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## POLICY ON MATERIALITY OF & DEALING WITH RELATED PARTY TRANSACTIONS

### Background:

Pursuant to Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Listing Regulations'), the Board of Directors of Bajaj Auto Limited ('the Company' / 'BAL') at its meeting held on 13 March 2019 had approved a Policy on materiality of & dealing with Related Party Transactions. This Policy was last amended on 15 March 2022.

The SEBI (Listing Obligations and Disclosure Requirements) Third Amendment Regulations, 2024 dated 12 December 2024 and the SEBI Circular dated 14 February 2025, have *inter alia*, amended Regulation 23 of the Listing Regulations and the minimum information disclosure requirements, respectively, necessitating changes to be made in this Policy.

Accordingly, the Board of Directors based on the recommendations of the Audit Committee, at its meeting held on 18 March 2025 has further amended this Policy.

### Policy:

In supersession of the existing Policy, the Policy on materiality of & dealing with Related Party Transactions, which is to be read together with Regulation 23 of the Listing Regulations, the relevant Circulars issued thereunder and the applicable provisions of the Companies Act, 2013, is accordingly being revised as under:

1. The terms 'Related Party', 'Related Party Transactions', 'Relative', 'Material Related Party Transactions', 'Arm's length transaction', 'Omnibus Approval' & such other terms will carry the meaning as stated under the Companies Act, 2013 or the Listing Regulations, as amended from time to time.
2. Approval of Related Party Transactions by Audit Committee:
  - a. All the Related Party Transactions (RPTs), **including subsequent material modifications thereof** covered under the Companies Act, 2013 and Regulation 23 of the Listing Regulations will be approved by the Audit Committee of the Board from time to time, subject to such exceptions as are provided therein.



For the above purpose, '**material modifications**' as defined (including any revisions made thereto) by the Audit Committee would refer to the following:

'Material modification' will mean & include any modification to an existing RPT having variance of **20%** of the existing limit or **Rs. 25 crore** whichever is higher, as sanctioned by the Audit Committee / Shareholders, as the case may be.

- b. In case of related party transaction to which the subsidiary of the Company is a party, but the Company is not a party, the prior approval of the Audit Committee shall be required only if the value of such transaction whether entered into individually or taken together with previous transactions during a financial year, **exceeds 10%** of the annual standalone turnover, as per the last audited financial statements of the subsidiary.
- c. The Audit Committee may grant omnibus approval, on the basis of the criteria laid down (as detailed in '**Annexure 1**' and '**Annexure 2**' to this Policy), for related party transactions proposed to be entered into by the Company or by its subsidiaries to which the Company is not a party, subject to the conditions specified in the relevant provisions of the Listing Regulations and the Companies Act, 2013, as applicable.
- d. The Audit Committee may ratify the related party transaction(s) within **3 months** from the date of transaction or in the immediate next meeting of the Audit Committee, whichever is earlier, subject to the conditions specified in the provisions of the Listing Regulations and the Companies Act, 2013, if any.

The value of such ratified transaction(s) with a related party, whether entered into individually or taken together, during a financial year shall not exceed **Rs. 1 crore**.

- e. The Company shall place before the Audit Committee the information as specified by SEBI or any other authority, from time to time while placing any proposal for review and approval of the RPTs.

### 3. Approval of Related Party Transactions by the Board of Directors:

- a. In terms of the provisions of Section 188(1) of the Companies Act, 2013, the prior approval of the Board of Directors shall be required for the transactions specified therein and more particularly stated in Clause 5 of this Policy. However, such approval shall not be required for transactions entered into by the Company in its ordinary course of business and on arm's length basis.
- b. The approval of the Board of Directors shall also be required for the related party transactions which are intended to be placed before the Shareholders for prior approval and such other transactions as referred to the Board by the Audit Committee.

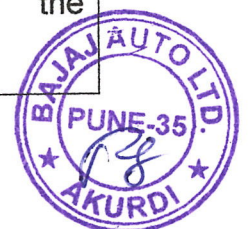




4. Approval of Related Party Transactions by the Shareholders:

- a. Pursuant to the provisions of the Listing Regulations, all 'Material Related Party Transactions' and subsequent material modifications thereto, shall require prior approval of the Shareholders of the Company, subject to such exceptions as provided therein. In such case, no Shareholder of the Company who is a related party shall vote to approve, irrespective of being related to the said transaction or not.
  - b. Transactions with related parties which exceed the threshold limits specified in Section 188 of the Companies Act, 2013 read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014 and more particularly stated in Clause 5 of this Policy, shall require prior approval of the Shareholders of the Company, subject to such exceptions as provided therein. However, such approval shall not be required for transactions entered into by the Company in its ordinary course of business and on arm's length basis.
  - c. The Company shall provide the information as specified by SEBI or any other authority from time to time in the explanatory statement to the notice being sent to Shareholders seeking their approval for proposed RPTs.
5. Notwithstanding the above, approval of the Board & Shareholders would be necessary, where the RPTs exceed lower of the threshold limits stated below:

Description	Threshold limits
Sale, purchase or supply of any goods or materials.	a. Rs. 1,000 crore or  b. 10% of the annual consolidated turnover of the Company as per the last audited financial statements of the Company.
Selling or otherwise disposing of or buying of any property including by way of lease and license arrangement.	
Availing or rendering of any services.	
Other matters (*excluding payment made for brand usage or royalty).	
*For payments made for brand usage or royalty.	Exceed 5% of the annual consolidated turnover of the Company as per the last audited financial statements of the Company.



6. Dissemination of the Policy on the Company's website:

This Policy shall be hosted on the website of the Company.

7. Review of the Policy:

This Policy is subject to review from time to time and at least once in every three years.

The Chairman and the Chairman of the Audit Committee may make changes to the above Policy as they may deem expedient, taking into account the law for the time being in force.

**Date:** 18 March 2025  
**Place:** Pune



**Niraj Bajaj**  
Chairman



## Annexure 1

### Criteria for grant of omnibus approval for related party transactions of the Company

(\*as approved by the Board of Directors of the Company based on the recommendations of the Audit Committee.)

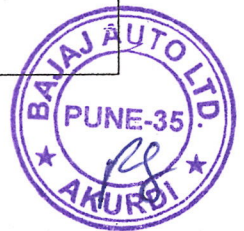
Sr. No.	Particulars	Criteria
1.	Maximum value of the transactions, per related party, which can be allowed under the omnibus route (whether entered into individually or taken together with previous transactions during a financial year).	10% of the annual consolidated turnover of the Company as per the last audited financial statements.
2.	Factors to be considered.	<ul style="list-style-type: none"> <li>a. Repetitiveness of the transactions (in past or in future).</li> <li>b. Justification for the need of omnibus approval.</li> <li>c. Interest of the Company.</li> </ul>
3.	Extent and manner of disclosures to be made to the Audit Committee at the time of seeking omnibus approval.	<p>Following details are to be placed before the Audit Committee:</p> <ul style="list-style-type: none"> <li>a. name of the related parties;</li> <li>b. nature and duration of the transaction;</li> <li>c. maximum amount of transaction that can be entered into;</li> <li>d. the indicative base price or current contracted price and the formula for variation in the price, if any;</li> <li>e. any other information relevant or important for the Audit Committee to take a decision on the proposed transaction, including the details as prescribed or as may be prescribed in the applicable provisions of the Companies Act, 2013, Listing Regulations and the Circulars issued thereunder and as amended from time to time.</li> </ul> <p>Where the transaction cannot be foreseen and aforesaid details are not available, omnibus approval for such transactions may be taken subject to</p>





		their value not exceeding Rs. 1 crore per transaction.
4.	Review of transactions entered into by the Company pursuant to omnibus approval made.	Summary of related party transactions shall be placed before the Audit Committee for review at such intervals as may be deemed necessary by the Audit Committee.
5.	Transactions which cannot be subject to the omnibus approval of the Audit Committee.	Transactions in respect of selling or disposing of the undertaking of the Company.
6.	Validity / condition of approval.	a. For one financial year; and b. Shall be in line with the Policy on Materiality of Related Party Transactions of the Company.

*\*Reviewed and modified on 18 March 2025.*

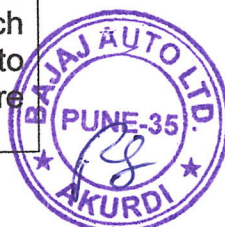


## Annexure 2

### Criteria for grant of omnibus approval for related party transactions of the subsidiaries to which the Company is not a party.

(\*as approved by the Board of Directors of the Company based on the recommendations of the Audit Committee.)

Sr. No.	Particulars	Criteria
1.	Transactions of the Subsidiary Company that require approval of the Audit Committee of BAL, which can be allowed under the omnibus route, per related party (whether entered into individually or taken together with previous transactions during a financial year).	Exceed 10% of the annual standalone turnover as per the last audited financial statements of the Subsidiary Company or Rs. 1,000 crore, whichever is lower.
2.	Factors to be considered.	<ul style="list-style-type: none"> <li>a. Repetitiveness of the transactions (in past or in future).</li> <li>b. Justification for the need of omnibus approval.</li> <li>c. Interest of the Subsidiary Company.</li> </ul>
3.	Extent and manner of disclosures to be made to the Audit Committee of BAL at the time of seeking omnibus approval.	<p>Following details are to be placed before the Audit Committee:</p> <ul style="list-style-type: none"> <li>a. name of the related parties;</li> <li>b. nature and duration of the transaction;</li> <li>c. maximum amount of transaction that can be entered into;</li> <li>d. the indicative base price or current contracted price and the formula for variation in the price, if any;</li> <li>e. any other information relevant or important for the Audit Committee to take a decision on the proposed transaction including the details as prescribed or as may be prescribed in the applicable provisions of the Companies Act, 2013, Listing Regulations and the Circulars issued thereunder and as amended from time to time.</li> </ul> <p>Where the transaction cannot be foreseen and aforesaid details are not available, omnibus approval for such transactions may be taken subject to their value not exceeding Rs. 1 crore per transaction.</p>



4.	Review of transactions entered into by the Subsidiary Company pursuant to omnibus approval made.	Summary of the related party transactions shall be placed before the Audit Committee for review on a quarterly basis.
5.	Transactions which cannot be subject to the omnibus approval by the Audit Committee.	Transactions in respect of selling or disposing of the undertaking of the Subsidiary Company.
6.	Validity / condition of approval.	a. For one financial year; and b. Shall be in line with the Policy on Materiality of & dealing with Related Party Transactions.

*\*Approved on 18 March 2025.*

