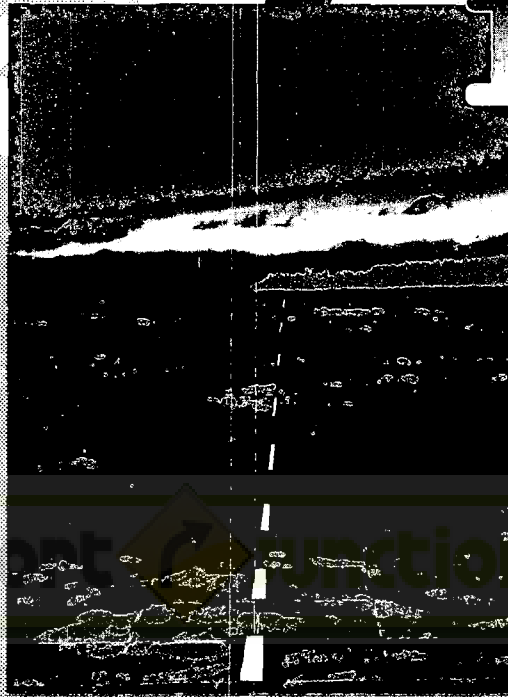


# Riding on Ideas



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bajaj auto ltd





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**NOTICE**

NOTICE is hereby given that the Fiftythird Annual General Meeting of the Shareholders of Bajaj Auto Limited will be held on Saturday, the 25th July, 1998 at 11.30 a m at the Registered Office of the Company at Mumbai-Pune Road, Akurdi, Pune 411 035 to transact the following business :

1. To consider and adopt the Audited Balance Sheet as at 31st March, 1998 and the Profit and Loss Account for the year ended 31st March, 1998 and the Directors' and the Auditors' Reports thereon.
2. To declare a dividend.
3. To appoint a Director in place of Shri Kantikumar R Podar who retires by rotation and is eligible for reappointment.
4. To appoint a Director in place of Shri J P Poddar who retires by rotation and is eligible for reappointment.
5. To appoint Auditors of the Company for the period commencing from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting and to fix their remuneration.

**SPECIAL BUSINESS:**

6. To appoint Shri D S Mehta as a Director who was appointed by the Board of Directors of the Company as an Additional Director on 6th February, 1998 and who holds office as such upto the conclusion of this Annual General Meeting and in respect of whom the Company has, as required by Section 257 of the Companies Act, 1956, received notice in writing from a Member proposing his candidature for the office of Director and signifying his intention to move the following Resolution as an Ordinary Resolution :

"RESOLVED that Shri D S Mehta be and is hereby appointed a Director of the Company."

7. To consider and if thought fit, to pass, with or without modification/s the following Resolution as an Ordinary Resolution :

"RESOLVED that pursuant to the provisions of Sections 198, 269, 309, 310, 311 and other applicable provisions, if any, of the Companies Act, 1956, approval is hereby given to the appointment of Shri D S Mehta as a Wholetime Director of the Company for five year term commencing from 6th February, 1998 till 5th February, 2003 on the terms and conditions including remuneration as set out in the Agreement dated 6th May, 1998 entered into between the Company and Shri D S Mehta, which Agreement is hereby specifically approved with liberty to the Board of Directors to alter and vary the terms and conditions of the said appointment and/or Agreement, so as not to exceed the remuneration limits as specified in Schedule XIII to the Companies Act, 1956 or any amendments thereto."

8. To consider, and if thought fit, to pass, with or without modification/s, the following Resolution as a Special Resolution:

"RESOLVED that pursuant to Section 31 and other applicable provisions, if any, of the Companies Act, 1956 and the provisions of other statutes as applicable and subject to such approvals, consents, permissions and sanctions as may be necessary from the appropriate authorities or bodies, the Articles of Association of the Company be and are hereby altered as follows :

- 1) In Article 2,

- a) after the definition of the word "The Company" and before the definition of the word "Directors", the following two definitions be added :

"Depositories Act"

"Depositories Act" means the "Depositories Act, 1996" and any statutory modification or reenactment thereof for the time being in force in India.

"Depository"

"Depository" means a Depository as defined in the Depositories Act.



- b) The marginal heading "Expressions in the Act to bear the same meaning in Articles" and its corresponding provision be substituted by the following :

"Expressions in the Companies Act and Depositories Act to bear the same meanings in Articles"

"Any words or expressions defined in the Companies Act and the Depositories Act shall, except where the subject or context forbids, bear the same respective meanings in these Articles, as in these Acts."

- 2) In Article 14,

after the words "The shares in the Capital" and before the words "shall be numbered progressively .....", the following words be added :

"other than those held in a Depository"

- 3) In Article 17,

after the words ".... and whose name is on register" and before the words "shall for the purpose of these Articles be a member", the following words be added :

"of Members of the Company or on the Register of Beneficial Owners in respect of the shares held in a Depository."

- 4) In Article 18,

after the words "..... in the Register of Members" and before the words "as the name of the holder of such shares....." the following word be added :

"or in the Register of Beneficial Owners in respect of the shares held in a Depository."

- 5) In Article 20,

the following proviso be added at the end of the Article :

"Provided that where any shares are held in a depository, the persons so entitled to the absolute right to the entirety thereof shall be the persons appearing as beneficial owners as per the Register maintained by the depository and the depository shall be deemed to be the registered owner of such shares only for the purpose of effecting transfer of ownership of such shares on behalf of beneficial owners. A depository may, however, make such entries in the record of beneficial owners of any pledge or hypothecation intimations given in respect of any shares held in depository, as may be permitted under the Depositories Act."

- 6) The present Article 23 (A) be renumbered as "23A" and the following new Article be added thereafter as Article "23B" :

"Securities may be held in Depository

23B The Company may dematerialise/rematerialise its shares, debentures and other securities pursuant to the Depositories Act and offer its shares, debentures or other securities for subscription/allotment in a dematerialised form. The provisions of Articles 21, 21(A), 22, 23 and 23A of the Articles of Association of the Company shall not apply to shares, debentures or securities held in a Depository in a dematerialised form. However, the Board of Directors at their discretion and subject to any prevailing Regulation in that behalf, may charge and recover from the Shareholder, Debentureholder or



## A SHORT GUIDE TO DEPOSITORY SYSTEM

### **Paperless Investment :**

With the passing of the Depositories Act, 1996 and the setting up of a depository by National Securities Depository Ltd (NSDL), investors can now hold their securities in the form of electronic entries. The depository system also covers an electronic trade and settlement procedure for the securities bought and sold on the Stock Exchange. The result is the elimination of paper - Share Certificates as well as the Share Transfer Forms.

Bajaj Auto Limited has signed an Agreement with NSDL for joining the depository and has installed the necessary connectivity and hardware & software equipment which will enable the investors to avail of the depository facility in respect of Bajaj Auto's equity shares.

Those interested in availing of the depository facility will find the following information useful :

### **1. Opening an Account :**

An investor desirous of joining this facility will have to open an Account with a Depository Participant (DP). A DP is just like a branch of a Bank except that instead of money accounts it maintains Securities Accounts of various clients. So far over 50 organisations have been registered with NSDL to work as DPs. An updated list of the DPs will be available with NSDL at Trade World, 4th and 5th Floors, Kamla Mills Compound, Lower Parel, Mumbai 400 013.

### **2. Identification No. :**

On opening an account, the investor gets from the DP an Identification Number which serves as a reference point for all transactions of the Investor with DP. The same Account can be used to hold any securities in addition to Bajaj Auto shares. An Investor can open any number of Accounts and need not have any starting balance in the Account.

### **3. Dematerialisation :**

The Investor holding Share Certificates can approach the DP for "dematerialisation" of the Certificates held by him. The Certificates after appropriate data entry are forwarded by the DP to the Company. The Company after scrutiny cancels those Certificates and puts them out of circulation. The Company confirms this fact to NSDL and through it, to the DP. On such confirmation, 'dematerialisation' is complete and electronic entries are passed by the DP in the account of its investor client showing the credit of the relevant number of securities of the Company. The DP also gives to the investor a statement of holdings and updates his account after each transaction just like a Bank Account.

### **4. Electronic Trading :**

The Investor can buy or sell shares without any paper work. Such a trade (called a trade in demat segment or under demat mode) can be put through any Broker registered with the National Stock Exchange (NSE) after giving the details of the account held by the investor with the DP.

### **5. Corporate Benefits :**

When the Company announces dividend, NSDL provides the details of all persons having electronic holdings of the Company's shares with reference to the Record Date/Books Closure Date and the Company will disburse the dividend to such holders by sending the Dividend Warrants directly to them as per the present practice. In case of Rights/Bonus Issue the distribution of share entitlements can also be made in electronic form by NSDL based on the information provided by the Company.

### **6. Costs and Savings :**

The depository system offers certain savings mainly because no stamp duty on transfer is required to be paid. Certain savings may also arise out of a reduction in brokerage for trades in demat shares as well as reduction in interest rates on loans offered by certain banks against demat shares. As against this, the investor has to weigh the costs involved in the form of service charges

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payable to DP. A DP normally makes a charge for the services rendered for dematting, custody and for trade updates. Certain DPs also charge for opening and closing of account, while certain DPs require security deposits. The greatest benefit of depository system, however, is that the risk associated with loss, theft or forgery of physical certificates or transfer documents and the resultant bad deliveries is totally eliminated.

**7. Rematerialisation :**

It is possible for an investor to come out of the depository by applying for rematerialisation of securities as per the procedure prescribed by NSDL. Such a request is also processed through DP and involves an appropriate service charge per rematerialised Certificate to be issued.

**8. Institutional Investors :**

Securities and Exchange Board of India (SEBI) had announced that banks, financial institutions, mutual funds and foreign institutional investors shall from 15th January, 1998 settle the trades in certain securities only through demat segment. The list of such securities was extended from time to time and as on date 30 securities have been named for such compulsory demat trading. A further list of 20 securities (which includes Bajaj Auto equity shares) has also been announced with the deadline being set at 10th August, 1998.

**9. Non-institutional and individual investors :**

Non-institutional investors including individuals can continue under the paper-based system. They, however, have the option to join the depository system by taking the above steps. A complete transition to depository system is not immediately visualised. However, Non-institutional investors including active individual investors, in their own long term interest, are gradually shifting to depository system.

**10. Further help :**

For any operational clarifications, investors concerned have to approach their respective DPs. Even the Share Certificates to be dematerialised are not to be sent directly to the Company but only through DPs. However, if any clarification/guidance is required the Company will be glad to render the same upon hearing from shareholders concerned. Please address your queries, if any, to the Share Department at the Registered Office of the Company.



3. The Company has been maintaining, inter alia, the following Statutory Registers at its Registered Office at Akurdi, Pune, which are open for inspection of Members and others as prescribed in the respective Sections of the Companies Act, 1956 as specified below.
  - i) Register of Contracts with Companies and Firms in which Directors are interested under Section 301 of the Companies Act, 1956 - on all working days during business hours.
  - ii) Register of Directors' Shareholdings under Section 307 of the Companies Act, 1956 - on all working days during business hours during the period beginning fourteen days before the date of Annual General Meeting and ending three days after the date of its conclusion.
4. The unclaimed dividends upto the Company's financial year 1992-93 have been transferred to the General Revenue Account of the Central Government. An amount of Rs. 21,06,184/- being unclaimed dividend in respect of the financial year 1993-94 was also transferred to Central Government on 19/9/1997. Shareholders who have not encashed their dividend warrants for the said years are requested to claim the amount from the Registrar of Companies, Maharashtra. The unclaimed dividend in respect of the year 1994-95 will be due for transfer to the Central Government on 24/9/1998.

By Order of the Board of Directors,  
For BAJAJ AUTO LIMITED

  
N.J. JOSHI  
SECRETARY

Date : 13th May, 1998



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**ANNEXURE TO NOTICE**

Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956

Items 6 & 7 of the Notice :

Shri D S Mehta was appointed by the Board of Directors as an Additional Director on 6/2/1998. He holds office upto the date of this Annual General Meeting. As required by Section 257 of the Companies Act, 1956, the Company has received a notice along with deposit from a Member proposing the candidature of Shri D S Mehta for the office of Director of the Company.

The Board of Directors in the same meeting held on 6/2/1998 also appointed Shri D S Mehta as a Wholtime Director for a term of 5 years with effect from 6/2/1998. Shri Mehta has been working in Bajaj Auto Ltd for over 30 years and after his retirement as Company Secretary in June, 1996, continued to work as an Advisor until his present appointment. He is B Com, FCA, ACS and has long experience in financial management, corporate laws and taxation. The terms and conditions including remuneration payable to Shri D S Mehta are set out in the Agreement dated 6th May, 1998 entered into by the Company with Shri Mehta which are as follows :-

1. Salary : Rs. 85,000/- (Rupees Eighty Five Thousand only) per month.
2. Perquisites :
  - a) Provident Fund contribution under the Company's Provident Fund Scheme.
  - b) Telephone at residence at Company's cost.
  - c) Free use of Company's car for Company's work as well as for personal purposes along with driver.
  - d) Personal Accident Insurance Policy in accordance with the Scheme applicable to Senior employees of the Company.
3. Minimum remuneration : In the event of absence or inadequacy of profit in any year, Shri D S Mehta shall be paid remuneration by way of salary, perquisites and allowances not exceeding the ceiling limit of Rs. 87,500/- per month.

The above remuneration (which the Board of Directors have been empowered to alter/vary as and when necessary) has been laid down within the limits specified inter alia, in Section 309 of the Companies Act, 1956 and Schedule XIII to the said Act.

The appointment and remuneration as contained in the Agreement dated 6/5/1998 entered into by the Company with Shri D S Mehta are subject to the approval of the Company in General Meeting. The said Agreement dated 6/5/1998 is available for inspection of the Shareholders of the Company on all working days at its Corporate Office between 10.00 a m and 3.00 p m upto the date of the meeting.

None of the Directors except Shri D S Mehta is concerned or interested in the said Resolution.

Item 8 of the Notice :

Consequent to the passing of the Depositories Act, 1996, a facility has been provided to the Investor shareholders for holding securities in the form of electronic entries instead of paper scrips. The National Securities Depository Limited (NSDL) has accordingly set up a depository under the said Act and the Company has recently signed an Agreement with NSDL for joining the said depository.

The new automated system of holding and trading in the securities of the Company side by side with the paper based system has necessitated certain alterations in the Articles of Association of the Company, especially in matters such as the Register of Members to cover the Beneficial



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- securitiesholder such amount on dematerialisation/rematerialisation of each Certificate as they may deem fit."
- 7) In Article 30, after the words ".... on the Register of Members" and before the words "of the Company as a holder ....", the following words be added :  
"or on the Register of Beneficial Owners in case of shares held in a Depository."
- 8) After Article 61, the following new Article to be added as Article 61A  
"Transfer and transmission of shares held in depository"
- 61A The provisions of Articles 49, 50, 51, 54, 55 and 60 shall not apply to transfer of shares, debentures or securities held in a depository. The provisions of Articles 52, 53, 56, 57, 58, 59 and 61 shall apply to such transfers subject to and consistent with the provisions of the Depositories Act and the Companies Act, 1956."
- 9) In Article 66, the following sub-para be added, at the end :  
"Joint Beneficial Owners (h) Any reference in this Article to Register of Members shall also mean and include the Register of Beneficial Owners maintained by a Depository in respect of the shares or securities held in dematerialised form and the provisions relating to jointholders shall mutatis mutandis apply to the joint beneficial owners."
- 10) In Article 99, the following be added at the end of the Article :  
"A depository as a registered owner shall not have any voting rights in respect of shares and securities held by it in dematerialised form. However, the beneficial owner as per the Register of Beneficial Owners maintained by a Depository shall be entitled to such rights in respect of the shares or securities held by him in the Depository. Any reference to the Member or Joint members in Articles 99 to 110 shall include a reference to Beneficial Owner or Joint Beneficial Owners in respect of the shares held in a Depository."

### NOTES :

A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.

1. The Register of Members and the Share Transfer Books of the Company will remain closed from Friday, the 10th July, 1998 to Saturday, the 25th July, 1998 both days inclusive for the purpose of payment of dividend. Payment of dividend, when declared, will be made on or after 27th July, 1998 to those Shareholders whose names appear in the Register of Members of the Company on 25th July, 1998.
2. Members are requested to notify immediately any change of address and Bank Mandate instructions, if any, for payment of dividend.



Owners as per the records of the Depository, fungibility of the shares held in depository, transfer of shares held in depository etc. Appropriate alterations as set out in the Special Resolution in the Notice are accordingly proposed for the approval of the shareholders.

It may be clarified that while additional facility as above has been provided within the new legal framework, Shareholders have been given an option to join this system. The existing provisions in respect of the shares held in the form of paper scrips will continue without any change.

None of the Directors of the Company is in any way concerned or interested in the said Special Resolution.

By Order of the Board of Directors,  
For BAJAJ AUTO LIMITED



N.J. JOSHI  
SECRETARY

Date : 13th May, 1998

