)	1,049.12	599.17
(ii) Other Un-allocable expenditure net off Un-allocable income	125.60	(70.34)
Total Profit before tax	(1,685.77)	(367.77)

	18 months ended March 31, 2014 ₹ Crore	Year ended Sept. 30, 2012 ₹ Crore
3. Segment assets		
a. Sugar	7,049.07	5,314.29
b. Distillery	548.71	498.35
c. Power	783.55	6,067.39
d. Others	272.74	416.06
Total	8,654.07	12,296.09
Add: Unallocated corporate assets	3,691.47	2,111.77
Total assets	12,345.54	14,407.86
4. Segment liabilities		
a. Sugar	2,629.20	98.94
b. Distillery	27.15	16.69
c. Power	0.95	1,276.70
d. Others	14.77	28.00
Total	2,672.07	1,420.33
Add: Unallocated corporate liabilities	1,035.05	263.55
Total liabilities	3,707.12	1,683.88
5. Capital expenditure		
a. Sugar	65.44	70.07
b. Distillery	12.71	5.06
c. Power	4,149.06	2,514.68
d. Others	4.12	2.45
e. Unallocated	3.12	4.05
Total	4,234.45	2,596.31
6. Depreciation and amortisation		
a. Sugar	395.28	267.92
b. Distillery	40.14	27.22
c. Power	52.63	33.85
d. Others	31.03	23.01
e. Unallocated	36.66	9.52
Total	555.74	361.52
7. Non cash expenditure other than depreciation		
a. Sugar	Nil	Nil
b. Distillery	Nil	Nil
c. Power	Nil	Nil
Total	Nil	Nil

Other disclosures:

1. The Company caters mostly to Indian markets and as such there are no reportable geographical segments.
2. Segments have been identified in line with the Accounting Standard - 17 "Segment Reporting" taking into account the organisation structure as well as differing risks and returns.
3. The segment revenue, results, assets and liabilities include respective amounts identifiable to each of the segment and amounts allocated on reasonable basis.
4. The segment performance has been worked out after attributing the realisable value of inter segment transfer of material.
5. Segment assets and liabilities represents assets and liabilities in respective segment. Tax related assets & other assets and liabilities that cannot be allocated to segment on reasonable basis have been disclosed as unallocable.

35. The disclosures in respect of Related Parties as required under Accounting Standard 18 (AS18) 'Related Party Disclosures' is stated herein below / set out in a separate statement annexed hereto.

a) Name of related parties

A. Associates and Joint Ventures

Bajaj Energy Private Ltd. (up to March 26, 2014)
Lalitpur Power Generation Company Ltd. (w.e.f. January 29, 2014)

B. Directors and their relatives

Mr. Shishir Bajaj, Chairman & Managing Director (key management personnel)
Mr. Kushagra Bajaj, Vice Chairman & Joint Managing Director (also key management personnel) and also son of Mr. Shishir Bajaj
Dr. Sanjeev Kumar, Executive Director (key management personnel)
Mr. Manoj Maheshwari, Director and Group CFO (also key management personnel)
Mr. Ashok Kumar Gupta, Director (Group Operations) (also key management personnel)

C. Key Management Personnel

Mr. S.N.M. Tripathi, Whole Time Director, Lalitpur Power Generation Company Limited

D. Enterprises over which any person described in (B) or (C) above is able to exercise significant influence

1. Bajaj Capital Ventures Private Ltd.
2. Bajaj Infrastructure Development Company Ltd.
3. Bajaj Power Ventures Private Ltd.
4. Shishir Bajaj Family Trust
5. Carbery Infrastructure Private Ltd.

b) Disclosure as required under AS-18 in respect of Related Party Transactions:

₹ Crore

Transactions	Directors / Key Management Personnel	Associate	Enterprises described in (D) above	Total
I. Transactions during the period				
Purchase of capital goods	- (-)	- (-)	418.02 (217.70)	418.02 (217.70)
Sale of capital goods	- (-)	- (-)	17.00 (-)	17.00 (-)
Receiving of services (capital goods)	- (-)	- (-)	67.99 (93.75)	67.99 (93.75)
Rent received	- (-)	4.67 (0.32)	- (-)	4.67 (0.32)
Remuneration	13.03 (5.84)	- (-)	- (-)	13.03 (5.84)
Rent paid	- (-)	- (-)	1.30 (0.72)	1.30 (0.72)
Equity Share Capital Issued (including Premium)	- (-)	- (-)	430.15 (150.81)	430.15 (150.81)
Investment made	- (-)	64.30 (66.00)	- (-)	64.30 (66.00)
Investment sold	- (-)	- (-)	75.90 (-)	75.90 (-)
Deposits given	- (-)	- (-)	0.90 (-)	0.90 (-)
Share application money given	- (-)	4.86 (-)	- (-)	4.86 (-)

₹ Crore

Transactions	Directors / Key Management Personnel	Associate	Enterprises described in (D) above	Total
Share application money/advance against share application money (received/refunded)	-	172.00	515.00	687.00
	(-)	(112.00)	(646.00)	(758.00)
Advance given (Project)	-	-	250.00	250.00
	(-)	(-)	(796.50)	(796.50)
Advance for capital expenditure	-	-	0.70	0.70
	(-)	(-)	(-)	(-)
Refund of advance for capital expenditure	-	-	0.70	0.70
	(-)	(-)	(-)	(-)

II. Amounts Outstanding at the Balance Sheet date

Deposits given	-	-	1.26	1.26
	(-)	(-)	(0.36)	(0.36)
Advance given (Project)	-	-	-	-
	(-)	(-)	(1,531.85)	(1,531.85)
Advance against share application money	-	-	-	-
	(-)	(72.00)	(819.00)	(891.00)
Share application money	-	4.86	-	4.86
	(-)	(-)	(-)	(-)
Guarantee given	-	755.13	-	755.13
	(-)	(157.11)	(-)	(157.11)
Investments	-	765.27	-	765.27
	(-)	(203.82)	(-)	(203.82)
Debtors (Services)	-	0.41	-	0.41
	(-)	(-)	(-)	(-)
Security Deposits (Debtors)	-	0.75	-	0.75
	(-)	(-)	(-)	(-)
Creditors (Services)	-	-	-	-
	(-)	(-)	(14.17)	(14.17)

Notes:

1. Related Party relationship is as identified by the Company based on the available information and relied upon by the Auditors.
2. No amount has been written off or written back during the year in respect of debts due from or to related parties.
3. Purchase of capital goods includes ₹ 418.02 crore (P.Y. ₹ 217.70 crore) from Bajaj Infrastructure Development Company Ltd.
4. Sale of capital goods of ₹ 17.00 crore (P.Y. Nil) to Shishir Bajaj Family Trust.
5. Receiving of services (capital goods) of ₹ 67.99 crore (P.Y. ₹ 93.75 crore) from Carbery Infrastructure Private Ltd.
6. Rent received of ₹ 4.67 crore (P.Y. ₹ 0.32 crore) from Bajaj Energy Pvt. Ltd..
7. Remuneration includes ₹ 2.43 crore (P.Y. ₹ 1.91 crore) to Mr. Shishir Bajaj, ₹ 1.96 crore (P.Y. ₹ 1.38 crore) to Mr. Kushagra Bajaj, ₹ 3.15 crore (P.Y. ₹ 2.00 crore) to Dr. Sanjeev Kumar, ₹ 3.58 crore (P.Y. Nil) to Mr. Manoj Maheshwari and ₹ 1.29 crore (P.Y. Nil) to Mr. Ashok Kumar Gupta.
8. Rent paid includes ₹ 1.08 crore (P.Y. ₹ 0.72 crore) to Bajaj Capital Ventures Pvt. Ltd and ₹ 0.22 crore (P.Y. Nil) to Shishir Bajaj Family Trust.
9. Equity Share Capital issued of ₹ 430.15 crore (P.Y. ₹ 150.81 crore) to Bajaj Power Ventures Pvt. Ltd.

10. Investment made of ₹ 64.30 crore (P.Y. Nil) to Lalitpur Power Generation Company Ltd.
11. Investments sold of ₹ 75.90 (P.Y. Nil) to Bajaj Power Ventures Pvt. Ltd.
12. Share application money given of ₹ 4.86 crore (P.Y. Nil) given to Lalitpur Power Generation Company Ltd.
13. Deposits of ₹ 0.90 crore given to Shishir Bajaj Family Trust.
14. Share application money received includes ₹ 515.00 crore (P.Y. Nil) from Bajaj Power Ventures Pvt. Ltd. and ₹ 100.00 crore (P.Y. Nil) from Bajaj Energy Pvt. Ltd. Refund of advance against share application of ₹ 72.00 crore (P.Y. ₹ 112.00 crore) from Bajaj Energy Pvt. Ltd.
15. Advance given (Project) of ₹ 250.00 crore (P.Y. ₹ 796.50 crore) to Bajaj Infrastructure Development Company Ltd.
16. Advance for capital expenditure of ₹ 0.70 crore (P.Y. Nil) to Bajaj Infrastructure Development Company Ltd.
17. Refund of advance for capital expenditure of ₹ 0.70 crore (P.Y. Nil) to Bajaj Infrastructure Development Company Ltd.
36. The entire proceeds of the Rights issue of ₹ 1,479.75 crore concluded in October 2011, has been utilised towards objects of the issue up to December 31, 2012.
37. As required by paragraph 46 inserted vide notification dated March 31, 2009 to the Accounting Standard AS-11 "The Effect of Changes in Foreign Exchange Rates", the Company had already opted to adjust the exchange fluctuations on Long-Term Monetary Items to the carrying cost of fixed assets. Further as per paragraph 46A, inserted vide notification dated December 29, 2011 to AS-11, the Company has adjusted ₹ 59.92 crore being the loss on exchange fluctuation on long-term monetary items for the eighteen months period ended March 31, 2014 to carrying cost of fixed assets. The unamortised foreign exchange fluctuation capitalised to fixed assets, amounts to ₹ 347.26 crore as at March 31, 2014.
38. Pursuant to the General Circular no. 2/2011 dated February 08, 2011 of Ministry of Corporate Affairs and consent of the Board of Directors vide their resolution passed at the Board Meeting held on May 16, 2014 for not attaching the Balance Sheets of subsidiaries, the Company has not attached with its Balance Sheet as at March 31, 2014, the documents specified in Section 212(1) of the Act in respect of its five subsidiaries, viz. (i) Bajaj Aviation Private Limited, (ii) Bajaj Power Generation Private Limited, (iii) Bajaj Hindusthan (Singapore) Private Ltd., (iv) PT. Batu Bumi Persada, Indonesia, (v) PT. Jangkar Prima, Indonesia, and has disclosed the requisite information in the Consolidated Balance Sheet as at March 31, 2014 in Annexure A.
39. Pursuant to approval of Registrar of Companies, Mumbai dated September 18, 2013, Company has extended its accounting year from September 30, 2013 to March 31, 2014. Accordingly, figures for the current year are for a period of 18 months from October 01, 2012 to March 31, 2014, whereas, figures for the previous year are for 12 months and hence such figures are not comparable. Previous year figures have been regrouped/ reclassified wherever necessary to correspond with the current period's classification/disclosures.

Signatures to Notes "1" to "39"

As per our report of even date

For Chaturvedi & Shah
Firm Registration No.101720W
Chartered Accountants

For and on behalf of the Board
Shishir Bajaj
Chairman & Managing Director

Kushagra Bajaj
Vice Chairman & Joint Managing Director

Amit Chaturvedi
Partner
Membership No. 103141

Anand Kumar Kanodia
Chief Financial Officer

Pradeep Parakh
Group President (GRC) &
Company Secretary

R. V. Ruia
D. K. Shukla
Alok Krishna Agarwal
Dr. Sanjeev Kumar
Manoj Maheshwari
Ashok Kumar Gupta
Directors

Mumbai, May 16, 2014

Statement of Information of Subsidiary Companies

Annexure 'A' referred to in Note No. 38 to the consolidated financial statements for the period ended March 31, 2014

₹ Crore

Name of the Subsidiary Company	Bajaj Aviation Pvt. Ltd.	Bajaj Aviation Pvt. Ltd.	Bajaj Hindusthan (Singapore) Pvt. Ltd.**	Bajaj Hindusthan (Singapore) Pvt. Ltd.**	Bajaj Power Generation Pvt. Ltd.#	Bajaj Power Generation Pvt. Ltd.#	PT. Batu Bumi Persada, Indonesia \$	PT. Batu Bumi Persada, Indonesia \$	PT. Jangkar Prima, Indonesia \$	PT. Jangkar Prima, Indonesia \$
Financial year ended	31.03.2014	30.09.2013	31.03.2014	31.03.2013	31.03.2014	31.03.2013	31.12.2013	31.12.2012	31.12.2013	31.12.2012
Issued subscribed and paid up share capital	5.00	5.00	119.60	119.60	0.02	0.02	2.64	2.64	2.64	2.64
Reserves	(14.78)	(8.04)	(28.44)	(27.99)	@ (0.00)	@ (0.00)	(2.08)	(1.64)	(1.35)	(0.25)
Total Assets	36.80	39.01	112.48	120.82	1,054.98	972.69	3.29	3.22	1.71	3.29
Total Liabilities	36.80	39.01	112.48	120.82	1,054.98	972.69	3.29	3.22	1.71	3.29
Detail of Investments (except in case of investment in subsidiaries)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Turnover*	6.54	17.79	0.36	0.27	41.36	Nil	Nil	Nil	0.04	0.57
Profit/ (loss) before taxation	(6.74)	(6.38)	0.21	(2.12)	Nil	Nil	(0.44)	(0.19)	(1.10)	(0.25)
Provision for taxation	Nil	Nil	0.66	(0.32)	Nil	Nil	Nil	Nil	Nil	Nil
Profit/ (loss) after taxation	(6.74)	(6.38)	(0.45)	(1.80)	Nil	Nil	(0.44)	(0.19)	(1.10)	(0.25)
Proposed dividend	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Notes:

* 1 Turnover is net of excise duty and includes other income.

** 2 The financial statements are translated at the exchange rate as on 31.03.2014 i.e. 1 USD = ₹ 60.0998

3 The commercial activities of the Company has not commenced up to 31.03.2014.

\$ 4 The financial statements are translated at the exchange rate as on 31.03.2014 i.e. (1USD = IDR 11,404) and (1USD = INR 60.0998).

@ 5 Bajaj Power Generation Pvt. Ltd. - Reserves (₹ 40,044/-).

[illegible]

