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**THE WORLD'S
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INDIAN**

BAJAJ AUTO LIMITED

TRANSCRIPT OF 14TH ANNUAL GENERAL MEETING OF 22 JULY 2021 THROUGH VIDEO CONFERENCING / OTHER AUDIO-VISUAL MEANS

- **Mr. Niraj Bajaj - Chairman, Bajaj Auto Ltd:**
- Good afternoon dear shareholders and welcome to the 14th Annual General Meeting of Bajaj Auto Ltd. I'm Niraj Bajaj, Chairman of the company. At the outset, I would like to express on behalf of the board our heartfelt condolences to all those who have lost their loved ones to the dreadful COVID-19 pandemic.
- With the requisite quorum being present, I call the meeting to order.
- In view of the continuing restrictions on the movement of persons at several places in the country, the Ministry of Corporate Affairs and SEBI vide their circulars, have allowed companies to conduct their Annual General Meeting through video conferencing or other audio-visual means without physical presence of members at a common venue. Accordingly, the company is holding this meeting through video conferencing for the second consecutive year. In terms of provisions of SEBI Listing Regulations, one-way webcast of the proceedings of this AGM is also being provided to the members.
- The company has taken all feasible efforts to ensure that the shareholders are provided an opportunity to participate in this Annual General Meeting. Members participating through mobile devices, tablets, laptops, etc. may at times experience audio or video loss due to fluctuation in their respective networks. Use of a stable wi-fi or LAN connection can mitigate some of the technical glitches. Members who need technical assistance during the meeting may reach out to KFin Technologies at the mail id or the helpline number provided in the AGM notice.
- As the shareholders are aware, Shri Rahul Bajaj, after successfully leading Bajaj Auto Ltd, (including the erstwhile Bajaj Auto Ltd) for 5 decades, has stepped down as Executive Chairman and had become Non-Executive Chairman of the company w.e.f. 1 April 2020. Due to his health and age this year, he expressed his desire to step down even as the Non-Executive Chairman w.e.f. close of business hours on 30 April 2021. Most reluctantly and regretfully, the NRC and board took note of his resignation as a Non-Executive Director and Chairman of the company. I have been appointed as his successor with effect from 1 May 2021 by the Company's Board.

- As every shareholder of the company is aware, Shri Rahul Bajaj has made a huge contribution to the spectacular success of the company and the Bajaj group over the last 5 decades. He has left a lasting impact on the current position and image of the company and the group. He is one of the tallest corporate leaders in the country and is respected not only in India but also in many parts of the world for his courage, ability and fairness. There is absolutely no doubt considering his vast experience, it would be in the interest of the company for Shri Rahul Bajaj to remain involved with the company in an advisory role and as a mentor going forward, so that the company may continue to benefit from his rich experience, valuable knowledge and wisdom.
- In light of this and in recognition of his services, the board has conferred upon Shri Rahul Bajaj the status and title of Chairman Emeritus of the company for a term of 5 years w.e.f. 1 May 2021. Shri Bajaj as Chairman Emeritus will mentor, guide and provide useful perspectives to the board and the management. As Chairman Emeritus, his role will envisage inter alia advising the board and the management on various matters including on board strategic aspects of the business, corporate governance related matters, supporting and enabling relationships with external forums like industry chambers, institutions, government and other agencies, brand and image building and any other areas as the board and management may seek his advice. He would be a permanent invitee to the board meetings of the company. We would of course miss his towering, magnetic and iconic presence as the Chairman at the AGMs, which shareholders always look forward to every year. I take this opportunity to convey on behalf of the board, our sincere appreciation for the valuable contribution made by Shri Rahul Bajaj during the last 5 decades.
- Now I would like to introduce all my colleagues on the board of the company. With me from the AGM venue are Shri Pradeep Shrivastava and Shri Rakesh Sharma – both are Executive Directors. Shri Soumen Ray, our Chief Financial Officer and Dr. Sridhar – Company Secretary. Other directors who have joined the meeting remotely are:
 - D.J. Balaji Rao – Chairman of Stakeholders’ Relationship Committee and Nomination and Remuneration Committee.
 - Dr. Gita Piramal.
 - Dr. Naushad Forbes.
 - Mr. Anami Roy – Chairman of the Audit Committee.
 - Ms. Lila Poonawalla.
 - Mr. Pradip Shah.
 - Mr. Abhinav Bindra.
 - Mr. Madhur Bajaj – Vice Chairman.
 - Mr. Rajiv Bajaj – Managing Director & CEO.

- Mr. Sanjiv Bajaj.
- Mr. Shekhar Bajaj.
- All the directors are present. I now welcome you all to the 14th AGM of the company.
- Dr. Omkar Goswami, a well-known Independent Director in the Indian corporate sector has recently resigned as Independent Director in the company due to his personal commitments and additional professional work. The board places on record its appreciation for the guidance provided by him as an Independent Director of the company. Since there are adequate Independent Directors in the company, there is no immediate proposal to induct any Independent Director on the board.
- Shri Arvind Sethi, Shri Paul Alvares – Partners SRBC & CO. LLP, Statutory Auditors and Shri Shyamprasad Limaye, Secretarial Auditor, are also in attendance through VC.
- Pursuant to the MCA circulars, the following documents are available for inspection electronically:
 - Director’s Report.
 - Standalone and Consolidated Financial Statements and Auditor’s Report thereon.
 - Secretarial Audit Report.
 - Register of Contracts with Related Party in which directors are interested under Section 189 of the Companies Act 2013.
 - Register of Directors and Key Managerial Personnel and their shareholding under Section 170 of the Companies Act 2013, and
 - Certificate from the Statutory Auditors of the company that Bajaj Auto Employees Stock Option Scheme 2019 is in accordance with the SEBI Share-based Employee Benefits Regulations 2014 and Members’ Resolution.
- The Auditor’s Report on the standalone and consolidated financial statements and the Secretarial Audit Report for the financial year ended 31 March 2021 do not contain any adverse remark, qualification or disclaimer. Accordingly, the said reports are not being read out.
- Since the meeting is conducted through video conferencing, the option to appoint proxy is not available for this AGM. The company has received authorisation under Section 113 of the Act from the shareholders holding an aggregate of 14,38,31,964 shares representing 49.70% of the paid-up share capital of the company.
- My dear shareholders, let me begin by giving you an overview of the working of the company during the current year Q1 21-22. Q1-22 has been a challenging quarter. The recovery over the past 3 quarters got undone with the second wave of COVID-19 which again led to restrictions and full or partial lockdowns. This resulted in weaker

domestic demand, which is partially offset with strong exports across all major geographies. While the pandemic impacted the 1st quarter of FY21 and of FY22, the severity of impact was very different, and hence performance of the 2 quarters is not strictly comparable. Let me give you some numbers. Total two and three-wheelers including exports for Q1 FY22 was just over a million 10,06,014. Comparable Q1 FY21 was 4,43,103 and the volume of the previous quarter was 11,69,664. The newly launched CT 110X sold over 29,000 units in Q1 FY22. Share in domestic motorcycle market was 19.7% in Q1 as against 17.3% in Q4 FY21. That means, compared to the previous quarter, the market share increased to 19.7%. Share in domestic CV market was 65.3% in Q1 FY22 as against 56.3% in Q4 FY21. So that also improved to 65.3%. Exports in Q1 of 6,48,000 units is the second highest quarterly export volume. The highest was 6,87,000 in Q3 FY21. Also, in terms of turnover, Q1 turnover was 7,715 cr. as compared to Q1 FY21 which was only 3,417 cr. Previous quarter i.e. Q4 FY21 was 8,880 cr. In terms of Profit After Tax, the Q1 quarterly result is 1,061 cr. Of course, last year it was only 528 cr. in the 1st quarter of last year. And compared to the previous quarter, in the previous quarter, the Profit was 1,332 cr. Margins were largely impacted on two counts, lower revenue and increase in cost of materials partially offset with increase in prices. The detailed press release on performance is available on the website.

- Let me now give you a briefing on some of the COVID-19 initiatives taken by the company and group recently. As you may recall, the Bajaj group had committed 100 cr. towards the war against COVID in March 2020 as soon as its seriousness became evident. In April 2021, we further increased our commitment by another 200 cr. taking our total commitment against COVID to Rs. 300 cr. Our support had two major components. We supported tertiary care units across Pune and our other core districts with state of the art medical equipment. To help the not so privileged populations with isolations and quality treatment, 21 district and rural hospitals were also upgraded with COVID wards, ICUs and the isolation units, helping roughly 50,000 people from Pune, Aurangabad, Sikar and Udham Singh Nagar. We distributed Rs. 29.36 cr. worth of PPEs to help the frontline health workers all across these districts. 3 COVID care centres in Pune and Aurangabad were also supported with COVID care centres at Viman Nagar being recognised as amongst the largest in Pune with a capacity of accommodating upto 2,800 COVID-19 patients at a time. We also worked with leading organisations to pilot tele-ICUs and cloud-based diagnostic kiosks. COVID awareness and support campaigns were run in over 500 villages to help prevent the spread and a massive distribution of homeopathy medicines as an immunity booster was done. Our second key intervention was in the area related to immediate relief to distressed communities. We were amongst the first corporates to respond to distress faced by families impacted by the lockdown. More than 40 lakh meals and dry rations were distributed as a part of this initiative. Other initiatives we have undertaken in the last financial year focus on supporting digital and blended education for children from the urban slums of Pune, livelihood initiatives for unemployed and support to multiple NGOs in working with communities and state governments on COVID response. We also ran a Safe Commute campaign in partnership with Uber to provide safety partitions between passengers and drivers to 1.04 lakh autos. We've been a core supporter of the Pune

Public COVID Response and Initiative by Maharashtra Chamber of Commerce, Industry and Agriculture. We have worked to eliminate the oxygen crisis through air lifting oxygen concentrators and BiPAP machines from Singapore to India. We have supported the installation of more than 12 large PSA based oxygen plants. As a group, we are also committed to supporting the families of our colleagues who unfortunately passed away on account of COVID. Our fight continues against this virus and together we will overcome it. As a society, we have to balance lives and livelihood. This is a long fight and personal safety, and economic growth must continue hand in hand.

- In terms of the provisions of the Companies Act 2013 and SEBI Listing Regulations, members holding shares as on 15 July 2021 are entitled to exercise voting on the resolutions contained in the notice dated 29 April 2021. Shareholders holding shares as on the cut-off date were provided an option to cast their votes remotely from 19 July 2021 (9:00 a.m.) to 21 July 2021 (5:00 p.m.) by logging into the e-voting platform on KFin. Shareholders who have joined this AGM and have not cast their vote so far, can vote during this meeting as per the procedure already set out in detail in the notice of the AGM. Before putting the resolutions to vote, I would like to brief you on the resolutions which are set out in the AGM notice circulated to the members by email.
- Resolution No. 1 Ordinary – To consider and adopt the standalone and consolidated financial statements of the company for the financial year ended 31 March 2021 together with the Directors’ and Auditor’s Reports thereon.
- Resolution No. 2 Ordinary – To declare dividend of Rs. 140 per equity share of face value of Rs. 10 each for the financial year ended 31 March 2021.
- Resolution No. 3 Ordinary – Reappointment of Nirajkumar Ramkrishnaji Bajaj, who retires by rotation.
- Resolution No. 4 Ordinary - Reappointment of Sanjivnayan Rahul Kumar Bajaj, who retires by rotation.
- Resolution No. 5 Special – Reappointment of Mr. Pradeep Shrivastava as Whole time Director of the company for a period of 5 years w.e.f. 1 April 2021.
- Resolution No. 6 Ordinary – Approval for payment and facilities to be extended to Mr. Rahul Kumar Kamalnayan Bajaj as Chairman Emeritus of the company from 1 May 2021 to 30 April 2026.
- Resolution No. 7 Special – Approval for payment of commission to Non-Executive Directors for a period of 5 years commencing from 1 April 2021.
- Now I would like to invite queries and comments from shareholders who have already registered themselves as speakers. Only those shareholders who have already registered as speaker and sent us the queries on the specified dates i.e. 15 July to 19 July 2021 will be allowed to speak. To ensure participation from maximum shareholders, I would request the speakers to be brief, precise and avoid repeating

the questions. Speakers have accordingly been allocated 2 minutes each to offer their comments and seek clarification. Queries & questions received through email or through the company's RTA will be taken up subject to availability of time.

- Now can I ask the moderator to moderate the questions asked by our esteemed shareholders and then we can take it up for response. So moderator, please go ahead.

- **Moderator:**

- Thank you sir. Ladies and gentlemen, we shall now hear from our shareholders. We have a list of shareholders who have registered to speak and we shall follow the sequence circulated. Kindly restrict your comments or clarifications to a maximum of 2 minutes. Our first shareholder to speak is Mr. Dipankar Purkayastha. Mr. Purkayastha, you are unmuted and in the meeting. Kindly do switch your camera on and go ahead and speak.

- **Mr. Dipankar Purkayastha – Shareholder:**

- Okay, good morning everybody. My first question is regarding the Bajaj Chetak E-scooters. So what is the installed capacity for the Bajaj Chetak E-scooter? How does this compare with the capacities which have been announced by Ola and Ather? What is the Capex which has been incurred so far on the manufacture of the Chetak E-scooter? What are the Capex plans in this regard over the next 3 years? What is the number of people who are working on the manufacture of the Chetak E-scooter? Are the batteries manufacturing in house? If it is outsourced from some other vendor, then can you tell us the name of the vendor? And will this Chetak business continue to be housed under Bajaj Auto or will this be spun up? I ask that question because management has consistently taken a view that Bajaj Auto is a motorcycle company and not a scooter company. And the next question is, how long, in your personal assessment, do you think it will take before e-motorcycles arrive? My next question is on the level up. What is the level up capacity utilisation of your 3 existing motorcycle plants? And my final question is on your international subsidiaries. First is the Indonesian subsidiary – Why are the business operations discontinued? What is the difficulty in restarting business operations there, because it is a large two-wheeler market? And secondly, what is the current status of your Thailand subsidiary? Have the full scale operations commenced in Thailand, and what will be the scope of operations there? Is it only going to be an R&D centre or do you envisage manufacture also there? Thank you, that's all I have. And good day!

- **Moderator:**

- Thank you Mr. Purkayastha. Our next shareholder to speak is Mr. Shailesh Narayan Naik. Mr. Naik, we cannot hear you. Is your mic unmuted? We seem to be having a problem with Mr. Naik, we'll come back to him.

- **Mr. Shailesh Narayan Naik – Shareholder:**

- Can you hear me now?

- **Moderator:**
- Okay, we can hear you now sir. Go ahead and speak.
- **Mr. Shailesh Narayan Naik – Shareholder:**
- Yeah. So basically I have got 2 questions. First one is on the competitive advantage. See historically, in ICE engines, competitive advantage was highly limited to hardware. So low cost manufacturing, distribution network used to be the critical element to drive the business. But in the new era where we have lot of software related things which will drive the advantages in future, both in terms of people as well as in terms of IP assets and software, what will be the critical advantage. What are we doing to gear up our company towards that? If you see recently, Ferrari has appointed a semi-conductor guy as a CEO. So what is our direction to beef up our management calibre in that area? That is one. Second is on the quadricycle business. This year... I mean, that was supposed to be one of the biggest drivers for us to move from three-wheelers to four-wheelers and safer three-wheelers. But this time in the Annual Report I hardly find any mention about quadricycle. What has happened to that? Is it a success or is it a failure in some sense? If it was a failure, what are the learnings for us and how do you plan to take it forward from there? These are the two questions, one of competitive advantage and the second is on the quadricycle. Thank you.
- **Moderator:**
- Thank you Mr. Naik for your questions. We now move on to our next shareholder Mr. Yusuf Rangwala. Mr. Rangwala, you're in the meeting unmuted. Kindly do switch your camera on and go ahead and speak.
- **Mr. Yusuf Yunus Rangwala – Shareholder:**
- Good morning sir. Can you hear my voice?
- **Moderator:**
- Yes sir, we can hear you loud and clear.
- **Mr. Yusuf Yunus Rangwala – Shareholder:**
- Good afternoon sir. I'm very happy with the dynamic Chairman Mr. Niraj Bajaj, Sanjiv Bajaj and all the dynamic people on the board sir. First I will thank our Company Secretary, who is a very dynamic, very hardworking and very shareholder friendly. Because of him, I have joined this meeting. I also want to give my good wishes to Karvy who are servicing you, and I'm very happy with their service. I want to know what new products are you introducing this year in bikes? Secondly, you have given a dividend of Rs. 140 for a share of FV Rs. 10. This is point no. 2. Point no. 3, sir we have two factories – Pune and Aurangabad. Sir, as you mentioned, the three people are affected in the Chairman's speech. Sir how are they now? Have they gone home? Are they okay now? And sir, we will miss our Chairman Mr. Rahul Bajaj, our dynamic

Chairman who is not there, who left. After you have left, the tears from my eyes refuse to stop. What do we do? Now that the Chairman has gone, we are remembering him. Whenever we remember him... my humble request is to send us his photo as I'm Mr. Rahul Bajaj's admirer and well-wisher. I want to say something regarding Chetak. It's been 25 years since I'm using your Bajaj Classic, from the time you started making gear scooters. Sir, I want to know whether you have any plans to make gear scooters? Give us details about the automatic scooters too. Do you have any automatic, self-start two-wheelers, and what are the rates? I would be grateful if you could provide that to me. I'm so fond of your Bajaj Classic that I don't want to use any other scooter besides that. You'll had a very nice Bajaj logo, which I'm finding hard to recollect right now. Sir, I wanted to know, these old scooters that you were making, what are your thoughts on that? And sir, we have two factories in Aurangabad and in Pune. Till date I've not met you Niraj sir or Mr. Sanjiv Bajaj sir. Once the COVID-19 pandemic is over, please call us to Pune in November-December. We would like to see your factory, meet you Mr. Niraj Bajaj and if possible, meet Mr. Rahul Bajaj too. If I get to meet him for just 2 minutes, it would meet my heart's wishes. I don't want to say anything more. Yours is a very good company. It's your 14th Annual Shareholders' Meeting. I've been your shareholder for many years. You gave me 2 shares free. Bajaj group is very nice, you'll look after your shareholders really well and are a very good company. Your company is like the moonlight falling on us. And Mr. Niraj Bajaj, you're handling the company very well. Jai Hind, Jai Maharashtra, and Namaskar to Niraj Bajaj, Sanjiv Bajaj and Shekhar Bajaj. I give you all my love and good wishes.

– **Moderator:**

– Thank you Mr. Rangwala. Ladies and gentlemen, we now move on to our next speaker that is Dr. Arun Kumar Boppana. Dr. Boppana, you're on screen. Kindly go ahead and ask your question.

– **Dr. Arun Kumar Boppana – Shareholder:**

– Good afternoon everybody. Can you hear me?

– **Moderator:**

– Yes sir, we can hear you loud and clear.

– **Dr. Arun Kumar Boppana – Shareholder:**

– Good afternoon to everybody. Compliments to the management for handling the COVID crisis with ease, precision and finesse! My questions are, do you have any plans of splitting Bajaj Auto shares? The price is too high. A split will have better participation of retail investors. The impact of the new regulations in the last 2 years has escalated the price of auto products. How did it impact Bajaj Auto, because we have been over regulated and under governed? You need to be slightly regulated and well governed, which is not happening. What is your comment on that? Sir, now the major urban development is designed around people not roads. There would be a huge opportunity for transportation and for Bajaj Auto and we are 65 cr. young

Indians with different tastes. What are the products we're going to offer to them? What is the R&D doing? EVs are making sense because they are affordable with low cost operations and with better range I think there will be more demand. I think you can change of the narrative of this EV industry by supplying more EV products. They say India aims to go electric by 2030-35, what is your comment? Are FCEVs clearly more sustainable EVs unlike BEVs and the hydrogen route. Sir, will the \$200 billion industry with \$50 billion exports, will it end the jobless growth by providing lot of employment in India? Agriculture is the largest employer in our country, but they are very unhappy because their selling prices are low and with high fuel taxes. They are our largest customers, so is Bajaj Auto helping them in any respect? In conclusion sir, auto world is ours for making, auto world is ours for taking. I wish you all the best, thank you.

– **Moderator:**

– Thank you very much Dr. Boppana. Ladies and gentlemen, we have our next speaker, Mr. Vibhas Khandwala and Mr. Naresh Khandwala, two of them. They will join together. Kindly go ahead and speak in turn. Mr. Vibhas and Mr. Naresh Khandwala, you are on screen. Kindly unmute yourselves, switch your cameras on if you so desire and go ahead and speak.

– **Mr. Vibhas Khandwala – Shareholder:**

– Good afternoon everybody and welcome to our new Chairman Mr. Niraj Bajaj. Chairman sir, Managing Director Shri Rajiv Bajaj, board of directors and fellow shareholders, my name is Vibhas Khandwala. First of all, my best wishes to Rahul ji. We all will miss him a lot. Congratulations to our Managing Director and his team to achieve very good results inspite of the pandemic situation world over and to declare Rs. 1.40 per share as dividend. My questions – How many e-scooters are booked? The delivery has to be started in the second half of FY22. Why it is almost so late, almost after a year of booking? Please enlighten us. Regarding sale & exports, one of the shareholders asked, so I'm avoiding this question. Are we planning to make e-three wheelers? If yes, what are the expenses plan for R&D for e-vehicles in the next 3 years? Capex plan for the current year and the next year? Does our company have export earnings? If yes, how much percent and at what rate? Our exports are at 46.8% of our sales, which is a fantastic achievement. Hope to go beyond 50% very soon. How do you see our company in the year 2022-23 growth-wise in domestic and exports? Thank you so much, best wishes to you all.

– **Mr. Naresh Khandwala – Shareholder:**

– Good afternoon, Naresh Khandwala here. Am I audible sir?

– **Moderator:**

– Yes sir.

- **Mr. Naresh Khandwala – Shareholder:**

- Incoming Chairman Niraj ji, our dynamic MD Rajiv ji and Chairman Emeritus Shri Rahul ji Bajaj. Q1 2021 was very difficult for business. Bajaj Auto performed very well in FY2020-21 inspite of a bad Q1. Heartiest congratulations to you Rajiv ji, your dedicated core team and everyone at the company for their praiseworthy performance. But for your emphasis on exports since long, this would not have been possible. I do hope exports will contribute more in future years also. Next, how do you look at exports in the domestic market in the current year? You are requested to put on the company's website and stock exchange the detailed Q1 performance as was normally given at the AGMs. We shareholders appreciate and thank Rajiv ji and the management for the magnificent and excellent dividend. Next, three-wheelers sales was down in a big way. Two-wheeler sales was down for the whole industry at a much higher percentage than that of cars in the local market. Do you visualise good improvement over last year on the current year sir? Next, on the 1st inside page, inside left page of the report, under the heading Management, there are names with their designation and nature of responsibilities. Please explain what do 'urbanite' business and 'pro biking' business mean or convey. I am not able to get the exact meaning. My humble suggestion is to appoint a suitable person as President Logistics, Sales. I may be wrong, but I feel in domestic market, our company's percentage wise growth is lower than that Hero and TVs. Sir, if there are big problems in the sales of three wheelers and even lesser problems or good growth of two wheelers in domestic market, you may please consider about making non-auto products for domestic and export markets. Company has capability, strength and excellent R&D to support this. Please give your views. Shri Rahul ji retired as Chairman after 49 glorious years. His shareholders are going to miss him at future AGMs. Annual report this year has shown many photos with Rahul ji at various events from his early period of Chairmanship in latest. Many thanks for making this report very memorable. All shareholders of Bajaj Auto appreciate this long leadership and association of Rahul ji. May God bless him with good health and active life. Sir, our best wishes to all connected with the company and their family members for their good health and protection against COVID. Thank you very much.

- **Moderator:**

- Thank you Mr. Naresh Khandwala and Mr. Vibas Khandwala. Ladies and gentlemen our next shareholders will be Mrs. Celestine Mascarenhas and Mr. Aloysius Mascarenhas. They will join together. You are now on screen. May I request you to switch your cameras on if you so desire and speak in turn?

- **Mrs. Celestine E Mascarehas – Shareholder:**

- Respected Chairman, of course I will greet emeritus Chairman Mr. Rahul Bajaj, current Chairman Niraj Bajaj, MD Rajiv Bajaj, all other honourable directors on the Board who are attending this AGM and my fellow shareholders in this virtual meet. My name is Mrs. C. E. Mascarenhas. I am attending from Mumbai. First of all, I must thank our Company Secretary, Dr. J Sridhar and his team for sending me an e-AGM report and also registering my application for the speaker. As this is virtual, I was always dreaming to take part in Bajaj Group meetings. But because we have to come

to Pune, I have never visited and with the result I didn't any time take much interest in the Bajaj Group. But I am a holder, I am having physical shares also. But today, after going through the virtual balance sheet, I am so happy about Rahul, our Bajaj and all that, and old pictures. All the old days' memory has come back to me of the great old days and the rewarding that Mr. Rahul Bajaj has done. Please convey that we are very grateful to him. I would meet him sometimes one or two meetings, maybe Mukund I don't remember, and he is such a nice warm person, and he would talk and he would always be very frank. He is a true Gandhian. We wish once more, maybe Mukund he should come here when the physical meeting starts. So this is that.

- Now I come to the annual report. It is a very good one. I would have preferred one physical copy and in future also, these senior citizens, like I am also senior citizen. I find very difficult to read, in the sense my eyes start watering, and now it is worse, like the balance sheet annual report has become digital; that is still worse, because it keeps on moving and then our eyes cannot focus. Anyway our balance sheet, even e-report I read it nicely, I was very happy. Now, I congratulate you all for the awards and accolades received during this pandemic. Also what to talk and how to appreciate, I cannot understand. The CSR work done by the Bajaj Group, especially Bajaj Auto. Keep it up and God will always bless our company because this COVID was a very difficult period. I also saw so many times Rajiv Bajaj coming on TV and even talking, because at that time no vaccine, nothing had come. It was such difficult days, and he was telling about some homeopathic, which was really good. But, somehow it was not given. Now only we have two doses of vaccine and all that, all those four things are told we should observe very carefully. So that is showing.
- Now I go through some queries I have, because it has rewarded. I don't feel like so much, but some appreciations also I want to give. We are in motorcycles, three wheelers, which didn't fare that well in India, that of course our economy itself is down, our GDP is down. But we have fared internationally very well, and we are a world number three in the manufacturing of motorcycles and number one in the three wheeler in the world. Sir, how much margin we enjoy, in which we are getting more margin - motorcycles, three wheelers or bikes?
- **Moderator:**
- Hello? Ma'am you seem to have been logged out here, some audio problem, or maybe it's time for Mr. Aloysius Mascarenhas to get a word in.
- **Mrs. Celestine E Mascarenhas – Shareholder:**
- Okay. I wish the company all the best and we see next year in actual meeting. Thank you very much.
- **Mr. Aloysius Mascarenhas – Shareholder:**
- Respected Chairman sir, very distinguished members of the Board, my fellows shareholders, good afternoon to you all. My name is Aloysius Mascarenhas.

At the outset, I thank the management, our Company Secretary and Registrar for sending the e-annual report, which I read, and it was very good, full of knowledge and the figures transparent and above all adhering to all the parameters required for a good corporate governance. Our results are good compared to the pandemic which we have faced and are facing, which has eroded our economy and the world economy. In spite of that, you have declared a very handsome fabulous dividend. Very good, sir. Keep it up. Our products, two wheeler and three wheeler is very good. We had been to Egypt, three years back, and I saw our three wheelers doing extremely well. The three wheelers in Egypt, Africa. So, I have seen. For me, seeing is believing. What is the potential of our three wheelers over there? I would like to know which are the other countries, which we are exporting to the maximum? And sir, about this COVID I would like touch upon how many employees were affected, how many got recovered and how many died? And if any death casualty was there? How much compensation have we paid and how we are taking care of the deceased members' family? And more importantly now vaccination. Are all our employees fully vaccinated? If not so, earlier the better. Sir, we are doing very well in all fronts. I wish our company with the management, sound management. I am a very good fixed depositor as well as a good shareholder also. I have physical shares. I would like you all to tell Karvy or our registrars to help me demating my shares. I have got a good quantity. So do tell them because nowadays to demat physical shares is a hell of a problem. So I would request you to tell the registrars to see that our shares are demated. With this sir, I end my speech. Wishing you personally, our emeritus Chairman Mr. Raul Bajaj, all the Bajaj family, and more importantly, all the employees all the very best in the days and years to come. With this sir, thank you very much for patient hearing. Thank you. Good luck.

- **Moderator:**

- Thank you for Mr. Mascarenhas. Ladies and gentlemen, we now move on to our next shareholder who will speak, that is Vasuda Dakwe. Ms. Dakwe you are in the meeting and unmuted. Do switch your camera on and go ahead and speak.

- **Ms. Vasuda Dakwe – Shareholder**

- Very good afternoon respect Chairman sir, Board of Directors and my fellow shareholders. My self Vasuda from Thane. I would like to congratulate our Company Secretary for sending me the soft of the copy of the report well in advance. I would like to specially thank Nupur Ma'am for helping me join this meeting very well. I would like to ask what is our company's policies regarding our current staff, those who are working from home as well as those who are on casual contract basis. Are you following any lay off policy to them? Secondly, I would like to congratulate our CSR committee also, those who are working very well. With this, I support all the resolutions. Thank you very much and wish the company all the best for coming financial years. Thank you sir.

- **Moderator:**
- Thank you very much ma'am. Ladies and gentlemen, we now come to our last speaker shareholder that is Mr. K M Parekh. Mr. Parekh, you are in the meeting. Kindly do switch your camera on if you so desire and go ahead and speak. If you could please unmute yourself, sir.
- **Mr. K. M. Parekh – Shareholder:**
- Good afternoon everyone and thanks for this opportunity to talk at this AGM. My question is related to the policy for dividend distribution regarding shareholders. As the company has announced a handsome Rs. 140 per share dividend in the previous financial year. Under the previous policy, this was a more efficient way of distributing profits to the shareholder. However, considering the change in the tax scenario, dividend distribution income tax bracket, could the company use buyback as an option because it is difficult for rewarding a shareholder? I understand the rationale that a company rationale behind the dividend distribution policy and it continued to be beneficial for some of the smaller shareholders and potential buyer as well. However even with the 20% buyback are taxable at the company level, buybacks are fully tax-free at the shareholder level, and this proved to be a much more tax efficient way of distributing profits considering the total tax outflow both at the company level and at the shareholder level. Would love to get your thoughts on those. And thank you so much for your time. That is all from my side.
- **Moderator:**
- Thank you very much Mr. Parekh. Ladies and gentlemen, with this, we come to the end of this section and I hand the proceedings back to our Chairman, Shri Niraj Bajaj. Over to you sir.
- **Mr. Niraj Bajaj – Chairman, Bajaj Auto Limited:**
- Thank you, and thank you very much for the observation and queries, and kind words about the company, and especially, about our iconic Chairman emeritus Shri Rahul Bajaj. I will now request our two EDs and CFO to answer the observations and queries. Queries related to production and operation will be replied by Mr. Pradeep Shrivastava, Executive Director. Marketing related will be by Mr. Rakesh Sharma, Executive Director and Finance related will be by Mr. Soumen Rey, Chief Financial Officer. Thank you, please. Go ahead.
- **Mr. Pradeep Shrivastava – Executive Director, Bajaj Auto Limited:**
- I am Pradeep Shrivastava, I will take the questions related to the capacities and Chetak production, etc., as well as about the COVID issues that we have had in our plants. So, in terms of capacity, currently, we have a capacity of 60,000 Chetaks per year and this vis-à-vis Ather is about 90,000 scooters per year, and OLA as we are reading is setting up a facility for about a million scooters a year. Having said that, we have a policy that we don't set up capacity unless there is a requirement for the

capacity. So, as we say the capacity chases the demand. The only thing that we need to do is that if the demand increases, how fast can we enhance the capacity and catch up? So that policy currently is at 60,000, but as the need arises, we will be very quick to increase the capacity that we have. No. 2, there was a question about investments. So, for the current capacity that we have the investment has been pretty low, just about Rs. 30 crore. But as we go along and increase capacities, we will be investing further on that. There was a question on cost. How do we control cost on the EVs that we are going to bring in? Now, the costs are determined more by what do you own and what do you buy. Also, if you are going to buy a software and batteries and other drive train units of the EV, obviously they are going to cost too much. So, we are trying to develop capabilities, not only in our R&D, but also in our supply chain, where we develop all these items in-house and produce them with our vendor base and thus control the cost of the product. So that is as far as the Chetak is concerned from my side.

- As far as COVID is concerned, we have about 10,000 employees in all the locations that we have. Between the wave one and wave two, we have lost about 23 employees to COVID. As far as the vaccinations are concerned, 100% of our staff has been vaccinated; and we didn't just stop at that. The vaccination of their family members is also completed and all the contract workers will come inside the factories, they and their families are also vaccinated. Since the opening of vaccination for 18 plus happened only in May, the second dose for these people will happen as per the protocol that is decided by the government. We are happy to say that from the wave one, from the first lockdown, we have not laid off anybody. In fact, the contract people who used to come to the factories to work in the canteen or gardens and material handling, etc., they were paid full salaries, even during the time when the lockdowns were there and the factories were shut. So, we have taken care of those people, not only in terms of the needs that they have of the money and also continuing the services of everybody. Now, as far as the people that we have lost, the company has decided that for two years we will pay full salary to the families, which was being taken home by the employee and all his children education expenses will be taken care of till the time they graduate. So, these are the decisions that we have taken internally, and this is how we are going to help the people that we have lost. Thank you.

- **Mr. Niraj Bajaj – Chairman, Bajaj Auto Limited:**

- Thank you Mr. Shrivastava. Now, Mr. Rakesh Sharma please.

- **Mr. Rakesh Sharma – Executive Director, Bajaj Auto Limited:**

- Good afternoon ladies and gentlemen, and thank you very much for sending in your questions as well asking them here. I will address questions pertaining to the front end of the business, and I have taken the liberty of clustering, these questions around subjects as there are some repeat questions. Let me start with, Dr. Boppana's question on the scrappage policy and its impact. Well, after a long wait, the scrappage policy was announced in March '21 for commercial and personal

vehicles. Now some aspects of this policy are still to be clarified and these have been sought by us and even by our association pending that the key feature of this policy is the mandatory deregistration of vehicles after 15 years if a fitness certificate is not secured. And there is a phased rollout, which is proposed. So, the plans for enforcement of the policy for two wheelers and three wheelers will come into effect from 1st June 2024. Hence, till then no impact is anticipated in our categories. However, government departments need to execute this policy earlier by April, 2022. But since the purchases of the government of two wheelers and three wheelers is small in the overall context, the immediate impact even from next year, will be minimal, but mildly positive. Dr. Boppana also inquired about price increases and the impact of regulatory changes on price increase. Indeed, Dr. Boppana, the auto industry has faced severe cost increases in the last three years on account of regulatory requirements of insurance, new standards and of course, of late increases in raw material prices. In motorcycles, between FY19 and till date, the price of an entry-level commuter motorcycle has increased by 35% and for sports bike, like a Pulsar 150 by 30%. In the same period, the motorcycle industry has shrunk from a peak volume of over 1.1 million vehicles per month in FY19 to about 0.8 million per month now, a decline of 26%. So, therefore the cumulative impact of cost split price increases has certainly been severe on the entire two wheeler industry and has contributed to dampening its performance.

- Mr. Shailesh Naik and Mr. Khandwala have enquired about the quadricycle Qute and our progress in it. In India particularly the introduction of Qute has been a long and arduous journey as it has had to navigate the process of creating a new set of regulations at the centre and then at each state level. This has actually been our main learning, that there is a myriad of regulations which any new category which is born has to face. Meanwhile with the new regulatory standards requiring the upgrade to BSVI Qute also has to conform to those. These were defined slightly later, but this work should get completed for all variants of Qute by end of Quarter 3 of this financial year, after which we should be able to again, pick up the development effort for creation of this new category. Our focus is to establish the Qute as a smart taxi between the space of a three wheeler and a car, offering car like comfort and close to three wheeler like travel costs. Ride share aggregators are a good platform to take the Qute proposition to the masses, and in the limited period which we had available before BSVI was introduced, we have collaborated successfully with UBER in a pilot in Bangalore and usage feedback from over a lack of customers is very-very positive. In fact, Qute rides have been rated better than entry-level cars and three wheeler rides in terms of their value for money impact. So, post relaxation of COVID restrictions and readiness of the product in October-November, this partnership will be picked up again in Bangalore and rolled out to other metros like Hyderabad. We expect sales to commence in Quarter 4 of this financial year.
- Qute has also been introduced in 10 overseas markets, in LatAm and Africa and, it has now been running there quite satisfactorily for over three years. Quality of performance and convenience are very highly appreciated. Though, because we can fit in only much fewer Qutes in a container the high freight costs increased the price of the product particularly in recent times. 1600 Qutes were exported in Quarter 1

and we expect to sustain this rate of exports. Seven new markets, international markets are being explored this year for further introduction in FY23. Overall, for a variety of reasons the development of Qute has been slower than expected, but we recognize now that the creation of a new category in commercial space requires a long lead time. But we will persist with it through a combination of experimentation and very focused scale ups. Several speakers have inquired about the prospects for the current financial year and our plans, Dr. Boppana, Mr. Rangwala, both the Mr. Khandwalas and Ms. Dakwe. So, the overall situation, as you can well understand, remains quite ambiguous for the industry and its prospects are very-very closely intertwined with the progression of the pandemic, as well as the advancement of the vaccination program and their consequent impact both directly and indirectly on our business. However, based on current information and visibility, we expect this year to be flat or to grow in low single digits over the previous year, at least in our domestic business. In this environment, our focus is to manage for shorter time horizons, be alert and respond to emerging new situations with speed. This we will do within the framework of our core strategy of driving growth in market share through differentiated products, which inspire the customers to upgrade in every segment. Towards this, we have an exciting pipeline of new motorcycle upgrades, as well as new absolutely new platforms. The new launches commenced in Quarter 1 itself. The Chairman has referred to the successful launch of the boldly styled CT 110 X, and the Pulser 125 NS, which is the most stylish, most powerful and the most expensive 125 CC model in the Indian market. Both have been received very well, and come September, we should see the start of exciting new introductions, both in the commuter and the sports segments, which will shift industry standards and offer new propositions to customers.

- Internationally, we have been exporting over 200,000 vehicles every month to 79 countries, out of which 30 are very important for us, and these span Latin America, Africa, Asia, Middle East, and ASEAN, and we expect to continue this momentum of exports of 2 lakh plus vehicles every month. Though currently a few of our key markets like Philippines, where we are number one, Nepal where we are number one and Cambodia for three wheelers where we are again number one are facing a very adverse impact due to the pandemic. If they recover in the coming months, then this should further strengthen our export performance. Additionally, we will be entering four new countries this year. The most significant addition towards the end of the financial year will be Brazil, which is one of the top five motorcycle markets of the world. There have been questions on the EV side, our business plans on the EV enquired by Dr. Boppana, Mr. Khandwalas and Mr. Shailesh Naik. Foremost, we are excited about the prospect of the new opportunities EVs offer, particularly in the space of lighter vehicles like scooters and step throughs. In the medium term, which is three to five years, this opens a huge opportunity to enter a market of over 5 million scooters in India and almost 7 million scooters in step throughs overseas, primarily in ASEAN. These will be absolutely new segments today of Bajaj Auto. However, the transition is expected to unfold over a period of time because costs of electric vehicles as of date are far in excess of similar ICE vehicles and this is largely driven by the cost of lithium-ion batteries. And this is an impediment in the rate of adoption of electric vehicles by the consumers. However, we recognize that this may

change in the future and therefore our objective is to be prepared, leverage this change as it unfolds. Our immediate focus is on building capability and consumer connect, and we have commenced this journey with Chetak, the most premium electric scooter in the market today. It has received an outstanding reception and demand is more than supply. Deliveries have been ongoing in Pune and Bangalore. They commenced much earlier, but we have had a supply chain, difficulties, and most people are aware of semiconductor shortages, which the entire auto industry and consumer durable industry is facing. However, now we should be looking at a strike rate of about thousand units per month, which we will build up as the year progresses. We are in two cities today. We should be in four more within this quarter and, in 25 by end of this year. We are engaging the customer through our pro biking dealer network as well as through new digital processes. Not just price, but ensuring a great customer experience is very important for the development of this category, and we intend to leverage our existing capabilities for this.

- Simultaneously, we are evaluating the full spectrum of product possibilities from micro mobility to performance motorcycles on the electric platform. Today, the Board of Directors have approved the formation of a hundred percent subsidiary company purely to build the electric vehicles business. For sure, we view the future development of the EV industry as an opportunity and not as a threat. Mr. Khandwala asked a question about the business units. We have five business units, each run by a President. So, there are presidents for domestic business already in position, Mr. Khandwala, and these five business units are domestic motorcycles, domestic small commercial vehicles, the international business, pro biking and urbanite business. Pro biking business encompasses our KTM products and urbanite takes care of electric two wheelers and micro mobility businesses. I think that with this, I have addressed all the front end queries. Thank you very much.
- **Mr. Niraj Bajaj – Chairman, Bajaj Auto Limited:**
- Thank you, Mr. Sharma. Can I request now Mr. Soumen Ray, CFO.
- **Mr. Soumen Rey – CFO, Bajaj Auto Limited:**
- Thank you Chairman, sir. I will first take on two questions, which are shareholder rights related. One was around the splitting of Bajaj Auto shares. The other was around buyback versus dividend. So, on splitting of shares it was mentioned by Mr. Boppana that the retail investors would get involved. If you look at data, in 2017 we had about 80,000 shareholders, in 2021 we have close to about 1,60,000 a little more. So, clearly the participation has increased by double over a span of these five years. In fact, only between 20 and 21, it has increased by 30,000. So, clearly we do not see an immediate need to do a stock split to ensure that retail participation improves. On the question of dividend versus buyback, from Mr. Parekh, we have only two submissions to make. First dividend has a wider participation. Bajaj Auto is a 75 year old company. We have had shareholders who are second generation, third generation, not necessarily everybody is a big shareholder. We would like everybody to benefit out of being shareholders of Bajaj Auto. So, this is far more widespread,

more democratic. In the same way, it is dependent on individual's tax bracket. So, while somebody may not be taxed at all, and somebody may be charged at a very high rate, but that is depending on his or her own tax bracket, which is also the right way to do as opposed to giving a buy-back where as you rightly mentioned, 20% would be the taxability. So, these were the two primary drivers' basis which we decided that it will be dividend, higher dividend as opposed to a buyback. Now coming into the business facing questions. Mr. Purkayastha and a few others had asked around CAPEX. We do roughly about Rs. 200 crores of CAPEX every year, which should be the normal norm. We have already announced the Chakan project where we have said we will be spending about 650 crores of CAPEX over the next couple of years. So that is around, in the CAPEX. But there was a question by Mr. Khandwala around the export hedging. We typically try to cover about 80% of our estimated Forex exposure through hedges. And there is also another 5%, which is required for being for import so, that is a natural edge. So, about 15% is where we are in the market and about 85% is reasonably covered. I think that those were the only questions which were relevant from a finance perspective. Thank you Chairman, sir.

- Mr. Niraj Bajaj – Chairman, Bajaj Auto Limited:

- Thank you Soumen. I think with that, we have tried to answer all the questions. Also thank you for the appreciation for the annual report. As permitted by MCA and SEBI, we have sent soft copies of the annual report to the shareholders. However, we have sent the physical copies to shareholders based on request. We have noted the suggestion of Mrs. Mascarenhas. We will send her the physical copy shortly.
- With the completion of discussions on the items, I wish to state that members who have not yet cast their vote may cast their votes now. Dr. J Sridhar Company Secretary, and Shri Shyamparasd Limaye, scrutinizer will coordinate for an orderly conduct of the e-voting. The results of the meeting along with the consolidated scrutinizer's report would be declared and posted on the company's website and KFin's website, not later than 24 July 21, and shall also be forwarded to the stock exchanges. Recorded transcript will also be made available on company's website as soon as possible. Subject to voting, I declare the proceedings of the meeting as closed. The facility to cast vote shall remain open for another 15 minutes. I thank you for participating at the meeting and as I close, I pray for your good health and safety. Thank you very much.

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