

Regd. Office:-
Bajaj Auto Limited Complex,
Mumbai - Pune Road,
Akurdi, Pune, 411035

NOTICE

Notice is hereby given that the Fourth Annual General Meeting of the shareholders of Bajaj Finserv Direct Limited (Formerly known as Bajaj Financial Holdings Limited) will be held on **Monday, 16 July 2018 at 4.00 p. m.** at the registered office of the Company at Bajaj Auto Ltd. Complex, Mumbai Pune Road, Akurdi, Pune – 411 035 to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt the financial statements of the Company for the financial year ended 31 March 2018 together with the Directors' and Auditors' Reports thereon.
2. To authorise the Board to fix the remuneration of S R B C & CO LLP, Chartered Accountants, Statutory Auditors of the Company.

To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

“RESOLVED that pursuant to section 142 and all other applicable provisions of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and pursuant to the resolution passed by the members of the Company at the Third Annual General Meeting held on 19 July 2017 in respect of the appointment of S R B C & CO LLP, Chartered Accountants (firm registration no. 324982E / E300003) till the conclusion of the Eighth Annual General Meeting, the Board of Directors be and is hereby authorised to fix the remuneration of Statutory Auditors for the period commencing from the year 2018-19, until the conclusion of the Eighth Annual General Meeting of the Company scheduled in the year 2022.”

SPECIAL BUSINESS:

3. Appointment of Shri Rakesh Bhatt as a Director

To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

“RESOLVED that Shri Rakesh Bhatt (DIN 02531541), who was appointed by the Board of Directors as an additional director under section 161(1) of the Companies Act, 2013 and who vacates his office at this Annual General Meeting and in respect of whom a notice in writing pursuant to section 160 of the Companies Act, 2013, as amended, has been received in the prescribed manner, be and is hereby appointed as director of the Company liable to retire by rotation pursuant to section 152 and applicable provisions of the Companies Act, 2013 and Rules made thereunder with effect from 14 November 2017.

4. Appointment of Shri Ajay Sathe as a Director

To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED that Shri Ajay Sathe (DIN 05166137), who was appointed by the Board of Directors as an additional director under section 161(1) of the Companies Act, 2013 and who vacates his office at this Annual General Meeting and in respect of whom a notice in writing pursuant to section 160 of the Companies Act, 2013, as amended, has been received in the prescribed manner, be and is hereby appointed as director of the Company liable to retire by rotation pursuant to section 152 and applicable provisions of the Companies Act, 2013 and Rules made thereunder with effect from 14 November 2017.

5. Appointment of Shri Ganesh Mohan as a Director

To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED that Shri Ganesh Mohan (DIN 07985728), who was appointed by the Board of Directors as an additional director under section 161(1) of the Companies Act, 2013 and who vacates his office at this Annual General Meeting and in respect of whom a notice in writing pursuant to section 160 of the Companies Act, 2013, as amended, has been received in the prescribed manner, be and is hereby appointed as director of the Company liable to retire by rotation pursuant to section 152 and applicable provisions of the Companies Act, 2013 and Rules made thereunder with effect from 14 November 2017.

6. Appointment of Shri Sourabh Chatterjee as a Director

To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED that Shri Sourabh Chatterjee (DIN 07952127), who was appointed by the Board of Directors as an additional director under section 161(1) of the Companies Act, 2013 and who vacates his office at this Annual General Meeting and in respect of whom a notice in writing pursuant to section 160 of the Companies Act, 2013, as amended, has been received in the prescribed manner, be and is hereby appointed as director of the Company liable to retire by rotation pursuant to section 152 and applicable provisions of the Companies Act, 2013 and Rules made thereunder with effect from 14 November 2017.

7. Approval of Bajaj Finserv Limited Employee Stock Option Scheme

To consider and, if thought fit, to pass the following resolution, with or without modifications, as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 67(3)(b) and all other applicable provisions, if any, of the Companies Act, 2013 ('the Act'), the rules thereunder, the Memorandum and Articles of Association of the Company, the provisions of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (hereinafter referred as 'SEBI Regulations'), including any statutory modification(s) or re-enactment thereof, for the time being in force and subject to such other approvals (including necessary approval of shareholders of Bajaj Finserv Limited), 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 constituted by the Board for this purpose), approval of the Company be and is hereby accorded to the 'Bajaj Finserv Limited Employee Stock Option Scheme' (BFS-ESOS) 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 as 'Employees') as may be decided by the Board, providing for stock options to be granted by Bajaj Finserv Limited (holding company of the Company) which will be convertible into equity shares of BFS on such terms and conditions including the price as the Board may decide in accordance with the BFS-ESOS and the SEBI Regulations or other provisions of the law as may be prevailing at the relevant time.

"RESOLVED FURTHER THAT the consent of the shareholders be and is hereby given for providing loan / financial assistance by the Company to the trust formed for the implementation of the BFS-ESOS, on such terms as the Board may think fit, to enable the trust to subscribe to or purchase the equity shares of BFS for the purpose of issuing the same to the option grantees.

"RESOLVED FURTHER THAT the Board be and is hereby authorised on behalf of the Company 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 without requiring the Board to secure any further consent or approval of the shareholders of the Company in this respect."

By order of the Board of directors
For Bajaj Finserv Direct Limited
(Formerly known as Bajaj Financial Holdings Limited)



Rakesh Bhatt
Director
DIN: 02531541

Place: Pune
Date: 16 May 2018

ANNEXURE TO THE NOTICE

Explanatory Statement to item No. 3 to 6 of the Notice

Section 149 of the Companies Act, 2013, which came into effect from 1 April 2014, requires every public Company to have not less than three directors on the Board of the company. Accordingly, the Board of Directors at its meeting held on 14 November 2017, appointed Shri Rakesh Bhatt, Shri Ajay Sathe, Shri Ganesh Mohan and Shri Sourabh Chatterjee as an additional directors of the Company with effect from 14 November 2017, pursuant to section 149, 152, 161 and other applicable provisions, if any, of the Companies Act, 2013. All of them holds office until the ensuing Annual General Meeting under section 161(1) of the Companies Act, 2013.

Therefore, as required under section 152 of the Companies Act, 2013, appointment of these directors is set out in the items 3 to 6 of the Notice for approval of shareholders.

In respect of the appointments of the aforesaid directors, a notice in writing in the prescribed manner as required by section 160 of the Companies Act, 2013 (as amended) and Rules made thereunder, has been received by the Company, regarding candidature of the aforesaid directors for the office of the director.

Further, in the opinion of the Board, the proposed appointments, as the case may be, of the aforesaid directors fulfils the conditions specified in the Act and the Rules made thereunder.

Pursuant to Section 152 and other applicable provisions of the Act and the Rules made thereunder, the Company is required to obtain approval of its shareholders. Accordingly, the Company seeks your approval for the proposed appointments of the aforesaid directors of the Company.

None of the Directors, key managerial personnel of the Company and their relatives are, concerned or interested, in this resolution, except to the extent of their respective shareholding, if any, in the Company and number of options which may be granted to them.

Detailed profiles of directors are given below:

1. **Rakesh Bhatt (DIN 02531541)**

Rakesh Bhatt is responsible for leading a large portfolio of critical functions at the firm namely Technology, Operations, Customer Experience and Quality.

Rakesh is the person behind the host of technology innovations at the firm, harnessing the power of technology to create sustainable competitive advantage for us. He has practiced this penchant for innovation even in the way he has integrated multiple system with state of the art capabilities to suite our Business model. He manages the complete Operations landscape across all Branches and Centralized Operations, and was responsible to create a strategic BPO relationship. He is also responsible for introducing a slew of initiatives in Customer Experience, redefining how customers look at service in this category using Quality tools and methodology.

Rakesh joined Bajaj from AIG where he was the Vice President and Head of Technology. In his rich experience spanning over 20 years, he has held leadership positions at GE Money, Reliance Industries and 3i InfoTech.

2. Ajay Sathe (DIN 05166137)

Head – Group Risk Management

Ajay joined Bajaj Auto in 1997 and moved Bajaj Finserv in 2007 post the demerger of erstwhile Bajaj Auto. He is presently working as Head – Group Risk Management. He also oversees the CSR activities of Bajaj Finserv and its subsidiaries. He is currently driving some significant strategic CSR projects in health, child welfare and employability.

Ajay is a commerce graduate from Pune University. He is a graduate of the Institute of Cost Accountants of India and an Associate member of the Institute of Chartered Accountants of India. He has completed his International MBA with Honors at ESMT Berlin (Germany). At ESMT, he was a winner of the Academic Performance Prize awarded for the most outstanding academic performance during the program.

3. Ganesh Mohan (DIN 07985728)

Ganesh Mohan, head of Strategy, joined Bajaj Finserv Limited (BFS- holding company to the Company) in 2015 and heads strategy across all the group companies of the Bajaj Finserv Group. At BFS, Ganesh helps set strategy for all the key operating companies, drives key cross-company initiatives as well as important corporate development plans.

Prior to joining BFS, Ganesh was a Partner at The Boston Consulting Group (BCG) and worked with BCG for 16 years across multiple geographies (US, Europe, Middle East & India) primarily focusing on the financial services practice. Ganesh has a B. Tech (Hons) in Chemical Engineering from IIT, Kharagpur and an MBA in Finance and Strategy from the Indian Institute of Management, Calcutta.

4. Sourabh Chatterjee (DIN 07952127) President & Head - IT, Direct Marketing, Web Sales & Travel Bajaj Allianz General Insurance

Sourabh Chatterjee is the Head of Technology, Digital Sales and Marketing at Bajaj Allianz General Insurance. He is responsible for the digital strategy of the company and delivering innovative solutions for the company. He also handles digital and direct sales with a focus on growth through the direct online and offline channels and the digital marketing function for the company.

Prior to joining Bajaj Allianz in late 2015, Sourabh worked with ICICI Lombard as Vice President - Application development for 4.5 years. Before that, Sourabh played multiple leadership roles across delivery, consulting and sales in the US geography for Infosys Technologies from 1999 to 2011. Sourabh is an Electrical Engineer and is an MBA from INSEAD.

Explanatory Statement to item No. 7 of the Notice

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.

Based on the recommendation of the Nomination and Remuneration Committee and subject to the approval of shareholders of the Company and the approval of the shareholders of Bajaj Finserv Limited (BFS), holding company of the Company, the Board of Directors of the Company, at its meeting held on 17 May 2018 approved the Bajaj Finserv Limited Employee Stock Option Scheme (BFS-ESOS) for the benefit of permanent employees and Directors of the Company as may be permissible under the SEBI (Share Based Employee Benefits) Regulations, 2014 (hereinafter referred as 'Employees'). The Scheme involves grant of stock options of BFS to eligible employees of BFS and its subsidiary companies and hence is proposed to be implemented as a part of the Long Term Incentive Plan (LTIP) of the Company. Each stock option will be, upon exercise, converted into one fully paid-up equity share of BFS.

The BFS-ESOS is proposed to be implemented and administered through Bajaj Finserv ESOP Trust (hereinafter referred as 'Trust'). The Company may provide interest free loan to the Trust to the extent required by it for the purchase of equity shares of BFS for the purpose of issue of equity shares to the employees of the Company on exercise of stock options granted to them. The loan will be repaid by the Trust to the Company upon receipt of exercise price by the Trust on exercise of stock options by option grantees.

Disclosure pursuant to the Companies Act, 2013 is as under:

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

The BFS-ESOS, *inter alia*, provides for grant of stock options to the permanent employees and / or Directors of the Company, as may be permissible under the SEBI (Share Based Employee Benefits) Regulations, 2014 (hereinafter referred as 'Employees') as may be decided by the Board of Directors of the Company.

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

The BFS-ESOS is proposed to be administered through Bajaj Finserv ESOP Trust. The Company, being a fellow subsidiary of Bajaj Finserv Limited, has been appointed as the Corporate Trustee of the Trust. However, in the case of primary issue, the scheme may be implemented and administered directly as 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.

3. 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
Bajaj Finserv ESOP Trust	Bajaj Finserv Direct Limited	Mumbai – Pune Road, Akurdi, Pune – 411035	Business	Not applicable	Not applicable (Subsidiary of BFS)

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

As per the ~~SEBI Regulations~~ and provisions of Companies Act, 2013, the Promoters and Independent Directors of the Company are not entitled to any stock options. The key managerial personnel and non-promoter 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 BFS-ESOS.

5. 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.

6. Details about who would exercise and how the voting rights in respect of the shares to be purchased or subscribed under the ESOS 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 Company, being a trustee trustee of the Trust shall not vote in respect of the shares held by the Trust.

Pursuant to Section 67(3)(b) of the Companies Act, 2013, the BFS-ESOS requires approval of the shareholders by special resolution which is proposed in item no. 7 of this Notice.

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

The Board recommends the special resolution set out in Item No. 7 of the Notice for approval by the shareholders.

None of the Directors, key managerial personnel of the Company and their relatives are, concerned or interested, in this resolution, except to the extent of their respective shareholding, if any, in the Company and number of options which may be granted to them.

For Bajaj Finserv Direct Limited
(Erstwhile Bajaj Financial Holdings Limited)



Rakesh Bhatt
Director
DIN: 02531541
Place: Pune
Date: 16 May 2018