



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

To  
The Members of  
**BAJAJ HINDUSTHAN LIMITED**

Dear Sir/Madam,

**Disclosures under Section 302 of the Companies Act, 1956**

**A. Re-appointment of Mr. Kushagra Bajaj as Joint Managing Director**

Mr. Kushagra Bajaj, presently aged 34 years, has been on the Board of the Company since April 24, 2007. He was re-designated as the Vice Chairman and Joint Managing Director with effect from April 30, 2011. Prior to his induction on the Board, he has been associated with the Company as Chief Executive since August 2001. The growth and performance of the Company has been commendable under the stewardship of Mr. Kushagra Bajaj.

The present term of office of Mr. Kushagra Bajaj as Joint Managing Director of the Company will be expiring on April 23, 2012.

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 re-appoint Mr. Kushagra Bajaj as the Joint Managing Director of the Company for a further period of 5 (Five) years commencing from April 24, 2012 till April 23, 2017 on terms and conditions including remuneration mentioned hereunder.

In compliance with the requirements of Section 302(7) of the Companies Act, 1956 an abstract of the remuneration payable to Mr. Kushagra Bajaj, as Joint Managing Director and other terms of re-appointment as contained in the aforesaid Board Resolution is set out below:-

**ABSTRACT**

**I. Remuneration:**

**a) Salary:**

Rs. 6,00,000 p.m. in the scale of Rs. 6,00,000 – 1,00,000 - 18,00,000. The 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) 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 financial year shall not exceed the limits prescribed from time to time under Sections 198, 309 and other applicable provisions of the Companies Act, 1956 read with Schedule XIII to the said Act as may for the time being, be in force.

**III. Minimum remuneration:**

In the event of loss or inadequacy of profits in any financial year during the currency of tenure of service of the Vice Chairman & Joint Managing Director, the payment of salary, allowances, perquisites and other allowances and commission 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.

**IV. Other Terms and Conditions:**

Other terms and conditions of re-appointment of Mr. Kushagra Bajaj, the Joint Managing Director is as under:

- a. The Joint Managing Director shall not be paid any sitting fees for attending the meetings of the Board of Directors or Committees thereof.
- b. The Joint Managing Director shall not, so long as he functions as such, become interested or otherwise concerned directly or through his wife and /or minor children in any selling agency of the Company in future without prior approval of the Central Government.

**MEMORANDUM OF CONCERN OR INTEREST OF DIRECTORS**

Mr. Kushagra Bajaj, Vice Chairman & Joint Managing Director of the Company and Mr. Shishir Bajaj, Chairman & Managing Director of the Company being relative within the meaning of Section 6 of the Companies Act, 1956 may be deemed to be interested in the re-appointment and remuneration of Mr. Kushagra Bajaj.

Save as aforesaid, none of the other Directors is, in any way, concerned or interested in this re-appointment and remuneration.

A copy each of the resolutions passed respectively by the Remuneration & Compensation Committee and the Board of Directors at the meetings held on November 23, 2011 are available for inspection at the Registered Office of the Company during business hours on all working days.

**B. Revision in remuneration of Dr. Sanjeev Kumar, Director (Corporate & Legal Affairs)**

Dr. Sanjeev Kumar was appointed as Whole-time Director of the Company designated as Director (Corporate and Legal Affairs) since March 2009. Prior to his induction on the Board, he has been associated with the Company as Group President of Corporate and Legal Affairs since June 2004.

The terms of appointment and remuneration was approved by the shareholders at the Extraordinary General Meeting of the Company held on May 4, 2009, for the term of 5 (Five) years (from 12.03.2009 to 11.03.2014), that included salary in the scale of Rs. 1,72,000 – 10,000 – 6,00,000 along with 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 Rs.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 Rs. 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.

**MEMORANDUM OF CONCERN OR INTEREST OF DIRECTORS**

Dr. Sanjeev Kumar, Director (Corporate and Legal Affairs) of the Company is interested in this revision in the remuneration.

Save as aforesaid, none of the other Directors is, in any way, concerned or interested in this revision in the remuneration.

A copy each of the resolutions passed respectively by the shareholders at Extraordinary General Meeting held on May 4, 2009, the Remuneration & Compensation Committee and the Board of Directors at the meetings held on November 23, 2011 are available for inspection at the Registered Office of the Company during business hours on all working days.

By Order of the Board of Directors



Pradeep Parakh

Group President (GRC) & Company Secretary

Place: Mumbai  
Dated: 02.12.2011