

**BAJAJ***Distinctly Ahead*

Bajaj Auto Limited
Akurdi Pune 411 035 India

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www.bajajauto.com

9 February 2019

Corporate Relations Department BSE Limited 1 st Floor, New Trading Ring Rotunda Building, P J Tower Dalal Street, Mumbai 400 001 Email: corp.relations@bseindia.com	Corporate Relations Department National Stock Exchange of India Ltd Exchange Plaza, 5 th Floor Plot No.C-1, G Block Bandra-Kurla Complex Bandra (East), MUMBAI 400 051 Email: cmist@nse.co.in
BSE Code: 532977	NSE Code: BAJAJ-AUTO

Dear Sir/s:

Sub: **Submission of Postal Ballot Notice & Form**

Pursuant to Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the Notice of Postal Ballot and Postal Ballot Form dated 30 January 2019 issued by the Company.

This is for your information please.

Thanking you,

Yours faithfully,
For **Bajaj Auto Limited**,

Dr. J Sridhar
Company Secretary

Encl: as above

BAJAJ AUTO LIMITED

CIN:L65993PN2007PLC130076

Registered Office: Bajaj Auto Limited Complex,
Mumbai-Pune Road, Akurdi, Pune - 411 035

Tel: 020-27472851 Fax: 020-27407380

E-mail: investors@bajajauto.co.in

Website: www.bajajauto.com

POSTAL BALLOT NOTICE

[Pursuant to Section 110 of the Companies Act, 2013 read with Rule 22 of the Companies (Management and Administration) Rules, 2014]

To the members of the Company,

Notice is hereby given that the resolutions set out below are proposed to be passed by the members of Bajaj Auto Limited ("the Company") by means of Postal Ballot including Electronic Voting (e-voting), pursuant to Section 110 and all other applicable provisions of the Companies Act, 2013 ("the Act") read with Rule 22 of the Companies (Management and Administration) Rules, 2014 ("the Rules") (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force).

The Statement pursuant to Section 102(1) of the Act setting out all material facts relating to the resolutions mentioned in this Postal Ballot Notice is attached.

The Company has appointed Shri Shyamprasad D Limaye, Practising Company Secretary (FCS No. 1587, CP No. 572), as Scrutiniser for conducting the Postal Ballot including e-voting process in a fair and transparent manner and they have communicated their willingness to be appointed and will be available for the said purpose.

Members have the option to vote either by means of physical Postal Ballot or through e-voting. Members desiring to exercise their vote by means of physical Postal Ballot are requested to carefully read the instructions printed in this Postal Ballot Notice and Postal Ballot Form and return the Postal Ballot Form duly completed in all respects in the enclosed self-addressed postage pre-paid Business Reply Envelope so as to reach the Scrutiniser not later than the close of working hours, that is, 5:00 p.m. on 11 March 2019. Postal Ballot Forms received after this day will be treated as 'invalid'. Pursuant to Section 108 of the Act read with Rule 20 of the Rules, as amended, and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is also providing e-voting facility for voting electronically on the resolutions proposed in this Postal Ballot Notice. Members desiring to opt for the e-voting facility are requested to read carefully the related notes to this Postal Ballot Notice and instructions given thereunder.

The Scrutiniser will submit his report to the Company after the completion of scrutiny, and the results of voting by means of Postal Ballot (including voting through electronic means) shall be declared by the Chairman or any other person authorised by him within 48 hours from receipt of the scrutiniser's report, at the Registered Office of the Company and also by placing the same on the Company's website: www.bajajauto.com and on the website of Karvy: <https://evoting.karvy.com> and the results will simultaneously be communicated to the Stock Exchanges.

SPECIAL BUSINESS:

1. Approval for the Bajaj Auto Employee Stock Option Scheme 2019

To consider, and if thought fit, to pass the following resolution as a **Special Resolution**:

"RESOLVED that pursuant to the provisions of section 62(1)(b), 67(3)(b) and all other applicable provisions, if any, of the Companies Act, 2013 ('the Act'), and the rules thereunder, the Memorandum and Articles of Association of the Company, the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (hereinafter referred to as 'SEBI Regulations'), including any statutory modification(s) or re-enactment(s) of the Act, the rules or the SEBI Regulations, for the time being in force and subject to such other approvals, permissions and sanctions, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions which may be agreed to by the Board of Directors of the Company in its sole discretion (hereinafter referred to as the 'Board', which expression shall also include any committee including Compensation Committee constituted by the Board for this purpose), consent of the Company be and is hereby accorded to the Board to create, issue, offer, grant and allot to or for the benefit of such person(s), who are the permanent Employees or Directors of the Company as may be permissible under the SEBI Regulations (hereinafter referred to as 'Employees') and as may be decided by the Board under the scheme titled 'Bajaj Auto Employee Stock Option Scheme 2019' (hereinafter referred to as 'BAL-ESOS 2019'), not exceeding 5,000,000 stock options convertible into 5,000,000 equity shares of the face value of Rs. 10 each fully paid-up, in such manner, during such period, in one or more tranches and on such terms and conditions including the price as the Board may decide in accordance with the SEBI Regulations or other provisions of the law as may be prevailing at the relevant time.

"RESOLVED FURTHER that the equity shares to be issued on exercise of stock options may be allotted to the Employees through any appropriate mechanism, including a trust, which may be set up in any permissible manner for implementation of the BAL-ESOS 2019 and that the BAL-ESOS 2019 may include provisions for providing loan/financial assistance by the Company, its holding (if any, in future), and/or subsidiary company(ies), if any, to the trust/the Employees from time to time, on such terms as it may think fit, to enable the trust/the Employees to subscribe to or purchase the equity shares of the Company.

“RESOLVED FURTHER that the Board be and is hereby authorised to issue and allot fully paid-up equity shares to be issued on exercise of stock options from time to time in accordance with the BAL-ESOS 2019 and the said equity shares shall rank pari-passu in all respects with the then existing fully paid-up equity shares of the Company.

“RESOLVED FURTHER that in case of any corporate action(s) such as rights issue, bonus issue, merger and sale of division, change in capital structure and others, if any, additional stock options of the Company are issued to the Employees for the purpose of making a fair and reasonable adjustment to the stock options issued to them, the above ceiling of 5,000,000 options convertible into 5,000,000 equity shares be deemed to be increased in proportion to the additional equity shares issued in the aforesaid corporate action(s).

“RESOLVED FURTHER that in case the equity shares of the Company are either sub-divided or consolidated, the number of equity shares arising out of and/or the price of acquisition payable by the Employees under the BAL-ESOS 2019 shall automatically stand increased or reduced, as the case may be, in the same proportion as the present face value of Rs.10 per equity share bears to the revised face value of the equity shares of the Company after such sub-division or consolidation, without affecting any other rights or obligations of the Employees.

“RESOLVED FURTHER that the Board be and is hereby authorised on behalf of the Company to evolve, decide upon and bring into effect the BAL-ESOS 2019 and make any modifications, changes, variations, alterations or revisions in the BAL-ESOS 2019 from time to time or to suspend, withdraw or revive the BAL-ESOS 2019 from time to time as may be specified by any statutory authority and/or to give effect to any laws, rules, regulations, amendment(s) thereto and to do all other acts, deeds, matters and things as are necessary to give effect to the above resolution and with power on behalf of the Company to settle any questions or difficulties that may arise with regard to the creation, offer, issue, grant and allotment of stock options and/or equity shares arising therefrom without requiring the Board to secure any further consent or approval of the members of the Company in this respect.”

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

To consider, and if thought fit, to pass the following resolution as a **Special Resolution**:

“RESOLVED that pursuant to section 62(1)(b) and all other applicable provisions, if any, of the Companies Act, 2013 (‘the Act’), and the Rules thereunder, the Memorandum and Articles of Association of the Company, the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (hereinafter referred to as ‘SEBI Regulations’), including any statutory modification(s) or re-enactment(s) of the Act, the Rules or the SEBI Regulations, for the time being in force and subject to such other approvals, permissions and sanctions, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions which may be agreed to by the Board of Directors of the Company in its sole discretion (hereinafter referred to as the ‘Board’, which expression shall also include any committee including Compensation Committee constituted by the Board for this purpose), consent of the Company be and is hereby accorded to extend the benefits of the Bajaj Auto Employee Stock Option Scheme 2019 (hereinafter referred to as ‘BAL-ESOS 2019’) referred to in resolution no. 1 of this Notice to the person(s), who are the permanent Employees or Directors of holding (if any, in future) or subsidiary company(ies), if any, of the Company as may be permissible under the SEBI Regulations (hereinafter referred to as ‘Employees’), in such manner, during such period, in one or more tranches and on such terms and conditions including the price as the Board may decide in accordance with the SEBI Regulations or other provisions of the law as may be prevailing at the relevant time, within the overall ceiling of 5,000,000 stock options convertible into 5,000,000 equity shares of the face value of Rs. 10 each fully paid-up as mentioned in the aforesaid resolution.

“RESOLVED FURTHER that the equity shares to be issued on exercise of stock options be allotted to the Employees through any appropriate mechanism, including a trust, which may be set up in any permissible manner for implementation of the BAL-ESOS 2019 and that the BAL-ESOS 2019 may include provisions for providing loan/financial assistance by the Company, its holding (if any, in future), and/or subsidiary company(ies), if any, to the trust/the Employees from time to time, on such terms as it may think fit, to enable the trust/the Employees to subscribe to or purchase the equity shares of the Company.

“RESOLVED FURTHER that the Board be and is hereby authorised to issue and allot fully paid-up equity shares to be issued on exercise of stock options from time to time in accordance with the BAL-ESOS 2019 and the said equity shares shall rank pari-passu in all respects with the then existing fully paid-up equity shares of the Company.

“RESOLVED FURTHER that in case of any corporate action(s) such as rights issue, bonus issue, merger and sale of division, change in capital structure and others, if any, additional stock options of the Company are issued to the Employees for the purpose of making a fair and reasonable adjustment to the stock options issued to them, the above ceiling of 5,000,000 options convertible into 5,000,000 equity shares be deemed to be increased in proportion to the additional equity shares issued in the aforesaid corporate action(s).

“RESOLVED FURTHER that in case the equity shares of the Company are either sub-divided or consolidated, the number of equity shares arising out of and/or the price of acquisition payable by the Employees under the BAL-ESOS 2019 shall automatically stand increased or reduced, as the case may be, in the same proportion as the present face value of Rs. 10 per equity share bears to the revised face value of the equity shares of the Company after such sub-division or consolidation, without affecting any other rights or obligations of the Employees.

“RESOLVED FURTHER that the Board be and is hereby authorised on behalf of the Company to evolve, decide upon and bring into effect the BAL-ESOS 2019 and make any modifications, changes, variations, alterations or revisions in the BAL-ESOS 2019 from time to time or to suspend, withdraw or revive the BAL-ESOS 2019 from time to time as may be specified

by any statutory authority and/or to give effect to any laws, rules, regulations, amendment(s) thereto and to do all other acts, deeds, matters and things as are necessary to give effect to the above resolution and with power on behalf of the Company to settle any questions or difficulties that may arise with regard to the creation, offer, issue, grant and allotment of stock options and/or equity shares arising therefrom without requiring the Board to secure any further consent or approval of the members of the Company in this respect.”

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**

To consider, and if thought fit, to pass the following resolution as a **Special Resolution**:

“RESOLVED that pursuant to section 62(1)(b) and all other applicable provisions, if any, of the Companies Act, 2013 (‘the Act’), and the Rules thereunder, the Memorandum and Articles of Association of the Company, the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (‘SEBI Regulations’), including any statutory modification(s) or re-enactment(s) of the Act, the Rules or the SEBI Regulations, for the time being in force and subject to such other approvals, permissions and sanctions, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions which may be agreed to by the Board of Directors of the Company in its sole discretion (hereinafter referred to as the ‘Board’, which expression shall also include any committee including Compensation Committee constituted by the Board for this purpose), consent of the Company be and is hereby accorded to the Board to acquire the equity shares of the Company from the secondary market through a trust (hereinafter referred to as ‘Trust’) to be set up for implementation of Bajaj Auto Employee Stock Option Scheme 2019 (hereinafter referred to as ‘BAL-ESOS 2019’) referred to in resolution no. 1 and 2 of this Notice so that the total number of equity shares under secondary acquisition held by the Trust shall not exceed, at any time, 5% of the number of paid-up equity shares of the Company as on 31 March 2018.

“RESOLVED FURTHER that the number of equity shares of the Company that can be acquired by the Trust from the secondary market in any financial year shall not exceed 2% of the number of paid-up equity shares of the Company as at the end of the previous financial year.

“RESOLVED FURTHER that in case of any corporate action(s) such as rights issue, bonus issue, merger and sale of division, change in capital structure and others, if any, additional stock options of the Company are issued to the Employees pursuant to the BAL-ESOS 2019 for the purpose of making a fair and reasonable adjustment to the stock options issued to them, the above ceiling of 5% of the number of paid-up equity shares be deemed to be increased in proportion to the additional equity shares issued in the aforesaid corporate action(s).

“RESOLVED FURTHER that in case the equity shares of the Company are either sub-divided or consolidated, the above ceiling of 5% of the number of paid-up equity shares shall automatically stand increased or reduced, as the case may be, in the same proportion as the present face value of Rs. 10 per equity share bears to the revised face value of the equity shares of the Company after such sub-division or consolidation.

“RESOLVED FURTHER that the Board be and is hereby authorised on behalf of the Company to do all the acts, deeds, matters and things as are necessary and settle any questions or difficulties that may arise to give effect to the above resolution without requiring any further consent or approval of the members of the Company in this respect.”

By order of the Board of Directors
For Bajaj Auto Limited

Place : Pune
Date : 30 January 2019

Dr. J Sridhar
Company Secretary

NOTES:

1. The Explanatory Statement pursuant to the provisions of Section 102 of the Companies Act, 2013 (“Act”) setting out all material facts and reasons for the proposed resolutions is annexed hereto and forms part of this notice.
2. The Postal Ballot Notice along with the Postal Ballot Form is being sent in electronic form to the members who have registered their e-mail addresses with the Company /Registrars and Transfer Agents of the Company (in case of physical shareholding) / with their Depository Participants (in case of electronic shareholding). Physical copies of the Postal Ballot Notice along with Postal Ballot Form are being sent to members whose e-mail addresses are not registered, by permitted mode along with postage pre-paid Business Reply Envelope addressed to the Scrutiniser.
3. The Postal Ballot Notice is being sent to all the Members, whose names appear in the Register of Members / Statements of Beneficial ownership maintained by the Depositories as on the close of business hours on 25 January 2019.
4. Voting rights will be reckoned on the paid-up value of shares registered in the name of the Members on **25 January 2019 (“Cut-off date”)**. Only those Members whose names are recorded in the Register of Members of the Company or in the Register of Beneficial Owners maintained by the Depositories as on the Cut-off date will be entitled to cast their votes by Postal Ballot or e-voting. A person who is not a member as on the cut-off date should treat this notice for information purposes only.

5. Pursuant to the provisions of Section 108 and all other applicable provisions of the Act read with the Companies (Management and Administration) Rules, 2014, as amended, and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the Company is pleased to provide e-voting facility to all its members, to enable them to cast their votes electronically and has engaged the services of Karvy Fintech Private Limited ("Karvy") as the agency to provide e-voting facility. Instructions for the process to be followed for e-voting are annexed to this Postal Ballot Notice.
6. Members can opt for only one mode of voting i.e. either Postal Ballot Form or e-voting. In case any Member votes both by Postal Ballot Form and e-voting, the votes cast through e-voting shall prevail and the votes cast through Postal Ballot Form shall be considered invalid.
7. A member cannot exercise his vote by proxy on Postal Ballot.
8. The e-voting period commences on **10 February 2019 at 9:00 a.m. (IST)** and ends at **5:00 p.m. (IST)** on **11 March 2019**. During this period, members of the Company, holding shares either in physical or dematerialised form, as on the cut-off date, that is, 25 January 2019, may cast their vote electronically. The e-voting module shall be disabled by Karvy thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently or cast the vote again.
9. Members desiring to exercise their vote by physical Postal Ballot are requested to carefully read the instructions printed overleaf on the Postal Ballot Form and return the said Form duly completed and signed, in the enclosed postage prepaid Business Reply Envelope to the Scrutiniser Shri Shyamprasad D Limaye, Practising Company Secretary (FCS No. 1587, CP No. 572), so that it reaches the Scrutiniser not later than 5.00 p.m. IST on 11 March 2019. The postage will be borne by the Company. However, envelopes containing Postal Ballot Form, if sent by courier or registered / speed post at the expense of the Members will also be accepted. If any Postal Ballot Form is received after 5.00 p.m. IST on 11 March 2019, it will be considered that no reply from the Member has been received.
10. The resolutions, if approved, shall be deemed to have been passed on the last date of voting, that is, 11 March 2019.
11. Relevant documents referred to in this Postal Ballot Notice and the Statement are available for inspection by the members at the Company's registered office during business hours on all working days except Saturday and holiday from the date of despatch of this Postal Ballot Notice.
12. Members who have not registered their e-mail addresses are requested to register the same with the Company's Registrars and Transfer Agents / Depository Participant(s) for sending future communication(s) in electronic form.
13. A member need not use all his / her / its votes nor does he / she / it need to cast all his / her / its votes in the same way.
14. The Scrutiniser's decision on the validity of the Postal Ballot shall be final.

15. INSTRUCTIONS FOR VOTING

A. Voting through Physical Postal Ballot Form

1. A Member desiring to exercise vote by physical Postal Ballot shall complete the enclosed Postal Ballot Form with assent (for) or dissent (against) and send it to the Scrutiniser in the enclosed postage pre-paid Business Reply Envelope. Postage will be borne and paid by the Company. However, in case the Members send the physical Postal Ballot Form by courier or registered post or deliver it in person at their expense, such Postal Ballot Forms will also be accepted.
2. The Postal Ballot Form, duly completed and signed by the Member(s) should be sent to the Scrutiniser so as to reach the Scrutiniser not later than 5.00 pm (IST) on 11 March 2019. Postal Ballot Forms received after the said date shall be treated as if the reply from the Members has not been received.
3. Members are requested to exercise their voting rights by using the enclosed Postal Ballot Form only. No other form or photocopy of the form (except duplicate form issued by the Company) shall be accepted.
4. Corporate / Institutional Members (that is, other than Individuals, HUF, NRI, etc.) opting for physical ballot are also required to send certified true copy of the Board Resolution / Power of Attorney / Authority Letter, etc., together with attested specimen signature(s) of the duly authorised representative(s), to the Scrutiniser along with the Postal Ballot Form.

B. Voting through electronic means

(a) In case a Member receives an e-mail from M/s. Karvy Fintech Private Limited [for members whose email addresses are registered]:

- (i) Launch an internet browser and open <https://evoting.karvy.com>

- (ii) Members of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. close of business hours of 25 January 2019 may cast their vote electronically.
- (iii) Enter the login credentials i.e. User ID and password, provided in the email received from Karvy Fintech Private Limited. However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for casting your vote.
- (iv) After entering the above details, click on – LOGIN
- (v) Password change menu will appear. Change the password with a new password of your choice. The new password shall comprise minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric (0-9) and a special character (@, #, \$, etc.). The system will also prompt you to update your contact details like mobile number, email ID, etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential. After changing the password, you need to login again with the new credentials.
- (vi) On successful login, the system will prompt you to select the E-Voting Event.
- (vii) Select 'EVENT' of Bajaj Auto Limited – POSTAL BALLOT and click on – Submit.
- (viii) Now you are ready for e-voting as 'Ballot Form' page opens.
- (ix) Cast your vote by selecting appropriate option and click on 'Submit'. Click on 'OK' when prompted.
- (x) Upon confirmation, the message 'Vote cast successfully' will be displayed.
- (xi) Once you have confirmed your vote on the resolution, you cannot modify your vote.
- (xii) The Portal will remain open for voting from: **10 February 2019 at 9:00 a.m. (IST)** and ends at **5:00 p.m. (IST)** on **11 March 2019**.
- (xiii) Corporate / Institutional Members (that is, other than Individuals, HUF, NRI, etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution / Power of Attorney / Authority Letter, etc., together with attested specimen signature(s) of the duly authorised representative(s), to the Scrutiniser at e-mail id: cssdlimaye@gmail.com with a copy marked to evoting@karvy.com. They may also upload the same in the e-voting module in their login. The scanned image of the above mentioned documents should be in the naming format "Corporate Name_EVENT NO."

(b) In case a Member receiving Postal Ballot Form by post, opts for voting through Electronic means:

- (i) Initial password is provided at the bottom of the Postal Ballot Form.

EVEN (Electronic Voting Event Number)	USER ID	PASSWORD/PIN
—	REFER - POSTAL BALLOT FORM	

- (ii) Please follow all steps from Sr. No. (a)(i) to Sr. No. (a)(xiii) mentioned above, to cast vote.
 - I. In case of any queries, you may refer to the 'Frequently Asked Questions' (FAQs) and 'e-voting user manual' available in downloads section of the e-voting website of Karvy Fintech Private Limited: <https://evoting.karvy.com>.
 - II. If you have forgotten your password, you can reset your password by using "Forgot Password" option available on <https://evoting.karvy.com> or contact M/s. Karvy Fintech Private Limited at toll free no. 1800-345-4001. In case of any other queries/grievances connected with voting by electronic means, you may also contact Mr. Mohd. Mohsin, Sr. Manager – Corporate Registry of Karvy Fintech Private Limited, Karvy Selenium Tower B, Plot No. 31 & 32, Financial District, Gachibowli, Hyderabad - 500032 at telephone no. +91 40 6716 1562.

Annexure to the Notice:

Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("The Act") setting out material facts relating to Approval of Bajaj Auto Employee Stock Option Scheme 2019, Issue and allotment of equity shares to employees of holding (if any, in future) and subsidiary company(ies), and Acquisition of equity shares from secondary market through trust route for implementation of BAL-ESOS 2019:

The members of the Company vide special resolution dated 16 July 2009, had accorded their consent for the Employee Stock Option Scheme, for the Employees of the Company, its holding or subsidiary companies, framed pursuant to the Securities and

Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (hereinafter referred to as 'SEBI Guidelines'). The Scheme was not implemented by the Company. Securities and Exchange Board of India (SEBI) has, vide its notification dated 28 October 2014, notified the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (hereinafter referred to as 'SEBI Regulations') for regulation of, inter alia, employee stock option schemes of the listed companies and has since repealed the SEBI Guidelines.

Stock options have long been recognised internationally as an effective instrument to align the interest of employees with those of the company and its shareholders, providing an opportunity to employees to share the growth of the company, and to create long term wealth in the hands of the employees. It creates a sense of ownership between the company and its employees, paving the way for a unified approach to the common objective of enhancing overall shareholders value.

In the present competitive economic environment in the country and in the long-term interests of the Company and its shareholders, it is necessary that the Company adopts suitable measures for attracting and retaining qualified, talented and competent personnel.

An employee stock option scheme, designed to foster a sense of ownership and belonging amongst personnel, is a well-accepted approach to this end. It is, therefore, appropriate to consider an Employee Stock Option Scheme for the employees of the Company and holding (if any in future) and subsidiary company(ies), if any.

The Board of Directors of the Company at its meeting held on 30 January 2019 has constituted a Compensation Committee, consisting of a majority of independent directors, for the administration and superintendence of BAL-ESOS 2019 and has approved appointment of merchant banker as required under the SEBI Regulations.

Based on the recommendation of the Compensation Committee and subject to the approval of members, the Board of Directors of the Company, at its meeting held on 30 January 2019 approved the BAL-ESOS 2019 for the benefit of permanent Employees and/or Directors of the Company and/or holding and subsidiary company(ies), if any, as may be permissible under the SEBI Regulations.

Disclosure/main features of BAL ESOS 2019 pursuant to the SEBI Regulations and the Companies Act, 2013 are as under:

1. Brief description of the Scheme:

The BAL-ESOS 2019 provides for grant of stock options to the permanent Employees and/or Directors of the Company and/or its holding (if any in future) and subsidiary company(ies), if any, as may be permissible under the SEBI Regulations (hereinafter referred to as 'Employees'). Each stock option will be, upon exercise, converted into one fully paid-up equity share of the Company of face value of Rs. 10.

2. Total number of stock options to be granted:

Total stock options up to 5,000,000 convertible into 5,000,000 equity shares of the face value of Rs. 10 each fully paid-up would be available for being granted under the BAL-ESOS 2019. Each option when exercised would be converted into one equity share of Rs. 10 each fully paid-up. Vested options lapsed due to non-exercise and/or unvested options which get cancelled due to resignation of the Employees or otherwise, would be available for being re-granted at a future date.

Considering the maximum number of stock options that may be granted by way of issue of fresh shares by the Company which is a part of the shares reserved under the BAL-ESOS 2019, the dilution of the interest of public shareholders is expected to be 0.90% approximately. Shares acquired from secondary market do not impact equity dilution.

3. Identification of classes of Employees entitled to participate in the Scheme:

The class of Employees eligible for participating in the BAL-ESOS 2019 shall be determined on the basis of grade of the Employee, role/designation of the Employee, length of service with the Company, his role in and contribution to overall performance of the Company, the performance of profit centre/division to which he/she belongs, merits of the Employee, past performance record, future potential of the Employee and/or such other criteria that may be determined by the Compensation Committee at its sole discretion from time to time.

The stock options granted will not be transferable to any person and shall not be pledged, hypothecated, mortgaged or otherwise alienated in any manner. However, in the event of death of stock option grantee while in employment, the right to exercise all the options granted to him till such date shall be transferred to his nominees or legal heirs.

4. Requirements of vesting and maximum period of vesting:

The stock options granted shall vest so long as the Employee continues to be in the employment of the Company and subsidiary company(ies), if any. The Compensation Committee may, at its discretion, lay down certain performance metrics on the achievement of which the granted options would vest, the detailed terms and conditions relating to such performance-based vesting, and the proportion in which options granted would vest. The options would vest not earlier than one year and up to 10 years from the date of grant of options as may be decided by the Compensation Committee at the time of each grant. The exact proportion in which and the exact period over which the options would vest would be determined by the Compensation Committee.

5. Exercise price:

The exercise price for the purpose of grant of options will be the closing market price one day prior to the date of grant on the stock exchange where the highest trading volume of the equity shares of the Company is registered.

6. Exercise period and the process of exercise:

The exercise period may commence from the date of vesting and will expire on completion of eight years from the date of vesting of options, or such period as may be decided by the Compensation Committee at its sole discretion from time to time. The Compensation Committee will decide on the expiry period of options for Employees leaving the Company after grant of options in their favour. The equity shares arising out of exercise of vested options would not be subject to any lock-in period after such exercise.

The options will be exercised by the Employees by a written application to the designated officer of the Company/trust set up for the purpose of administration of the BAL-ESOS 2019 to exercise the options in such manner, and on execution of such documents, as may be prescribed by the Compensation Committee from time to time.

The option will lapse if not exercised within the exercise period, if specified. The option may also lapse under certain circumstances as determined by the Compensation Committee even before expiry of the specified exercise period.

7. The appraisal process for determining the eligibility of the Employees for the Scheme:

The appraisal process for determining the eligibility of the Employee will be specified by the Compensation Committee and will be based on criteria such as grade of the Employee, role/designation of the Employee, length of service with the Company, his role in and contribution to overall performance of the Company, the performance of profit centre/division to which he/she belongs, merits of the Employee, past performance record, future potential of the Employee and/or such other criteria that may be determined by the Compensation Committee at its sole discretion from time to time.

8. Maximum number of options to be issued per Employee and in aggregate under the scheme(s):

The maximum number of options granted per Employee will not exceed 500,000 options [i.e., 0.17% of total shares as on 31 March 2018].

Total stock options up to 5,000,000 convertible into 5,000,000 equity shares of the face value of Rs. 10 each fully paid-up would be available for being granted under the BAL-ESOS 2019.

9. Maximum quantum of benefits to be provided per employee:

The maximum quantum of benefits underlying the options issued to an employee shall be equal to the difference between the option exercise price and the market price of the shares on the exercise date.

10. Whether the Scheme is to be implemented and administered directly by the Company or through a Trust:

The BAL-ESOS 2019 is proposed to be implemented and administered through Bajaj Auto ESOP Trust (hereinafter referred to as 'Trust'). However, in the case of primary issue, the scheme may be implemented and administered directly by the Company if and as may be permitted under the SEBI Regulations.

11. Whether the Scheme involves new issue of shares by the Company or secondary acquisition by the Trust or both:

At the discretion of the Compensation Committee, the BAL-ESOS 2019 may involve new issue of shares by the Company or secondary acquisition by the trust or both.

12. The amount of loan to be provided for implementation of the Scheme by the Company to the Trust, its tenure, utilisation, repayment terms, etc.:

The Company and/or its subsidiary company(ies) may provide an interest free loan to the Trust to the extent required by it for the purchase of and/or subscription to equity shares of the Company for the purpose of issue of equity shares to the Employees of the respective company on exercise of stock options granted to them. The loan will be repaid by the Trust to the respective company upon receipt of exercise price by the Trust on exercise of stock options.

13. Maximum percentage of secondary acquisition that can be made by the Trust for the purposes of the Scheme:

The Trust can undertake secondary acquisition of equity shares of the Company so that the total number of shares under secondary acquisition held by the Trust shall not exceed, at any time, 5% of the paid-up equity shares of the Company as on 31 March 2018. Further, the number of equity shares of the Company that can be acquired by the Trust from the secondary market in any financial year shall not exceed 2% of the number of paid-up equity shares of the Company as at the end of the previous financial year.

14. Disclosure and Accounting Policies:

The Company and its subsidiary company(ies), if any, shall comply with the disclosure and accounting policies prescribed by SEBI Regulations and any other authorities concerned, from time to time. The difference between the fair value of the options on the date of grant and the exercise price will be borne by the Company as an expense and amortised over the vesting period. The fair value charge in respect of the stock options granted to Employees of the holding and subsidiary company(ies), if any, will be considered as capital contribution to the respective company.

15. Method of Option Valuation by the Company:

The Company shall use the Fair Value Method for valuation of the options granted under the BAL-ESOS 2019.

16. Class of Employees for whose benefit the Scheme is being implemented and money is being provided for purchase of or subscription to shares:

As mentioned in clause 3 and 12 above.

17. Particulars of the trustees or Employees in whose favour such shares are to be registered:

The BAL-ESOS 2019 is proposed to be administered through Bajaj Auto ESOP Trust. However, in the case of primary issue, the scheme may be implemented and administered directly by the Company, if and as may be permitted under the SEBI Regulations. The Trust may acquire equity shares of the Company from the secondary market as well. The equity shares acquired by the Trust from the allotment and/or the secondary market shall be transferred to the Employees on exercise of stock options.

18. Particulars of Trust and name, address, occupation and nationality of trustees and their relationship with the promoters, directors or key managerial personnel, if any:

Name of the Trust	Name of the Trustee	Address of the Trustee	Occupation of Trustee	Nationality of Trustee	Relation of Trustee with promoters, directors or key managerial personnel
BajajAuto ESOP Trust	Abraham Joseph Ravi Kyran Ramasamy Madhavdas Kini	C/o Bajaj Auto Ltd. Mumbai-Pune Road, Akurdi, Pune - 411035	Company Executive	Indian	Company Executive

19. Any interest of key managerial personnel, directors or promoters in such Scheme or Trust and effect thereof:

As per the SEBI Regulations, the promoters and independent directors of the Company are not entitled to any stock options. The key managerial personnel and non-independent directors of the Company may be deemed to be concerned or interested in the Scheme or Trust to the extent of stock options that may be granted to them pursuant to the BAL-ESOS 2019.

20. Detailed particulars of benefits which will accrue to the Employees from the implementation of the Scheme:

The Employees will be entitled to exercise the options granted to them at the exercise price during the exercise period pursuant to BAL-ESOS 2019.

21. Details about who would exercise and how the voting rights in respect of the shares to be purchased or subscribed under the BAL-ESOS 2019 would be exercised:

The voting rights in respect of the shares will be exercised by the Employees on transfer of shares by the Trust to them upon exercise of the stock options. The trustee of Bajaj Auto ESOP Trust shall not vote in respect of the shares held by the Trust.

Pursuant to section 62(1)(b) and 67(3)(b) of the Companies Act, 2013 and Regulation 6 of the SEBI Regulations, the BAL-ESOS 2019 requires approval of the shareholders by special resolution which is proposed in item no. 1 of this Notice. Further, as per Regulation 6 of the SEBI Regulations, the grant of stock options to Employees of the holding (if any, in future) and/or subsidiary company(ies) and secondary acquisition of shares for the purpose of implementing the BAL-ESOS 2019 require separate resolution of the members, which are proposed in item no. 2 and 3 of this Notice respectively.

A copy of the BAL-ESOS 2019 will be kept open for inspection by shareholders at the registered office of the Company during business hours.

None of the Directors, key managerial personnel of the Company and their relatives are, concerned or interested, in these resolutions, except to the extent of their respective shareholding, if any, in the Company and number of options which may be granted to them, if any, pursuant to the BAL-ESOS 2019.

The Board commends the special resolutions set out in item No. 1, 2 and 3 of the Notice for approval by shareholders.

By order of the Board of Directors
For Bajaj Auto Limited

Place : Pune
Date : 30 January 2019

Dr. J Sridhar
Company Secretary

INSTRUCTIONS

- 1) A member desiring to exercise vote by Postal Ballot shall complete this Postal Ballot Form and send it duly and properly sealed to the Scrutiniser in the self-addressed reply envelope sent herewith. However, envelopes containing Postal Ballot form, if sent by courier at the expense of the member will also be accepted. Members are requested to convey their assent or dissent in this Postal Ballot form only. The assent or dissent received in any other form or manner shall be considered as invalid.
- 2) This Form should be completed and signed by the member [as per the specimen signature registered with the Company/Depository Participant(s)]. In case of Joint holding, this form should be completed and signed by the first named member and in his absence, by the next named member.
- 3) Duly completed Postal Ballot form should reach the Scrutiniser not later than 5.00 p.m. IST on Monday, 11 March 2019. All Postal Ballot forms received after this date will be strictly treated as if reply from such member(s) has not been received.
- 4) There will be only one Postal Ballot Form for every Folio No. /DP ID No. /Client ID No. irrespective of the number of Joint Member(s). On receipt of the duplicate Postal Ballot Form, the original will be rejected.
- 5) In case of Equity Shares held by companies, trusts, societies etc., the duly completed Postal Ballot Form should be accompanied by a certified copy of board resolution/authority letter and preferably with attested specimen signature(s) of the duly authorized signatories giving requisite instructions to the person voting on the Postal Ballot Form.
- 6) Members are requested not to send any other paper along with the Postal Ballot Form in the enclosed postage prepaid reply envelope, as all such envelopes will be sent to the Scrutiniser and any extraneous paper found in such envelope would be destroyed by the Scrutiniser.
- 7) A Member may request for a duplicate Postal Ballot form, if so required or can download the Postal Ballot Form from the Company's website (www.bajajauto.com) and the same duly completed should reach the Scrutiniser not later than the last date for voting mentioned above. In case of receipt of more than one Postal Ballot Form from a Member, the last received Form would be considered and the earlier received Form(s) would be considered invalid.
- 8) In complete, unsigned or incorrect Postal Ballot Forms will be rejected. The Scrutiniser's decision on the validity of a Postal Ballot Form will be final and binding.
- 9) Additionally, please note that the Postal Ballot Form shall be considered in valid if:
 - a) A form other than the one issued by the Company has been used;
 - b) It is not possible to determine without any doubt the assent or dissent of the member;
 - c) Neither assent or dissent is mentioned;
 - d) Any competent authority has given directions in writing to the Company to freeze the voting rights of the Member;
 - e) It is defaced or mutilated in such away that its identity as genuine form cannot be established;
 - f) The member has made any amendment to the Resolution or imposed any condition while exercising his vote.
- 10) Voting rights shall be reckoned on the paid up value of shares registered in the name of the member(s) on **25 January 2019 (cut-offdate)**.
- 11) Voting by Postal Ballot or through e-voting may be exercised by the Members or its duly constituted attorney. Exercise of vote by Postal Ballot through Proxy is not permitted.
- 12) The Company is pleased to offer e-voting facility as an alternate, for all the Members of the Company to enable them to cast their votes electronically instead of returning duly filled-up Postal Ballot Form. E-voting is optional. The detailed procedure for e-voting is enumerated in the Notice of the Postal Ballot dated 30 January 2019.
- 13) A member can opt for only one mode of voting, i.e. either through e-voting or by Postal Ballot form. If a member casts vote by both modes, then voting done through e-voting shall prevail and Postal Ballot Form shall be treated as invalid.

INSTRUCTIONS

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