

NOTICE TO SHAREHOLDERS

NOTICE is hereby given that the **Eightieth Annual General Meeting** of the Members of Bajaj Hindusthan Limited will be held on **Saturday, February 11, 2012 at 11.30 A.M.** at Kamalnayan Bajaj Hall, Bajaj Bhawan, Jammalal Bajaj Marg, 226, Nariman Point, Mumbai - 400 021, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Balance Sheet as at September 30, 2011, the Profit and Loss account for the year ended on that date and the Reports of the Directors and the Auditors thereon for the said year.
2. To declare a dividend on Equity Shares for the year ended September 30, 2011.
3. To appoint a Director in place of Mr. D. K. Shukla, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. R.V. Ruia, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint M/s. Chaturvedi & Shah (Firm Registration Number 101720W), Chartered Accountants, retiring Auditors as Auditors of the Company to hold office from conclusion of this Meeting until the conclusion of the next Annual General Meeting of the Company and to fix their remuneration.

SPECIAL BUSINESS:

6. To consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution: -
"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309 and 311 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 (including any amendment thereto or re-enactment thereof for the time being in force) and the provisions of the Articles of Association of the Company and subject to the approval of Central Government and any other approval(s) as may be necessary, the consent and approval of the Company be and is hereby accorded to the 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, on the terms and conditions and the remuneration as set out herein below:-

I. Remuneration:

- a) Salary: ₹ 6,00,000 p.m. in the scale of ₹ 6,00,000 – 1,00,000 – 18,00,000. Board of Directors of the Company may decide such accelerated increments as may be deemed appropriate at its absolute discretion.
- b) Allowances and Perquisites:
 - i) Housing:
 - a) Residential accommodation OR House Rent Allowance at the rate of 50% of Salary.
 - b) Expenses pertaining to gas, electricity, water and other utilities will be borne/ reimbursed by the Company.
 - c) The Company shall provide such furniture and furnishing as may be required by the Joint Managing Director.
 - ii) Contribution to Provident Fund: Company's contribution to Provident Fund equivalent to 12% of salary or up to such an amount permissible under the law and as may be decided by the Board of Directors from time to time.
 - iii) Contribution to Superannuation Fund: Company's contribution to Superannuation Fund equivalent to 15% of salary or up to such an amount permissible under the law and as may be decided by the Board of Directors from time to time.
 - iv) Medical Reimbursement: Reimbursement of actual medical expenses incurred in India and/or abroad including hospitalisation, nursing home and surgical charges for himself and his family. In case of any medical treatment abroad, the travelling, boarding and lodging expenses for patient and attendant are also payable.
 - v) Leave Travel Concession: Reimbursement of all the expenses (like travel fare, lodging, boarding, conveyance and other expenses) incurred for self and his family during leave travel periods, wherever undertaken, whether in India or abroad.
 - vi) Club Memberships: Subscription or Reimbursement of membership fees for clubs in India and/or abroad, including admission and life membership fees.
 - vii) Entertainment Expenses: Reimbursement of entertainment expenses incurred in the course of business of the Company.
 - viii) Personal Accident Insurance: Personal accident insurance policy in accordance with the scheme applicable to senior employees of the Company.
 - ix) Gratuity: Gratuity at the rate of one month's salary for each completed year of service.
 - x) Leave: Leave with full pay or encashment thereof as per the rules of the Company. Encashment of the unavailed leave being allowed at the end of the tenure.

Explanation:

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

- c) Commission: Commission at the rate of 1% (one per cent) of the net profits of the Company for each financial year, payable after adoption of the annual accounts for that financial year by shareholders.
- d) Amenities:
 - i) Conveyance facilities: The Company shall provide suitable conveyance facilities as may be required by the Joint Managing Director.
 - ii) Communication facilities: The Company shall provide telephone, telefax and other communication facilities at the Joint Managing Director's residence.

II. OVERALL REMUNERATION:

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

"RESOLVED FURTHER THAT in case the Company has in any financial year no profits or if its profits are inadequate anytime during the period of three years from April 24, 2012, the Joint Managing Director shall be paid the aforesaid remuneration as the minimum remuneration, with the liberty to the Board of Directors (which term shall be deemed to include the Remuneration & Compensation Committee) to revise, amend, alter and vary the terms and conditions relating to the remuneration payable to the Joint Managing Director in such manner as may be permitted in accordance with the provisions of the Companies Act, 1956 and Schedule XIII or any modification thereto and as may be agreed by and between the Board and Mr. Kushagra Bajaj."

7. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:-
"RESOLVED THAT in partial modification of the Special Resolution passed at the Extraordinary General Meeting of the Company held on May 04, 2009 and subject

to the provisions of Sections 198, 268, 309, 310 and 311 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 (including any amendment thereto or re-enactment thereof for the time being in force) and subject to the approval of Central Government and any other approval(s) as may be required, the consent and approval of the Company be and is hereby accorded to the revision in the terms of remuneration of Dr. Sanjeev Kumar, Whole-time Director with effect from October 1, 2011 till the remaining tenure of the present term of Whole-time Director expiring on March 11, 2014, by revising the salary from '₹ 6,00,000 per month' to 'in the range of ₹ 6,00,000 - 10,000 – 12,00,000 per month' with resultant changes in certain allowances, perquisites and benefits as set out herein below:-

I. Remuneration

- a) Salary: ₹ 6,00,000 p.m. in the scale of ₹ 6,00,000 – 10,000 – 12,00,000 per month.
- b) Allowances and Perquisites:
 - i) House rent Allowance: House Rent Allowance at the rate of 20% of Basic Salary.
 - ii) Special Allowance: Special Allowance as per the rules of the Company, presently ₹ 7,75,366 per month.
 - iii) Other Allowances: Allowances for Food Coupons, Children Education, etc. as per the rules of the Company.
 - iv) Medical Expenses: Reimbursement of actual medical expenses incurred as per the rules of the Company.
 - v) Leave Travel Concession: Leave Travel Concession (LTC) in respect of himself and family not exceeding one month's salary per annum as per the rules of the Company.
 - vi) Contribution to Provident Fund: Company's contribution to Provident Fund to the extent the same is not taxable under the Income-tax Act, 1961.
 - vii) Gratuity: Gratuity as applicable as per the provisions of the relevant Act and as per the rules of the Company.
 - viii) Leave: Leave with full pay or encashment thereof as per the rules of the Company.
 - ix) Other Perquisites: Subject to overall ceiling on remuneration mentioned herein below the Whole-time Director may be given other allowances, benefits and perquisites as the Board of Directors may from time to time decide.

Explanation:

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

c) Amenities:

- i) Conveyance facilities: Reimbursement of fuel expenses, driver's salary, car repairs and maintenance and car insurance renewal as per the rules of the Company.
- ii) Communication facilities: Reimbursement of residential telephone expenses upto ₹ 1500/- per month.
- iii) Other Facilities: Reimbursement of uniform expenses and books and periodicals expenses as per the rules of the Company.

II. Overall remuneration:

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

III. Minimum remuneration:

In the event of loss or inadequacy of profits in any financial year during the currency of tenure of service of Whole-time Director, the payment of remuneration shall be governed by the limits prescribed under Section II of the Part II of Schedule XIII to the Companies Act, 1956 as may for the time being, be in force.

"RESOLVED FURTHER THAT in case the Company has in any financial year no profits or if its profits are inadequate anytime during the period of 3 (three) years from October 1, 2011 or the remaining tenure whichever is less, the Whole-time Director shall be paid the aforesaid remuneration as the minimum remuneration, with the liberty to the Board of Directors (which term shall be deemed to include the Remuneration & Compensation Committee) to revise, amend, alter and vary the terms and conditions relating to the remuneration."

8. 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 309 and other applicable provisions, if any, of the Companies Act, 1956 (including any amendment thereto or re-enactment thereof for the time being in force) and other applicable rules, regulations, guidelines and other statutory provisions and subject further to the approval of Central Government and any other approval(s) as may be required, consent and approval of the Company be and is hereby granted for payment and distribution of commission to Non-Executive Directors (other than Directors in Whole-time employment of the Company), not exceeding 1% of the Net Profits of the Company, to be computed in the manner laid down in Sections 198, 349 and 350 of the Companies Act, 1956 for a period of 5 years commencing from October 1, 2011."

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

"RESOLVED THAT pursuant to the provisions of Section 81(1A) and other applicable provisions, if any, of the Companies Act, 1956 (including any amendment thereto or re-enactment thereof for the time being in force), the Foreign Exchange Management Act, 1999, the Issue of Foreign Currency Convertible Bonds and Ordinary Shares (Through Depository Receipt Mechanism) Scheme, 1993, 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 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 other statutory and regulatory approval(s), consent(s), permission(s) and/or sanction(s) 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") as may be required, 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 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 equity shares and/or securities in one or more tranches, whether denominated in rupee or foreign currency(ies), in the course of international and/or domestic offering(s) in one or more foreign market(s), for a value of upto ₹ 2,000 crore (Rupees Two thousand crore only) including Equity Shares and/or Other Financial Instruments ("OFIs") through Qualified Institutions Placement ("QIP") basis to Qualified Institutional Buyers ("QIB"), Global Depository Receipts ("GDRs"), American Depository Receipts ("ADRs"), Foreign Currency Convertible Bonds ("FCCBs"), any other Depository Receipt Mechanism and/or convertible into Equity Shares (either at the option of the Company or the holders thereof) at a later date, any such instrument or security [including Debentures or Bonds or Foreign Currency Convertible Bonds ("FCCBs")] being either with or without detachable warrants attached thereto entitling the warrant holder to apply for Equity Shares/instruments or securities including Global Depository Receipts and American Depository Receipts representing Equity Shares (hereinafter collectively referred to as the "Securities") or any combination of Equity Shares with or without premium, to be subscribed to in Indian and/or any foreign currency(ies) by resident or non-resident/foreign investors (whether institutions and/or incorporated bodies and/or individuals and/or trusts and/or otherwise)/ Foreign Institutional Investors ("FIIs")/ Mutual Funds/ Pension Funds/ Venture Capital Funds/ Banks and such other persons or entities, whether or not such investors are members of the Company, to all or any of them, jointly or severally through prospectus, offer document and/or

other letter or circular ("Offer Document") and/or on private placement basis, from time to time in one or more tranches as may be deemed appropriate by the Board and such issue and allotment to be made on such occasion or occasions, at such value or values, 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 such modifications thereto as the Board may determine in consultation with the Lead Manager(s) and/or Underwriters and/or other Advisors, with authority to retain oversubscription upto such percentage as may be permitted by the Appropriate Authorities, at such price or prices, at such interest or additional interest, at a discount or at a premium on the market price or prices and in such form and manner and on such terms and conditions or 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 person(s), but without requiring any further approval or consent from the shareholders and also subject to the applicable regulations for the time being in force."

"RESOLVED FURTHER THAT a minimum of 10% of the Securities issued pursuant to said 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 Global Depository Receipts or securities issued on conversion of FCCBs is the date of the meeting in which the Board decides to open the proposed issue or such 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 upto 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 law and regulations, such Securities to be issued, that are not subscribed, may be disposed of 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)/ Foreign Institutional Investors ("FIIs")/ Qualified Institutional Buyers ("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 agree to and make and accept such conditions, modifications and alterations stipulated by any of the relevant authorities while according approvals, consents or permissions to the issue as may be considered necessary, proper and expedient and 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."

"RESOLVED FURTHER THAT to the extent permissible under Law, the Board be and is hereby authorised to delegate all or any of the powers herein conferred by this resolution on it, to any Committee of Directors or any person or persons, as it may in its absolute discretion deem fit in order to give effect to this resolution."

By Order of the Board of Directors



Pradeep Parakh

Group President (GRC) & Company Secretary

Place: Mumbai

Date: November 23, 2011

NOTES:

1. **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.**
2. 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.
3. In case of joint holders attending the Meeting, only such joint holder who is higher in order of names will be entitled to vote.
4. In terms of Article 104 of the Articles of Association of the Company, read with Section 256 of the Companies Act, 1956, Mr. D. K. Shukla and Mr. R.V. Ruia, Directors, retire by rotation and being eligible, offer themselves for re-appointment. The Board of Directors commends their respective re-appointments.

5. 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 in India, are provided in the annexure.
6. The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, relating to Special Business to be conducted at the Meeting is annexed hereto.
7. Relevant documents referred 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.
8. The Register of Members and Share Transfer Register Books of the Company shall remain closed from Saturday, February 04, 2012 to Saturday, February 11, 2012 (both days inclusive).
9. Dividend in respect of the equity shares of the Company as recommended by the Directors, if approved at the Annual General Meeting, will be paid at par on or after February 11, 2012:-
 - a) To those members who hold shares in physical form and whose names shall appear in the Register of Members as on Friday, February 03, 2012.
 - b) In respect of Shares held in electronic form, to the beneficial owners of Shares as at the close of business hours on Friday, February 03, 2012 as per the details to be furnished by the Depositories to the Company for this purpose.
10. 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).
11. 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.
12. 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.
13. 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, 2nd 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 E-mail: 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 E-mail: sharepro@shareproservices.com

14. Pursuant to the provisions of 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 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 205C (1) 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
2003-2004	31.03.2005	06.05.2012
2004-2005	28.03.2006	03.05.2013
2005-2006	30.03.2007	05.05.2014
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

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 Sharepro Services (India) Pvt. Ltd. well in advance of the above due dates. It may be noted that once the amounts in the unpaid dividend accounts are transferred to IEPF, no claim shall lie against the IEPF or the Company in respect thereof and the Members would lose their right to claim such dividend.

15. Members can avail of the facility of nomination in respect of shares held by them in physical form pursuant to the provisions of section 109A of the Companies Act, 1956. Members desiring to avail of this facility may send their nomination in the prescribed Form No. 2B duly filled in to 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 Participant for availing this facility.
16. The Ministry of Corporate Affairs, Government of India, has taken a "Green Initiative in Corporate Governance" by allowing paperless compliances by the companies and has issued Circulars inter alia stating that the service of notice/documents to the Members can be made in electronic mode. In support of the Green Initiative, your Company sent a Circular dated December 02, 2011, to all shareholders informing them about the Company's proposal to send the documents like Notice calling the Annual General Meeting, Audited Financial Statements, Directors' Report, Auditors' Report, etc. from the Financial Year ended September 30, 2011 onwards and other communication, in electronic mode. These Members were also given an option to continue to receive the documents in Physical Form. Accordingly, the Annual Report for the year 2010-2011, Notice for the Annual General Meeting, etc. are being sent in electronic mode to such of the Members of the Company whose e-mail addresses are available with the Company and who have not opted to receive the same in physical form.

Members are requested to support this Green Initiative by registering/updating their e-mail addresses, with the Depository Participant (in case of Shares held in dematerialized form) or with the Company/Sharepro Services (India) Pvt. Ltd., Registrar and Share Transfer Agent of the Company (in case of Shares held in physical form).

**ANNEXURE TO THE NOTICE
EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956**

The following Explanatory Statement sets out all the material facts relating to the Special Business under Item Nos. 6 to 9 of the accompanying Notice dated November 23, 2011

In respect of Item No. 6

Mr. Kushagra Bajaj, presently aged 34 years, is the son of Mr. Shishir Bajaj. He graduated with a Bachelor's of Science degree in Economics, Political Philosophy and Finance from Carnegie Mellon University, Pittsburgh, USA. He received his Master of Science degree in Marketing from the Northwestern University, Chicago, USA. He was the Chief Executive of the Company from August 2001 to April 2007 and has been managing the affairs of the Company since then under the superintendence and control of Mr. Shishir Bajaj, Chairman and Managing Director of the Company. He was appointed as Joint Managing Director with effect from April 24, 2007. He was re-designated as the Vice Chairman and Joint Managing Director with effect from April 30, 2011 and is responsible for overall operations of our Company and its subsidiaries. He has over one decade of experience in sugar and FMCG industries. The performance of the Company has been commendable under the stewardship of Mr. Kushagra Bajaj. The present term of office of Mr. Kushagra Bajaj as the Joint Managing Director of the Company will expire on April 23, 2012.

The Board of Directors, therefore, at its meeting held on November 23, 2011 has, pursuant to the approval of the Remuneration & Compensation Committee of the Board and subject to the approval of the Members and such other approval(s)/permission(s)/consent(s) as may be required, re-appointed Mr. Kushagra Bajaj as the Vice Chairman and Joint Managing Director of the Company for a further tenure of 5 (five) years from April 24, 2012 on terms and conditions set out in Resolution at item No. 6 of the accompanying notice. A statement pursuant to Section 302 of the Companies Act, 1956 in respect of the resolution passed by the Board of Directors in this regard will be circulated to the Members of the Company.

The Board has proposed to pay the above remuneration to him as the Minimum Remuneration which, in the event of absence or inadequacy of profits of the Company in any financial year during the tenure of the present term of Mr. Kushagra Bajaj as Joint Managing Director of the Company, would be in excess of the maximum remuneration payable to him as an Executive Director as specified in Schedule XIII to the Companies Act, 1956 and therefore will require approval of the members at General Meeting and also the Central Government in terms of section 198(4) read with Schedule XIII of the Companies Act, 1956. Statement as required under Section II, part II of the Schedule XIII of the Companies Act, 1956 with reference to Resolution at the Item No. 6 is annexed hereto Marked **Annexure – A**.

The approval of shareholders is sought, pursuant to the provisions of Sections 198, 269, 309 and other applicable provisions, if any, of the Companies Act, 1956 read with Schedule XIII thereto, for the above re-appointment of Mr. Kushagra Bajaj as the Vice Chairman and Joint Managing Director of the Company and payment of remuneration to him. The Board of Directors of the Company recommend passing of the Special Resolution as Item No. 6 of the Notice.

A copy each of the Resolution passed by the Board of Directors at its meeting held on November 23, 2011 and the Statement pursuant to Section 302 of the Companies Act, 1956 circulated to the shareholders, as referred to above, are available for inspection by members during business hours on all working days at the registered office of the Company up to the date of the meeting.

Mr. Kushagra Bajaj himself and Mr. Shishir Bajaj, Chairman & Managing Director, being relative of Mr. Kushagra Bajaj, may be deemed to be interested in the Resolution at Item No. 6 of the Notice. Save as aforesaid, none of the Directors of the Company is, in any way, concerned or interested in the said resolution.

In respect of Item No. 7

Dr. Sanjeev Kumar, Director (Corporate & Legal Affairs) is in charge of the Corporate and Legal Affairs functions of the Company for around last 7 years. The Board of Directors has appointed Dr. Sanjeev Kumar as a Whole-time Director of the Company with effect from March 12, 2009. The Members at the Extraordinary General Meeting held on May 04, 2009 approved the appointment and terms thereof of Dr. Sanjeev Kumar as Whole-time Director of the Company, for a period of 5 (five) years with effect from March 12, 2009 with an Basic Salary in the scale of ₹ 1,72,000-10,000-6,00,000 alongwith certain allowances, perquisites and other benefits and delegated the authority for annual increments to the Board.

As per the last annual increments approved by the Board, the upper band of salary scale of ₹ 6,00,000 per month has already been achieved. Accordingly on recommendation of the Remuneration & Compensation Committee of Directors of the Company, the Board of Directors of the Company at its meeting held on November 23, 2011, had, subject to the approval of shareholders of the Company, passed a resolution to revise the salary of Dr. Sanjeev Kumar in the scale of ₹ 6,00,000-10,000-12,00,000 per month with effect from the commencement of the present financial year i.e. October 1, 2011 till the remaining tenure of the present term i.e. upto March 11, 2014. Other terms and conditions will remain unaltered. A disclosure pursuant to Section 302 of the Companies Act, 1956 in respect of the resolution passed by the Board of Directors in this regard will be circulated to the Members of the Company.

A copy each of the Resolution passed respectively by the Remuneration & Compensation Committee and Board of Directors at their meeting held on November 23, 2011 and the disclosure pursuant to Section 302 of the Companies Act, 1956 circulated to the shareholders, as referred to above, are available for inspection by members during business hours on all working days at the registered office of the Company up to the date of the meeting.

The Board of Directors recommends passing of the Special Resolution at Item No. 7 of the Notice.

Dr. Sanjeev Kumar is interested in the resolution at Item No. 7 of this Notice. Save as aforesaid, none of the Directors of the Company is, in any way, concerned or interested in the said resolution.

In respect of Item No. 8

The Company presently pays sitting fees of ₹ 20,000/- for each Board Meeting and ₹ 10,000/- for each Committee Meeting attended by Non-Executive Directors. The Directors are required to devote significant time and attention to the wider scope of business activities of the Company and more so with the requirements of the revised Corporate Governance policies. The Board therefore recognises the need to suitably remunerate the Director(s) of the Company who are not in the whole-time employment of the Company with payment of commission based on the Net Profits of the Company.

Under Section 309(2) read with Section 309(4) of the Companies Act, 1956, Non-Executive Directors may receive remuneration by way of a sitting fee for each meeting of the Board or a Committee attended and by way of a monthly, quarterly or annual payment or by way of commission if the Company by Special Resolution authorises such payment. Accordingly, approval of the shareholders is being sought for payment of the aforesaid commission for a period of 5 (five) years commencing from October 1, 2011.

At the Board Meeting held on November 23, 2011, the Board has considered seeking approval of the shareholders for payment of commission upto a sum not exceeding 1 (One) % of the Net Profits of the Company.

The Board of Directors recommends passing of the Special Resolution at Item No. 8 of the Notice.

All the Non-Executive Directors of the Company namely Mr. D.S. Mehta, Mr. M.L. Apte, Mr. R.V. Ruia, Mr.D.K. Shukla and Mr. Alok Krishna Agarwal may be deemed to be interested and/or concerned in the Resolution at Item No. 8 to the extent of the remuneration that may be received by them. Save as aforesaid, none of the Directors of the Company is, in any way, concerned or interested in the said resolution.

In respect of Item No. 9

Any increase in subscribed capital by allotment of further shares by any company shall be in compliance of the provisions of Section 81 of the Companies Act, 1956 (the Act). For issuance of further shares that may be offered to any person otherwise than as stated in section 81(1) of the Act, prior permission of shareholders is required to be obtained by way of passing of a special resolution pursuant to section 81(1A) of the Act.

Furthermore, as per 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), approval of shareholders by way of special resolution is required to be obtained for issuance of further shares by way of Qualified Institutions Placement (QIP), Global Depository Receipts (GDR), American Depository Receipts (ADR), Foreign Currency Convertible Bonds (FCCB), 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 at the last Annual General Meeting held on March 22, 2011 for an amount upto ₹ 2,000 crore, which for the purpose of raising funds through QIP issue is valid only upto March 21, 2012. To enable the Company to raise equity funds depending upon its business needs and as may be advised, approval of shareholders being sought for issue of equity shares and/or any other financial instruments convertible into equity through Qualified Institutions Placement (QIP) under SEBI (ICDR) Regulations, 2009 and/or through issuance of securities in the international markets by way of GDRs/ADRs/FCCBs etc. in one or more tranches, upto an amount not exceeding ₹ 2,000 crore (Rupees Two Thousand crore).

As per the provisions of 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 pursuant to the provisions of Chapter VIII of the SEBI (ICDR) Regulations, 2009, the aggregate of the proposed Qualified Institutions Placements and all previous Qualified Institutions 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 Resolution contained in Item No. 9 to be passed by the shareholders, so as to enable it to issue further equity shares and/or other securities 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 in Item No. 9 of the Notice.

All the Directors may be deemed to be interested in the Resolution at Item No. 9, 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. None of the Directors of the Company is, in any way, concerned or interested in the Resolution proposed in Item No. 9 of the Notice.

By Order of the Board of Directors



Pradeep Parakh

Group President (GRC) & Company Secretary

Place : Mumbai

Dated : November 23, 2011

Details of Directors seeking re-appointment/appointment at the 80th Annual General Meeting (in pursuance of Clause 49 of the Listing Agreement)

Name of the Director	Mr. D. K. Shukla	Mr. R.V. Ruia	Mr. Kushagra Bajaj
Director Identification Number	00025409	00035853	00017575
Date of Birth	01.03.1943	01.05.1961	04.02.1977
Nationality	Indian	Indian	Indian
Date of appointment on the Board	21.12.2008	16.04.2001	24.04.2007
Qualifications	B.A. and Masters Degree in Social Work	B. Com.	Bachelor of Science degree in Economics, Political Philosophy and Finance from Pittsburg, USA and Masters Degree in Marketing from Chicago, USA
Expertise in functional area	Recruitment, Marketing, Training promotions, etc,	Management and Corporate strategies	Expertise in Sugar and FMCG industries
Number of shares held in the Company	Nil	6,750	1,28,97,036
List of Directorships held in other companies	Nil	1. DCW Limited 2. Ravinay Trading Company Ltd. 3. Breezwell Homes & Holdings Pvt. Ltd. 4. Dawn Apparels Pvt. Ltd. 5. RNR Trading Pvt. Ltd. 6. Ruia Industries Limited 7. Altamount Holdings & Trading Co. Pvt. Ltd. 8. Special Paints Ltd.	1. Bajaj Consumer Care Ltd. 2. Bajaj Eco-Tec Products Ltd. 3. Bajaj Corp Ltd. 4. Bajaj Capital Ventures (P) Ltd. 5. KNB Enterprises Pvt. Ltd. 6. Bajaj Power Ventures Pvt. Ltd. 7. Bajaj Trustee Company Pvt. Ltd. 8. Bajaj Energy Pvt. Ltd. 9. Global World Power Projects Pvt. Ltd.
Chairman/Member of the Committees of the Boards of other companies in which he is Director as on 30.09.2011	None	None	None

'ANNEXURE – A' REFERRED TO IN THE EXPLANATORY STATEMENTS TO RESOLUTION AT ITEM NO. 6 OF THE NOTICE FOR 80TH ANNUAL GENERAL MEETING OF BAJAJ HINDUSTHAN LIMITED

Statement as required under Section II, part II of the Schedule XIII of the Companies Act, 1956 with reference to the Resolution at Item No. 6 is as follows:

I. General Information:

- (1) Nature of industry: Manufacturing of Sugar, Industrial Alcohol & co-generation of power.
- (2) Date of expected date of commencement of commercial production: Existing Company already commenced from 1931
- (3) In case of new Companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: Existing Company not applicable
- (4) Financial performance based on given Indicators

Sl. No.	Particulars	Audited figure for 12 month period ended 30.09.2011 (₹ in Crore)	Audited figure for 12 month period ended 30.09.2010 (₹ in Crore)	Audited figure for 12 month period ended 30.09.2009 (₹ in Crore)
1.	Net sales/income from operations	4850.40	2873.60	1583.74
2.	Other income	68.75	155.38	231.15
3.	Total Expenditure (including adjustment of stock)	4053.35	2415.16	1219.60
4.	Interest(net)	515.95	301.34	187.08
5.	Depreciation	330.91	257.44	202.21
6.	Profit before tax	18.94	55.04	206.00
7.	Provision for Tax	6.94	3.29	49.77
8.	Net Profit	12.00	51.75	156.23

- (5) Export performance and net foreign exchange collaborations: Nil
- (6) Foreign investment of collaborators, if any: Nil

II. (a) Information about the appointee Mr. Kushagra Bajaj

- (1) Background details :

Mr. Kushagra Bajaj is an eminent Industrialist from Bajaj family, is actively looking after the affairs of the Company since 2001. Mr. Bajaj, aged 34 years, has been on the Board of the Company since April 24, 2007 as Joint Managing Director. He was designated as Vice Chairman & Joint Managing Director of the Company with effect from April 30, 2011.

- (2) Past remuneration:

I. Remuneration:

a) Salary: Basic Salary (per month) ₹ 6,00,000/-

b) Allowances and Perquisites:

- i) Housing: a) Residential accommodation OR House Rent Allowance at the rate of 50% of Salary. b) Expenses pertaining to gas, electricity, water and other utilities will be borne/ reimbursed by the Company. c) The Company shall provide such furniture and furnishing as may be required by the Joint Managing Director.
- ii) Allowance in lieu of Provident Fund: Allowance in lieu of Company's contribution to Provident Fund equivalent to 12% of basic salary.
- iii) Allowance in lieu of Superannuation Fund: Allowance in lieu of Company's contribution to Superannuation Fund equivalent to 15% of basic salary.
- iv) Medical Reimbursement: Reimbursement of actual medical expenses incurred in India and/or abroad and including hospitalisation, nursing home and surgical charges for himself and family. In case of any medical treatment abroad, the travelling, boarding and lodging expenses for patient and attendant are also payable.
- v) Leave Travel Concession: Reimbursement of all the expenses (like travel fare, lodging, boarding, conveyance and other expenses) incurred for self and family during leave travel periods, wherever undertaken, whether in India or abroad.
- vi) Club Memberships: Subscription or reimbursement of membership fees for clubs in India and/or abroad, including admission and life membership fees.
- vii) Entertainment Expenses: Reimbursement of entertainment expenses incurred in the course of business of the Company.
- viii) Personal Accident Insurance: Personal accident insurance policy in accordance with the scheme applicable to senior employees of the Company.
- ix) Gratuity: Gratuity at the rate of one month's salary for each completed year of service.
- x) Leave: Leave with full pay or encashment thereof as per the rules of the Company. Encashment of the unavailed leave being allowed at the end of the tenure.

Explanation:

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

c) Commission:

Commission at the rate of 1% (one per cent) of the net profits of the Company for each financial year, payable after adoption of the annual accounts for that financial year by shareholders.

d) Amenities:

- i) Conveyance facilities: The Company shall provide suitable conveyance facilities as may be required by the Joint Managing Director.
- ii) Communication facilities: The Company shall provide telephone, telefax and other communication facilities at the Joint Managing Director's residence.

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

- (3) Recognition of awards: Nil
- (4) Job profile and suitability: Mr. Kushagra Bajaj, Vice Chairman & Joint Managing Director and is responsible for overall operations of the Company and its subsidiaries. He has over one decade of experience in Sugar and FMCG industries, all of which has been with our Company and with the Group Companies of our Promoters. The performance of the Company has been commendable under the stewardship of Mr. Kushagra Bajaj.
- (5) Remuneration proposed: As stated in Resolution at Item No. 6 the approval for shareholders by a special resolution is sought for payment of remuneration and also in case the Company has no profit or inadequate profit during the present tenure, the present remuneration be treated as minimum remuneration.
- (6) Comparative remuneration profile with respect to industry size of the Company, profile of the position and person (in expatriates, the relevant details would be w.r.t the country of origin): The Remuneration as proposed of Mr. Kushagra Bajaj is similar to that drawn by the peers in the similar capacity in the similar industry.
- (7) Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any: Mr. Kushagra Bajaj is a Promoter Director holding 1,28,97,036 shares consisting of 2.02% of the paid-up capital of the Company. Mr. Kushagra Bajaj (Vice Chairman & Joint Managing Director) is the son of Mr. Shishir Bajaj. No other managerial personnel have any relationship with Mr. Kushagra Bajaj.

III. Other information:

- (1) Reasons for loss or inadequate profits:

Internationally, all the leading Sugar producing nations, viz., Brazil, Thailand and Australia, follow a formula for sugarcane pricing, whereby the sugarcane price is derived from the prevailing market price of sugar. Whereas in the State of Uttar Pradesh (where all the sugar mills of the Company are located), the sugarcane price is fixed by the Government in an arbitrary manner without any reference whatsoever to the prevailing sugar price in form of State Advised Price (SAP).

The secular increase in sugarcane price year after year in form of high SAP, is in stark contrast to the fluctuating Sugar prices that have been comparatively quite low most of the times during last couple of years.

Another disruptive factor was the disparity in sugarcane price in Uttar Pradesh. Current year, the U.P. Government has announced SAP of ₹ 240 per quintal irrespective of Sugar recovery, which is much higher than FRP (Fair & Remunerative Price) fixed by the Central Government.

On top of it, the sugar production in India during last few years witnessed an unprecedented leap resulting in sharp drop in sugar prices due to demand supply mismatch.

This coupled with the increase in interest cost resulted in incurring of loss by almost all sugar mills in Uttar Pradesh. The Company presently is the largest producer of sugar not only in U.P. but in India. Its aggregate crushing capacity is 1.36 lakhs TCD. If the present SAP and the market price of sugar continue, even variable costs may not be covered.

Furthermore a large amount on account of various incentives/subsidies under the U.P. Sugar Promotion Policy and the levy Sugar price difference is held up with Government authorities. This has resulted in increased debt burden and consequently the interest cost.

- (2) Steps taken or proposed to be taken for improvement:

The Company has taken certain initiatives towards operational efficiencies which will increase percentage of recovery and production of sugar. The Company's initiatives towards better financial management will also reduce in finance cost on company's borrowings. The Company's plans to reduce its debts and consequently the interest cost. The improved usage of by-product is also expected to contribute to overall realizations. The Company has also diversified into coal based Thermal Power Projects through its SPVs to balance the cyclical effects of sugar business.

- (3) Expected increase in productivity and profits in measurable terms:

The Company is the largest producer of sugar in U.P. with sugarcane crushing capacity of 1,36,000 TCD. The continuous efforts for improving the operational efficiencies and value-additive utilization of its by-products are expected to improve the productivity as also the profitability.

The alcohol manufacturing capacity of the Company is 800 KL per day, improved prices of industrial alcohol and ethanol are likely to add to both - Company's top-line and bottom-line.

Company's capability of generating an exportable surplus of 90 MW which can be supplied to the local grid, from its overall co-generation capacity provides the Company with necessary insulation from the cyclical associated with its Sugar business.

The above increase in capacity coupled with other factors like demand-supply position, lower SAP and value addition for its by-products etc. are likely to increase the profitability of the Company.

IV. Disclosures

- (1) Remuneration package of the managerial person: Fully described in the respective Resolution and/or Explanatory Statement;
- (2) Disclosures in the Board of Directors' report under the heading 'Corporate Governance' relating to attached to the Annual Report:
 - (i) All elements of remuneration package such as salary, benefits, stock options, pension etc. of all the directors;
 - (ii) Details of fixed component and performance linked Incentives along with the performance criteria;
 - (iii) Service contracts, notice period, severance fees;
 - (iv) Stock option details, if any, and whether the same has been issued at a discount as well as the period over which accrued and over which exercisable.

The requisite details in respect of para 2(i), 2(ii) and 2(iii) are given in the Corporate Governance Report for the Financial Year ended September 30, 2011 attached to the 80th Annual Report.

bajaj hindusthan ltd.

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

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

Attendance Slip

To be handed over at the entrance of the Meeting Hall

I / We hereby record my/our presence at the 80TH ANNUAL GENERAL MEETING of the Company held at the Kamalnayan Bajaj Hall, Bajaj Bhawan, Ground Floor, Jamnalal Bajaj Marg, 226, Nariman Point, Mumbai – 400 021 on Saturday, February 11, 2012 at 11.30 A.M.

NAME/S OF THE SHAREHOLDER (IN BLOCK LETTERS)	
NAME OF THE PROXY (IN BLOCK LETTERS)	
SIGNATURE OF THE SHAREHOLDER / PROXY	

Notes:

1. Member/s intending to appoint a Proxy should complete the Proxy Form below and deposit it at the Registered Office of the Company not later than 48 hours before the time of commencement of the meeting.
2. A Proxy need not be a member.
3. A Proxy cannot speak at the meeting or vote on show of hand.

------(Tear Here)-----

bajaj hindusthan ltd.

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

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

Proxy Form

I/We _____ of _____ in the district of _____ being a member/members of BAJAJ HINDUSTHAN LIMITED, hereby appoint _____ of _____ in the district of _____ or failing him _____ of _____ in the district of _____ or failing him _____ of _____ in the district of _____ as my/our proxy to vote for me/us on my/our behalf at the 80TH ANNUAL GENERAL MEETING of the Company held at the Kamalnayan Bajaj Hall, Bajaj Bhawan, Ground Floor, Jamnalal Bajaj Marg, 226, Nariman Point, Mumbai – 400 021 on Saturday, February 11, 2012 at 11.30 A.M. and any adjournment thereof.

Signed this _____ day of _____ 2012

Affix
15 paise
Revenue
Stamp

N.B.: The Proxy Form duly signed should reach the Registered Office of the Company at least 48 hours before the time of commencement of the meeting.

Signature/s of shareholder/s