

# bajaj hindusthan ltd.

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May 27, 2011

Dear Shareholder,

The operational performance and results of Bajaj Hindusthan Ltd. (BHL) during the first half of 2010-11 was relatively better compared to the performance during the first half of 2009-10. The turnover during this half year period October 1, 2010 to March 31, 2011 was ₹ 274,542 lacs, reflecting a growth of 117% and the Operating Profit grew by 60% to ₹ 41,776 lacs. On a half yearly basis, the Profit before tax and the Net Profit were ₹ 18,067 lacs and ₹ 13,068 lacs respectively representing a growth of 18% and 12% respectively. The results for the first half of 2010-11 pertains to the post-amalgamation entity after giving effect to the Scheme of Amalgamation between the Company and its subsidiary- Bajaj Hindusthan Sugar and Industries Limited (BHSIL) and is not strictly comparable with the results of the corresponding period of last year.

The highlights during this half year are depicted below : -

- Sugarcane crushing increased by 2.75% and sugar production increased by 3.65%.
- Recovery improved by 0.08% - from 9.24% to 9.32%.
- Revenue from Sugar Segment increased by 119%, from Industrial Alcohol by 236% and Power by 40%. The resultant increase in profit before tax was 28%, 812% and 37% respectively.
- Scheduled progress/commencement of the project work of setting up Thermal Power generation capacity through SPVs in phased manner:-
  - o Satisfactory Progress in setting up of 90MW (2 X 45MW) at each of the five locations in Uttar Pradesh aggregating to 450MW through a SPV.
  - o Acquisition of the SPV from UPPCL for implementation of 1980MW (3 X 660MW) coal-fired super critical Thermal Power Project in Lalitpur District of Uttar Pradesh.
  - o Formation of a SPV for setting up of 1980MW (3 X 660MW) coal-fired super critical Thermal Power Project in Chitrakoot District of Uttar Pradesh.

Sugar production in India during the current sugar season 2010 -11 is expected to be at 24 MMT. With the sugar season across India coming to a close, sugar prices are expected to remain stable in the short-term.

Bajaj Eco-Tec Products Limited – a subsidiary of company engaged in the business of manufacturing and sale of Particle Boards and MDF Boards have continued to strive for improved operational performance.

Bajaj Hindusthan (Singapore) Private Limited an wholly-owned subsidiary (wos) company commenced trading operations in commodities viz. sugar. The Company recorded turnover of S\$ 94.92 million and net loss of S\$ 8.33 million. The Company has also initiated steps to acquire coal mines in Indonesia.

Yours truly,

Sd/-

**Shishir Bajaj**

Chairman & Managing Director

## HALF-YEARLY FINANCIAL RESULTS

- Total turnover for first half of 2010-2011 was ₹ 274,542 lacs as against ₹ 126,108 lacs in corresponding half year of 2009-10 – an increase of 117%.
- Profit/(Loss) from Operations before other income, interest and exceptional items for the first half of 2010-11 was ₹ 41,776 lacs as against ₹ 26,060 lacs in first half of 2009-10 – an increase of 60%.  
Profit before Ordinary Activities before Tax for the first half of 2010-11 was ₹ 18,067 lacs as against ₹ 15,320 lacs in first half of 2009-10 – an increase of 18%
- Net Profit from Ordinary activities after Tax for the first half of 2010-11 was ₹ 13,068 lacs as against ₹ 11,699 lacs in first half of 2009-10 – an increase of 12%.

### Summary of unaudited Financial Results (Provisional) for the half year ended March 31, 2011

(₹ Lacs)

Particulars	Unaudited		Audited
	Current Year 6 Months 31.03.2011	Previous Year 6 Months 31.03.2010	Previous Year 12 Months 30.09.2010
Gross Sales/Income from Operations	280,268	121,849	297,027
Less: Excise Duty	7,453	3,565	9,667
Net Sales/Income from Operations	272,815	118,284	287,360
Other Operating Income	1,727	7,824	13,518
<b>Total Income</b>	<b>274,542</b>	126,108	300,878
Expenditure :			
a) (Increase)/decrease in Stock-in-Trade & Work- in-Progress	(85,938)	(165,278)	(74,357)
b) Consumption of Raw Materials*	273,456	233,715	276,564
c) Employees Cost	9,540	7,513	14,682
d) Depreciation	16,763	9,712	25,743
e) Other Expenditure	18,945	14,386	24,627
f) Total (2)	232,766	100,048	267,259
<b>Profit/ (Loss) from Operations before Other Income, Interest and Exceptional Items</b>	<b>41,776</b>	26,060	33,619
Other Income	61	323	2,020
Profit/(Loss) before Interest and Exceptional Items	41,837	26,383	35,639
Interest (Net)	23,770	11,063	30,134
Profit/(Loss) after Interest but before Exceptional Items	18,067	15,320	5,505
Exceptional Items	-	-	-
<b>Profit/(Loss) from Ordinary Activities before tax</b>	<b>18,067</b>	15,320	5,505
Tax expense**	5,000	3,621	329
(Excess)/Short provision for tax	(1)	-	-
<b>Net Profit/(Loss) from Ordinary Activities after tax</b>	<b>13,068</b>	11,699	5,176
Extraordinary items (net of tax expense ₹ Nil)	-	-	-
<b>Net Profit/(Loss) for the period</b>	<b>13,068</b>	11,699	5,176
Paid-up equity share capital (Face Value - ₹ 1/- per share)	2,284	1,914	1,914
Reserves excluding Revaluation Reserve			309,882
Earnings Per Share (EPS) before and after Extraordinary Items (Not Annualised):			
(a) Basic (₹ per share)	5.72	6.11	2.51
(b) Diluted (₹ per share)	5.72	6.11	2.51

\* Including cost of raw material sold.

\*\* Tax expense includes deferred tax of ₹ 3,245 lacs, ₹ 71 lacs, ₹ 4,988 lacs, ₹ 3,616 lacs and ₹ 319 lacs for the quarter ended March 31, 2011, quarter ended March 31, 2010, half year ended March 31, 2011, half year ended March 31, 2010 and year ended September 30, 2010 respectively.

**Notes:**

- Given the seasonal nature of the industry, the results of any quarter may not be a true and/or proportionate reflection of the annual performance of the Company.
- The Scheme of Amalgamation of Bajaj Hindustan Sugar and Industries Limited (BHSIL or amalgamating company), a subsidiary company with the Company with effect from the appointed date i.e. April 1, 2010, sanctioned by the Hon'ble High Court of Bombay vide its Order dated November 26, 2010 has become effective on December 20, 2010 upon filing the said Order with the Registrar of Companies, Maharashtra, Mumbai as required under Section 394(3) of the Companies Act, 1956. Subsequently the Company has allotted 3,70,00,000 Equity Shares of ₹ 1/- each on January 05, 2011 in accordance with the terms of the sanctioned Scheme.  
  
The results of the six months ended March 31, 2011 has been prepared after taking the effect of merger and hence the same are not comparable with the corresponding figures of previous year.
- Lalitpur Power Generation Company Ltd. (LPGCL) and Bajaj Power Generation Private Limited (BPGPL) have become subsidiaries of the Company. These subsidiaries will be used as SPVs for setting new Thermal Power Plants of 1980 MW each at two locations in the state of Uttar Pradesh. The MOU in this regard for both the locations have been signed with the State Govt. of Uttar Pradesh.
- The Zero Coupon Foreign Currency Convertible Bonds (FCCBs) aggregating to US\$ 120 million issued by the Company and of which FCCBs of US\$ 99.572 million were outstanding, after conversion/repurchase from time to time, the Company has made repayment of an aggregate amount of US\$ 133.006 million, including the redemption premium of US\$ 33.434 million on the due date (February 02, 2011) in accordance with the terms and conditions of the said FCCBs.
- Figures have been regrouped/rearranged wherever necessary.
- Statement of assets and liabilities (provisional) as at the end of half-year ended on March 31, 2011 is provided below:

(₹ Lacs)

	Particulars	Unaudited		Audited
		Current Period 6 Months 31.03.2011	Previous Period 6 Months 31.03.2010	Previous Year 12 Months 30.09.2010
1.	Share Holders' Funds			
	a) Capital	2,284	1,914	1,914
	b) Equity Suspense	-	-	370
	c) Stock Option Outstanding	1,530	-	1,530
	d) Reserves and Surplus	323,248	245,672	309,882
2.	Loan Funds	587,671	391,386	554,313
3.	Deferred Tax Liability (Net)	13,331	14,421	8,343
	Total	928,064	653,393	876,352
4.	Fixed Assets	549,004	308,349	557,119
5.	Investments	111,345	114,915	111,339
6.	Current Assets, Loans and Advances			
	a) Inventories	227,007	325,716	192,136
	b) Sundry Debtors	22,413	23,534	16,310
	c) Cash & Bank Balances	88,933	13,888	47,920
	d) Loans and Advances	166,466	236,268	142,421
	Less: Current Liabilities & Provisions			
	a) Liabilities	234,230	353,125	171,695
	b) Provisions	2,874	16,152	19,198
	Net Current Assets	267,715	230,129	207,894
	<b>Total</b>	<b>928,064</b>	<b>653,393</b>	<b>876,352</b>

- The Statutory Auditors have carried out the "Limited Review" of the results for the six months ended March 31, 2011.

**BOOK - POST**

*If undelivered, please return to:*

**BAJAJ HINDUSTHAN LTD.**

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226, Nariman Point, Mumbai - 400 021.