



May 8, 2012

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| BSE Limited First Floor, New Trade Wing Rotunda Building, Phiroze Jeejeebhoy Towers Dalal Street, Fort Mumbai 400 023 Fax No.2272 3719/2039 Stock Code: 500032 | National Stock Exchange of India Ltd. Exchange Plaza, 5 th Floor Plot No.C/I, 'G' Block Bandra- Kurla Complex Bandra East Mumbai 400 051 Fax No.2659 8237/8238 Stock Code: BAJAJHIND |
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Dear Sirs,

Sub.: Monitoring Agency Report

Pursuant to the provisions of the Clause 43A of the Listing Agreement, please find enclosed herewith a copy of the Monitoring Agency Report (First Report) received from IDBI Bank Limited for the half year ended March 31, 2012.

Kindly take the same on your record.

Thanking you,

Yours faithfully,
For **BAJAJ HINDUSTHAN LIMITED**

A handwritten signature in black ink, appearing to read 'Kausik Adhikari', is written over the typed name.

**KAUSIK ADHIKARI
DEPUTY COMPANY SECRETARY**

Encl: As above.

IDBI Bank Monitoring Agency Report – First Report
(For the half year ended March 31, 2012)

1. Name of the company: Bajaj Hindusthan Limited (BHL)
2. About the issue whose proceeds to be monitored

| | |
|--------------------|---------------------------------------|
| Issue date | September 29, 2011 – October 13, 2011 |
| Type of issue | Rights issue |
| Type of instrument | Equity Shares |
| Issue size | ₹ 1644.17 crore |
| Amount collected | ₹ 1479.75 crore [#] |

Company has allotted 41,10,42,800 equity shares against of issue size of 45,67,14,222 equity shares of ₹1 each with a share premium of ₹35 per equity share.

3. Details of the arrangements made to ensure the monitoring of issue proceeds.

We have obtained Statutory Auditors' Certificate dated April 16, 2012 from Chaturvedi & Shah., Mumbai for utilization of Right Issue proceeds by company.

4. Project details (to be monitored)

- a. Name of the project: The objects of the issue as disclosed in the Letter of Offer were;

| | |
|-----|------------------------------|
| (a) | Repayment/Prepayment of loan |
| (b) | General corporate purposes |
| (c) | Issue expenses |

- b. Cost of the project details:

(₹ crore)

| Item Head | Original Amount | Revised Amount* |
|-------------------------------|-----------------|--------------------|
| Repayment/Prepayment of loans | 1550.00 | 1395.00 |
| General corporate purposes | 45.43 | 40.88 [@] |
| Issue expenses | 48.74 | 43.87 |
| Total | 1644.17 | 1479.75 |

*As the rights issue was 90% subscribed, the utilization of the issue proceeds has been reassessed as under. The same has also been approved by the company's board of director in the board meeting held on October 19, 2011.

[@] Rounded off to nearest two decimal places.

If, any cost overruns, how it is proposed to be financed

The company has informed that there is no cost overrun in activities under the object clause as it is repayment of debt.



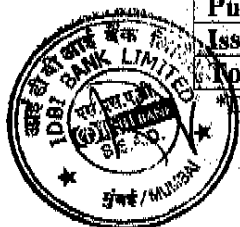
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c. Progress in the project:

i) Expenditure incurred upto March 31, 2012: ₹969.24 crore

| (₹ crore) | | | | | |
|--|---|---|--|---|------------------------|
| Item Head | Amount outstanding as on July 31, 2011 as mentioned in the Rights Issue Letter of Offer | Amount to utilized as per Letter of Offer | Revised amount to be utilized pursuant to board approval | Expenditure incurred during six months from issue proceed | Cumulative expenditure |
| (i) ECB Loan from BNP Paribas (JPY 9191.2 million) | 523.45* | | | 617.49 | 617.49 |
| (ii) ECB Loan from IFC (USD 125 million) | 387.57 | | | 46.39 | 46.39 |
| (iii) Allahabad Bank-I | 200.00 | | | 0.00 | 0.00 |
| (iv) Allahabad Bank-II | 58.32 | | | 8.34 | 8.34 |
| (v) Central Bank of India | 180.00 | | | 0.00 | 0.00 |
| (vi) State Bank of Hyderabad-I | 100.00 | | | 10.00 | 10.00 |
| (vii) State Bank of Hyderabad-II | 37.50 | | | 4.17 | 4.17 |
| (viii) Oriental Bank of Commerce | 200.00 | | | 20.00 | 20.00 |
| (ix) Canara Bank | 200.00 | | | 10.00 | 10.00 |
| (x) Bank of Baroda | 190.00 | | | 20.00 | 20.00 |
| (xi) Bank of India-I | 200.00 | | | 20.00 | 20.00 |
| (xii) Bank of India-II | 99.99 | 1550.00 | 1395.00 | 33.35 | 33.35 |
| (xiii) IDBI Bank Ltd | 180.00 | | | 25.00 | 25.00 |
| (xiv) State Bank of Patiala | 95.00 | | | 10.00 | 10.00 |
| (xv) Corporation Bank-I | 150.00 | | | 20.00 | 20.00 |
| (xvi) Corporation Bank-II | 149.99 | | | 33.34 | 33.34 |
| (xvii) Punjab National Bank | 204.16 | | | 29.17 | 29.17 |
| (xviii) Bank of Rajasthan | 23.33 | | | 0.00 | 0.00 |
| (xix) State Bank of Mysore | 38.75 | | | 8.50 | 8.50 |
| (xx) State Bank of India | 237.52 | | | 15.62 | 15.62 |
| Total (A) | 3455.58 | 1550.00 | 1395.00 | 931.37 | 931.37 |
| General Corporate Purposes (B) | NA | 45.43 | 40.88 | 0.00 | 0.00 |
| Issue expenses (C) | NA | 48.74 | 43.87 | 37.87 | 37.87 |
| Total (A+B+C) | | 1644.17 | 1479.75 | 969.24 | 969.24 |

* Difference due to Foreign Exchange Currency rate



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- ii) Means of finance raised for the project: As mentioned in the above table, the company has utilized ₹969.24 crore from the Right Issue proceeds during the six months period ended March 31, 2012
- d) If total cumulative amount raised is more than the expenditure incurred on the project, explain how the surplus funds are utilized/proposed to be utilized. Give details on investment like instruments, maturity, earnings and other conditions. Indicate name of the party/company in which amount have been invested. The following data shall be given separately for investment in group companies and others:-

The company, as per Statutory Auditors' Certificate dated April 16, 2012, has utilized an amount of ₹969.24 crore upto March 31, 2012. As stated in the prospectus the company has utilized the balance amount of ₹510.51 crore for temporary reduction of working capital loans availed from the various banks which would be redrawn when necessary. Details are given in annexure.

- e) Comments of Monitoring Agency on utilization of funds:

As per details submitted by company and Statutory Auditors' Certificate dated April 16, 2012, our observations are as under:


- (i) The company has collected ₹1479.75 crore by allotting 41,10,42,800 equity share of FV of ₹1 each at a premium of ₹35 per share aggregating ₹1479.75 crore as against right issue size of ₹1644.17 crore comprising of 45,67,14,222 and has utilized ₹931.37 crore towards the repayment of loan and ₹37.87 crore towards issue expenses aggregating to ₹969.24 crore as on March 31, 2012.
- (ii) As stated in the letter of offer, pending utilization of issue proceeds, the funds will be invested in quality, interest bearing, liquid instruments including money market mutual funds and deposits with banks or to temporarily reduce working capital borrowings from various banks and financial institution. The company has accordingly utilized an amount ₹510.51 crore to temporarily reduce working capital borrowing from the various banks and the same would be redrawn as and when it would necessary to meet the expenditure towards the objects of the Issue, i.e. Repay/Prepay the long term loans and also utilize the proceeds towards General Corporate purposes.
- f) If there is any delay in implementation of the project, the same may be specified, the reason thereof and the proposed course of action. (Please give the comparative statement of schedule of various activities as mentioned in the offer document and their actual implementation) –

As the object is repayment of loans, therefore it is not applicable.



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- g) Status of Government/Statutory approvals related to the project as disclosed in offer document. - Not Applicable
- h) Technical assistance/collaboration (please mention arrangements contemplated at the time of issue and the progress thereafter) - Not applicable
- i) Major deviation from the earlier reports – This is the first report
- j) Any favorable/unfavorable events affecting/improving project viability –
As the proposal is repayment of loan therefore it is not applicable.
- k) Any other relevant information: Nil


(Rajesh Swarup) 04/5/12
Deputy General Manager
SSAD



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(₹ crore)

| Bank Name | Working Capital Loan Paid up to till March 31, 2012 |
|-----------------------|---|
| Allahabad Bank | 89.66 |
| Central Bank of India | 56.00 |
| IDBI Bank Ltd. | 52.13 |
| State Bank of Patiala | 90.00 |
| Punjab National Bank | 69.97 |
| State Bank of India | 152.75 |
| Total | 510.51 |

