

CORPORATE GOVERNANCE

In accordance with the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and amendments thereto (hereinafter referred to as 'SEBI Listing Regulations'), given below are the corporate governance policies and practices of Bajaj Auto Ltd. ('the Company' or 'BAL') for the year 2018-19.

This Report, therefore, states compliance as per requirements of the Companies Act, 2013 and SEBI Listing Regulations, as applicable to the Company. As will be seen, the Company's corporate governance practices and disclosures have gone well beyond complying with the statutory and regulatory requirements stipulated in the applicable laws, including SEBI Listing Regulations.

Kotak Committee on Corporate Governance

With the aim of improving standards of Corporate Governance of listed companies in India, SEBI had formed a Committee on corporate governance on 2 June 2017 under the Chairmanship of Shri Uday Kotak. Based on the report of the Kotak Committee on Corporate Governance, the Securities and Exchange Board of India on 9 May 2018 amended the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, some of which became applicable from 1 October 2018 and many from 1 April 2019 respectively. Your Company is in compliance with these provisions.

Philosophy

The commitment of the Bajaj Group to the highest standards of good corporate governance practices predates SEBI and the provisions of the SEBI Listing Regulations. Ethical dealings, transparency, fairness, disclosure and accountability are the main thrust of the working of the Bajaj Group. Bajaj Auto Ltd. maintains the same tradition and commitment.

Board of Directors

In keeping with the commitment of the Management to the principle of integrity and transparency in business operations for good corporate governance, the Company's policy is to have an appropriate blend of executive and independent directors to maintain the independence of the Board and to separate the Board functions of governance and management.

Composition

As per to regulation 17(1)(b) of the SEBI Listing Regulations, where the Chairman is executive or a promoter, at least one half of the Board of the Company should consist of independent directors. As Table 1 shows, this provision is met at BAL.

As on 31 March 2019, the Board of the Company consisted of sixteen directors, of whom four were executive (including one Managing Director), eight were non-executive independent (including one woman independent director) and four were non-executive and non-independent. The Board has no institutional nominee director. The Company has an Executive Chairman.

More particulars about the directors are mentioned in the Board's Report.

Number of meetings of the Board

During the year 2018-19, the Board met eight times, viz. 18 May 2018, 20 July 2018, 18 September 2018, 19 September 2018, 24 October 2018, 30 January 2019, 13 March 2019 and 14 March 2019. The gap between any two meetings has been less than one hundred and twenty days.

Attendance record of directors

Table 1: Composition of the Board and attendance record of directors for 2018-19

Name of director	Category	Relationship with other directors	No. of Board Meetings attended	Whether attended last AGM
Rahul Bajaj	Chairman, executive	Father of Rajiv Bajaj and Sanjiv Bajaj, father-in-law of Manish Kejriwal	7/8	No
Madhur Bajaj	Vice Chairman, non-executive	Brother of Shekhar Bajaj and Niraj Bajaj	8/8	Yes
Rajiv Bajaj	Managing Director and CEO, executive	Son of Rahul Bajaj, brother of Sanjiv Bajaj, brother-in-law of Manish Kejriwal	8/8	Yes
Sanjiv Bajaj	Non-executive	Son of Rahul Bajaj, brother of Rajiv Bajaj, brother-in-law of Manish Kejriwal	8/8	Yes
D S Mehta	Non-executive, independent	–	4/8	Yes
Shekhar Bajaj	Non-executive	Brother of Madhur Bajaj and Niraj Bajaj	6/8	Yes
D J Balaji Rao	Non-executive, independent	–	8/8	Yes
Nanoo Pamnani	Non-executive, independent	–	8/8	Yes
Manish Kejriwal*	Non-executive	Son-in-law of Rahul Bajaj, brother-in-law of Rajiv Bajaj and Sanjiv Bajaj	4/5	Yes
P Murari	Non-executive, independent	–	4/8	Yes
Niraj Bajaj	Non-executive	Brother of Madhur Bajaj and Shekhar Bajaj	8/8	Yes
Dr. Gita Piramal	Non-executive, independent	–	8/8	Yes
Pradeep Shrivastava	Executive Director	–	8/8	Yes
Dr. Naushad Forbes	Non-executive, independent	–	7/8	Yes
Dr. Omkar Goswami	Non-executive, independent	–	7/8	Yes
Anami N. Roy	Non-executive, independent	–	8/8	Yes
Rakesh Sharma**	Executive Director	-	3/3	NA

* Manish Kejriwal resigned as non-executive, non-independent director of the Company with effect from 31 December 2018 after office hours.

** Rakesh Sharma was appointed as an additional director and as a whole-time director with the designation of Executive Director w.e.f. 1 January 2019.

Opinion of the Board

The Board hereby confirms that, in its opinion, the independent directors on the Board fulfil the conditions specified in the SEBI Listing Regulations and Companies Act, 2013 and are independent of the management.

Non-executive directors' compensation

The shareholders of the Company vide special resolution passed at the annual general meeting of the Company held on 27 July 2016 have, by way of an enabling provision, approved the payment of commission upto a sum not exceeding one percent of the net profits of the Company, calculated in accordance with the provisions of section 197 and 198 of the Companies Act, 2013, to the non-executive directors, in the manner as may be decided by the Board of Directors from time to time during the five year term upto 31 March 2021.

In terms of the said approvals, non-executive directors of the Company are being paid, in addition to the sitting fee of ₹ 100,000 per meeting for every meeting of the Board and its Committees, commission at the rate of ₹ 150,000 per meeting of the Board and its Committees attended by them as member, subject to the overall ceiling of one percent of the net profits. With effect from 1 April 2019, the Commission payable has been enhanced to ₹ 250,000 per meeting by the Board at its meeting held on 13 March 2019.

In consideration of the extra services rendered by Nanoo Pamnani, at the request of the Management during the year 2018-19, Nanoo Pamnani will be paid ₹ 30 lakh (as against ₹ 20 lakh for the year 2017-18) as additional commission for the year 2018-19, pursuant to the aforesaid approvals.

The Company has adopted the Bajaj Auto Employee Stock Option Scheme 2019 (BAL-ESOS 2019) for the benefit of the permanent employees and/or Directors of the Company and/or its holding (if any, in future) and subsidiary Company(ies), but excluding independent directors and any employee who is a promoter or belongs to the promoter group.

Information supplied to the Board

In advance of each meeting, the Board is presented with relevant information on various matters related to the working of the Company, especially those that require deliberation at the highest level. Presentations are also made to the Board by different functional heads on important matters from time to time. Directors have separate and independent access to the officers of the Company. In addition to items required to be placed before the Board for its noting and/or approval, information is provided on various significant items.

In terms of quality and importance, the information supplied by the Management to the Board of the Company is far ahead of the list mandated under regulation 17(7) read with Part A of Schedule II to the SEBI Listing Regulations. As stated elsewhere, the independent directors of the Company at their meeting held on 14 March 2019 expressed satisfaction on the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

With a view to leveraging technology and moving towards paperless systems for the preservation of environment, the Company has adopted a web-based application for transmitting Board/Committee papers. The Directors of the Company receive the agenda in electronic form through this secured application. The application meets the high standards of security and integrity required for storage and transmission of Board/Committee agenda in electronic form.

Orderly succession to Board and Senior Management

The Board of the Company satisfied itself that plans are in place for orderly succession for appointments to the Board and to Senior Management.

Directorships and memberships of Board Committees

Details of directorships and memberships in the various committees as held by the directors of the Company are given in Table 2.

Table 2: Number of directorships/committee positions of directors as on 31 March 2019

Name of director	Directorships			Committee positions in listed and unlisted public limited companies	
	In equity listed companies	In unlisted public limited companies	In private limited companies	As Member (including as Chairman)	As Chairman
Rahul Bajaj	4	2	7	-	-
Madhur Bajaj	6	-	3	-	-
Rajiv Bajaj	4	-	2	-	-
Sanjiv Bajaj	5	5	7	7	-
D S Mehta	3	1	2	4	1
Shekhar Bajaj	3	4	4	1	-
D J Balaji Rao	6	-	-	7	3
Nanoo Pamnani	4	3	-	10	3
P Murari	5	-	1	4	2
Niraj Bajaj	3	4	10	1	1
Dr. Gita Piramal	4	-	2	6	1
Pradeep Shrivastava	1	-	-	-	-
Dr. Naushad Forbes	4	-	8	3	-
Dr. Omkar Goswami	7	1	1	7	-
Anami N. Roy	3	1	3	1	-
Rakesh Sharma	1	-	-	-	-

Notes:

None of the directors holds office as a director, including as alternate director, in more than twenty companies at the same time. None of them has directorships in more than ten public companies. For reckoning the limit of public companies, directorships of private companies that are either holding or subsidiary company of a public company are included and directorships in dormant companies are excluded.

As per declarations received, none of the directors serves as an independent director in more than seven equity listed companies. Further, the Managing Director in the Company does not serve as an independent director in more than three equity listed companies and in fact not even in a single entity.

None of the directors was a member in more than ten committees, nor a chairman in more than five committees across all companies in which he was a director.

For the purpose of considering the limit of the committees on which a director can serve, all public limited companies, whether listed or not, have been included and all other companies including private limited companies, foreign companies and companies under section 8 of the Companies Act, 2013 have been excluded. Only audit committee and stakeholders' relationship committee are considered for the purpose of reckoning committee positions.



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Directorships in equity listed Companies

Table 3: Name of equity listed entities where directors of the Company held directorships as on 31 March 2019

Name of director	Name of listed entities	Category
Rahul Bajaj	a) Bajaj Auto Ltd.	Chairman, executive
	b) Bajaj Finserv Ltd.	Chairman, non-executive (upto 16 May 2019)
	c) Bajaj Finance Ltd.	Chairman, non-executive
	d) Bajaj Holdings & Investment Ltd.	Chairman, non-executive (upto 17 May 2019)
Madhur Bajaj	a) Bajaj Auto Ltd.	Vice-Chairman, non-executive
	b) Bajaj Finserv Ltd.	Non-executive
	c) Bajaj Finance Ltd.	Non-executive
	d) Bajaj Holdings & Investment Ltd.	Non-executive
	e) Bajaj Electricals Ltd.	Non-executive
	f) Maharashtra Scooters Ltd.	Chairman, non-executive and nominee
Rajiv Bajaj	a) Bajaj Auto Ltd.	Managing Director and CEO, executive
	b) Bajaj Finserv Ltd.	Non-executive
	c) Bajaj Finance Ltd.	Non-executive
	d) Bajaj Holdings & Investment Ltd.	Non-executive
Sanjiv Bajaj	a) Bajaj Auto Ltd.	Non-executive
	b) Bajaj Finance Ltd.	Vice-Chairman, non-executive
	c) Bajaj Finserv Ltd.	Managing Director and CEO, executive
	d) Bajaj Holdings & Investment Ltd.	Managing Director and CEO, executive
	e) Maharashtra Scooters Ltd.	Non-executive, nominee
D S Mehta	a) Bajaj Auto Ltd.	Non-executive, independent
	b) Bajaj Finance Ltd.	Non-executive, independent
	c) Mukand Ltd.	Non-executive, independent
Shekhar Bajaj	a) Bajaj Auto Ltd.	Non-executive
	b) Bajaj Electricals Ltd.	Chairman and Managing Director, executive
	c) Hercules Hoists Ltd.	Chairman, non-executive
D J Balaji Rao	a) Bajaj Auto Ltd.	Non-executive, independent
	b) Bajaj Finserv Ltd.	Non-executive, independent
	c) Bajaj Finance Ltd.	Non-executive, independent
	d) Bajaj Holdings & Investment Ltd.	Non-executive, independent
	e) Ashok Leyland Ltd.	Non-executive, independent
	f) CMI FPE Ltd.	Non-executive, independent

Directorships in equity listed Companies

Table 3: Name of equity listed entities where directors of the Company held directorships as on 31 March 2019 (Contd.)

Name of director	Name of listed entities	Category
Nanoo Pamnani	a) Bajaj Auto Ltd.	Non-executive, independent
	b) Bajaj Finserv Ltd.	Vice-Chairman, non-executive, independent
	c) Bajaj Finance Ltd.	Vice-Chairman, non-executive, independent
	d) Bajaj Holdings & Investment Ltd.	Non-executive, independent
P Murari	a) Bajaj Auto Ltd.	Non-executive, independent
	b) Bajaj Holdings & Investment Ltd.	Non-executive, independent
	c) Fortis Malar Hospitals Ltd.	Non-executive, independent
	d) Aban Offshore Ltd.	Non-executive, independent
	e) Xpro India Ltd.	Non-executive, independent
Niraj Bajaj	a) Bajaj Auto Ltd.	Non-executive
	b) Mukand Ltd.	Chairman and Managing Director, executive
	c) Mukand Engineers Ltd.	Non-executive
Dr. Gita Piramal	a) Bajaj Auto Ltd.	Non-executive, independent
	b) Bajaj Finserv Ltd.	Non-executive, independent
	c) Bajaj Finance Ltd.	Non-executive, independent
	d) Bajaj Holdings & Investment Ltd.	Non-executive, independent
Pradeep Shrivastava	a) Bajaj Auto Ltd.	Executive
Dr. Naushad Forbes	a) Bajaj Auto Ltd.	Non-executive, independent
	b) Bajaj Finserv Ltd.	Non-executive, independent
	c) Bajaj Holdings & Investment Ltd.	Non-executive, independent
	d) Zodiac Clothing Company Ltd.	Non-executive, independent
Dr. Omkar Goswami	a) Bajaj Auto Ltd.	Non-executive, independent
	b) Bajaj Finance Ltd.	Non-executive, independent
	c) Dr. Reddy's Laboratories Ltd.	Non-executive, independent
	d) Ambuja Cements Ltd.	Non-executive, independent
	e) Godrej Consumer Products Ltd.	Non-executive, independent
	f) Hindustan Construction Company Ltd.	Non-executive, independent
	g) CG Power and Industrial Solutions Ltd.	Non-executive
Anami N. Roy	a) Bajaj Auto Ltd.	Non-executive, independent
	b) Bajaj Finserv Ltd.	Non-executive, independent
	c) Glaxosmithkline Pharmaceuticals Ltd.	Non-executive, independent
Rakesh Sharma	a) Bajaj Auto Ltd.	Executive

Certificate from Practising Company Secretary

The Company has received a certificate from Shyamprasad D Limaye, practising Company Secretary to the effect that none of the directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as directors of the Company by the Ministry of Corporate Affairs or any other statutory authority. The same forms part of this report.

Review of legal compliance reports

The Board periodically reviews compliance reports with respect to the various laws applicable to the Company, as prepared and placed before it by the Management.

Code of conduct

Regulation 17(5) of the SEBI Listing Regulations, requires listed companies to lay down a code of conduct for its directors and senior management, incorporating duties of directors as laid down in the Companies Act, 2013.

The Board at its meeting held on 15 September 2014 adopted a revised Code of Conduct for all Directors and Senior Management of the Company and the same has been placed on the Company's website www.bajajauto.com/investors/codes-policies

All Directors and Senior Management personnel have affirmed compliance with the Code for 2018-19. A declaration to this effect signed by the Managing Director and CEO is given in this Annual Report.

Maximum tenure of independent directors

The maximum tenure of independent directors is in accordance with the Companies Act, 2013 and regulation 25(2) of the SEBI Listing Regulations.

Formal letter of appointment to independent directors

The Company issues a formal letter of appointment to independent directors in the manner as provided in the Companies Act, 2013. As per regulation 46(2) of the SEBI Listing Regulations, the terms and conditions of appointment of independent directors are placed on the Company's website www.bajajauto.com/investors/miscellaneous

Performance evaluation

In terms of Regulation 19(4) read with section A (2) of Part D of Schedule II to the SEBI Listing Regulations, the Company has framed a policy stipulating the criteria for evaluation of directors and the Board. In light of SEBI's Guidance Note dated 5 January 2017 on Board Evaluation, the Nomination and Remuneration Committee and Board of Directors at their meeting held on 15 March 2017 revised the Policy containing criteria for performance evaluation.

In line with the amendments to section 178(2) of the Companies Act, 2013, the Board of Directors of the Company at its meeting held on 13 March 2018 approved the evaluation of the performance of Board, its committees, the chairperson and individual directors to be carried out by the Board only and not to be duplicated by the NRC, with the NRC only reviewing its implementation and compliance.

Pursuant to the provisions of the Companies Act, 2013 and the SEBI Listing Regulations, the Board has carried out an annual performance evaluation of its own performance, and that of its Committees, Chairperson and individual directors.

The performance evaluation process followed by the Company for the year 2018-19 was as under:

- The performance evaluation criteria for board, committees of the board, chairperson and directors were approved by the board at its meeting held on 15 March 2017.

- Based on the said criteria, rating sheets were filled by each of the directors towards the end of the year with regard to evaluation of the performance of the board, its committees, chairperson and directors (except for the director being evaluated) for the year under review.
- A consolidated summary of the ratings given by each of the director was then prepared, based on which a report of performance evaluation was prepared by the Chairman in respect of the performance of the board, its committees, chairperson and directors during the year under review.
- The report of performance evaluation so arrived at was then noted and discussed by the Board at its meeting held on 13 March 2019, while the Nomination and Remuneration Committee at its meeting held on 13 March 2019 reviewed the implementation and compliance of the Board evaluation process followed by the Company.
- Under law, the Board shall determine, inter alia, whether to continue the term of appointment of the independent director, based on the report of performance evaluation.
- The term of appointment of Nanoo Pamnani and D J Balaji Rao as independent directors ended on 31 March 2019. Based on the report of the performance evaluation and as recommended by the Nomination and Remuneration Committee, their re-appointments for a second term of five years were considered and approved by the Board, subject to approval of shareholders at the general meeting.

Information on the evaluation of Board, non-independent directors and chairperson of the Company as carried out by the independent directors at their meeting held in March 2019 has been furnished in a separate para elsewhere in this Report.

Remuneration Policy

The Board of Directors, at its meeting held on 13 March 2019, approved increasing the commission payable to the directors with effect from 1 April 2019 and the Board has also approved Employee Stock Options scheme for the employees of the Company, its subsidiary(ies) and holding company (if any in future). Accordingly, the Board also amended the Remuneration Policy.

The policy, inter-alia, provides (a) the criteria for determining qualifications, positive attributes and independence of directors (b) a policy on remuneration for directors, key managerial personnel and other employees and (c) Employee Stock Option. The Policy is directed towards a compensation philosophy and structure that will reward and retain talent and provides for a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

The detailed Remuneration Policy is placed on the Company's website www.bajajauto.com/investors/codes-policies

Board Diversity Policy

In compliance with the provisions of the SEBI Listing Regulations, the Board through its Nomination and Remuneration Committee has devised a Policy on Board Diversity. The objective of the Policy is to ensure that the Board comprises an adequate number of members with diverse experience and skills, such that it best serves the governance and strategic needs of the Company. The Board composition as at present broadly meets with the above objective.

Familiarisation programmes

With a view to familiarising the independent directors with the Company's operations, as required under regulation 25(7) of the SEBI Listing Regulations, the Company has held various familiarisation programmes for the independent directors throughout the year on an ongoing and continuous basis.

The details of familiarisation programmes are placed on the Company's website www.bajajauto.com/investors/codes-policies

Whistle Blower Policy/Vigil mechanism

Pursuant to section 177(9) of Companies Act, 2013, Regulation 22 of the SEBI Listing Regulations and SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended, the Board at its meeting held on 13 March 2019 amended the existing Whistle Blower Policy.

The Whistle Blower Policy/Vigil mechanism provides a mechanism for the director/employee to report without fear of victimisation, any unethical behaviour, suspected or actual fraud, violation of the Code of Conduct etc. violations and now instances of leak of Unpublished Price Sensitive Information, which are detrimental to the organisation's interest. The mechanism protects whistle blower from any kind of discrimination, harassment, victimisation or any other unfair employment practice. The Company affirms that no employee has been denied access to the Audit Committee.

The directors in all cases and employees in appropriate or exceptional cases will have direct access to the Chairman of the Audit Committee. The said Policy is placed on the Company's website www.bajajauto.com/investors/codes-policies

Dividend Distribution Policy

As mandated under regulation 43A of the SEBI Listing Regulations, for the top 500 companies as on 31 March 2016 by market capitalisation, the Board of Directors of the Company at its meeting held on 28 October 2016 adopted a Dividend Distribution Policy for the Company. The Policy sets out the parameters and circumstances that will be taken into account by the Board in determining the distribution of dividend to its shareholders.

As a green initiative, the Dividend Distribution Policy is placed on the Company's website www.bajajauto.com/investors/codes-policies

A physical copy of the Policy will be made available to any shareholder on request.

Subsidiary companies

The Company has two overseas subsidiaries, viz. PT Bajaj Auto Indonesia and Bajaj Auto International Holdings BV, Netherlands, which however, are not 'material subsidiaries' as defined under regulation 16(1)(c) of the SEBI Listing Regulations.

The revised Policy on 'material subsidiaries' in terms of Regulation 16(1)(c) of the SEBI Listing Regulations, as approved by the Board at its meeting held on 13 March 2019 is placed on the Company's website www.bajajauto.com/investors/codes-policies

Provisions to the extent applicable as required under Regulation 24 of the SEBI Listing Regulations, with reference to subsidiary companies were duly complied with.

During the year under review, the Audit Committee reviewed the financial statements (in particular, the investments made) of its unlisted subsidiary companies, to the extent applicable. Minutes of the Board meetings of the subsidiary companies as well as a statement of significant transactions and arrangements entered into by the subsidiaries, as applicable, were regularly placed before the Board of the Company.

Related party transactions

All related party transactions (RPTs) which were entered into by the Company during the year under review, were on arms' length basis and in the ordinary course of business and did not attract provisions of section 188 of the Companies Act, 2013 and were also not material RPTs as per regulation 23 of the SEBI Listing Regulations.

During the year 2018-19, as required under section 177 of the Companies Act, 2013 and regulation 23 of the SEBI Listing Regulations, all RPTs were placed before the Audit Committee for approval.

A statement showing the disclosure of transactions with related parties as required under Ind AS 24 is set out separately in this Annual Report.

There were no material transactions entered into with related parties, during the year under review, which may have had any potential conflict with the interests of the Company.

The revised Policy on materiality of RPTs stipulating the threshold limits and also on dealing with RPTs which was approved by the Board at its meeting held on 13 March 2019, pursuant to SEBI Listing Regulations has been placed on the Company's website www.bajajauto.com/investors/codes-policies

Disclosures

Suitable disclosures have been made in the financial statements, together with the Management's explanation in the event of any treatment being different from that prescribed in the Ind AS.

Core Skill/Expertise/Competencies

As stipulated under Schedule V of the SEBI Listing Regulations, core skills/expertise/competencies, as required in the context of the business and sector for it to function effectively and those actually available with the Board have been identified by the Board of Directors.

Chart/Matrix of such core skills/expertise/competencies is given in the Table 4 below:

Table 4: List of Core Skills/Expertise/Competencies identified by the Board of Directors

Sr. No.	Core Skills/Expertise/Competencies
1	Management and Strategy
2	Global Business Leadership
3	Operations and Engineering
4	Commercial, Purchase and Supply Chain
5	Manufacturing, Automobile Engineering and Project Management
6	Information Technology, Systems and Computers
7	Human Resources and Industrial Relations
8	Sales, Marketing and International Business
9	Research and Development
10	Infrastructure and Real Estate
11	Finance and Taxation
12	Banking, Investment and Treasury and Forex Management
13	Insurance, Mutual Fund and Financial Services
14	Audit and Risk Management
15	Law
16	Corporate Governance and Ethics
17	Economics and Statistics
18	Regulatory, Government and Security matters
19	Academics, Education, Authorship
20	CSR, Sustainability and NGO matters

Audit Committee

Pursuant to the Companies Act, 2013 and the SEBI Listing Regulations, the Company has constituted an Audit Committee. The Board reviews the working of the Committee from time to time to bring about greater effectiveness in order to comply with the various requirements under the Companies Act, 2013 and the SEBI Listing Regulations.

In compliance with the provisions of the Companies Act, 2013 and the SEBI Listing Regulations, all the members are independent, non-executive directors and are financially literate and have accounting or related financial management expertise.

During 2018-19, in line with the provisions of the SEBI Listing Regulations, as amended, the terms of reference of the Committee were revised by the Board at its meeting held on 13 March 2019. The revised terms of reference are in accordance with the Companies Act, 2013 and the SEBI Listing Regulations. The detailed terms of reference of audit committee have been placed on the Company's website www.bajajauto.com/investors/codes-policies

Meetings and attendance

During 2018-19, the Audit Committee met four times viz. on 18 May 2018, 20 July 2018, 24 October 2018 and 30 January 2019. The meetings were scheduled well in advance and not more than one hundred and twenty days elapsed between any two meetings.

In addition to the members of the Audit Committee, these meetings were attended by the heads of finance, internal audit functions and the statutory auditor of the Company and those executives who were considered necessary for providing inputs to the Committee.

The Company Secretary acted as the Secretary to the Audit Committee.

Table 5: Composition of Audit Committee and attendance record of members for 2018-19

<u>Name of director</u>	<u>Category</u>	<u>No. of meetings attended</u>
Nanoo Pamnani	Chairman, Non-executive, independent	4/4
D J Balaji Rao	Non-executive, independent	4/4
Dr. Gita Piramal	Non-executive, independent	4/4
Dr. Naushad Forbes	Non-executive, independent	4/4

Pursuant to the terms of reference, the Audit Committee, inter alia, discussed and deliberated on the financial results, appointment/re-appointment of Statutory Auditors, review of internal audit functions, review and approval of related party transactions including granting of omnibus approval for the proposed transactions, review of investment related reports of the Company, etc.

Nanoo Pamnani, current Chairman of the Audit Committee, was present at the annual general meeting of the Company held on 20 July 2018, to answer shareholders' queries.

Nomination and Remuneration Committee

Pursuant to the Companies Act, 2013 and the SEBI Listing Regulations, the Company has constituted a Nomination and Remuneration Committee.

During 2018-19, in line with the provisions of the SEBI Listing Regulations, as amended, the terms of reference of the Committee were revised by the Board at its meeting held on 13 March 2019. The Committee also acts as a Compensation Committee for implementation of the Bajaj Auto Employee Stock Option Scheme 2019 (BAL-ESOS 2019).

The detailed terms of reference of Nomination and Remuneration committee have been placed on the Company's website www.bajajauto.com/investors/codes-policies

During the year under review, the Committee met four times, i.e. on 20 July 2018, 24 October 2018, 30 January 2019 and 13 March 2019.



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Table 6: Composition of Nomination and Remuneration Committee and attendance record of members for 2018-19

Name of director	Category	No. of meetings attended
D J Balaji Rao	Chairman, non-executive, independent	4/4
Rahul Bajaj	Chairman, executive	3/4
Dr. Naushad Forbes	Non-executive, independent	4/4
Dr. Gita Piramal	Non-executive, independent	4/4

The Company Secretary acted as the Secretary to the Nomination and Remuneration Committee.

As provided under the terms of reference of the Nomination and Remuneration Committee, the members, inter alia, deliberated on the following:

- i) Noting and review of remuneration payable to senior management personnel one level below the Board.
- ii) Approval of revision in remuneration payable to Executive Director effective from 1 April 2018.
- iii) Approval of revision in the remuneration payable to Managing Director & CEO effective from 1 April 2018.
- iv) Noting of resignation of Manish Kejriwal as non-executive director with effect from 31 December 2018 after office hours.
- v) Appointment of Rakesh Sharma as an additional director and as a whole-time director with the designation of Executive Director with effect from 1 January 2019.
- vi) Approval of fresh Employee Stock Option Scheme and connected matters.
- vii) Noting of non-continuation of P Murari and D S Mehta as independent directors for a second term of five years.
- viii) Appointment of Pradip Shah and Smt. Lila Poonawalla as independent directors with effect from 1 April 2019.
- ix) Re-appointment of Nanoo Pamnani and D J Balaji Rao as independent directors for a second term of five consecutive years.
- x) Appointment of Soumen Ray as Chief Financial Officer (CFO) and Key Managerial Personnel (KMP) of the Company in place of outgoing CFO Kevin D'sa.
- xi) Review of the implementation and compliance of effective evaluation of performance of Board, its committees, chairperson and individual directors for the year 2018-19.
- xii) Revision in the commission payable to Non-executive Directors with effect from 1 April 2019.
- xiii) Recommendation of payment of additional commission to Nanoo Pamnani.

Bajaj Auto Employee Stock Option Scheme 2019 ("BAL-ESOS 2019")

The BAL-ESOS 2019 has been formulated by the Nomination and Remuneration Committee of the Board with an aim to provide competitive remuneration opportunities to employees of the Company, including through annual incentive plans and long-term incentive plans, was approved by the Board at its meeting held on 30 January 2019, and by the Members of the Company vide Special Resolution through Postal Ballot on 13 March 2019, in accordance with the provisions of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, as amended, ("SEBI SBEB Regulations").

The details on the above Employee Stock Option Scheme(s) as required to be disclosed under the SEBI (SBEB) Regulations, are available on the Company's website i.e. www.bajajauto.com

D J Balaji Rao, Chairman of the Nomination and Remuneration Committee, was present at the annual general meeting of the Company held on 20 July 2018, to answer shareholders' queries.

Risk Management Committee

Pursuant to the SEBI Listing Regulations, the Company has constituted a Risk Management Committee consisting of composition as specified therein. The terms of reference of the Committee which, inter alia, include, to manage the integrated risk, to lay down procedures to inform the Board about risk assessment and minimisation procedures in the Company, to frame, implement and monitor the risk management plan for the Company and perform such other functions as the Board may deem necessary including cyber security etc.

The Company has a Board approved Risk Management framework. The Committee and the Board periodically review the Company's risk assessment and minimisation procedures to ensure that the Management identifies and controls risk through a properly defined framework.

During the year under review, the Company did not trade in nor had any exposure in commodities market.

Table 7: Composition of Risk Management Committee and attendance record of members for 2018-19

Name of director/member	Category	Attendance at the meeting held on 13 March 2019
Nanoo Pamnani	Chairman, non-executive, independent	Yes
D J Balaji Rao	Non-executive, independent	Yes
Kevin D'sa	Chief Financial Officer	Yes

Stakeholders' Relationship Committee

Pursuant to the Companies Act, 2013 and the SEBI Listing Regulations, the Company has constituted a Stakeholders' Relationship Committee. This Committee was constituted to specifically look into the shareholders' and investors' complaints on matters relating to transfer of shares, non-receipt of annual report, non-receipt of dividend, payment of unclaimed dividends etc.

In addition, the Committee also looked into matters that can facilitate better investor services and relations. The Board was kept apprised of all the major developments on investors' issues through various reports and statements furnished to the Board from time to time throughout the year.

In compliance with the provisions of the SEBI Listing Regulations, as amended, the terms of reference of the Committee were revised by the Board at its meeting held on 13 March 2019.

The detailed terms of reference of Stakeholders' Relationship Committee have been placed on the Company's website www.bajajauto.com/investors/codes-policies

During the year under review, the Committee met on 30 January 2019 to, inter alia, review the status of investors' services rendered.

Table 8: Composition of Stakeholders' Relationship Committee and attendance record of members for 2018-19

Name of director	Category	Attendance at the meeting held on 30 January 2019
D J Balaji Rao	Chairman, non-executive, independent	Yes
Dr. Gita Piramal	Non-executive, independent	Yes
Dr. Omkar Goswami	Non-executive, independent	Yes

The Company Secretary of the Company acts as the Compliance Officer.

The Secretarial Auditor was also present.

The Committee expressed its satisfaction on the overall status of compliance and actions taken on various investor-related matters.

D J Balaji Rao, Chairman of the Stakeholders' Relationship Committee, was present at the annual general meeting of the Company held on 20 July 2018, to answer shareholders' queries.

Table 9: Investors' complaints attended and resolved during 2018-19

Investors' complaints	Attended/resolved during 2018-19
Pending at the beginning of the year	Nil
Received during the year	17
Disposed of during the year	15
Remaining unresolved at the end of the year	2*

*As on 31 March 2019, there were 2 pending issues to be addressed or resolved. These 2 complaints have since been resolved.

Pursuant to regulation 39(4) of the SEBI Listing Regulations for dealing with physical unclaimed shares, the Company has a demat account with HDFC Bank, titled 'Bajaj Auto Ltd.-Unclaimed Suspense Account', to which all the unclaimed shares stand transferred in terms of the said circular.

More details on this subject and on shareholders' related matters have been furnished in the chapter on General Shareholder Information.

Duplicate Share Certificate Issuance Committee

The Board at its meeting held on 4 February 2016, to meet the requirement of section 46 of the Companies Act, 2013, read with rule 6 of the Companies (Share Capital and Debentures) Rules, 2014 and regulation 39 of the SEBI Listing Regulations constituted a Committee of the Board to approve the issuance of duplicate share certificate in lieu of original share certificate lost or misplaced.

During the year under review, the Committee met once on 4 February 2019.

Table 10: Composition of the Duplicate Share Certificate Issuance Committee and attendance record of members for 2018-19

Name of director	Category	Attendance at the meeting held on 4 February 2019
Rahul Bajaj	Chairman, executive	Yes
Rajiv Bajaj	Managing Director and CEO, executive	Yes
Sanjiv Bajaj	Non-executive	Yes

Independent Directors' meeting

In compliance with Schedule IV to the Companies Act, 2013 and regulation 25(3) of the SEBI Listing Regulations, the independent directors held their separate meeting on 14 March 2019, without the attendance of non-independent directors and members of the Management, to inter alia discuss the following:

- i) Noting of the report of Performance Evaluation for 2018-19 from Chairman of the Board;
- ii) Review the performance of non-independent directors and the Board as a whole;
- iii) Review the performance of the Chairperson of the Company, taking into account the views of executive directors and non-executive directors;

- iv) Assess the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties;
- v) Noting and review of informal meeting with Senior Management Personnel

All independent directors, except P Murari, D S Mehta and Dr. Naushad Forbes, were present at the meeting.

The independent directors present elected Dr. Gita Piramal as Chairperson for the meeting, deliberated on the above and expressed their satisfaction on each of the matters.

Remuneration of directors

Pecuniary relationship/transaction with non-executive directors

During the year under review, there was no pecuniary relationship/transaction with any non-executive directors of the Company.

The register of contracts is maintained by the Company pursuant to section 189 of the Companies Act, 2013. The register is signed by all the directors present at the respective Board meetings.

Criteria of making payments to non-executive directors

Non-executive directors of the Company play a crucial role in the independent functioning of the Board. They bring in an external perspective to decision-making and provide leadership and strategic guidance while maintaining objective judgment. They also oversee the corporate governance framework of the Company.

As stated earlier, the Remuneration Policy, inter alia, disclosing the criteria of making payments to directors, key managerial personnel and employees is placed on the Company's website www.bajajauto.com/investors/codes-policies

Non-executive directors

Non-executive directors are paid sitting fees and commission as earlier stated in this Report.

Executive directors

During the year under review, the Company paid remuneration to Rajiv Bajaj, Managing Director and CEO, Rahul Bajaj, Executive Chairman, Pradeep Shrivastava, Executive Director and Rakesh Sharma, Executive Director of the Company as provided in detail in an annexure to the Directors' Report in section VI(A) of Form MGT-9, i.e. extract of the Annual Return.

The Executive Directors are entitled to superannuation benefits payable in the form of an annuity from an approved life insurance company, which forms part of the perquisites allowed to them. No pension is paid by the Company.

Details of remuneration to directors

The Company has adopted the Bajaj Auto Employee Stock Option Scheme 2019 (BAL-ESOS 2019) for the benefit of the permanent employees and/or Directors of the Company and/or its holding (if any, in future) and subsidiary Company(ies), but excluding independent directors and any employee, who is a promoter or belongs to the promoter group.

During the year under review, none of the directors was paid any performance-linked incentive, apart from Pradeep Shrivastava, Executive Director.

In 2018-19, the Company did not advance any loans to any of the non-executive directors and/or Managing Director. Details of remuneration paid/payable to directors for the year 2018-19 are provided in an annexure to the Directors' Report in section VI(B) of Form MGT-9, i.e. extract of the Annual Return.

Shareholding of directors

Information on shares held by directors in the Company as on 31 March 2019 is provided in an annexure to the Directors' Report in section IV(v) of Form MGT-9, i.e. extract of the Annual Return.

Management

Management discussion and analysis

This is given as a separate chapter in the Annual Report.

Disclosure of material transactions

Pursuant to regulation 26(5) of the SEBI Listing Regulations, the Senior Management has made periodical disclosures to the Board relating to all material financial and commercial transactions, where they had (or were deemed to have had) personal interest that might have been in potential conflict with the interest of the Company. The same was Nil, except in the case of one member of the Senior Management, in whose case the disclosure was discussed, reviewed and found in order by the Board.

Compliances regarding insider trading

Pursuant to SEBI (Prohibition of Insider Trading Regulations), 2015, the Company had a Board-approved Code of Conduct to regulate, monitor and report trading by insiders ('code of conduct') and a Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information ('code of fair disclosure').

During the year under review, SEBI has amended SEBI (Prohibition of Insider Trading) Regulations, 2015. In view of the amendment to the said Regulations, the Board of Directors, at its meeting held on 13 March 2019, approved the following, with effect from 1 April 2019:

- a. Revised Code of Conduct to Regulate, Monitor and Report trading by Designated Persons
- b. Revised Code of Practices and Procedures for fair disclosure of Unpublished Price Sensitive Information
- c. Revised Whistle blower policy
- d. Institutional mechanism for prevention of Insider Trading
- e. Amendment to the terms of reference of the Audit Committee
- f. List of designated persons for the Code of Conduct mentioned above

The code of conduct and code of fair disclosure framed by the Company have helped in ensuring compliance with the requirements.

Means of communication

Quarterly, half-yearly and annual financial results and other public notices issued for the shareholders are published in numerous leading dailies, such as Financial Express, Business Standard, Kesari, Mint and Hindu Business Line. An official press release is also issued. The Company also sends the half-yearly financial results, along with a detailed write-up, to each household of shareholders.

The Company has its own website, www.bajajauto.com which contains all important public domain information including presentations, if any, made to the media, analysts and institutional investors. The website contains information as prescribed under the Companies Act, 2013 and SEBI Listing Regulations, including details of the corporate contact persons and share transfer agent of the Company, shareholding pattern etc.

Section 20 and 129 of the Companies Act, 2013, read with Companies (Accounts) Rules, 2014 permit companies to service delivery of documents electronically on the registered members'/shareholders' email addresses. The Company, during the year under review, sent documents, such as notice calling the general meeting, audited financial statements, directors' report, auditors' report, credit of dividend intimation letters, etc. in electronic form at the email addresses provided by the shareholders and made available by them to the Company through the depositories. Shareholders desiring to receive the said documents in physical form continued to get the same in physical form, upon request.

All financial and other vital official news releases and documents under the SEBI Listing Regulations are also communicated to the concerned stock exchanges, besides being placed on the Company's website.

Information on general body meetings and details of special resolution(s) passed

During the previous three years, the Annual General Meetings (AGM) of the Company were held at the registered office of the Company at Mumbai-Pune Road, Akurdi, Pune 411 035 on the following dates and time and special resolutions were passed there-at as under:

Details of AGM	Date and time of AGM	Details of special resolution(s) passed at the annual general meetings, if any
9th AGM	27 July 2016 at 12.15 p.m.	a. Approval of appointment of Pradeep Shrivastava (DIN 07464437) as a Whole-time Director, with the designation of Executive Director b. Approval for payment of commission to non-executive directors for a period of five years commencing from 1 April 2016
10th AGM	20 July 2017 at 12.15 p.m.	Nil
11th AGM	20 July 2018 at 12.15 p.m.	Nil

Special resolutions passed through Postal Ballot during 2018-19

The Company conducted following businesses through Postal Ballot during year 2018-19:

- Approval for the Bajaj Auto Employee Stock Option Scheme 2019.
- Approval for issue and allotment of equity shares to employees of holding (if any, in future) and subsidiary company(ies) under the Bajaj Auto Employee Stock Option Scheme 2019.
- Approval of acquisition of equity shares from secondary market through Trust route for implementation of Bajaj Auto Employee Stock Option Scheme 2019 to the employees of the Company and that of the employees of holding (if any, in future) and subsidiary companies.

Shyamprasad D Limaye, Practising Company Secretary was appointed to act as the Scrutiniser for conducting voting process in a fair and transparent manner.

The Result of the Postal Ballot was announced on 13 March 2019 and details of voting result on the resolutions are as follows:

Sr. No	Description	Votes (No. of shares and %)	
		In favour	Against
1.	Approval for the Bajaj Auto Employee Stock Option Scheme 2019.	209,411,058 (98.04%)	4,185,412 (1.96%)
2.	Approval for issue and allotment of equity shares to employees of holding (if any, in future) and subsidiary company(ies) under the Bajaj Auto Employee Stock Option Scheme 2019.	210,277,104 (98.44%)	3,342,280 (1.56%)
3.	Approval of acquisition of equity shares from secondary market through Trust route for implementation of Bajaj Auto Employee Stock Option Scheme 2019 to the employees of the Company and that of the employees of holding (if any, in future) and subsidiary companies.	210,277,697 (98.44%)	3,341,642 (1.56%)

Procedure for postal ballot

The Company had sent the postal ballot notice dated 30 January 2019 and postal ballot form along with postage pre-paid business reply envelope to members/beneficial owners through email at their registered email IDs and through physical copy to the members who have not registered their email IDs. The Company had also published notice in the newspapers for the information of the members. Voting rights were reckoned on the equity shares held by the members as on the cut-off date. The voting period for postal ballot and E-voting was from 10 February 2019 to 11 March 2019.

The postal ballot results were intimated to the stock exchanges pursuant to regulation 44(3) of the SEBI Listing Regulations, as well as displayed on the Company's website www.bajajauto.com/investors/e-voting-information. The Company has also complied with the procedure for Postal Ballot in terms of the provisions of section 110 of the Companies Act, 2013, read with rule 22 of the Companies (Management and Administration) Rules, 2014.

There is no immediate proposal for passing any resolution through postal ballot. None of the businesses proposed to be transacted in the ensuing Annual General Meeting requires passing of a special resolution through postal ballot.

Details of capital market non-compliance, if any

There was no non-compliance by the Company of any legal requirements; nor has there been any penalty/stricture imposed on the Company by any stock exchange, SEBI or any statutory authority on any matter related to capital markets during the last three years.

Disclosure under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The disclosure as required under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 is given in the Directors' Report of the Company.

Compliance Certificate

The MD and CEO and the CFO have certified to the Board with regard to the financial statements and other matters as required under regulation 17(8) read with Part B of Schedule II to the SEBI Listing Regulations.

Report on corporate governance

This chapter, read together with the information given in the Directors' Report and the chapters on Management Discussion and Analysis and General Shareholder Information, constitute the compliance report on Corporate Governance during 2018-19. The Company has been regularly forwarding the quarterly compliance report to the Stock exchanges as required under regulation 27(2) of the SEBI Listing Regulations.

Statutory Auditors

S R B C and Co. LLP are the statutory auditors of the Company. Total fees paid by the Company and its subsidiaries, on a consolidated basis to the auditors including all entities in their network firm/entity of which they are a part is given below:

(₹ In Crore)

Sr. No	Particulars	Statutory Audit Fee	Other Services
1	Bajaj Auto Ltd.	1.64	1.15
2	PT. Bajaj Auto Indonesia	-	-
3	Bajaj Auto International Holdings BV	-	-



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Auditors' certificate on corporate governance

The Company has obtained the certificate from its statutory auditors regarding compliance with the provisions relating to corporate governance laid down in Part E of Schedule V to the SEBI Listing Regulations. This certificate is annexed to the Directors' Report and will be sent to the stock exchanges, along with the Annual Report to be filed by the Company.

Compliance of mandatory and discretionary requirements

Mandatory

The Company has complied with the mandatory requirements of the SEBI Listing Regulations.

Discretionary

The Company has also complied with the discretionary requirements as under:

1) The Board

Since the Company has an executive Chairman, the requirement regarding non-executive Chairman is not applicable.

2) Shareholder rights

A half-yearly declaration of financial performance including summary of significant events in the preceding six months is sent to each household of shareholders.

3) Modified opinion(s) in audit report

The Company confirms that its financial statements are with unmodified audit opinion.

4) Separate posts of Chairperson and Managing Director/CEO

The Company has appointed separate persons to the post of Chairman and Managing Director.

5) Reporting of Internal Auditor

The Internal Auditor reports directly to the Audit Committee.

GENERAL SHAREHOLDER INFORMATION

12th Annual General Meeting

Date	26 July 2019
Time	12.15 p.m.
Venue	Registered office at Mumbai-Pune Road, Akurdi, Pune 411 035.

Financial calendar

Approval of audited annual results for year ending 31 March	April/May
Mailing of annual reports	June
Annual general meeting	July
Unaudited first quarter financial results	July
Unaudited second quarter financial results	October
Unaudited third quarter financial results	January/Early February

Share transfer agent

The Company has appointed Karvy Computershare Pvt. Ltd. as its share transfer agent and accordingly, processing of share transfer/dematerialisation/rematerialisation and allied activities was outsourced to Karvy Computershare Pvt. Ltd., Hyderabad with effect from 10 July 2008. Our Registrar and Share Transfer Agent i.e. Karvy Computershare Pvt. Ltd., effective from 17 November 2018 are now Karvy Fintech Pvt. Ltd. (hereinafter referred to as "Karvy"). All the share registry services are now handled in the name of the new entity i.e. Karvy Fintech Pvt. Ltd.

All physical transfers, transmission, transposition, issue of duplicate share certificate(s), issue of demand drafts in lieu of dividend warrants, etc. as well as requests for dematerialisation/rematerialisation are being processed in periodical cycles at Karvy. The work related to dematerialisation/rematerialisation is handled by Karvy through connectivity with NSDL and CDSL.

Dates of book closure

The register of members and share transfer books of the Company will remain closed from Saturday, 13 July 2019 to Friday, 26 July 2019, both days inclusive.

Dividend and date of dividend payment

Board of Directors has proposed a dividend of ₹ 60 per equity share (600%) of the face value of ₹ 10 for the financial year 2018-19, subject to approval by the members at the annual general meeting as against ₹ 60 per equity share (600%) for the previous year.

Dividend on equity shares, if declared, at the annual general meeting, will be credited/dispatched between Tuesday, 30 July 2019 and Wednesday, 31 July 2019 as under:

- to all those shareholders holding shares in physical form, as per the details provided by Karvy to the Company, as on or before the closing hours on Friday, 12 July 2019; and

- b) to all those beneficial owners holding shares in electronic form, as per the beneficial ownership data made available to the Company by National Securities Depository Ltd. (NSDL) and the Central Depository Services (India) Ltd. (CDSL) as of the close of business hours on Friday, 12 July 2019.

Payment of dividend

As per the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the 'SEBI Listing Regulations'), and SEBI Circular dated 20 April 2018, companies shall use any electronic mode of payment approved by the Reserve Bank of India for making payment to the members. Accordingly, dividend, if declared, will be paid through electronic mode, where the bank account details of the members are available. Where dividend payment is made through electronic mode, intimation regarding such remittance would be sent separately to the members. In case where the dividend cannot be paid through electronic mode, the same will be paid by warrants with bank account details printed thereon. In case of non-availability of bank account details, address of the members will be printed on the warrants.

Pursuant to aforesaid circular, the Company had written to shareholders holding shares in physical form requesting them to furnish details regarding their PAN and also their bank details for payment of dividend through electronic mode. Those shareholders who are yet to respond to the Company's request in this regard are once again requested to take action in the matter at the earliest.

For enabling payment of dividend through electronic mode, members holding shares in physical form are requested to furnish, on or before Friday, 12 July 2019, updated particulars of their bank account, to Karvy along with a photocopy of a 'cancelled' cheque and self-attested copy of PAN card.

Beneficial owners holding shares in electronic form are requested to furnish their bank account details to their respective depository participants and ensure that such changes are recorded by them correctly on or before Friday, 12 July 2019. The request to update particulars of bank account should be signed as per the specimen signature registered with Karvy/depository participants, as the case may be.

Unclaimed dividends

As per section 205C of the Companies Act, 1956, 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 to a fund called the Investor Education and Protection Fund (Fund) set up by the Central Government. Accordingly, the unpaid/unclaimed dividend for the financial years 2007-08 and 2008-09 were transferred to the Fund in September 2015 and 2016 respectively.

The Ministry of Corporate Affairs (MCA) notified the commencement date as 7 September 2016 for section 124 and a few sub-sections of section 125 of the Companies Act, 2013 and also notified the new Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('IEPF Rules, 2016'), outlining the detailed procedure for implementation regarding the Fund and the Authority under the Companies Act, 2013. Accordingly, the unpaid/unclaimed dividend for the financial year 2009-10 and 2010-11 were transferred to the Fund in September 2017 and November 2018 respectively.

As previously provided under IEPF (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, and now under the IEPF Rules, 2016, the Company filed the necessary particulars of all the unclaimed and unpaid amounts through e-form IEPF 2 with MCA on 17 October 2018 for the financial year ended 31 March 2018. The details of unpaid and unclaimed dividends for the financial years 2010-11 to 2017-18 have been uploaded on the Company's website www.bajajauto.com and also on the website specified by ministry of corporate affairs www.iepf.gov.in/IEPF/service

Unpaid/unclaimed dividend for the financial year 2011-12 shall become due for transfer to the said Fund in August 2019. Members are requested to verify their records and send their claim, if any, for the financial year 2011-12, before the amount becomes due for transfer to the Fund. Communication is being sent to the members, who have not yet claimed dividend for the financial year 2011-12, requesting them to claim the same as well as unpaid dividend, if any, for the subsequent years.

Transfer of shares to IEPF

As informed in previous year, under section 124(6) of the Companies Act, 2013, as amended, there has been a further provision that all shares in respect of which dividend has not been paid or claimed for seven consecutive years or more shall be transferred by the Company, within a period of thirty days of such shares becoming due to be transferred to IEPF.

Accordingly, in due compliance of the provisions of rule 6(3) of IEPF Rules, 2016, the Company sent individual letters through Ordinary/Speed Post to such shareholders, in respect of whom dividend for a consecutive period of seven years had remained unpaid. Further, public notice was released in newspapers on 10 December 2016, 25 April 2017 and 21 June 2018.

MCA vide its notification dated 28 February 2017 amended the IEPF Rules 2016 called as the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Amendment Rules, 2017, prescribing certain modified procedure for the activities under the IEPF Rules, 2016.

In view of the same, during the year under review, the Company transferred 23,791 equity shares of the face value of ₹ 10 each in respect of 55 shareholders to the Demat Account of the IEPF Authority held with NSDL and filed necessary e-form IEPF-4 with MCA on 29 November 2018. Details of such shareholders, whose shares are transferred to IEPF and their unpaid dividends for the subsequent years are available to the concerned shareholders on the website of the Company at www.bajajauto.com

As provided under these Rules, the shareholders would be allowed to claim such unpaid dividends and the shares transferred to the Fund by following the required procedure. The said IEPF Rules, 2016 and amendment thereunder are available on the Company's website www.bajajauto.com

Shareholders are requested to get in touch with the compliance officer for further details on the subject at investors@bajajauto.co.in

Share transfer system

Share transfers received by the share transfer agent/Company are registered within 15 days from the date of receipt, provided the documents are complete in all respects. The total number of shares transferred in the physical category during 2018-19 were 126,567 shares versus 54,992 shares during 2017-18. The details thereof were placed before the Board on a quarterly basis.

As per SEBI norms, efforts are underway to update Permanent Account Number (PAN) and bank account details of its concerned shareholder(s) and communications have been sent by the Company to eligible shareholders in this regard. Members are requested to update these details with Karvy/Company at the earliest.

Dematerialisation/rematerialisation of shares

During 2018-19, 812,913 shares were dematerialised, compared to 284,866 shares during 2017-18.

No shares were rematerialised during the year 2018-19.

As per SEBI norms, with effect from 1 April 2019, only transmission or transposition requests can be processed in physical form; All transfers shall be processed in dematerialised form only.

Shares held in physical and electronic mode as on 31 March 2019 are as given in Table 1.

Table 1: Shares held in physical and electronic mode

Particulars	Position as on 31 March 2019		Position as on 31 March 2018		Net change during 2018-19	
	No. of shares	% to total shareholding	No. of shares	% to total shareholding	No. of shares	% to total shareholding
Physical	17,563,252	6.07	18,391,011	6.36	(827,759)	(0.29)
Demat						
NSDL	265,641,510	91.80	264,952,908	91.56	688,602	0.24
CDSL	6,162,258	2.13	6,023,101	2.08	139,157	0.05
Sub-total	271,803,768	93.93	270,976,009	93.64	827,759	0.29
Total	289,367,020	100.00	289,367,020	100.00	-	-

Stock code

1. BSE Ltd.	532977
2. National Stock Exchange of India Ltd.	BAJAJ-AUTO
3. ISIN for depositories (NSDL and CDSL)	INE917101010
4. Bloomberg	BJAUT.IN
5. Reuters	BAJA.BO

Listing on stock exchanges

Shares of the Company are currently listed on the following stock exchanges:

Name	Address
1. BSE Ltd. (BSE)	1st Floor, New Trading Ring Rotunda Building, P J Tower, Dalal Street, Fort, Mumbai 400 001.
2. National Stock Exchange of India Ltd. (NSE)	Exchange Plaza, 5th Floor Plot No.C-1, G Block, Bandra-Kurla Complex Bandra (East), Mumbai 400 051.

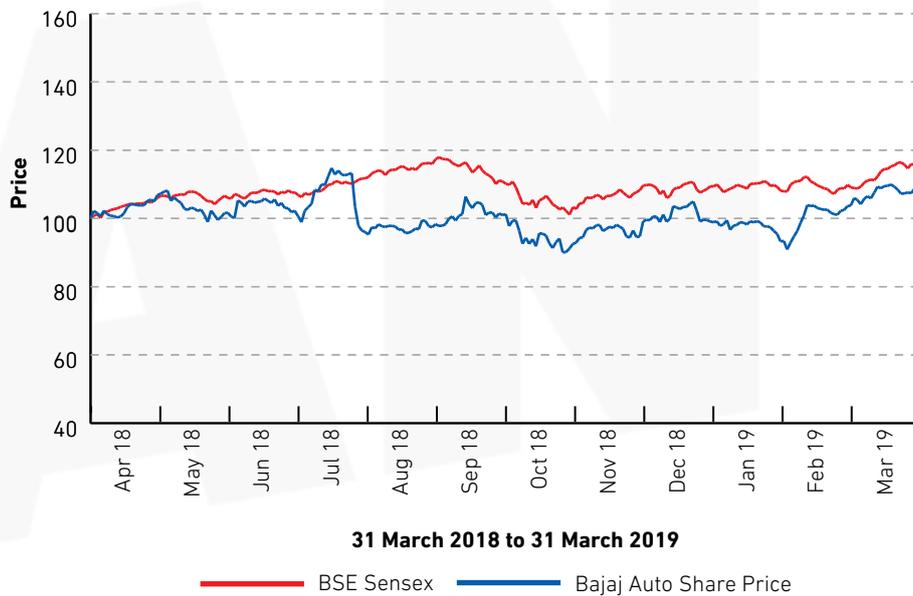
Pursuant to the SEBI Listing Regulations, the Company has entered into uniform Listing Agreement with BSE and NSE. For the year 2018-19, the listing fees payable to these stock exchanges have been paid in full.

Market price data

Table 2: Monthly highs and lows of Company's shares during 2018-19
(₹ vis-à-vis BSE Sensex)

Month	BSE		NSE		Closing BSE Sensex
	High	Low	High	Low	
Apr 18	2,976.35	2,747.00	2,977.50	2,746.25	35,160.36
May 18	3,183.80	2,701.10	3,043.40	2,703.50	35,322.38
Jun 18	2,948.60	2,705.00	2,939.40	2,705.40	35,423.48
Jul 18	3,213.95	2,604.00	3,194.95	2,605.00	37,606.58
Aug 18	2,771.55	2,610.00	2,770.00	2,606.00	38,645.07
Sep 18	2,950.00	2,638.00	2,949.00	2,636.00	36,227.14
Oct 18	2,765.00	2,425.00	2,769.90	2,420.00	34,442.05
Nov 18	2,769.45	2,569.55	2,769.70	2,568.05	36,194.30
Dec 18	2,900.00	2,669.40	2,905.00	2,670.00	36,068.33
Jan 19	2,745.00	2,461.00	2,747.25	2,461.10	36,256.69
Feb 19	2,937.75	2,545.05	2,941.00	2,543.00	35,867.44
Mar 19	3,045.25	2,820.00	3,047.80	2,814.80	38,672.91

Bajaj Auto Ltd. stock performance vs BSE Sensex, during 2018-19,
indexed to 100 on 31 March 2018



Distribution of shareholding

Table 3 gives details about the pattern of shareholding across various categories as on 31 March 2019, while Table 4 gives the data according to size classes.

Table 3: Distribution of shareholdings across categories as on 31 March 2019

Categories	31 March 2019		31 March 2018	
	No. of shares	% to total capital	No. of shares	% to total capital
Promoters	148,105,032	51.18	142,657,982	49.30
Friends and associates of promoters	29,822,882	10.31	30,180,364	10.43
FPIs/FILs	45,254,414	15.64	49,769,919	17.20
Public Financial Institutions	14,649,522	5.06	17,960,296	6.21
Mutual Funds	6,282,566	2.17	6,282,828	2.17
Nationalised and other banks	263,269	0.09	266,577	0.09
NRIs and OCBs	1,410,604	0.49	1,093,692	0.38
Others	43,578,731	15.06	41,155,362	14.22
Total	289,367,020	100.00	289,367,020	100.00

Table 4: Distribution of shareholding according to size class as on 31 March 2019

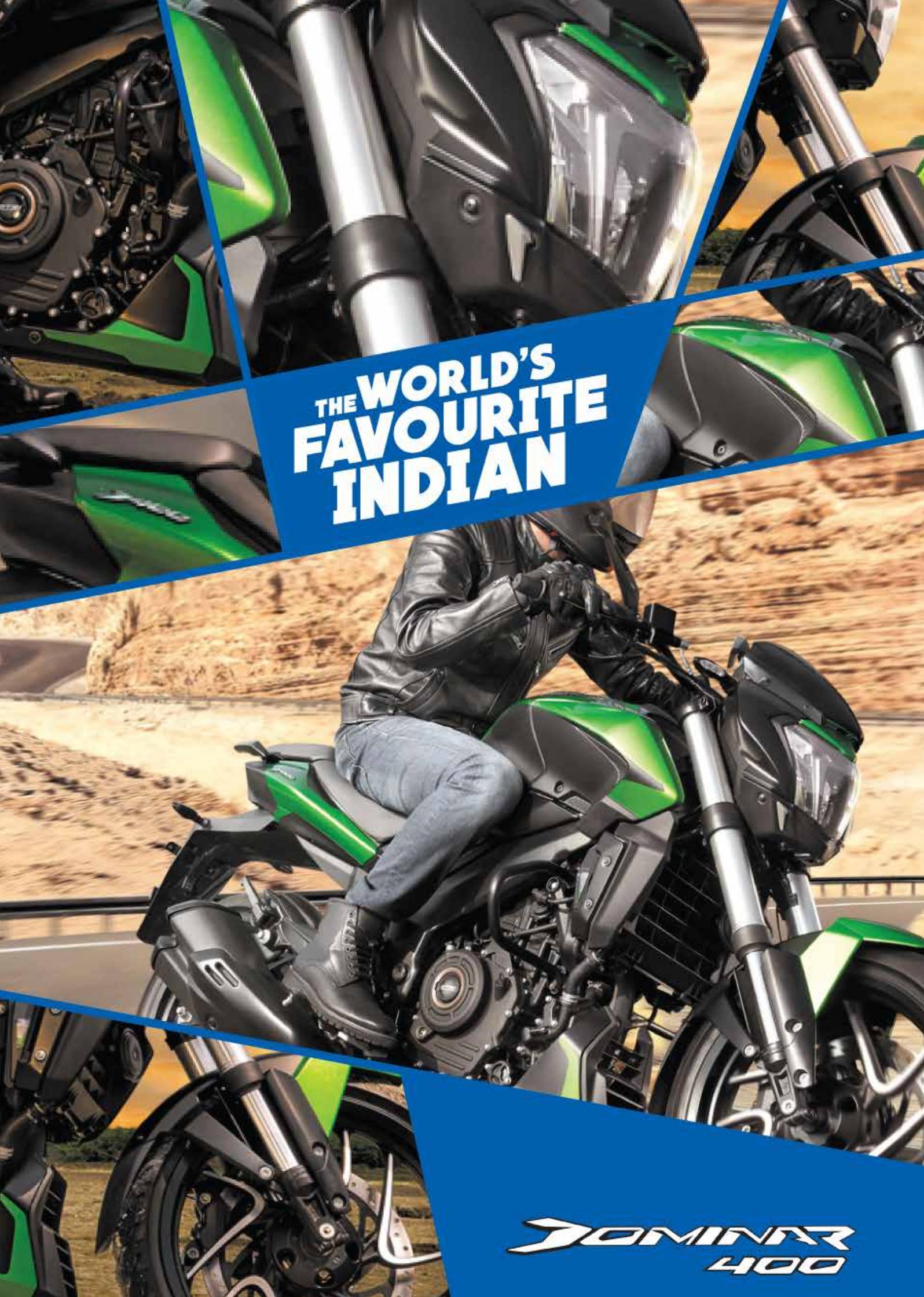
Category	No. of shareholders		Shares held in each class	
	Number	%	Number	%
1 to 500	103,202	94.21	4,484,485	1.55
501 to 1000	2,221	2.03	1,634,799	0.56
1001 to 2000	1,369	1.25	1,979,639	0.68
2001 to 3000	614	0.56	1,529,585	0.53
3001 to 4000	382	0.35	1,348,173	0.47
4001 to 5000	258	0.23	1,170,499	0.41
5001 to 10000	578	0.53	4,180,195	1.44
10001 and above	917	0.84	273,039,645	94.36
Total	109,541	100.00	289,367,020	100.00

Shareholders' and investors' grievances

The Board of Directors of the Company currently has a Stakeholders' Relationship Committee to specifically look into and resolve grievances of security-holders on various matters.

Routine queries/complaints received from shareholders are promptly attended to and replied, queries/complaints received during the period under review were relating to non-receipt of dividend by warrants as well as through electronic clearing service, non-receipt of annual report, non-receipt of dividend, fraudulent transfer of shares, non-receipt of transferred shares and change of address and/or bank particulars. As on 31 March 2019, there were 2 pending issues to be addressed or resolved. These 2 complaints have since been resolved.

During the year, letters were received from SEBI/ROC/Stock Exchanges/Investors concerning 17 complaints filed by the shareholders on various matters. In respect of each of these complaints, replies were sent to SEBI/ROC/Stock Exchanges/Investors in the prescribed format, as the case may be and a few action remained to be taken at the Company's end.



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Demat suspense account with HDFC Bank for unclaimed shares

In accordance with the provisions contained in clause 5A of the erstwhile Listing Agreement (now corresponding to regulation 39(4) of the SEBI Listing Regulations) as amended by SEBI vide circular dated 16 December 2010, the Company, during the year 2011-12, had sent three reminders to such shareholders whose shares were lying 'undelivered/unclaimed' with the Company, followed by opening of the unclaimed share suspense demat account with HDFC Bank in April 2012.

After completing the necessary formalities, 44,375 shares held by 148 shareholders were transferred to the said suspense account in April 2012. Voting rights on such shares are to remain frozen till the rightful owner claims the shares.

The Company, acting as a trustee in respect of the unclaimed shares, follows the modalities for the operation of the said account in the manner set out in regulation 39(4) of the SEBI Listing Regulations.

The summary of this account for the year 2018-19 is as follows:

Sr. No.	Particulars	No. of shareholders	No. of shares
i.	Aggregate no. of shareholders and the outstanding shares lying in the Unclaimed Suspense Account as on 1 April 2018	40	5,426
ii.	No. of shareholders who approached the Company for transfer of shares from the Unclaimed Suspense Account during the year 2018-19	–	–
iii.	No. of shareholders to whom shares were transferred from the Unclaimed Suspense Account during the year 2018-19	–	–
iv.	No. of shares transferred to IEPF Authority during the year 2018-19	7	2,100
v.	Aggregate no. of shareholders and the outstanding shares lying in the Unclaimed Suspense Account as on 31 March 2019	33	3,326

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 the registered shareholder(s). The prescribed nomination form (SH-13) will be sent by the share transfer agent of the Company upon such request and is also available on the Company's website www.bajajauto.com

Nomination facility for shares held in electronic form is also available with depository participant.

Credit Rating

The Company has neither issued any debt instruments nor undertaken any fixed deposit programme or any scheme or proposal involving mobilisation of funds, whether in India or abroad.

However, the Company has obtained on 28 December 2018 'FAAA' rating from CRISIL on the Fixed Deposits of the Company. This rating indicates that the degree of safety of timely payment of interest and principal is very strong.

Webcast of proceedings of Annual General Meeting

As per SEBI notification dated 9 May 2018, top 100 listed entities shall, w.e.f. 1 April 2019, provide one-way live webcast of the proceedings of the Annual General Meetings. Accordingly, the Company is taking necessary steps to meet this requirement in the ensuing Annual General Meetings scheduled on 26 July 2019.

Voting through electronic means

Pursuant to section 108 of the Companies Act, 2013 and the Rules made thereunder and provisions under the SEBI Listing Regulations, every listed company is required to provide its members, the facility to exercise their right to vote at general meetings by electronic means.

The Company has entered into an arrangement with Karvy the authorised agency for this purpose, to facilitate such e-voting for its members.

The shareholders would therefore be able to exercise their voting rights on the items put up in the Notice of annual general meeting, through such e-voting method. Further, in accordance with the Companies (Management and Administration) Rules, 2014, as amended, the Company shall also be making arrangements to provide for e-voting facility at the venue of the annual general meeting.

Shareholders, who are attending the meeting and who have not already cast their votes by remote e-voting shall only be able to exercise their right of voting at the meeting.

Cut-off date, as per the said Rules, shall be 19 July 2019 and the remote e-voting shall be open for a period of three days, from 23 July 2019 (9.00 a.m.) till 25 July 2019 (5.00 p.m.). The Board has appointed Shyamprasad D Limaye, Practising Company Secretary as scrutiniser for the e-voting process.

Detailed procedure is given in the Notice of the Twelfth Annual General Meeting and is also placed on the Company's website.

Outstanding convertible instruments/ADRs/GDRs/warrants

The Company does not have any outstanding convertible instruments/ADRs/GDRs/warrants as on date of this Report.

Shareholders may get in touch with the Company Secretary for further assistance.

Plant locations

Bajaj Auto has plants located at the following places:

1. Mumbai-Pune Road, Akurdi, Pune 411 035 (Maharashtra)
2. Bajaj Nagar, Waluj, Aurangabad 431 136 (Maharashtra)
3. MIDC, Plot No. A1, Mahalunge Village, Chakan 410 501 Dist. Pune (Maharashtra)
4. Plot No. 2, Sector-10, IIE Pantnagar, Udhamasinghnagar 263 531 (Uttarakhand)

Address for correspondence

Investors and shareholders can correspond with the share transfer agent or the registered office of the Company at the following address:

Share transfer agent

Karvy Fintech Pvt. Ltd. (previously known as Karvy Computershare Pvt. Ltd.)

Unit: Bajaj Auto Ltd.
Karvy Selenium Tower B, Plot No. 31-32,
Gachibowli Financial District, Nanakramguda,
Hyderabad 500 032.

Contact persons

M S Madhusudhan
Mohd. Mohsinuddin
Tel. No: (040) 6716 2222/1562
Fax No: (040) 2300 1153
Toll free No: 1800 345 4001
Email: mohsin.mohd@karvy.com
Website: www.karvyfintech.com

Company

Bajaj Auto Ltd.

Mumbai-Pune Road,
Akurdi, Pune 411 035.

Company Secretary and Compliance Officer

Dr. J Sridhar
Tel. No: (020) 6610 6503
Fax No: (020) 2740 7380
Email: investors@bajajauto.co.in
Website: www.bajajauto.com