

**40th**  
**ANNUAL**  
**REPORT**  
**2014-2015**



**MAHARASHTRA SCOOTERS LTD.**



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40th Annual General Meeting:

Tuesday, 21 July, 2015 at 12.00 noon at the Registered Office

The Company is arranging local transport for shareholders / proxies attending the meeting.  
For further details, please contact Share Department at Registered Office on  
Phone No.020 66106564

**Board of Directors**

Madhur Bajaj, **Chairman**  
N. K. Poyam  
Naresh Patni  
R. K. Nikharge  
Sadashiv S. Survase  
Sanjay S. Degaonkar  
Sanjiv Bajaj  
Ms Vrushali Agashe  
Yogesh J. Shah

**Audit Committee**

Yogesh J. Shah, **Chairman**  
Naresh Patni  
R. K. Nikharge

**Stakeholders' Relationship Committee**

Yogesh J. Shah, **Chairman**  
R. K. Nikharge  
Sanjiv Bajaj

**Nomination & Remuneration Committee**

Yogesh J. Shah, **Chairman**  
Naresh Patni  
R. K. Nikharge

**Corporate Social Responsibility Committee**

Yogesh J. Shah, **Chairman**  
R. K. Nikharge  
Sanjiv Bajaj

**Key Managerial Personnel**

Rajeev D. Haware, **Chief Executive Officer & Manager**  
R. B. Laddha, **Chief Financial Officer**  
N. S. Kulkarni, **Company Secretary**

**Statutory Auditors**

P. C. Parmar & Co., Pune

**Secretarial Auditor**

Shyamprasad D. Limaye, Pune

**Internal Auditor**

Jayesh Kulkarni

**Registered Office**

C/o. Bajaj Auto Limited  
Mumbai-Pune Road  
Akurdi, Pune 411 035

**Registrar and Share Transfer Agents**

M/s. Karvy Computershare Pvt. Ltd.  
Karvy Selenium Tower B, Plot 31-32,  
Gachibowli, Financial District  
Nanakramguda, Hyderabad-500 032.

**Works**

Plot No. C-1, M.I.D.C. Area  
Satara-415 004, Maharashtra

**Corporate Identification No.(CIN)**

L35912MH1975PLC018376

**Website**

[www.mahascooters.com](http://www.mahascooters.com)

**E-mail**

investors\_msl@bajajauto.co.in



CIN: L35912MH1975PLC018376

**Registered office:**

C/o. Bajaj Auto Limited,  
Mumbai-Pune Road, Akurdi,  
Pune 411 035.

[www.mahascooters.com](http://www.mahascooters.com)

E-mail: [investors\\_msl@bajajauto.co.in](mailto:investors_msl@bajajauto.co.in)

## NOTICE

NOTICE is hereby given that the 40th Annual General Meeting of the shareholders of **MAHARASHTRA SCOOTERS LIMITED** will be held on **Tuesday, 21 July, 2015** at **12.00 noon** at the Registered Office of the Company at C/o. Bajaj Auto Limited, Mumbai-Pune Road, Akurdi, Pune- 411 035 to transact the following business:-

### ORDINARY BUSINESS:

#### Item No.1

To consider and adopt the audited Balance Sheet as at 31 March, 2015 and the Statement of Profit and Loss for the year ended on that date and the reports of the Board of Directors and Auditors thereon.

#### Item No.2

To declare a dividend on Equity Shares.

#### Item No.3

To appoint a Director in place of Shri Sanjiv Bajaj (DIN 00014615) who retires by rotation and being eligible, offers himself for re-appointment.

#### Item No.4

To ratify the appointment of Auditors of the company and to fix their remuneration and in this regard, to consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:-

**"RESOLVED** that pursuant to provisions of Section 139 and other applicable provisions of the Companies Act, 2013, read with Companies (Audit and Auditors) Rules, 2014, the appointment of M/s. P.C. Parmar & Company, Chartered Accountants, Pune (ICIA Firm Registration No.107604W), whose appointment was approved by the Shareholders at the 39th Annual General Meeting, for a period until the conclusion of 42nd Annual General Meeting of the company, be and is hereby ratified, subject to further ratification by the members at every Annual General Meeting of the company held after this meeting and the Board of Directors be and are hereby authorized to fix such remuneration as may be decided by the Board of Directors or any committee thereof."

### SPECIAL BUSINESS:

#### Item No.5

##### **Appointment of Shri Yogesh J. Shah (DIN 00137526) as Independent Director**

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 149 and other applicable provisions of the Companies Act, 2013, read with the Rules made thereunder, approval be and is hereby accorded to the appointment of Shri Yogesh J. Shah (DIN 00137526), in respect of whom a notice in writing pursuant to Section 160 of the Companies Act, 2013 has been received in the prescribed manner, as an independent director on the Board of the Company for a consecutive period of five years, effective from 13 October, 2014 upto 12 October, 2019."

**"RESOLVED** further that pursuant to the provisions of Section 149, 197 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, Shri Yogesh J. Shah be paid such fees and remuneration as the Board may approve from time to time and subject to such limits, prescribed or as may be prescribed from time to time."

#### Item No.6

##### **Appointment of Shri Naresh Patni (DIN 00045532) as Independent Director**

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

**"RESOLVED** that pursuant to Section 149 and other applicable provisions of the Companies Act, 2013, read with the Rules made thereunder, approval be and is hereby accorded to the appointment of Shri Naresh Patni (DIN 00045532), in respect of whom a notice in writing pursuant to Section 160 of the Companies Act, 2013

has been received in the prescribed manner, as an independent director on the Board of the Company for a consecutive period of five years, effective from 13 October, 2014 upto 12 October, 2019.”

“**RESOLVED** further that pursuant to the provisions of Section 149, 197 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, Shri Naresh Patni be paid such fees and remuneration as the Board may approve from time to time and subject to such limits, prescribed or as may be prescribed from time to time.”

**Item No.7**

**Appointment of Shri R.K. Nikharge (DIN 02250777) as Independent Director**

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

“**RESOLVED** that pursuant to Section 149 and other applicable provisions of the Companies Act, 2013, read with the Rules made thereunder, approval be and is hereby accorded to the appointment of Shri R.K. Nikharge (DIN 02250777), in respect of whom a notice in writing pursuant to Section 160 of the Companies Act, 2013 has been received in the prescribed manner, as an independent director on the Board of the Company for a consecutive period of five years, effective from 13 October, 2014 upto 12 October, 2019.”

“**RESOLVED** further that pursuant to the provisions of Section 149, 197 and other applicable provisions of the Companies Act, 2013, and the Rules made thereunder, Shri R.K. Nikharge be paid such fees and remuneration as the Board may approve from time to time and subject to such limits, prescribed or as may be prescribed from time to time.”

**Item No.8**

**Appointment of Shri Sanjay S. Degaonkar (DIN 06957783) as Independent Director**

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

“**RESOLVED** that pursuant to Section 149 and other applicable provisions of the Companies Act, 2013, read with the Rules made thereunder, approval be and is hereby accorded to the appointment of Shri Sanjay S. Degaonkar (DIN 06957783), in respect of whom a notice in writing pursuant to Section 160 of the Companies Act, 2013 has been received in the prescribed manner, as an independent director on the Board of the Company for a consecutive period of five years, effective from 13 October, 2014 upto 12 October, 2019.”

“**RESOLVED** further that pursuant to the provisions of Section 149, 197 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, Shri Sanjay S. Degaonkar be paid such fees and remuneration as the Board may approve from time to time and subject to such limits, prescribed or as may be prescribed from time to time.”

**Item No.9**

**Appointment of Ms. Vrushali Agashe (DIN 06966630) as Independent Director**

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

“**RESOLVED** that pursuant to Section 149 and other applicable provisions of the Companies Act, 2013, read with the Rules made thereunder, approval be and is hereby accorded to the appointment of Ms. Vrushali Agashe (DIN 06966630), in respect of whom a notice in writing pursuant to Section 160 of the Companies Act, 2013 has been received in the prescribed manner, as an independent director on the Board of the Company for a consecutive period of five years, effective from 13 October, 2014 upto 12 October, 2019.”

“**RESOLVED** further that pursuant to the provisions of Section 149, 197 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, Ms. Vrushali Agashe be paid such fees and remuneration as the Board may approve from time to time and subject to such limits, prescribed or as may be prescribed from time to time.”

**Item No.10**

**Appointment of Shri N.K. Poyam (DIN 07170050) as a Director**

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

“**RESOLVED** that pursuant to the provisions of Section 152 and such other applicable provisions of the Companies Act, 2013 and Rules framed thereunder, Shri N.K. Poyam (DIN 07170050), who was appointed by the Board of Directors of the company as a Nominee Director of Western Maharashtra Development Corporation Ltd., with effect from 12 May, 2015 in place of Shri G.B. Maware and in respect of whom the company has received a notice in writing in the prescribed manner, pursuant to provisions of Section 160 of the Companies Act, 2013, be and is hereby appointed as a Director of the company, liable to retire by rotation.”



## Item No.11

### Appointment of Shri Sadashiv S. Survase (DIN 01541589) as a Director

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

“**RESOLVED** that pursuant to the provisions of Section 152 and such other applicable provisions of the Companies Act, 2013 and Rules framed thereunder, Shri Sadashiv S. Survase (DIN 01541589), who was appointed by the Board of Directors of the company as a Nominee Director of Western Maharashtra Development Corporation Ltd., with effect from 12 May, 2015 in place of Shri Ashok S. Sawant and in respect of whom the company has received a notice in writing in the prescribed manner pursuant to provisions of Section 160 of the Companies Act, 2013, be and is hereby appointed as a Director of the company, liable to retire by rotation.”

## Item No.12

### Appointment of Shri Rajeev D. Haware as Chief Executive Officer and Manager of the Company

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

“**RESOLVED** pursuant to the provisions of Section 196, 197 and Schedule V of the Companies Act, 2013 and Rules framed thereunder, approval of the company be and is hereby accorded to the appointment of Shri Rajeev D. Haware as a Chief Executive Officer and “Manager” of the Company for a period of five (5) years effective from 13 October, 2014, on the terms and conditions as specified in the Statement pursuant to Section 102(1) of the Companies Act, 2013 annexed to this Notice.”

“**RESOLVED** further that, notwithstanding anything stated herein above, where in any financial year closing on or after 31 March, 2015, during the tenure of Shri Rajeev D. Haware as a Chief Executive Officer and Manager, the Company incurs a loss or its profits are inadequate, the Company shall pay him the above remuneration as a minimum remuneration but not exceeding the limits specified under Section II of Part II of Schedule V to the Companies Act, 2013 or such other limits as may be prescribed by the Central Govt. from time to time as minimum remuneration.”

“**RESOLVED** further that the Board of Directors be and is hereby authorized to alter and vary the terms and conditions of appointment and/or remuneration, subject to the same not exceeding the limits specified under Section 197, read with Schedule V of the Companies Act, 2013.”

By Order of the Board  
for MAHARASHTRA SCOOTERS LIMITED

**N.S. Kulkarni**  
Company Secretary

Pune, 12 May, 2015

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## NOTES:

1. **EXPLANATORY STATEMENT:** Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 with respect to the Special Business set out in item Nos.5 to 12 is annexed.
2. **PROFILE OF DIRECTORS:** As required by Clause 49 of the Listing Agreement, brief details of the Directors seeking appointment/re-appointment are annexed hereto.
3. **APPOINTMENT OF INDEPENDENT DIRECTORS:** In terms of Section 149 and 152 read with Schedule IV of the Companies Act, 2013, Independent Directors are required to be appointed for a term upto five (5) consecutive years and these Directors are not liable to retire by rotation. Accordingly, the resolutions proposing the appointment of Independent Directors are set out in item No.5 to 9.
4. **PROXY:** A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER. A PERSON CAN ACT AS PROXY ON BEHALF OF MEMBERS UPTO AND NOT EXCEEDING FIFTY AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY. FURTHER, A MEMBER HOLDING MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS PROXY FOR ANY OTHER PERSON OR MEMBER. THE INSTRUMENT APPOINTING PROXY MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME OF HOLDING THE MEETING.

During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a member would be entitled to inspect the proxies lodged, at any time during the business hours of the Company, provided not less than 3 days written notice is given to the Company.

5. **APPOINTMENT OF AUDITORS:** Pursuant to the provisions of Section 139 of the Companies Act, 2013, read with Companies (Audit and Auditors) Rules, 2014, the appointment of M/s. P.C. Pamar & Co., Chartered Accountants, who were appointed as Auditors at the 39th Annual General Meeting for a period until the conclusion of 42nd Annual General Meeting, subject to ratification of the appointment by the members at every Annual General Meeting and to fix their remuneration is put up for the approval of members.
6. **BOOK CLOSURE:** Pursuant to the provisions of Section 91 of the Companies Act, 2013, Register of Members and Share Transfer Books of the Company will remain closed from **Saturday, 11 July, 2015 to Tuesday, 21 July, 2015**, both days inclusive, for the purpose of Annual General Meeting and payment of dividend.
7. **DIVIDEND:** Subject to the provisions of Section 126 of the Companies Act, 2013, if Dividend on shares as recommended by the Directors is approved at the meeting, payment of such dividend will be credited/despatched between **27 July, 2015 and 28 July, 2015** to those shareholders, whose names appear (a) As Beneficial Owners as at the end of the business of Friday, 10 July, 2015 as per the list to be furnished by National Securities Depository Ltd., and Central Depository Services (I) Ltd., in respect of the shares held in electronic form and (b) As Members in the Register of Members of the Company, after giving effect to all valid share transfers lodged with Karvy Computershare Pvt. Ltd., Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad-500 032, Share Transfer Agents (STA) of the Company on or before 10 July, 2015.
8. **PRINTING OF BANK DETAILS ON DIVIDEND WARRANTS:** Securities and Exchange Board of India (SEBI) vide its Circular No.CIR/MRD/DP/10/2013 dated 21 March, 2013 has directed all the listed Companies to use any approved electronic mode for payment of dividend to the shareholders i.e., NECS, NEFT etc. Shareholders who have still not registered their full bank account details are requested to do so latest by 10 July, 2015. In the absence of such details, SEBI has mandated the company to print bank account details on the dividend payment instrument. The Performa for intimating the bank details is available for download on the website of the company viz. [www.mahascooters.com](http://www.mahascooters.com).
9. **NOTIFICATION BY SHAREHOLDERS:** Shareholders holding shares in physical form are requested to notify change of address, if any, to the Share Transfer Agents (STA) of the Company, Karvy Computershare Pvt. Ltd., Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032 immediately.  
Beneficial owners holding shares in electronic form are requested to notify any change in address, bank particulars, NECS particulars etc., to their respective depository participants. Bank details as furnished by the respective depository participants to the Company would be used for the purpose of distribution of dividend either through payment instrument or NECS. The company would not entertain any request from such members for change/deletion of such Bank details.  
Where dividend payments are made through NECS, intimations regarding such remittances would be sent separately to the concerned shareholders.
10. **UNPAID DIVIDEND:** In terms of the provisions of Section 125 of the Companies Act, 2013, the amount of dividend remaining unclaimed for a period of seven years is required to be transferred to the Investor Education and Protection Fund and in due compliance thereof, the Company had transferred the unclaimed dividend amounts for the financial years upto 2006-07 to the Investor Education & Protection Fund set up by the Central Govt. and now no claim in respect thereof lies either against the Fund or the Company.  
As mandated by the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the particulars of the Shareholders whose dividend amounts have remained unpaid for the financial years 2007-08 & onwards, are made available on the website of the Company i.e. [www.mahascooters.com](http://www.mahascooters.com). The said details are also available on the portal of Investor Education and Protection Fund at [www.iepf.gov.in](http://www.iepf.gov.in). **The Shareholders who have not encashed the dividend warrants for the period aforesaid are requested to immediately write to the Company/RTA to claim the unpaid amounts.**
11. **INSPECTION OF RECORDS:** Register of Contracts or arrangement in which Directors are interested as stipulated under Section 189 of the Companies Act, 2013 and Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013 are open for inspection by members and others at the registered office of the company on all working days during business hours. The said Registers shall also be produced at the commencement of annual general meeting and shall remain open and accessible during the continuance of the meeting to a person having the right to attend the meeting.
12. **GREEN INITIATIVE IN CORPORATE GOVERNANCE:** In terms of provisions of Section 101 and 136 of the Companies Act, 2013 and Rules made thereunder, Shareholders who have opted to receive the Notice convening the general meetings, Financial Statements, Directors' Report, Auditors' Report etc. in electronic form, by registering their e-mail addresses with the Company or whose e-mail addresses are made available to the Company by the



Depositories, are being sent with such documents in the electronic form. These documents are also made available on the website of the Company viz., [www.mahascooters.com](http://www.mahascooters.com). **As a Shareholder of the Company, you are entitled to be furnished, free of cost, with the copies of such documents upon receipt of requisition from you to that effect.**

13. **SHAREHOLDERS HOLDING SHARES IN PHYSICAL MODE:** Shareholders holding shares in physical mode are requested to -
  - a) Opt for Dematerialization of their shareholding through any of the SEBI registered Depository Participant.
  - b) Avail nomination facility in respect of their shareholding in the Company by submitting Nomination Form SH-13 prescribed pursuant to the provisions of Section 72 of the Companies Act, 2013, available for download on the website of the company.
  - c) Contribute to the cause of Green Initiative by registering their e-mail addresses, thereby facilitating the Company to send them by way of an e-mail, copies of Notice/s, Annual Report etc. **Performa of E-Communication Registration Form is available for download on the website of the Company.**
  - d) Submit a notarized copy of their PAN Card, with a view to comply with KYC norms.
14. **REGISTRATION OF E-MAIL ADDRESS:** Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communications including Annual Report, Notices, Circulars etc. from the company electronically. Members holding shares in demat mode are requested to register their e-mail address through their respective Depository Participant. Members holding shares in physical mode are requested to register their e-mail address with M/s. Karvy Computershare P. Ltd., Hyderabad, the Share Transfer Agents of the company.
15. **CORPORATE MEMBERS:** Corporate Members are requested to send in advance, duly certified copy of the Board Resolution/Power of Attorney authorizing their representative to attend the Annual General Meeting.
16. **REMOTE E-VOTING:** In terms of the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and clause 35B of the listing agreement, the Company is providing facility to exercise votes on the items of business given in the Notice through electronic voting system to such investors who are the members as on 14 July, 2015 being the "**cut-off date**" fixed for determining voting rights of members reckoned on the equity shares held by them as on that day, entitled to participate in the e-voting process. The company has entered into an arrangement with M/s. Karvy Computershare P. Ltd., the Share Transfer Agents of the company (Karvy) for facilitating e-voting, through their e-voting platform <https://evoting.karvy.com>

## INSTRUCTIONS FOR REMOTE E-VOTING

### A. FOR MEMBERS WHO RECEIVE NOTICE OF ANNUAL GENERAL MEETING THROUGH E-MAIL:

- i. Use URL <https://evoting.karvy.com> for remote e-voting.
- ii. Enter the login credentials (i.e. user-id & password mentioned in your e-mail. Your Folio No./DP ID Client ID will be your user ID. However, if you are already registered with Karvy for e-voting, you can use your existing User ID and Password for casting your votes.
- iii. After entering the details appropriately, click on LOGIN.
- iv. You will reach the Password change menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character. The system will prompt you to change your password. **It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.**
- v. You need to login again with the new credentials.
- vi. On successful login, the system will prompt you to select the EVENT i.e., **MAHARASHTRA SCOOTERS LIMITED**
- vii. On the voting page, the number of shares (which represents the number of votes) as held by the shareholder as on the cut-off date will appear. If you desire to cast all the votes assenting/dissenting to the Resolution, then enter all shares and click "FOR"/"AGAINST", as the case may be or partially in "FOR" and partially in "AGAINST". However, the total number in "FOR"/"AGAINST" taken together should not exceed your total shareholding as on the cut-off date. You may also choose the option "ABSTAIN", in which case the shares held will not be counted under either head.
- viii. Members holding multiple folios/demat account shall choose the voting process separately for each folio/demat account.
- ix. Cast your votes by selecting an appropriate option and click on SUBMIT. A confirmation box will be displayed. Click OK to confirm else CANCEL to modify. During the voting period, you can login any number of times till you have confirmed voted on the resolution.



- x. Corporate/Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/Authority Letter etc. together with attested specimen signature of the duly authorized signatory (ies) who are authorized to vote, to the Scrutinizer through e-mail [cssdlimaye@gmail.com](mailto:cssdlimaye@gmail.com). They may also upload the same in the e-voting module in their login. The scanned images of the above documents should be in the naming format "Corporate Name EVENTNO."
- xi. **Once you have cast your vote on a resolution you will not be allowed to modify it subsequently.**
- xii. The Portal will remain open for voting from **18 July 2015 (9.00 a.m.)** till **20 July 2015 (5.00 p.m.)**.
- xiii. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for shareholders and e-voting User Manual for shareholders available at the download section of <https://evoting.karvy.com> or contact Karvy Computershare Pvt. Ltd. on 1800 345 4001 (toll free).
- xiv. Members may alternatively cast their votes using the Ballot Form which is enclosed to this Notice, which is also available on the website of the Company [www.mahascooters.com](http://www.mahascooters.com). Please refer instructions under the heading "C" below for more details.

**B. MEMBERS WHO RECEIVE NOTICE OF ANNUAL GENERAL MEETING IN PHYSICAL FORM:**

Members holding shares either in Demat or physical mode, who are in receipt of Notice of Annual General Meeting in physical form, may cast their vote using the Ballot Form enclosed to this Notice. Please refer instructions "C" below for more details.

Members may alternatively opt for remote e-voting for which the USER ID & PASSWORD is provided at the bottom of the Ballot Form. Please follow steps from Sr.No. (i) to (xiv) under heading "A" above to vote through e-voting platform.

**C. MEMBERS WHO WISH TO VOTE USING BALLOT FORM:**

In terms of Clause 35B of the Listing Agreement members may fill in the Ballot Form enclosed with the Notice and submit the same in a sealed envelope to the Scrutinizer, Shri Shyamprasad D. Limaye, Practising Company Secretary, Unit: MAHARASHTRA SCOOTERS LIMITED C/o. Karvy Computershare P. Ltd, Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032 so as to reach by 5.00 p.m. of 20 July, 2015. Unsigned, incomplete or incorrectly ticked forms are liable to be rejected and the decision of the Scrutinizer on the validity of the forms will be final.

**In the event member casts his votes through both the processes i.e. E-voting and Physical Ballot Form, the votes in the electronic system would be considered and the physical ballot form would be ignored.**

**D. VOTING AT THE MEETING:**

Members who have not cast their vote either by Remote E-Voting or through Ballot Form can exercise their voting rights at the Annual General Meeting. The Company will make necessary arrangements by way of electronic voting for exercising the options of voting by the members of the company.

**The members who have cast their vote by remote e-voting prior to the Annual General Meeting may also attend the meeting but shall not be entitled to cast their vote again at the meeting.**

**E. GENERAL INSTRUCTIONS:**

- (I) The E-voting period commences from 9.00 a.m. of 18 July, 2015 and ends on 5.00 p.m. on 20 July, 2015. During this period, the shareholders of the company, holding shares either in physical form or in demat form, as on the cut-off date of 14 July, 2015 may cast their vote electronically. The e-voting module shall be disabled for voting by Karvy thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
- (II) The company has appointed Mr. Shyamprasad D. Limaye, Practising Company Secretary (FCS No.1587/PCS No.572) having address as 32, Navketan Society, Kothrud, Pune – 411038 as the Scrutinizer to scrutinize the e-voting process, including through ballot form received from the members, in a fair and transparent manner.
- (III) The Scrutinizer shall, within a period of not exceeding three (3) working days from the conclusion of the e-voting period, unlock the votes in the presence of at least two witnesses, not in the employment of the company and make a Scrutinizers Report of the votes cast in favour or against, if any, and submit forthwith to the Chairman of the company.
- (IV) The results of remote E-Voting, Ballot Form and E-Voting on the resolutions at the Annual General Meeting shall be aggregated and these resolutions will be deemed to be passed on the Annual General Meeting date, subject to receipt of the requisite number of votes in favour of the said resolutions.
- (V) The results declared along with the Scrutinizer's Report shall be communicated to the Stock Exchange/s and made available on the Company's website [www.mahascooters.com](http://www.mahascooters.com) and on the website of Karvy – [www.evoting.karvy.com](https://evoting.karvy.com), within two days of the passing of the resolutions at the Annual General Meeting of the Company.



## Annexure to Notice

### **BRIEF RESUME OF DIRECTORS SEEKING APPOINTMENT AT THE ANNUAL GENERAL MEETING PURSUANT TO CLAUSE 49 OF THE LISTING AGREEMENT AND EXPLANATORY STATEMENT UNDER SECTION 102 OF THE COMPANIES ACT, 2013**

#### **Item No.3**

##### **Re-appointment of Shri Sanjiv Bajaj as Director**

Pursuant to the provisions of Section 152 of the Companies Act, 2013, Shri Sanjiv Bajaj (DIN 00014615) retires by rotation and being eligible, offers himself for reappointment.

Brief profile of Shri Sanjiv Bajaj in terms of Clause 49 of the Listing Agreement is annexed to this Notice.

Shri Sanjiv Bajaj does not hold any shares in the Company.

Apart from Shri Sanjiv Bajaj, none of the persons specified in Section 102 of the Companies Act, 2013, are concerned or interested in the above resolution.

Shri Sanjiv Bajaj is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013.

The Board commends the resolution for the approval of Shareholders.

#### **Item No. 5 to 9**

##### **Appointment of Shri Yogesh J. Shah, Shri Naresh Patni, Shri Sanjay S. Degaonkar, Shri R.K. Nikharge and Ms. Vrushali Agashe as Independent Directors**

In terms of the provisions of Section 149 of the Companies Act, 2013 and Clause 49 of the Listing Agreement, every listed company where a Chairman of the Board is related to a Promoter of the Company, shall have at least one-half of the total number of Directors as Independent Directors. The Independent Directors shall hold office for a term of five consecutive years and shall not be liable to retire by rotation. Provisions of sub-clause (6) of Section 149 and Clause 49 II(B)(1) of the Listing Agreement lays down the criteria for independence.

With a view to comply with the provisions aforesaid, the Board of Directors at their meeting held on 13 October, 2014 had appointed Shri Yogesh J. Shah, Shri Naresh Patni, Shri Sanjay S. Degaonkar, Shri R.K. Nikharge and Ms. Vrushali Agashe as Independent Directors, for a period of five (5) consecutive years. These Independent Directors had furnished declarations to the company under Section 149(7) of the Companies Act, 2013, confirming that they meet the criteria prescribed for Independent Directors pursuant to the provisions of Section 149(6) of the Companies Act, 2013 and Clause 49 of the Listing Agreement and are not disqualified for being appointed as a Director pursuant to Section 164 of the Companies Act, 2013.

In the opinion of the Board, the Independent Directors aforesaid are persons of integrity, possesses the relative expertise and experience and fulfill the conditions specified in the Companies Act, 2013 and Rules framed thereunder and Clause 49 of the Listing Agreement and are independent of the management of the Company.

It is, accordingly, pursuant to the provisions of Section 150(2) of the Companies Act, 2013, proposed to seek the approval of Shareholders to the appointment of Shri Yogesh J. Shah, Shri Naresh Patni, Shri Sanjay S. Degaonkar, Shri R.K. Nikharge and Ms. Vrushali Agashe as Independent Directors of the company for a period of five consecutive years with effect from 13 October, 2014 as set out at Item No. 5 to 9 of the Notice. Pursuant to the provisions of Section 160 of the Companies Act, 2013, notices have been received from certain Members proposing the candidature of the said Directors as Independent Directors.

Apart from the individual Independent Directors named hereinabove, none of the persons specified in Section 102 of the Companies Act, 2013, are concerned or interested in the above resolution.

None of the Independent Directors named herein above holds any shares in the company, except Shri Yogesh J. Shah who together with his relatives holds 2914 shares.

Brief profiles of the Independent Directors in terms of Clause 49 of the Listing Agreement is annexed to this Notice.

The Board recommends the resolutions set forth under Item No.5 to 9 of this Notice for the approval of the Members.

**Item No.10****Appointment of Shri N.K. Poyam as a Director**

At the board meeting of the company held on 12 May, 2015, Shri N.K. Poyam (DIN 07170050) was appointed as a Nominee Director of Western Maharashtra Development Corporation Ltd., in place of Shri G.B. Maware. Pursuant to the provisions of Section 161 of the Companies Act, 2013, Shri N.K. Poyam vacates office at the ensuing Annual General Meeting and is to be appointed as a Director by the Shareholders. As mandated by the provisions of Section 160 of the Companies Act, 2013, the company has received a Notice in writing from a member signifying his intention to propose the name of Shri N.K. Poyam as a Director of the company.

Brief profile of Shri N.K. Poyam pursuant to the provisions of Clause 49 of the Listing Agreement is annexed to this Notice.

Shri N.K. Poyam does not hold any shares in the Company.

Apart from Shri N.K. Poyam, none of the persons specified in Section 102 of the Companies Act, 2013, are concerned or interested in the above resolution.

Shri N.K. Poyam is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013.

The Board commends the resolution for the approval of Shareholders.

**Item No.11****Appointment of Shri Sadashiv S. Survase as a Director**

At the board meeting of the company held on 12 May, 2015, Shri Sadashiv S. Survase (DIN 01541589) was appointed as a Nominee Director of Western Maharashtra Development Corporation Ltd., in place of Shri Ashok S. Sawant. Pursuant to the provisions of Section 161 of the Companies Act, 2013, Shri Sadashiv S. Survase vacates office at the ensuing Annual General Meeting and is to be appointed as a Director by the Shareholders. As mandated by the provisions of Section 160 of the Companies Act, 2013, the company has received a Notice in writing from a member signifying his intention to propose the name of Shri Sadashiv S. Survase as a Director of the company.

Brief profile of Shri Sadashiv S. Survase pursuant to the provisions of Clause 49 of the Listing Agreement is annexed to this Notice.

Shri Sadashiv S. Survase does not hold any shares in the Company.

Apart from Shri Sadashiv S. Survase, none of the persons specified in Section 102 of the Companies Act, 2013, are concerned or interested in the above resolution.

Shri Sadashiv S. Survase is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013.

The Board commends the resolution for the approval of Shareholders.

**Item No.12****Appointment of Shri Rajeev D. Haware as Chief Executive Officer and Manager of the Company**

Pursuant to the provisions of Section 196, 197 and Schedule V of the Companies Act, 2013, the Board of Directors at its meeting held on 13 October, 2014 had appointed Shri Rajeev D. Haware as a Chief Executive Officer and "Manager" for a period of five (5) years effective from 13 October, 2014.

Shri Rajeev D. Haware, aged about 61 years has done his B.E. (Mechanical) and was working with the company in various capacities for over 38 years.

The terms and conditions of his appointment are as follows:

1. Remuneration:
  - (i) Basic salary per month Rs.120,112/-
  - (ii) Perquisites and allowances:
    - (a) House Rent Allowance 40% of the basic salary
    - (b) Medical Reimbursement per annum Domiciliary: Rs.15,000/-  
Hospitalisation: Rs.12,500/-
    - (c) Leave Travel Allowance per annum Rs.17,000/-
    - (d) Annual Bonus Rs.8,400/-



## MAHARASHTRA SCOOTERS LTD.

- |  |   |
|--|---|
| (e) Driver Allowance per month                                       | Rs.3,000/-  |
| (f) Miscellaneous Allowance per month                                | Rs.11,400/-   |
| (g) Washing Allowance per month                                      | Rs.500/-  |
| (h) Education Allowance per month                                    | Rs.1,300/-  |
| (i) Ad-hoc Allowance per month                                       | Rs.10,000/-   |
| (iii) Other Benefits:  |   |
| (a) Earned/Privilege Leave   | As per Rules of the Company   |
| (b) Company's contribution to Provident Fund and Superannuation Fund | Provident Fund: 12% of basic salary<br>Superannuation Fund: 15% of basic salary |
| (c) Gratuity   | 1 month's salary per year   |
| (d) Leave Encashment   | As per Rules of the Company   |
| (e) Telephone at the residence for official purposes (per annum)     | Rs.9,360/-  |
| (f) Company Car  | As per Rules of the Company   |
2. Period of Appointment: Five (5) years beginning 13 October, 2014 and ending 12 October, 2019.
  3. The appointment may be terminated by either party by giving three months' notice in writing of such termination or as may be mutually agreed between the parties.
  4. Shri Rajeev D. Haware shall perform such duties as from time to time be entrusted to him by the Board of Directors, subject to superintendence, guidance and control of the Board of Directors.
  5. Shri Rajeev D. Haware holds 100 shares of the company and is not related to any Director or Key Managerial Personnel of the company.

None of the Directors, Key Managerial Personnel or their relatives, except Shri Rajeev D. Haware to whom this resolution pertains, is interested or concerned in the resolution.

The Directors recommends the resolution set forth in item No.12 for the approval of the members.

By Order of the Board  
For MAHARASHTRA SCOOTERS LIMITED

**N.S. Kulkarni**  
Company Secretary

Pune, 12 May, 2015

## Annexure to the Notice of Annual General Meeting

Brief Profile of Directors seeking appointment / re-appointment at the Annual General Meeting pursuant to Clause 49 of the Listing Agreement:

Name of Director	Yogesh J. Shah	Naresh Patni	Sanjay S. Degaonkar	R.K. Nikharge	Ms. Vrushali Agashe	Sanjiv Bajaj	N.K. Poyam	Sadashiv S. Survase
<b>DIN</b>	00137526	00045532	06957783	02250777	06966630	00014615	07170050	01541589
<b>Type</b>	Independent Director	Independent Director	Independent Director	Independent Director	Independent Director	Nominee Director	Nominee Director	Nominee Director
<b>Date of Birth</b>	18-11-1952	13-05-1949	27-06-1968	01-06-1959	24-06-1981	02-11-1969	11-06-1960	05-01-1968
<b>Date of Appointment</b>	13-10-2014	13-10-2014	13-10-2014	13-10-2014	13-10-2014	18-10-2006	12-05-2015	12-05-2015
<b>Educational Qualification</b>	B Com. (Hons), ACA	B Sc, BE (Civil)	B Sc. (Agriculture)	B Com.	B.Tech (Chemicals)	B.E., Mechanical, M.Sc., Manufacturing, MBA	B.A. LLB	M.E. (Design Eng), MBA
<b>Directorship held in other Companies</b>	Adonis Laboratories Pvt. Ltd. Ashwamegh Enterprises Pvt. Ltd. Yogesh Financial Consultants Pvt. Ltd. Yogesh Distribution Pvt. Ltd.	The Wardhaman Urban Co-op. Bank Ltd. Umesh Properties P.Ltd. Patni Plastic P.Ltd.	Western Maharashtra Development Corp. Ltd. Development Corporation of Konkan Ltd.	Nil	Dairy Development Corporation of Marathwada Ltd. Eilora Milk Products Ltd. Godavari Garments Ltd. Kinwat Roofing Tiles Ltd. Leather Industries Corporation of Marathwada Ltd. Marathwada Ceramic Complex Ltd. Parbhani Krishi Gosanvardhan Ltd. Marathwada Development Corn Ltd. Western Maharashtra Development Corp. Ltd.	Bajaj Auto Ltd. Bajaj Holdings & Investment Ltd. Bajaj Finserv Ltd. Bajaj Finance Ltd. Bajaj Auto Holdings Ltd. Bajaj Allianz General Insurance Co. Ltd. Bajaj Allianz Life Insurance Co. Ltd. The Hindustan Housing Co. Ltd. Jeevan Ltd.	Western Maharashtra Development Corp. Ltd.	Western Maharashtra Development Corp. Ltd.
<b>Committee Positions held in other Companies</b>	Nil	Nil	Nil	Nil	Nil	<b>Audit Committee:</b> Bajaj Allianz General Insurance Co. Ltd. Bajaj Allianz Life Insurance Co. Ltd. Bajaj Auto Holdings Ltd. Bajaj Finance Ltd. <b>Stakeholders' Relationship Committee:</b> Bajaj Finserv Ltd. Bajaj Finance Ltd.	Nil	Nil
<b>No. of shares held</b>	2,914	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Experience / expertise in functional areas</b>	Corporate Finance, Personal Finance, Treasury, Tax and Investment	Marketing, Management, Banking	General Administration, Industry Development, Joint Venture	General Administration Joint Venture	Information Technology, General Management and Joint Venture	Business strategy and development, Leadership development, General management, Finance, Investments	General Administration, Industrial Development	General Management, Industrial Development and Joint Venture
<b>Relationship with other Directors, inter-se</b>	None	None	None	None	None	None	None	None

**DIRECTORS' REPORT****INTRODUCTION:**

The Directors present their Fortieth Annual Report and Audited Statement of Accounts for the year ended 31 March, 2015, prepared in due compliance of extant provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

**REVIEW OF OPERATIONS:**

During the year under review, the business activities of the company were limited to the manufacture of die casting dies, jigs and fixtures, primarily meant for automobile industry and treasury operations on account of surplus funds invested.

There was no significant development during the year under review affecting the operational/financial performance of the Company. Due to increased work orders and operational efficiency, the sales on account of manufacture of die casting dies, jigs and fixtures increased to ₹ 687.83 lacs, as compared to ₹ 409.74 lacs achieved during the previous year.

The turnover of the company during the year under review was ₹ 6986.19 lacs as against ₹ 5753.12 lacs achieved during the previous financial year.

**FINANCIAL HIGHLIGHTS:**

	(₹ in lacs)	
	<b>2014-15</b>	<b>2013-14</b>
Net sales and other income	<b>6986.19</b>	5753.12
Gross profit before interest and depreciation	<b>5791.68</b>	4849.52
Interest	<b>0.12</b>	0.05
Depreciation	<b>315.78</b>	89.71
Profit before tax	<b>5475.78</b>	4759.76
Tax expense	<b>141.00</b>	105.00
Less: MAT credit entitlement	<b>141.00</b>	105.00
Profit after tax	<b>5475.78</b>	4759.76
Proposed dividend (inclusive of dividend distribution tax)	<b>4126.55</b>	3342.72
Balance transferred to General Reserve	<b>1349.23</b>	1417.04
Earnings per share (₹ )	<b>47.91</b>	41.65

**RECOMMENDATION ON DIVIDEND:**

The Directors are pleased to recommend for consideration of the Shareholders at the ensuing Annual General Meeting, payment of dividend of ₹ 30 per share (300%) on 11,428,568

Equity Shares of ₹ 10 each for the financial year ended 31 March, 2015, as against ₹ 25.00 per share (250%) declared for the financial year ended 31 March, 2014. The amount of dividend inclusive of tax thereon for the financial year 2014-15 amounts to ₹ 4126.55 lacs as against ₹ 3342.72 lacs paid during the financial year 2013-14.

**SHARE CAPITAL:**

The paid up Equity Share Capital as on 31 March, 2015 was ₹ 11.42 Crore. During the year under review, the Company has not issued shares with differential voting rights nor granted stock options nor sweat equity.

**PRESENTATION OF FINANCIAL STATEMENTS:**

The financial statements for the year ended 31 March, 2015 are prepared in due compliance of the Schedule III of the Companies Act, 2013.

**CASH FLOW STATEMENT:**

A Cash Flow Statement for the year 2014-15 is included in the annexed Statement of Accounts.

**EXTRACT OF ANNUAL RETURN:**

Pursuant to the provisions of Section 92(3) of the Companies Act, 2013 and Rules framed thereunder, an extract of Annual Return as on 31 March, 2015 in the prescribed Form No. MGT-9 is annexed to this Report (Annexure-I).

**NUMBER OF MEETINGS OF THE BOARD:**

There were 4 meetings of the board held during the year. Detailed information is given in the annexed Corporate Governance Report.

**DIRECTORS' RESPONSIBILITY STATEMENT:**

As required by sub-section (5) of Section 134 of the Companies Act, 2013, the Directors state that -

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departure;
- (b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- (c) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

- (d) the directors had prepared the annual accounts on a going concern basis;
- (e) the directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and
- (f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

#### STATEMENT ON DECLARATION GIVEN BY INDEPENDENT DIRECTORS:

All the Independent Directors have submitted declarations to the company to the effect that they meet the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013.

#### POLICY ON DIRECTORS APPOINTMENT AND REMUNERATION POLICY:

The Board, on recommendation of Nomination & Remuneration Committee, has framed a policy for selection and appointment of Directors, Senior Management and their remuneration. The Policy is also available on the website of Company i.e. [www.mahascooters.com](http://www.mahascooters.com)

#### PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS:

The company has not given any loans or guarantees or provided any security. Full particulars of the investments made by the company are provided in the Financial Statements attached to this Report.

#### PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

During the year under review, the Company had not entered into any transactions with the related parties which invoked the provisions of Section 188 of the Companies Act, 2013, thereby necessitating its approval by the Board or prior approval of the Shareholders.

There being no such contract with related party which are 'material' in nature, there are no details to be disclosed in Form AOC-2, under the Companies Act, 2013.

The policy on Related Party Transactions as approved by board is uploaded on the Company's website [www.mahascooters.com](http://www.mahascooters.com)

#### DETAILS PURSUANT TO RULE 8(3) OF THE COMPANIES (ACCOUNTS) RULES, 2014:

Conservation of energy	During the year under review, the Company maintained power factor to unity throughout the year resulting in getting maximum rebate in electricity bills. Also, biogas plant, wormi composting, solar water heaters and effluent treatment plant operated effectively.
Technology absorption	No expenditure is incurred by the Company attributable to Technology absorption during the year.
Expenditure on Research & Development	No expenditure is incurred by the Company attributable to Research & Development during the year.
Foreign exchange earnings and Outgo	During the year under review, foreign exchange earnings were NIL and outgo was ₹ 2.87 lacs.

#### ANNUAL EVALUATION OF THE BOARD, COMMITTEES AND INDIVIDUAL DIRECTORS:

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has carried out an annual performance evaluation of its own performance, the Directors individually, as well as the evaluation of the working of its Committees. The manner in which formal annual evaluation was made is provided in the annexed Corporate Governance Report.

#### DETAILS OF DIRECTORS OR KEY MANAGERIAL PERSONNEL WHO WERE APPOINTED OR RESIGNED DURING THE YEAR:

- Western Maharashtra Development Corporation Limited, one of the two Promoters of the Company, withdrew the nomination of Shri R.K. Nikharge, Shri Ramesh D. Devkar and Shri Sadashiv S. Survase as their nominee directors on the board of the company.
- Bajaj Holdings and Investment Limited, the other Promoter of the Company, withdrew the nomination of Shri Yogesh J. Shah and Shri Naresh Patni as their nominee directors on the board of the company.
- Being qualified to be appointed as Independent Director, pursuant to Section 149 of Companies Act,



2013 & Clause 49, and based on the Declaration of Independence submitted pursuant to sub-section (6) of Section 149 of the Companies Act, 2013, Shri Yogesh J. Shah, Shri Naresh Patni, Shri R.K. Nikharge, Shri Sanjay S. Degaonkar and Ms. Vrushali Agashe, as recommended by Nomination & Remuneration Committee, were appointed as Independent Directors of the Company for a period of 5 years, effective from 13 October, 2014, subject to shareholders' approval at the ensuing Annual General Meeting.

- d) Shri Ranjit Gupta resigned as "Chief Executive Officer" and "Manager" of the company and in his place, Shri Rajeev D. Haware was appointed as Chief Executive Officer and Manager effective from 13 October, 2014.
- e) With a view to avail the benefits of his experience and expertise, Shri Ranjit Gupta, who has been associated with the company for over 25 years, was appointed as a "Constituted Attorney" of the company. No remuneration is payable to him for the services being rendered.
- f) Shri Rajeev D. Haware, Chief Executive Officer, Shri R.B. Laddha, Chief Financial Officer and Shri N.S. Kulkarni, Company Secretary of the company, are designated as Key Managerial Personnel of the company.

#### **MATERIAL ORDERS, IF ANY, PASSED BY THE REGULATORS, COURTS ETC.:**

No material Orders were passed by any Regulators or Courts or Tribunals during the financial year under review impacting the going concern status of the company's operations in future.

#### **ADEQUACY OF INTERNAL FINANCIAL CONTROLS:**

Internal financial controls with reference to the financial statements were adequate and operating effectively.

#### **RISK MANAGEMENT POLICY:**

The company has adopted a Risk Management Framework for the company, including identification therein of elements of risk, if any, which in the opinion of the Board may threaten the existence of the company.

#### **MATERIAL CHANGES AND COMMITMENTS:**

There have been no material changes and commitments affecting the financial position of the company which have occurred between the end of the financial year of the company and the date of this report.

#### **CORPORATE GOVERNANCE:**

Pursuant to clause 49 of the Listing Agreement with Stock Exchanges, a report on Corporate Governance together with the Auditors' Certificate regarding compliance of the conditions

of Corporate Governance, Management Discussion and Analysis Report & CSR Report form part of this Report.

#### **SECRETARIAL AUDIT REPORT:**

Pursuant to the provisions of Section 204 of the Companies Act, 2013, the company had appointed Shri Shyamprasad D. Limaye a Fellow Member of the Institute of Company Secretaries of India and a Company Secretary in Practice (FCS No.1587, Certificate of Practice No.572) to conduct the secretarial audit and give a Secretarial Audit Report for the year 2014-15 to be annexed to the Report of Board of Directors.

Secretarial Audit Report of Shri Shyamprasad D. Limaye in the prescribed Form MR-3 is annexed to this Report (Annexure-II). The Report does not contain any qualification, reservation or adverse remarks.

#### **INTERNAL AUDIT:**

Shri Jayesh A. Kulkarni, a Chartered Accountant has been appointed as Internal Auditor of the company. The internal financial controls, established with the approval of Audit Committee of the Board, are adequate with reference to the financial statements and size and operations of the company.

#### **STATUTORY AUDITORS:**

At the 39th Annual General Meeting of the company, the Shareholders had approved the appointment of M/s. P.C. Parmar & Co., Chartered Accountants as Statutory Auditors for a period until the conclusion of 42nd Annual General Meeting, subject to ratification of the appointment by the members at every Annual General Meeting and accordingly, the Notice convening the 40th Annual General Meeting contains a proposal for ratification of their appointment along with their remuneration by the members for the year 2015-16.

#### **AUDITORS' REPORT:**

The Statutory Audit Report does not contain any qualification, reservation or adverse remark or disclaimer made by Statutory Auditor.

#### **COST AUDIT/AUDITORS:**

Pursuant to the provisions of Section 148 of the Companies Act, 2013 and Companies (Cost Records and Audit) Rules, 2014 the products manufactured/services rendered by the company were not covered for maintenance of cost records and therefore, the company discontinued the cost audit and consequently the company had not appointed Cost Auditor for the financial year 2014-15.

#### **INDUSTRIAL RELATIONS:**

During the year under review, the industrial relations remained cordial.



**ESTABLISHMENT OF VIGIL MECHANISM:**

Pursuant to the provisions of Section 177(9) of the Companies Act, 2013 and Rules framed thereunder, the company has established a vigil mechanism for directors and employees to report genuine concerns and to provide for adequate safeguards against victimizations of persons who use such mechanism and the details thereof are disclosed on the website of the company [www.mahascooters.com](http://www.mahascooters.com)

**DETAILS OF DIRECTORS AND EMPLOYEES' REMUNERATION:**

The information required pursuant to Section 197 of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company, will be provided upon request. In terms of Section 136 of the Act, the Report and Accounts are being sent to the Members and others entitled thereto, excluding the information on employees'

particulars which is available for inspection by the Members at the Registered Office of the Company during business hours on working days of the Company upto the date of the ensuing Annual General Meeting. If any Member is interested in obtaining a copy thereof, such Member may write to the Company Secretary in this regard.

**CORPORATE SOCIAL RESPONSIBILITY (CSR) REPORTING:**

Annual Report on CSR pursuant to Rule 8 of Companies (CSR) Rules, 2014 is annexed to this Report (Annexure-III).

On behalf of the Board of Directors



**Madhur Bajaj**  
Chairman

Pune, 12 May, 2015

**Annexure - I to Directors' Report****FORM NO. MGT 9****Extract of Annual Return for the financial year ended on 31 March, 2015**

Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Company (Management & Administration) Rules, 2014

**I. REGISTRATION & OTHER DETAILS:**

i)	CIN	L35912MH1975PLC018376
ii)	Registration Date	11 June, 1975
iii)	Name of the Company	Maharashtra Scooters Limited
iv)	Category/Sub-category of the Company	Public Limited Company
v)	Address of the Registered office & contact details	C/o. Bajaj Auto Ltd., Mumbai-Pune Road, Akurdi, Pune - 411 035. Phone: 020 66106564 E-mail: <a href="mailto:kulkarnins@bajajauto.co.in">kulkarnins@bajajauto.co.in</a> <a href="mailto:investors_msl@bajajauto.co.in">investors_msl@bajajauto.co.in</a>
vi)	Whether listed company	Yes
vii)	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Karvy Computershare Private Limited Karvy Selenium Tower B, Plot 31-32, Gachibowli Financial District, Nanakramguda, Hyderabad – 500 032 Phone: 040 67161562 E-mail: <a href="mailto:mohsin.mohd@karvy.com">mohsin.mohd@karvy.com</a>



## II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

(All the business activities contributing 10% or more of the total turnover of the company shall be stated)

Sr.No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Investment	65993	90

## III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and address of the company	CIN/GLN	Holding/Subsidiary/ Associate	% of shares held	Applicable Section
1	Bajaj Holdings & Investment Ltd.	L359119N1945PL0046561	Associate	24.00	2(6)
2	Western Maharashtra Development Corporation Ltd.	U45209MH1970PLC014894	Associate	27.00	2(6)

## IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

### (i) Category-wise Shareholding

Category of Shareholders		No. of Shares held at the beginning of the year (01-04-2014)				No. of Shares held at the end of the year (31-03-2015)				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A.</b>	<b>Promoters</b>									
	<b>1 Indian</b>									
	a) Individual/ HUF	0	0	0	0	0	0	0	0	0
	b) Central Govt.	0	0	0	0	0	0	0	0	0
	c) State Govt(s)	0	0	0	0	0	0	0	0	0
	d) Bodies Corporates	0	5,828,560	5,828,560	51.00	0	5,828,560	5,828,560	51.00	0
	e) Banks / FI	0	0	0	0	0	0	0	0	0
	f) Any other	0	0	0	0	0	0	0	0	0
	<b>Sub-total (A)(1)</b>	<b>0</b>	<b>5,828,560</b>	<b>5,828,560</b>	<b>51.00</b>	<b>0</b>	<b>5,828,560</b>	<b>5,828,560</b>	<b>51.00</b>	<b>0</b>
	<b>2 Foreign</b>									
	a) NRIs-Individuals	0	0	0	0	0	0	0	0	0
	b) Other-Individuals	0	0	0	0	0	0	0	0	0
	c) Bodies Corporates	0	0	0	0	0	0	0	0	0
	d) Banks / FI	0	0	0	0	0	0	0	0	0
	e) Any other	0	0	0	0	0	0	0	0	0
	<b>Sub-total (A)(2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
	<b>Total shareholding of Promoter (A)</b>	<b>0</b>	<b>5,828,560</b>	<b>5,828,560</b>	<b>51.00</b>	<b>0</b>	<b>5,828,560</b>	<b>5,828,560</b>	<b>51.00</b>	<b>0</b>
<b>B.</b>	<b>Public Shareholding</b>									
	<b>1 Institutions</b>									
	a) Mutual Funds	398,692	2,750	401,442	3.51	391,517	2,750	394,267	3.45	(0.06)
	b) Banks / FI	264	1,118	1,382	0.01	3,491	1,118	4,609	0.04	0.03
	c) Central Govt.	0	0	0	0	0	0	0	0	0
	d) State Govt(s)	0	0	0	0	0	0	0	0	0
	e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
	f) Insurance Companies	352,202	0	352,202	3.08	352,202	0	352,202	3.08	0
	g) FIs	439,251	0	439,251	3.84	574,410	0	574,410	5.03	1.18
	h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
	i) Others (specify)	0	0	0	0	0	0	0	0	0
	<b>Sub-total (B)(1)</b>	<b>1,190,409</b>	<b>3,868</b>	<b>1,194,277</b>	<b>10.45</b>	<b>1,321,620</b>	<b>3,868</b>	<b>1,325,488</b>	<b>11.60</b>	<b>1.15</b>

Category of Shareholders		No. of Shares held at the beginning of the year (01-04-2014)				No. of Shares held at the end of the year (31-03-2015)				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
2	<b>Non-Institutions</b>									
	<b>a) Bodies Corporates</b>									
	i) Indian	912,286	2,556	914,842	8.00	871,108	2,906	874,014	7.65	(0.36)
	ii) Overseas	0	0	0	0	0	0	0	0	0
	<b>b) Individuals</b>									
	i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	1,753,318	719,179	2,472,497	21.63	1,634,233	685,974	2,320,207	20.30	(1.33)
	ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	957,948	10,624	968,572	8.48	1,019,542	10,624	1,030,166	9.01	0.54
	<b>c) Others (specify)</b>									
	i) Non Resident Indians	40,519	2,534	43,053	0.38	46,045	2,334	48,379	0.42	0.05
	ii) Overseas Corporate Bodies	0	0	0	0	0	0	0	0	0
	iii) Foreign Nationals	0	0	0	0	0	0	0	0	0
	iv) Clearing Members	6,217	0	6,217	0.05	1,204	0	1,204	0.01	(0.04)
	v) Trusts	550	0	550	0.00	550	0	550	0.00	0
	vi) Foreign Bodies - D R	0	0	0	0	0	0	0	0	0
	<b>Sub-total (B)(2)</b>	<b>3,670,838</b>	<b>734,893</b>	<b>4,405,731</b>	<b>38.55</b>	<b>3,572,682</b>	<b>701,838</b>	<b>4,274,520</b>	<b>37.40</b>	<b>(1.15)</b>
	<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>4,861,247</b>	<b>738,761</b>	<b>5,600,008</b>	<b>49.00</b>	<b>4,894,302</b>	<b>705,706</b>	<b>5,600,008</b>	<b>49.00</b>	<b>0</b>
<b>C.</b>	<b>Shares held by Custodian for GDRs &amp; ADRs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
	<b>Grand Total (A+B+C)</b>	<b>4,861,247</b>	<b>6,567,321</b>	<b>11,428,568</b>	<b>100.00</b>	<b>4,894,302</b>	<b>6,534,266</b>	<b>11,428,568</b>	<b>100.00</b>	<b>0</b>

Note: Percentage in bracket represents negative percentage

**(ii) Shareholding of Promoters:**

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year (01-04-2014)			Shareholding at the end of the year (31-03-2015)			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Bajaj Holdings & Investment Ltd.	2,742,848	24.00	0	2,742,848	24.00	0	0
2	Western Maharashtra Development Corporation Ltd.	3,085,712	27.00	0	3,085,712	27.00	0	0

**(iii) Change in Promoters' Shareholding (please specify, if there is no change)**

There is no change in promoters' shareholding during the Financial Year 2014-15.

**(iv) Shareholding Pattern of top ten Shareholders:****(Other than Directors, Promoters and Holders of GDRs and ADRs):**

Sr. No.	Name of the shareholders	Shareholding at the beginning of the year (As on 01-04-2014)		Change in shareholding during the year		Shareholding at the end of the year (As on 31-03-2015)	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	CD Equifinance Private Limited	624,390	5.46	3,751	0.03	628,141	5.50
2	PPFAS Long Term Value Fund	398,333	3.49	(7,151)	(0.06)	391,182	3.42
3	General Insurance Corporation of India	352,202	3.08	0	0.00	352,202	3.08
4	Motilal Gopilal Oswal	280,600	2.46	(1,370)	(0.01)	279,230	2.44
5	Acacia Partners, Lp	175,978	1.54	0	0.00	175,978	1.54
6	Acacia Institutional Partners, Lp	166,036	1.45	0	0.00	166,036	1.45
7	Morgan Stanley Asia (Singapore) Pte.	107,719	0.94	(1,827)	(0.02)	105,892	0.93
8	Chetan Sehgal	73,748	0.65	11,310	0.10	85,058	0.74
9	P Dhananjaya Sarma	61,520	0.54	1,700	0.01	63,220	0.55
10	Rathi Techservices Private Limited	58,674	0.51	0	0.00	58,674	0.51

Note: Percentage in bracket represents negative percentage

**(v) Shareholding of Directors and Key Managerial Personnel:**

Sr. No.	Name of the director/Key Managerial Personnel	Shareholding at the beginning of the year (As on 01-04-2014)		Change in shareholding during the year		Shareholding at the end of the year (As on 31-03-2015)	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
<b>Directors</b>							
1	Madhur Bajaj	0	0	0	0	0	0
2	Sanjiv Bajaj	0	0	0	0	0	0
3	Yogesh J. Shah	2,914	0.03	0	0	2,914	0.03
4	Naresh Patni	0	0	0	0	0	0
5	Ashok S. Sawant	0	0	0	0	0	0
6	G.B. Maware	0	0	0	0	0	0
7	R.K. Nikharge	0	0	0	0	0	0
8	Sanjay S. Degaonkar	0	0	0	0	0	0
9	Ms. Vrushali Agashe	0	0	0	0	0	0
<b>Key Managerial Personnel</b>							
10	Rajeev D. Haware	100	0	0	0	100	0
11	R.B. Laddha	6,835	0.06	0	0	6,835	0.06
12	N.S. Kulkarni	1	0	0	0	1	0

**V. INDEBTEDNESS**

Indebtedness of the Company including interest outstanding/accrued but not due for payment.

Company was not having any secured loans/unsecured loans and deposits during the financial year 2014-15.

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:****A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

Name of Manager & CEO: R.D. Haware*		₹ in lacs
Sr. No.	Particulars of Remuneration	
1	Gross salary	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	13.92
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.18
	(c) Profits in lieu of salary under section 17(3) of Income- tax Act, 1961	0
2	Stock Option	0
3	Sweat Equity	0
4	Commission	0
	- as % of profit	0
	- others, specify...	0
5	Others, please specify	0
	<b>Total (A)</b>	14.10
	Ceiling as per the Act	274.49

\* Appointed as CEO with effect from 13 October, 2014.

**B. Remuneration to other directors**

Sr. No.	Particulars of Remuneration	Name of Non-Executive Directors					(₹ in lacs)
		Yogesh J. Shah	Naresh Patni	R.K. Nikharge	Sanjay S. Degaonkar	Vrushali Agashe	
1	<b>Independent Directors</b>						
	Fee for attending board committee meetings	2.20	1.80	2.20	0.40	0.40	7.00
	Commission	0	0	0	0	0	0
	Others, please specify	0	0	0	0	0	0
	<b>Total (1)</b>	2.20	1.80	2.20	0.40	0.40	7.00
2	<b>Other Non-Executive Directors</b>		Madhur Bajaj	Sanjiv Bajaj	Ashok S. Sawant	G.B. Maware	
	Fee for attending board committee meetings		0.80	1.20	0.80	0.40	3.20
	Commission		0	0	0	0	0
	Others, please specify		0	0	0	0	0
	<b>Total (2)</b>		0.80	1.20	0.80	0.40	3.20
	<b>Total (B) = (1 + 2)</b>						10.20
	Total Managerial Remuneration						24.30
	Overall Ceiling as per the Act						677.02

**C. Remuneration to Key Managerial Personnel other than MD/MANAGER/WTD**

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		Total (₹ in lacs)
		Chief Financial Officer (CFO)	Company Secretary (CS)	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	30.75	18.17	48.92
	(b) Value of perquisites u/s 17(2) of Income-tax Act, 1961	0.67	0.58	1.25
	(c) Profits in lieu of salary under section 17(3) of Income-tax Act, 1961	0	0	0
2	Stock Option	0	0	0
3	Sweat Equity	0	0	0
4	Commission	0	0	0
	- as % of profit	0	0	0
	others, specify...	0	0	0
5	Others, please specify	0	0	0
	Total	31.42	18.75	50.17

**VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:**

There were no penalties/punishment/compounding of offences during the financial year 2014-15.

**Annexure - II to Directors' Report****FORM NO. MR-3****Secretarial Audit Report for the financial year ended 31st March, 2015**

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To the Members

**Maharashtra Scooters Ltd.**

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Maharashtra Scooters Limited, (hereinafter called as "the Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Maharashtra Scooters Limited's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March, 2015, complied with the applicable statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2015, according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
  - (h) The Securities and Exchange Board of India (Buy back of Securities) Regulations, 1998;

I have also examined compliance with the applicable clauses of the Listing Agreements entered into by the Company with Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE).

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, including committees thereof, along with agenda and detailed notes on agenda, at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting by the directors.

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period there was no other event/action having major bearing on company's affairs.

Date: 12 May 2015  
Place: Pune

Shyamprasad D. Limaye  
FCS No. 1587 C P No.: 572

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## Annexure - III to Directors' Report

### Annual Report on CSR Activities

#### 1. **Brief outline of Company's CSR Policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR Policy and projects or programs.**

The Policy outlines the company's responsibility as a corporate citizen and lays down the guidelines and mechanism for undertaking activities for welfare and sustainable development of the community at large.

The core elements of CSR is the continuing commitment by business to ethical principles, protection of human rights and care for the environment, while improving the quality of life of all the stakeholders including the local community and society at large.



It is Company's conscious strategy to design and implement Social Investments/CSR programs, by enriching value chains that encompass the disadvantaged sections of society, especially those residing in rural India, through economic empowerment based on grass-root capacity building.

This Policy shall apply to all CSR initiatives and activities taken up for the benefit of different segments of the society, especially the deprived, under privileged and differently abled persons.

Corporate Social Responsibility Committee at its meeting held on 13 January, 2015, framed a CSR Policy and the same was adopted by the Board.

The CSR Policy provides an overview of the projects or programmes, which are proposed to be undertaken by the company in the coming years.

The full text of the CSR Policy is hosted on the website of the company viz [www.mahascooters.com](http://www.mahascooters.com)

**2. Composition of CSR Committee:**

A Committee of the directors, titled 'Corporate Social Responsibility Committee', was constituted by the Board in its meeting held on 13 October 2014, with the following members:-

Yogesh J. Shah - Chairman	Independent Director
R.K. Nikharge - Member	Independent Director
Sanjiv Bajaj - Member	Non-Independent Director

During the year under review, the Committee met once on 13 January, 2015.

**3. Average Net Profits of the company for the last three financial years, preceding 2014-15** - ₹ (11.64) Cr.  
(as defined in section 135 read with Rules thereunder)

(₹ in crores)

Financial Year	Net profit as per CSR Rules
2013-14	5.24
2012-13	7.40
2011-12	(47.55)
Average net profit for 3 years	(11.64)

- 4. Prescribed CSR expenditure (2% of the amount as in item 3 above) – NIL**
- 5. Details of CSR spent during the financial year – NIL** (No requirement under the Act this year)
- 6. In case the Company fails to spend the 2% of the Average Net Profit (INR) of the last three financial years, the reasons for not spending the amount shall be stated in the Board report – NotApplicable**
- 7. Responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company duly signed by Director and Chairperson of the CSR Committee.**

The CSR Committee confirms that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

Sd/-  
Yogesh J. Shah  
Chairman  
DIN 00137526

Sd/-  
R.K. Nikharge  
Member  
DIN 02250777

Sd/-  
Sanjiv Bajaj  
Member  
DIN 00014615



## CORPORATE GOVERNANCE

Maharashtra Scooters Limited (MSL) believes in and has always worked towards building trust with shareholders, employees, customers, suppliers and other stakeholders on the four key elements of Corporate Governance – transparency, fairness, disclosure and accountability.

This Report is in compliance of requirements of Companies Act, 2013, Clause 49 of Listing Agreement and other regulations as applicable to the Company.

### BOARD OF DIRECTORS:

Composition of the Board of Directors and the number of Directorships and committee positions held by the Directors as on 31 March, 2015 is as under:-

Name of director	In listed Companies	In unlisted public limited companies	Committee positions	
			As Chairman	As Member
Madhur Bajaj	6	-	-	-
Ashok S. Sawant	1	1	-	-
G.B. Maware	1	1	-	-
Sanjiv Bajaj	6	4	-	7
Yogesh J. Shah	1	-	4	-
R.K. Nikharge	1	-	-	4
Naresh Patni	1	1	-	2
Sanjay S. Degaonkar	1	2	-	-
Ms. Vrushali Agashe	1	9	-	-

### Notes:

None of the directors holds office as a director, including as alternate director, in more than 20 Companies at the same time. None of them has Directorships in more than ten public companies. For reckoning the limit of public companies, directorship of private companies that are either holding or subsidiary of a public company is included.

As per declarations received, none of the directors serves as an Independent director in more than 7 listed companies. Further, none of the directors serving as a whole-time director in any listed company serves as an independent director in more than 3 listed companies.

None of the directors was a member in more than 10 committees, nor a Chairman in more than 5 committees across all companies, in which he was a director.

### COMPOSITION OF BOARD:

The company is fully compliant with the provisions contained in the Companies Act, 2013 and Clause 49 of the Listing Agreement on the composition of the Board, including appointment of Independent Directors and Woman Director. As on 31 March 2015, the Board comprised 5 Non-Executive Independent Directors and 4 Non-executive Non-Independent Directors. Woman Director is a Non-Executive Independent Director.

### NO. OF MEETINGS:

The Board and Audit Committee met four times during the year, on 13 May, 2014, 15 July, 2014, 13 October, 2014 and 13 January, 2015. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

**ATTENDANCE OF DIRECTORS:**

Attendance of Directors at the Board Meetings held during the financial year ended on 31 March, 2015 and at the last AGM:

Name of director	Category	Number of Board meetings		Attendance at the last AGM held on 15-07-2014
		Held	Attended	
Madur Bajaj	Non-Executive, Chairman	4	4	Yes
Ashok S. Sawant	Non-Executive	4	4	Yes
G.B. Maware	Non-Executive	4	2	Yes
Sanjiv Bajaj	Non-Executive	4	4	Yes
*Yogesh J. Shah	Non-Executive, Independent	4	4	Yes
*R.K. Nikharge	Non-Executive, Independent	4	4	Yes
*Naresh Patni	Non-Executive, Independent	4	4	Yes
*Sanjay S. Degaonkar	Non-Executive, Independent	2	2	Not applicable
*Ms. Vrushali Agashe	Non-Executive, Independent	2	2	Not applicable
Sadashiv S. Survase	Non-Executive	2	2	Yes

\*Appointed as an Independent Director w.e.f. 13 October 2014

**MAXIMUM TENURE OF INDEPENDENT DIRECTORS:**

The maximum tenure of independent directors is in accordance with the Companies Act, 2013 and clause 49 of the listing agreement.

**FORMAL LETTER OF APPOINTMENT TO INDEPENDENT DIRECTORS:**

The company issues a formal letter of appointment to independent directors in the manner as provided in the Companies Act, 2013 and clause 49 of the listing agreement. The terms and conditions of appointment of independent directors are placed on the company website [www.mahascooters.com](http://www.mahascooters.com)

**SEPARATE MEETING OF INDEPENDENT DIRECTORS:**

The Independent Directors held their separate meeting on 27 March, 2015 as mandated by the provisions of the Companies Act, 2013 and Listing Agreement.

**PERFORMANCE EVALUATION:**

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has carried out an annual performance evaluation of its own performance, and that of its Committees and individual directors. Manner in which formal annual evaluation was made by the Board of its own performance and that of its Committees and Individual Directors is given below: -

- Performance Evaluation Criteria for Board, Committees of the Board and Directors were approved by the board of directors at its meeting held on 13 October 2014. The criteria are placed in the company website [www.mahascooters.com](http://www.mahascooters.com)
- Based on the said criteria, Rating sheets were filled by each of the directors towards the end of the year with regard to evaluation of performance of the Board, its Committees and Directors (except for the director being evaluated) for the year under review.
- A consolidated summary of the Ratings given by each of the directors was then prepared, based on which a Report of performance evaluation was prepared by the Chairman in respect of the performance of the Board, its Committees and Directors during the year under review.
- The Report of performance evaluation so arrived at was then noted and discussed by the Nomination & Remuneration Committee and Board at their meetings held on 12 May 2015.
- As per the report of performance evaluation, the Board shall determine inter alia whether to continue the term of appointment of the director. During the year under review, the Independent Directors were appointed for the first time and there was no occasion to decide on the continuance of the term of appointment of any of the directors and hence the question of taking a decision on their re-appointment did not arise.

**INFORMATION PLACED BEFORE THE BOARD:**

The Board of Directors and its various Committees were presented with all the relevant and necessary information at their meetings as stipulated in the Listing Agreement and pursuant to the provisions of the Companies Act, 2013 and other enactments as applicable.

The Board also reviewed, periodically, the legal compliance report presented by the Chief Executive Officer of the Company.

**CODE OF CONDUCT:**

The Board has laid down a Code of Conduct for all Board Members, including Independent Directors and Senior Management of the Company. All Board Members/Independent Directors and Senior Management Personnel have affirmed compliance with the Code as on 31 March, 2015. As mandated, the Code of Conduct is also posted on the website of the company viz., [www.mahascooters.com](http://www.mahascooters.com)

**ORDERLY SUCCESSION TO BOARD AND SENIOR MANAGEMENT:**

The Board of the company satisfied itself that plans are in place for orderly succession for appointments to the Board and to senior management.

**FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS:**

The newly appointed Independent Directors were provided with a copy of latest Annual Report of the Company, the Code of Conduct for Directors, Code of Conduct for Prevention of Insider Trading. The Key Managerial Personnel of the company also apprised the new Independent Directors on the functioning of the Board and the nature of operation of the Company's business activities. Independent Directors were also provided with a Handbook on Independent Directors published by the Institute of Company Secretaries of India, New-Delhi, which lucidly explains their role, duties and responsibilities.

**BOARD DIVERSITY POLICY:**

In compliance with provisions of clause 49 of listing agreement, the Board through its Nomination and Remuneration Committee has devised a policy on Board Diversity. The objective of the Policy is to ensure that the Board is comprised of adequate number of members with diverse experience and skills, such that it best serves the governance and strategic needs of the Company.

It is recognized that the present composition of Board broadly meets with the above objective.

**VIGIL MECHANISM:**

The Board at its meeting held on 13 May, 2014 adopted vigil mechanism as required pursuant to Section 177(9) of Companies Act, 2013 and Clause 49 of Listing Agreement.

The Vigil Mechanism provides for the director/employee to report violations without fear of victimisation any unethical behavior, suspected or actual fraud, violation of the Code of Conduct etc. which are detrimental to the organisation's interest. The mechanism protects Whistle Blower from any kind of discrimination, harassment, victimization or any other unfair employment practice.

The directors in all cases and employees in appropriate or exceptional cases will have direct access with the Chairman of the Audit Committee. The same is placed on Company website [www.mahascooters.com](http://www.mahascooters.com)

**RISK MANAGEMENT:**

Clause 49 of the revised Listing Agreement mandates top 100 listed companies by market capitalization as at the end of immediate preceding financial year to constitute a Risk Management Committee. The company was not covered in such a list as on 31 March, 2014.

However, as required by Clause 49(VI) of Listing Agreement, the company has laid down a procedure to inform Board members about the risk assessment and minimization procedures, to facilitate the board to implement and monitor the risk management framework of the company.

**RELATED PARTY TRANSACTIONS:**

All Related Party Transactions (RPTs) which were entered into during the financial year were on an arm's length basis and were in the ordinary course of business and do not attract provisions of section 188 of Companies Act, 2013 and are also not material in nature as envisaged under Clause 49 of Listing Agreement.

During the year 2014-15, all RPTs were placed before Audit Committee for prior approval.

A summary statement of transactions with related parties was placed periodically before the Audit Committee during the year. Suitable disclosures have been made in the financial statements, together with the Management's explanation in the event of any treatment being different from that prescribed in accounting standards.



A statement showing the disclosure of transactions with related parties as required under Accounting Standard-18 is set out separately in this Annual Report.

The company has formulated a policy on materiality of Related Party Transactions and also on dealing with such Related Party Transactions. The said policy is available on the website of the company i.e. [www.mahascooters.com](http://www.mahascooters.com)

Details of 'material' transactions, if any, with Related Parties are disclosed quarterly along with the Compliance Report on Corporate Governance.

#### **AUDIT COMMITTEE:**

The Company has constituted an Audit Committee comprising three non-executive Directors, all being independent Directors, composition of which is as given below. All members of the Audit Committee are financially literate. Shri Yogesh J. Shah and Shri Naresh Patni have accounting/related financial management expertise.

Sr. No.	Name of Director	Status	No. of meetings attended
1.	Yogesh J. Shah	Chairman – Independent Director	4/4
2.	Naresh Patni	Member – Independent Director	4/4
3.	R.K. Nikharge	Member – Independent Director	4/4

The terms of reference of Audit Committee, as approved by Board, complies with the extant provisions of Companies Act, 2013 and Clause 49 of Listing Agreement.

The Company has been reviewing the working of the Committee from time to time to bring about greater effectiveness in order to comply with the various requirements under the Companies Act, 2013, revised clause 49 of the listing agreement.

The meetings of the Audit Committee are attended by its members and the invitees viz., Constituted Attorney, Chief Executive Officer, Chief Financial Officer, Internal Auditor and Statutory Auditors. Company Secretary acts as Secretary to the Committee.

The committee met four times during the year, on 13 May, 2014, 15 July, 2014, 13 October, 2014 and 13 January, 2015.

All the Members of the Committee attended all the meetings held during the year. Shri Yogesh J. Shah, Chairman of the Audit Committee was present at the 39th Annual General Meeting of the Company held on 15 July, 2014 to answer shareholders queries.

#### **Review of the information by the Audit Committee:**

The Audit Committee reviews:

- Management discussion and analysis of financial condition and results of operations;
- Statement of significant related party transactions submitted by management;
- Management letters/letters of internal control weaknesses issued by the statutory auditors; and
- Internal audit reports relating to internal control weaknesses.

#### **NOMINATION AND REMUNERATION COMMITTEE:**

During the year under review, the Company constituted a Nomination and Remuneration Committee consisting of three non-executive directors, all being Independent Directors. The terms of reference of the Committee are as under:-

- (i) Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration of the directors, key managerial personnel and other employees;
- (ii) Formulation of criteria for evaluation of Independent Directors and the Board;
- (iii) Devising a policy on Board diversity
- (iv) Identifying the persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board their appointment and removal.

### Composition of the Nomination and Remuneration Committee

Sr. No.	Name of Director	Status
1.	Yogesh J. Shah	Chairman – Independent Director
2.	Naresh Patni	Member – Independent Director
3.	R.K. Nikharge	Member – Independent Director

The Committee met on 13 October 2014 and all the members attended the same.

On the recommendation of Nomination and Remuneration Committee, the Board has adopted the policy on appointment of Directors/Independent Directors and Key Managerial Personnel and remuneration payable to them. As mandated, the said policy is posted on the website of the company viz., [www.mahascooters.com](http://www.mahascooters.com)

### STAKEHOLDERS RELATIONSHIP COMMITTEE:

Pursuant to the erstwhile Clause 49 of the Listing Agreement, the Board had constituted its Shareholders' and Investors' Grievance Committee in 2000-01, to specifically look into the shareholders' and investors' complaints on matters relating to transfer of shares, non-receipt of annual report, non-receipt of dividend, payment of unclaimed dividends etc. In addition, the Committee also looked into matters that can facilitate better investor services and relations.

In compliance with the provisions of Section 178 of Companies Act, 2013 and new Clause 49 of Listing Agreement, the Board renamed the said Committee as "Stakeholders Relationship Committee" with its valid composition as under:–

Sr. No.	Name of Director	Status
1.	Yogesh J. Shah	Chairman – Independent Director
2.	Sanjiv Bajaj	Member – Nominee Director
3.	R.K. Nikharge	Member – Independent Director

The revised terms of reference of said Committee are as under:

- To look into the redressal of complaints of security holders on matters relating to transfer of shares, dematerialization of shares, non-receipt of annual report, non-receipt of dividend, matters relating to issue of new share certificates etc.
- To look into matters that can facilitate better security holders services and relations.

The committee met once during the year on 13 January, 2015, which was attended by all the members. Shri Shyamprasad D. Limaye, Secretarial Auditor was also present at the meeting.

### Complaints received and resolved by the Company during the year 2014-15

Investors Complaints	Attended/Resolved during 2014-15
Pending at the beginning of the Year	Nil
Received during the Year	19
Disposed of during the Year	19
Remaining unresolved at the end of the year	Nil

### SUBSIDIARY AND ASSOCIATE COMPANIES:

The Company has no subsidiaries and no Associates.

### PROHIBITION OF INSIDER TRADING:

The Company has in place a 'Code of Conduct for Prevention of Insider Trading and Corporate Disclosure Practices', dated 20 March



2009, framed and adopted pursuant to SEBI (Prohibition of Insider Trading) Regulations, 1992, as amended. These regulations have been substituted by SEBI with a new set of Regulations, which will come into force from 15 May, 2015.

**DISCLOSURES:**

- A. In the preparation of financial statements, generally accepted accounting principles and policies & mandatory accounting standards were followed.
- B. The Company has not raised any proceeds from public issue, rights issue or preferential issue of shares during the year.
- C. There was neither any non-compliance by the Company on any matters relating to capital markets during the last three years nor did the Company attract any penalties or strictures by the Stock Exchanges, SEBI or any statutory authority.

**REMUNERATION OF DIRECTORS:**

All the Directors of the company are non-executive directors and are paid sitting fees of ₹ 20,000 for attending each meeting of the Board or Committees thereof. None of the Directors was paid any performance –linked incentive or commission during the year.

The details of remuneration paid to Directors during the financial year 2014-15 are as under:

Director	Relationship with other Directors	Remuneration paid/payable during 2014-15 (in ₹)			
		Sitting Fees	Salary & Perks	Commission	Total
Madhur Bajaj	None	80,000	Nil	Nil	80,000
Ashok S. Sawant	None	80,000	Nil	Nil	80,000
G.B. Maware	None	40,000	Nil	Nil	40,000
Sanjiv Bajaj	None	120,000	Nil	Nil	120,000
Yogesh J. Shah	None	220,000	Nil	Nil	220,000
R.K. Nikharge	None	220,000	Nil	Nil	220,000
Naresh Patni	None	180,000	Nil	Nil	180,000
Sanjay S. Degaonkar	None	40,000	Nil	Nil	40,000
Ms. Vrushali Agashe	None	40,000	Nil	Nil	40,000
Sadashiv S. Survase	None	40,000	Nil	Nil	40,000

**SHAREHOLDING OF DIRECTORS:**

None of the Directors hold any shares of the Company, barring Shri Yogesh J. Shah, who along with his family members holds 2,914 shares.

**LOAN/ADVANCE TO DIRECTORS:**

The company has not paid any loan/advance to any of the Directors.

**MANAGEMENT:**

Management Discussion and Analysis is given as a separate chapter in the Annual Report.

The Senior Management personnel of the Company have disclosed to the Board that they do not have any material financial and commercial transactions having personal interest, which may have a potential conflict with the interest of the Company.

**SHAREHOLDERS:****Disclosure regarding appointment of Directors:**

Brief resume and other details required to be disclosed in respect of Directors to be appointed/re-appointed by the Shareholders at the ensuing Annual General Meeting are given in the Notice convening the 40th Annual General Meeting of the Company.

**GENERAL BODY MEETINGS:**

Location and time where last three AGMs were held:

AGM Number	Date & Time	Venue
37th	16-07-2012 at 12.00 noon	Registered Office at C/o. Bajaj Auto Ltd., Akurdi, Pune-411 035
38th	17-07-2013 at 12.00 noon	-do-
39th	15-07-2014 at 12.00 noon	-do-

i)	Any special resolutions passed at the last three annual general meetings	Yes 1. Re-appointment of M/s. P.C. Parmar & Co. as Statutory Auditors 2. Appointment of Shri Ranjit Gupta as "Manager" under the Companies Act, 1956
ii)	Any special resolution passed last year through postal ballot	No
iii)	Person who conducted the postal ballot exercise	Not applicable
iv)	Any Special Resolution proposed to be conducted through postal ballot	No
v)	Procedure adopted for postal ballot	Not Applicable

**MEANS OF COMMUNICATION:**

Quarterly Results	The quarterly results were published in prominent dailies. Intimations were sent to Stock Exchanges well within the time-limit stipulated under the Listing Agreement.
Which newspapers normally published in	1. The Financial Express – all editions 2. Kesari – Pune edition
Any website, where displayed	The results are displayed on the website of the Company, <a href="http://www.mahascooters.com">www.mahascooters.com</a> as also on the website of Stock Exchange/s.
Whether it also displays official news releases and the presentations made to institutional investors or to the analysts	No
Whether Management Discussion & Analysis is a part of annual report or not.	Yes

The Company has its own website, [www.mahascooters.com](http://www.mahascooters.com) which contains all important public domain information including the information mandated to be provided pursuant to the provisions of Companies Act, 2013 and Listing Agreement.

Section 20 & 129 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014 permit companies to service delivery of documents electronically on the registered members'/shareholders' email addresses. The Company, during the year under review sent documents, such as notice calling the general meeting, audited financial statements, directors' report, auditors' report etc. in electronic form at the email addresses provided by the shareholders and made available by them to the Company through the depositories. Shareholders desiring to receive the said documents in physical form continued to get the same in physical form, upon request.

The Company also provides the following information, statements and reports on the Company website as specified by SEBI:

1. Full version of the Annual Report including the Balance Sheet, Statement of Profit and Loss, directors' report, corporate governance report, auditors' report, cash flow statements, half-yearly financial statements and quarterly financial statements.
2. Shareholding Pattern.



## CEO/CFO CERTIFICATION:

The Chief Executive Officer and Chief Financial Officer of the Company, who have been designated by the Board for the purpose of compliance with the provisions of Clause 49 dealing with Corporate Governance, have given the certificate in the stipulated form to the Board.

## REPORT ON CORPORATE GOVERNANCE:

This report read with the information given in the Management Discussion and Analysis constitutes the Compliance Report on Corporate Governance during the year 2014-15. A quarterly compliance report has been submitted to the Stock Exchange/s as stipulated under the Listing Agreement.

## COMPLIANCE:

### Auditors Certificate:

The Company has obtained a certificate from the auditors of the Company regarding compliance with the provisions relating to corporate governance laid down in clause 49 of the listing agreement with the stock exchanges. This report is annexed to the Directors' Report for the year 2014-15 and will be sent to the stock exchanges along with the annual report.

## GENERAL SHAREHOLDER INFORMATION:

### Annual General Meeting

Date	21 July, 2015
Time	12.00 noon
Venue	C/o.Bajaj Auto Ltd., Mumbai Pune Road, Akurdi, Pune - 411035

### Financial calendar

Audited annual results for year ending 31 March	May
Mailing of annual reports	June
Annual general meeting	July
Unaudited first quarter financial results	July
Unaudited second quarter financial results	October
Unaudited third quarter financial results	January

### Dividend

The Board of Directors of the Company has proposed a dividend of ₹ 30 per equity share (300%) for the financial year 2014-15, subject to approval by the shareholders at the ensuing annual general meeting. Dividend paid in the previous year was ₹ 25 per equity share (250%).

### Dates of book closure

The register of members and share transfer books of the Company will remain closed from Saturday, 11 July 2015 to Tuesday, 21 July 2015, both days inclusive.

### Date of dividend payment

Dividend on equity shares, if declared at the annual general meeting, will be credited/dispatched between 27 July 2015 and 28 July 2015:

- to all those beneficial owners holding shares in electronic form, as per the ownership data made available to the Company by National Securities Depository Ltd. (NSDL) and the Central Depository Services (India) Ltd. (CDSL) as of the close of business hours on Friday, 10 July 2015; and
- to all those shareholders holding shares in physical form, after giving effect to all the valid share transfers lodged with the Company on or before the close of business hours on Friday, 10 July 2015.



### Payment of dividend

Dividend will be paid by account payee/non-negotiable instruments or through the National Electronic Clearing Service (NECS), as notified by the SEBI through the stock exchanges.

In view of the significant advantages and the convenience, the Company will continue to pay dividend through NECS in all major cities to cover maximum number of shareholders, as per applicable guidelines. Shareholders are advised to refer to the Notice of the annual general meeting for details of action required to be taken by them in this regard. For additional details or clarifications, shareholders are welcome to contact the registered office of the Company.

Securities and Exchange Board of India (SEBI) vide its Circular No. CIR/MRD/DP/10/2013 dated 21 March 2013 has stipulated that all listed companies shall use approved electronic mode of payment viz., ECS, NECS, NEFT etc., for the purpose of making payments to the shareholders.

All the shareholders are requested to immediately update their Bank Account No. with 9-digit MICR Code (either Bank Account No. or 9-digit MICR No. or both), if the same has not been updated with the Company's share transfer agent or the depository participant, as the case may be.

### Unclaimed dividends

Unclaimed dividends upto 1994-95 have been transferred to the general revenue account of the Central Government. Those who have not cashed their dividend warrants for the period prior to and including 1994-95 are requested to claim the amount from Registrar of Companies, Maharashtra, Pune, PMT Building, Deccan Gymkhana, Pune 411 004.

In terms of the provisions of Section 125 of the Companies Act, 2013, the amount of dividend remaining unclaimed for a period of seven years is required to be transferred to the Investor Education and Protection Fund and in due compliance thereof, the Company had transferred the unclaimed dividend amounts for the financial years upto 2006-07 to the Investor Education & Protection Fund set up by the Central Govt. and now no claim in respect thereof lies either against the Fund or the Company.

As mandated by the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the particulars of the Shareholders whose dividend amounts have remained unpaid for the financial years 2007-08 onwards, are made available on the website of the Company i.e. [www.mahascooters.com](http://www.mahascooters.com). The said details are also available on the portal of Investor Education and Protection Fund at [www.iepf.gov.in](http://www.iepf.gov.in). The **Shareholders who have not encashed the dividend warrants for the period aforesaid are requested to immediately write to the Company/RTA to claim the unpaid amounts.**

### Share transfer agent

The Company has appointed Karvy Computershare Pvt. Ltd. as its share transfer agent and accordingly, processing of share transfer/dematerialization/rematerialisation and allied activities was outsourced to Karvy Computershare Pvt. Ltd., Hyderabad (Karvy) with effect from 10 July 2008.

All physical transfers, transmission, transposition, issue of duplicate share certificate(s), issue of demand drafts in lieu of dividend warrants etc. as well as requests for dematerialization/rematerialisation are being processed in periodical cycles at Karvy. The work related to dematerialization/rematerialisation is handled by Karvy through connectivity with National Securities Depository Ltd. and Central Depository Services India Ltd.

### Share transfer system

Share transfers received by the share transfer agent/Company are registered within 15 days from the date of receipt, provided the documents are complete in all respects.

**Break-up of Shares in physical & electronic mode**

Mode	No. of Shareholders		% to Total Shareholders		No. of Shares		% to Total Shares	
	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15
Physical	3,479	3,349	35.01	35.05	6,567,321	6,534,266	57.46	57.17*
Electronic	6,457	6,207	64.99	64.95	4,861,247	4,894,302	42.54	42.83
<b>Total</b>	<b>9,936</b>	<b>9,556</b>	<b>100.00</b>	<b>100.00</b>	<b>11,428,568</b>	<b>11,428,568</b>	<b>100.00</b>	<b>100.00</b>

\* 51% shareholding of Promoters is not dematerialized on account of status quo orders passed by the Hon'ble Mumbai High Court.

**Stock code**

BSE Ltd.	500266
National Stock Exchange of India Ltd. (NSE)	MAHSCOOTER
ISIN for Depositories (NSDL and CDSL)	INE118A01012

**Listing on stock exchanges**

Shares of the Company are currently listed on the following stock exchanges:

Name	Address
1. BSE Ltd., Mumbai	1st Floor, Phiroze Jeejeebhoy Towers Dalal Street, Mumbai 400 001
2. National Stock Exchange of India Ltd. (NSE)	Exchange Plaza Bandra-Kurla Complex, Bandra (E) Mumbai 400 051

The listing fees payable for the financial year 2014-15 to each of the above stock exchanges have been paid in full by the Company.

**Market price data**

High, Low during each month in the financial year 2014-15

(₹)

Month & Year	Bombay Stock Exchange Ltd.		National Stock Exchange of India Ltd.	
	High	Low	High	Low
April 2014	492.05	463.70	492.55	466.15
May 2014	522.90	475.55	522.55	474.45
June 2014	655.45	517.80	653.85	514.60
July 2014	718.35	633.90	718.40	625.80
August 2014	777.10	712.85	771.80	706.00
September 2014	900.35	751.05	900.75	753.20
October 2014	938.40	894.50	939.70	896.70
November 2014	1,054.40	910.05	1,048.40	917.55
December 2014	1,055.00	982.15	1,053.75	988.65
January 2015	1,023.95	962.50	1,030.80	971.30
February 2015	983.40	800.75	985.45	803.95
March 2015	941.75	825.25	942.05	825.25

**Note:** The above figures are of monthly high and low of closing quotation of Equity Shares of the Company.

**Share Price comparison**

<i>Performance in comparison to broad-based indices such as S&amp;P BSE Sensex and S&amp;P CNX Nifty during 2014-15</i>	MSL Share	Up by	92.73% on BSE
		Up by	93.42% on NSE
	S&P BSE Sensex	Up by	24.89%
	S&P CNX Nifty	Up by	26.65%

**Distribution of shareholding as on 31 March, 2015**

Distribution of shareholding across categories

Sr.No.	Category	No. of Shareholders	No. of Shares held	% to Total Shares
1.	Promoters [Western Maharashtra Development Corporation Ltd.] [Bajaj Holdings & Investment Ltd.]	2	5,828,560 [3,085,712] [2,742,848]	51.00 [27.00] [24.00]
2.	Public Financial Institutions & Mutual Funds	12	746,469	6.53
3.	Banks	14	4,609	0.04
4.	Bodies Corporate	209	874,014	7.65
5.	Non-Resident Individuals & FIIs	112	622,789	5.45
6.	Resident Individuals	9,207	3,352,127	29.33
	<b>Total</b>	<b>9,556</b>	<b>11,428,568</b>	<b>100.00</b>

Distribution of shareholding according to size class as on 31 March 2015

No. of Shares	No. of shares held	% to Total shares	No. of Shareholders	% to Total Shareholders
1 to 100	277,679	2.43	4,967	51.98
101 to 500	1,108,564	9.70	3,805	39.82
501 to 1000	331,313	2.90	468	4.90
1001 to 5000	477,695	4.18	227	2.38
5001 to 10000	296,305	2.59	41	0.43
10001 to 100000	1,009,791	8.84	39	0.41
100001 and above	7,927,221	69.36	9	0.08
	<b>11,428,568</b>	<b>100.00</b>	<b>9,556</b>	<b>100.00</b>

**Shareholders' and investors' grievances**

The Board of Directors of the Company currently has a Stakeholders' Relationship Committee consisting of three non-executive directors to specifically look into and resolve grievances of security-holders on various matters. Routine queries/complaints received from shareholders were promptly attended to and replied. Queries/complaints received during the period under review related to non-receipt of dividend, non-receipt of annual report, non-receipt of transferred shares and change of address and/or bank particulars. There were no pending issues to be addressed or resolved.

During the year, letters were received from Investors/SEBI (SCORES) concerning 19 complaints filed by the shareholders on various matters. In respect of each of these complaints, replies were sent to Investors/Action Taken Report uploaded on SCORES and no complaint remained pending to be attended to/resolved.

**Unclaimed Demat Suspense Account with HDFC Bank Ltd.**

Pursuant to Clause 5A of the Listing Agreement, the Company, in due compliance of the prescribed procedure, had transferred 33,156 No. of unclaimed shares in respect of 236 Shareholders to the Unclaimed Suspense Account, opened with HDFC Bank Ltd. Voting rights on such shares are to remain frozen till the rightful owner claims the shares.



The Company, acting as a trustee in respect of the unclaimed shares, follows the modalities for the operation of the said account in the manner set out in clause 5A of the listing agreement.

The information on unclaimed shares transferred, claimed and remaining outstanding during the year is as under:-

Aggregate No. of shareholders and the outstanding shares lying in the Unclaimed Suspense Account at the beginning of the year i.e. 1 April 2014		No. of shareholders who approached the Company for transfer of shares from the Unclaimed Suspense Account during the year 2014-15		No. of shareholders to whom shares were transferred from the Unclaimed Suspense Account during the year 2014-15		Aggregate No. of shareholders and the outstanding shares lying in the Unclaimed Suspense Account at the end of the year i.e. 31 March 2015	
Shareholders	Shares	Shareholders	Shares	Shareholders	Shares	Shareholders	Shares
232	32,456	1	350	1	350	231	32,106

### Nomination

Individual shareholders holding shares, singly or jointly, in physical form can nominate a person in whose name the shares shall be transferable in the case of death of the registered shareholder(s). The prescribed nomination form (SH-13) will be sent by the share transfer agent of the Company upon such request and is also available on the Company's website. Nomination facility for shares held in electronic form is also available with depository participant as per the bye-laws and business rules applicable to NSDL and CDSL.

### Voting through electronic means

Pursuant to section 108 of the Companies Act, 2013 and the Rules framed thereunder, every listed company is required to provide its members facility to exercise their right to vote at general meetings by electronic means.

The Company has entered into an arrangement with Karvy Computershare Pvt. Ltd., the authorized agency for this purpose, to facilitate such e-voting for its members.

The shareholders would, therefore, be able to exercise their voting rights on the items put up in the Notice of annual general meeting, through such e-voting method. Further, in accordance with the amended Companies (Management & Administration) Rules, 2014 ("Amended Rules"), the Company would also make arrangements to provide for voting facility at the venue of the Annual General Meeting.

Shareholders who are attending the meeting and who have not already cast their votes by remote e-voting shall only be able to exercise their right of voting at the meeting.

Cut-off date, as per the amended Rules shall be 14 July 2015 and the remote E-voting shall be open for a period of seven (7) days, from 14 July 2015 (9.00 a.m.) till 20 July 2015 (5.00 p.m.). The Board has appointed Shri Shyamprasad Limaye, Practicing Company Secretary as scrutinizer for the e-voting process.

Detailed procedure for remote e-voting is given in the Notice of the Fortieth annual general meeting and also placed on the website of the Company.

Shareholders may get in touch with the Company Secretary for further assistance.

### Address for correspondence

Investors and shareholders can correspond with the office of the share transfer agent of the Company or the registered office of the Company at the following addresses:

#### Karvy Computershare Pvt. Ltd.

Karvy Selenium Tower B, Plot 31-32,  
Gachibowli, Financial District,  
Nanakramguda,  
Hyderabad – 500 032

#### Contact Persons

Mr. M.S. Madhusudan / Mr. Mohd. Mohsinuddin  
Telephone No.: (040) 6716 1500  
Fax No.: (040) 2300 1153  
Toll Free No. 1800-345-4001  
E-mail: [mohsin.mohd@karvy.com](mailto:mohsin.mohd@karvy.com)  
[www.karvy.com](http://www.karvy.com)

#### Maharashtra Scooters Limited

C/o. Bajaj Auto Ltd.  
Mumbai-Pune Road, Akurdi,  
Pune - 411 035  
Company Secretary & Compliance Officer: N.S. Kulkarni  
Telephone No.: (020) 6610 6564  
E-mail: [kulkarnins@bajajauto.co.in](mailto:kulkarnins@bajajauto.co.in)  
[investor\\_msl@bajajauto.co.in](mailto:investor_msl@bajajauto.co.in)  
[www.mahascooters.com](http://www.mahascooters.com)

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

**a) Industry structure and developments**

Since its inception, Maharashtra Scooters Ltd has been operating in the geared scooter segment of the two wheeler industry and consequently over the period it has developed adequate skills in the manufacture of pressure die casting dies, jigs, fixtures etc. for two and three-wheelers. With the market for geared scooters extinguished and the company having discontinued the production of geared scooters since April, 2006, production activity during the year was restricted to manufacture of pressure die casting dies, jigs and fixtures.

**b) Opportunities, Threats, Outlook, Risks and Concerns**

All the big players of the world in the two-wheeler industry having established significant presence in India, the competition has become fierce and stiffer. Added to this, the diminished market for geared scooters led to cessation of geared scooter production since April, 2006, thereby adversely affecting the operational performance of the Company. The Company continues to produce pressure die casting dies, jigs and fixtures for automobiles industry, which is marked by volatility in demand.

The near term outlook continues to remain uncertain.

**c) Segment-wise or product-wise performance**

There being only one reportable segment, no separate information has been given segment-wise or product-wise.

**d) Internal control systems and their adequacy**

The Company has strong internal control systems which have been found adequate by the management of the company. The audit committee reviews the internal control system/procedure periodically to ensure its adequacy and effectiveness.

**e) Discussion on financial performance with respect to operational performance**

The details have been furnished in the Directors' Report to the Members as well as in the Financial Highlights included in the Annual Report.

**f) Material developments in Human Resources/Industrial Relations front, including number of people employed.**

The industrial relations remained cordial during the year under review. As at the end of 31 March, 2015, the Company had 67 permanent workmen and 47 permanent staff on its roll.

**g) Material financial and commercial transactions, where the management has personal interest, which may have a potential conflict with the interest of the company at large**

There are no material financial and commercial transactions, where the management has personal interest, which may have a potential conflict with the interest of the Company at large.



## **Auditors' Certificate on Corporate Governance**

To the Members of  
**MAHARASHTRA SCOOTERS LIMITED**

We have examined the compliance of conditions of Corporate Governance by **MAHARASHTRA SCOOTERS LIMITED** ('the Company') for the year ended on 31st March, 2015 as stipulated in clause 49 of the Listing Agreement of the said Company with Stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations sought and replies given to us by the company, its directors and officers, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the abovementioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

**For P. C. PARMAR & CO.**  
*Chartered Accountants*  
Firm Regn. No. 107604W

C.A. J. P. PARMAR  
Proprietor  
Membership No. 46293

Pune, 12 May, 2015

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## **DECLARATION ON CODE OF CONDUCT**

As required by Clause 49 (1)(D) of the Listing Agreement, it is hereby affirmed that all the Board Members and Senior Management Personnel have complied with the Code of Conduct laid down for them as approved by the Board at its meeting held on 13 October, 2014.

27 April, 2015

**RAJEEV D. HAWARE**  
Chief Executive Officer

## INDEPENDENT AUDITOR'S REPORT

**To the Members of  
Maharashtra Scooters Limited  
Report on the Standalone Financial Statements**

We have audited the accompanying standalone financial statements of **MAHARASHTRA SCOOTERS LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

**Management's Responsibility for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March, 2015 and its profit/loss and its cash flows for the year ended on that date.

**Report on Other Legal and Regulatory Requirements**

As required by Section 143 (3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on 31 March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.



## MAHARASHTRA SCOOTERS LTD.

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- (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 22 to the financial statements;
  - ii. The Company did not have any long term contract including derivative contract for which there were any material foreseeable losses;
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **P. C. PARMAR & CO.**  
*Chartered Accountants*  
Firm Reg. No: 107604W

Place: Pune  
Date: 12 May, 2015

**C.A. J.P. PARMAR**  
*Proprietor*  
Membership No. 46293



## ANNEXURE TO AUDITORS' REPORT

The Annexure referred to in our report to the members of **MAHARASHTRA SCOOTERS LIMITED** ("the Company") for the year ended on 31 March, 2015.

We report that:

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.  
 (b) The management has carried out physical verification of fixed assets during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of physical verification of fixed assets is reasonable.
- (ii) (a) Inventories have been physically verified by the management, during the year. In our opinion, the frequency of verification is reasonable.  
 (b) In our opinion, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.  
 (c) The Company has maintained proper records of inventory. The discrepancies noticed on verification between physical stocks and book stocks were not material and the same have been properly dealt with in the books of Account.
- (iii) The Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013.  
 Sub-clauses (a) and (b) are not applicable.
- (iv) In our opinion and according to information and explanations given to us there are adequate internal control procedures commensurate with the size of the Company and the nature of its business, with regard to purchase of inventory and fixed assets and for the sale of goods. During the course of our audit, no continuing failure to correct major weaknesses have been noticed in the internal controls.
- (v) The Company has not accepted deposits from public.
- (vi) Maintenance of Cost Records, for the Company, has not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013.
- (vii) (a) According to the records of the Company, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-Tax, Sales-Tax, Wealth-Tax, Service Tax, Custom Duty, Excise Duty, Cess and any other statutory dues with the appropriate authorities. According to information and explanations given to us, there are no arrears of statutory dues which have remained outstanding as at 31 March, 2015 for a period of more than six months from the date they became payable.  
 (b) According to information and explanations given to us and the records of the Company, the following dues of Sales Tax and Service Tax have not been deposited on account of dispute:

Nature of disputed Statutory dues	Amount (₹)	Forum where dispute is pending
Sales Tax for the year 2001-02	87,86,623	Joint Commissioner of Sales Tax (Appeals)-I, Kolhapur Division, Kolhapur
Sales Tax for the year 2001-02	52,95,295	Joint Commissioner of Sales Tax (Appeals)-I, Kolhapur Division, Kolhapur
Sales Tax for the year 2002-03	1,79,87,580	Joint Commissioner of Sales Tax (Appeals)-I, Kolhapur Division, Kolhapur
Sales Tax for the year 2005-06	7,18,25,295	Maharashtra Sales Tax Tribunal, Mumbai
Service Tax for the year 2004-05, 2005-06 and 2006-07	2,62,034	Assistant Commissioner of Central Excise, Satara.

- (c) The Company has transferred the amount required to be transferred to Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder.
- (viii) The Company does not have any accumulated losses as at 31 March, 2015. The Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- (ix) According to information and explanation given to us, the Company has not defaulted in repayment of dues to a financial institution or bank or debenture holders.
- (x) The Company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xi) The Company has not obtained any term loans.
- (xii) Based upon the audit procedures performed by us and according to information and explanations given to us and representations made by management, no fraud on or by the Company has been noticed or reported during the year.

For **P. C. PARMAR & Co.**  
Chartered Accountants  
Firm Regn. No. 107604W

**C. A. J. P. PARMAR**  
Proprietor  
Membership No. 46293

Pune, 12 May, 2015

**Balance Sheet as at 31 March, 2015**

Particulars	Note No.	(₹ in lacs)	
		<u>As at 31 March 2015</u>	<u>As at 31 March 2014</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share capital	2	1,142.86	1,142.86
Reserves and surplus	3	24,083.10	22,733.87
		<b>25,225.96</b>	<b>23,876.73</b>
<b>Non-current liabilities</b>			
Other long term liabilities	4	1,660.25	2,047.62
Long-term provisions	5	9.72	11.88
		<b>1,669.97</b>	<b>2,059.50</b>
<b>Current liabilities</b>			
Trade payables	6	63.95	111.82
Other current liabilities	6	678.18	557.13
Short-term provisions	5	4,194.54	3,423.81
		<b>4,936.67</b>	<b>4,092.76</b>
<b>TOTAL</b>		<b>31,832.60</b>	<b>30,028.99</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Fixed assets			
Tangible assets	7	438.13	735.90
Non-current investments	8	23,461.03	23,728.89
Long-term loans and advances	9	875.62	906.01
Other non-current assets	13	1,299.00	-
		<b>26,073.78</b>	<b>25,370.80</b>
<b>Current assets</b>			
Current investments	8	3,652.97	2,313.15
Inventories	12	128.09	45.77
Trade receivables	10	259.74	129.69
Cash and bank balances	13	1,244.87	1,455.18
Short-term loans and advances	9	184.53	213.93
Other current assets	11	288.62	500.47
		<b>5,758.82</b>	<b>4,658.19</b>
<b>TOTAL</b>		<b>31,832.60</b>	<b>30,028.99</b>
Significant accounting policies followed by Company	1		

The accompanying notes are an integral part of the financial statements

As per our attached report of even date

For and on behalf of  
**P. C. PARMAR & CO.**  
Chartered Accountants  
Firm Regn. No. 107604W

**C.A. J. P. Parmar**  
Proprietor  
Membership No. 46293

Pune, 12 May, 2015

**R. D. Haware**  
Chief Executive Officer

**R. B. Laddha**  
Chief Financial Officer

**N. S. Kulkarni**  
Company Secretary

**Madhur Bajaj**  
Chairman

**N. K. Poyam**  
**Yogesh J. Shah**  
**Naresh Patni**  
**R. K. Nikharge**  
**Sadashiv S. Survase**  
**Sanjay S. Degaonkar**  
**Ms. Vrushali Agashe**  
Directors

## Statement of Profit and Loss for the year ended 31 March, 2015

Particulars	Note No.	(₹ in lacs)	
		Year ended 31 March 2015	Year ended 31 March 2014
Revenue from operations (gross)		781.08	468.98
Less : Excise duty		85.50	51.09
Revenue from operations (net)	14	<b>695.58</b>	<b>417.89</b>
Other income	15	6,290.61	5,335.23
<b>Total Revenue (I)</b>		<b>6,986.19</b>	<b>5,753.12</b>
<b>Expenses:</b>			
Cost of raw material and components consumed	16	426.24	179.43
(Increase)/decrease in inventories of finished goods and work-in-progress	17	(77.40)	11.54
Employee benefits expense	18	585.26	537.25
Finance costs	19	0.12	0.05
Depreciation and write downs		315.78	89.71
Other expenses	20	260.41	175.38
<b>Total expenses (II)</b>		<b>1,510.41</b>	<b>993.36</b>
<b>Profit before tax</b>		<b>5,475.78</b>	<b>4,759.76</b>
Tax expenses			
Current tax		141.00	105.00
Mat credit entitlement		(141.00)	(105.00)
<b>Total tax expense</b>		<b>-</b>	<b>-</b>
<b>Profit after tax for the year</b>		<b>5,475.78</b>	<b>4,759.76</b>
Basic and diluted Earnings per share (in ₹) (Nominal value per share ₹ 10)	21	47.91	41.65
Significant accounting policies followed by Company	1		

The accompanying notes are an integral part of the financial statements

As per our attached report of even date

For and on behalf of  
**P. C. PARMAR & CO.**  
Chartered Accountants  
Firm Regn. No. 107604W

**C.A. J. P. Parmar**  
Proprietor  
Membership No. 46293

Pune, 12 May, 2015

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**Sanjay S. Degaonkar**  
**Ms. Vrushali Agashe**  
Directors

**Cash Flow Statement for the year ended 31 March, 2015**

Particulars	(₹ in lacs)	Current Year (₹ in lacs)	Previous Year (₹ in lacs)
<b>A. Cash Flow from operating activities:</b>			
1. Net Profit before Tax		5,475.78	4,759.76
2. <b>Add:</b> Adjustments for:			
i) Depreciation	315.78		89.71
ii) Loss on assets sold, demolished or discarded	0.96		4.04
iii) Interest paid	0.12		0.05
iv) Lease-hold write-off	0.07		0.06
		316.93	93.86
		5,792.71	4,853.62
<b>Less:</b>			
i) Income from Investing activities included in above			
Dividend/Income from investments	4,771.94		4,235.60
Interest Income from investments	940.90		857.02
Add: Amortisation of premium paid/discount received on acquisition (net)	(5.81)		11.73
Profit on sale of investments (net)	547.67		174.65
	6,254.70		5,279.00
ii) Surplus on sale of assets	6.14		17.94
		6,260.84	5,296.94
3. Cash from operations		(468.13)	(443.32)
4. <b>Less:</b> Adjustments for working capital changes			
i) Inventories	82.32		(11.71)
ii) Sundry debtors	130.05		(122.92)
iii) Other current assets, loans & advances	(188.39)		(202.54)
	23.98		(337.17)
<b>Less:</b> Trade payables	(403.93)		(370.02)
		427.91	32.85
5. Net Cash generated from operations after working Capital changes (3-4)		(896.04)	(476.17)
6. <b>Less:</b> Income Tax paid/refunds (net)		115.09	93.07
7. Net Cash from operating activities (5 - 6)		(1,011.13)	(569.24)

**Cash Flow Statement for the year ended 31 March, 2015 (Contd.)**

Particulars	(₹ in lacs)	Current Year (₹ in lacs)	Previous Year (₹ in lacs)
<b>B. Cash Flow from investing activities:</b>			
1. i) Sale of fixed assets	7.74		23.30
ii) Sale of investments	37,935.67		17,303.64
iii) Income from investing activities			
Dividends/Income from investments	4,771.94		4,235.60
Interest	1,139.24		862.56
Sub-Total (iii)	5,911.18		5,098.16
Sub-Total [(i) to (iii)]	43,854.59		22,425.10
2. <b>Less:</b>			
i) Purchase of fixed assets	20.64		102.61
ii) Purchase of investments	38,465.77		20,846.20
	38,486.41		20,948.81
3. Net Cash from investing activities (1 - 2)		5,368.18	1,476.29
<b>C. Cash Flow from financing activities:</b>			
1. Interest paid		(0.12)	(0.05)
2. Dividend paid		(2,782.67)	(2,230.24)
3. Dividend distribution tax paid		(485.57)	(388.46)
Net cash from financing activities		(3,268.36)	(2,618.75)
<b>D. Net Increase in cash &amp; cash equivalents (A+B+C)</b>		1,088.69	(1,711.70)
<b>E. Cash &amp; cash equivalents as at 1 April (Opening Balance)</b>		1,455.18	3,166.88
<b>F. Cash &amp; cash equivalents as at 31 March (Closing Balance)</b>		2,543.87	1,455.18

**Note:** 1 The above Cash Flow statement has been prepared in indirect method.  
2. Previous year's figures have been regrouped wherever necessary.

As per our attached report of even date

For and on behalf of  
**P. C. PARMAR & CO.**  
Chartered Accountants  
Firm Regn. No. 107604W

**C.A. J. P. Parmar**  
Proprietor  
Membership No. 46293

Pune, 12 May, 2015

**R. D. Haware**  
Chief Executive Officer

**R. B. Laddha**  
Chief Financial Officer

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Company Secretary

**Madhur Bajaj**  
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**R. K. Nikharge**  
**Sadashiv S. Survase**  
**Sanjay S. Degaonkar**  
**Ms. Vrushali Agashe**  
Directors



## Notes to financial statements for the year ended 31 March, 2015

### 1. Statement of Significant Accounting Policies

#### Basis of preparation

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis. Pursuant to Section 133 of the Companies Act, 2013 read with Rule 7 of Companies (Accounts) Rules, 2014, till the standards of accounting or any addendum thereto are prescribed by Central Government in consultation and recommendation of the National Financial Reporting Authority, the existing Accounting Standards notified under the Companies Act, 1956 shall continue to apply. Consequently, these financial statements have been prepared to comply in all material aspects with the accounting standards notified under Section 211(3C) of the Companies Act, 1956 [Companies (Accounting Standards) Rules, 2006, as amended] and other relevant provisions of the Companies Act, 2013.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

#### 1) System of Accounting

- i) The Company follows the mercantile system of accounting and recognises income and expenditure on an accrual basis except in case of significant uncertainties.
- ii) Financial Statements are prepared under the historical cost convention.
- iii) Estimates and assumptions used in the preparation of the financial statements and disclosures are based upon Management's evaluation of the relevant facts and circumstances as of the date of the Financial Statements, which may differ from the actual results at a subsequent date.

#### 2) Revenue Recognition

##### i) Sales

Sales are accounted for on dispatch from the point of sale.

##### ii) Income

- a) The Company recognises income on accrual basis.
- b) Interest income is accrued over the period of investment and net of amortisation of premium/discount with respect to fixed income securities, thereby recognising the implicit yield to maturity, with reference to coupon dates, where applicable. However, income is accrued only where interest is serviced regularly and is not in arrears, as per the guidelines framed by the management.
- c) Dividends are accounted for when the right to receive the same is established.
- d) Profit/loss on sale of investment are recognised on the contract date.

#### 3) Fixed Assets and Depreciation

##### i) Tangible Assets

Tangible Assets except freehold land are carried at cost of acquisition or construction or at manufacturing cost in the case of self-manufactured assets, less accumulated depreciation and amortisation. Borrowing Cost attributable to acquisition and installation of fixed assets is capitalised and included in the cost of fixed assets as appropriate.

##### ii) Depreciation and Amortisation

- a) On leasehold land  
Premium on leasehold land is amortised over the period of lease.
- b) On other tangible assets

## Notes to financial statements for the year ended 31 March, 2015 (Contd.)

From the current year, depreciation is provided on a pro-rata basis on the straight line method over the useful lives of the assets as prescribed by Schedule II of the Companies Act, 2013 as against the past practice of computing depreciation at rates with reference to the life of assets subject to the minimum of rates provided by Schedule XIV of the Companies Act, 1956.

1. Depreciation on additions is being provided on *pro-rata* basis from the month of such additions.
2. Depreciation on assets sold, discarded or demolished during the year is being provided at the rates upto the previous month in which such assets are sold, discarded or demolished.

### c) **Impairment of Assets**

If the carrying amount of the fixed assets exceeds the recoverable amount on the reporting date, the carrying amount is reduced to the recoverable amount. The recoverable amount is measured at the higher of the net selling price and value in use, determined by the present value of estimated future cash flows.

## 4) **Investments**

- i) Investments other than fixed income securities are valued at cost of acquisition.
- ii) Fixed income securities are carried at cost, less amortisation of premium paid/discount received, as the case may be, and provision for diminution as considered necessary.
- iii) Investments made by the Company are of a long-term nature, hence diminutions in value of quoted investments are generally not considered to be of a permanent nature. However, current investments, representing fixed income securities with a maturity less than 1 year and investment not intended to be held for a period more than 1 year, are stated at lower of cost or fair value.

## 5) **Current Assets**

- i) **Inventories**
  - a) Inventories are valued at the lower of cost, computed on a weighted average basis and estimated net realisable value. Finished Stocks and Work-in-Process include costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Finished stocks lying in the factory includes provision for excise duty liability. Finished stocks in transit are valued inclusive of excise duty and insurance and those lying at the depots are valued inclusive of excise duty, insurance and inward freight.
  - b) Cost for the purposes of valuation of raw-material, bought out parts and stores and tools is inclusive of duties and taxes, freight inward, octroi and inward insurance and is net of credit under the Cenvat/VAT scheme.
  - c) Costs of conversion for the purposes of valuation of finished stock and work-in-process include fixed and variable production overheads incurred in converting materials into finished goods.
  - d) Machinery spares and maintenance materials are charged out as expenses in the year of purchase.
- ii) **Sundry Debtors**  
Sundry Debtors & Loans and Advances are stated, after making adequate provision for doubtful debts, if any.

## 6) **Employee Benefits**

- i) **Privilege Leave Entitlements**  
Privilege leave entitlements are recognised as a liability, in the calendar year of rendering of service, as per the rules of the company. As accumulated leave can be availed and/or encashed at any time during the tenure of employment, the liability is recognised at the higher of the actual accumulated obligation or actuarially determined value.
- ii) **Gratuity**  
Payment for present liability of future payment of gratuity is being made to approved Gratuity Fund, which covers the same under Cash Accumulation Policy of the Life Insurance Corporation of India. However, any deficits in Plan Assets managed by LIC as compared to the actuarial liability is recognised as a liability.



**Notes to financial statements for the year ended 31 March, 2015 (Contd.)**

- iii) Superannuation  
Contribution to Superannuation Fund is being made as per the Scheme of the Company under Cash Accumulation Policy of the Life Insurance Corporation of India.
- iv) Provident Fund  
Provident Fund Contributions are made to Company's Provident Fund Trust.
- v) Employees Pension Scheme  
Contribution to Employees Pension Scheme 1995 is made to Government Provident Fund Authority.

**7) Foreign Exchange Transactions**

Transactions in Foreign currency are recorded in the financial statements based on the Exchange rate existing at the time of the transaction.

**8) Taxation**

- i) Provision for Taxation is made for the current accounting period (reporting period) on the basis of the taxable profits computed in accordance with the Income-Tax Act, 1961.
- ii) Deferred Tax resulting from timing difference between book profits and taxable profits are accounted for to the extent deferred tax liabilities are expected to crystallise with reasonable certainty and in case of deferred tax assets with virtual certainty that there would be adequate future taxable income against which such deferred tax assets can be realised. Deferred Tax provisions are reviewed for the appropriateness of their respective carrying values at each balance sheet date.

**9) Provisions and Contingent Liabilities**

The Company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.



## Notes to financial statements for the year ended 31 March, 2015 (Contd.)

### 2 Share Capital

	<b>31 March 2015</b>	31 March 2014
	<b>(₹ in lacs)</b>	(₹ in lacs)
<b>Authorised :</b>		
11,500,000 Equity Shares of ₹ 10 each	1,150.00	1,150.00
50,000 Redeemable Cumulative Preference Shares of ₹ 100 each	50.00	50.00
	<b>1,200.00</b>	<b>1,200.00</b>
<b>Issued, subscribed and fully paid-up shares :</b>		
11,428,568 Equity Shares of ₹ 10 each	1,142.86	1,142.86
	<b>1,142.86</b>	<b>1,142.86</b>

#### a Terms/rights attached to equity shares

The company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors and approved by the shareholders in the Annual General Meeting is paid in Indian rupees. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amount. The distribution will be in proportion to the number of equity shares held by the shareholders.

#### b Details of shareholders holding more than 5% shares in the company

	<b>31 March 2015</b>		<b>31 March 2014</b>	
	<b>Nos.</b>	<b>% Holding</b>	<b>Nos.</b>	<b>% Holding</b>
<b>Equity shares of ₹ 10 each fully paid</b>				
Western Maharashtra Development Corporation Ltd.	3,085,712	27.00%	3,085,712	27.00%
Bajaj Holdings & Investment Ltd.	2,742,848	24.00%	2,742,848	24.00%
CD Equifinance Pvt. Ltd.	628,141	5.50%	624,390	5.46%

### 3 Reserves & Surplus

#### General Reserve

Balance as per the last financial statements	22,733.87	21,316.83
Add: Transfer from surplus in the statement of profit & loss	1,349.23	1,417.04
Closing balance	<b>24,083.10</b>	<b>22,733.87</b>

#### Surplus in the statement of profit and loss

Profit/(Loss) for the year	5,475.78	4,759.76
	<b>5,475.78</b>	<b>4,759.76</b>
Less: Appropriations		
Proposed dividend	3,428.57	2,857.15
Tax on proposed dividend	697.98	485.57
Transfer to general reserve	1,349.23	1,417.04
Total appropriations	<b>5,475.78</b>	<b>4,759.76</b>

#### Balance in the statement of profit and loss

<b>Total reserves and surplus</b>	<b>24,083.10</b>	<b>22,733.87</b>
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### 4 Other long-term liabilities

Annuity payable to VRS optees	1,660.25	2,047.62
	<b>1,660.25</b>	<b>2,047.62</b>


**Notes to financial statements for the year ended 31 March, 2015 (Contd.)**
**5 Provisions**

	Long-term		Short-term	
	31 March 2015 (₹ in lacs)	31 March 2014 (₹ in lacs)	31 March 2015 (₹ in lacs)	31 March 2014 (₹ in lacs)
<b>Provision for employee benefits</b>				
Provision for gratuity (See Note 30)	-	-	-	16.33
Provision for compensated absences	-	-	65.83	62.60
Provision for welfare scheme	9.72	11.88	2.16	2.16
	<u>9.72</u>	<u>11.88</u>	<u>67.99</u>	<u>81.09</u>
<b>Other provisions</b>				
Provision for tax (net of tax paid in advance)	-	-	-	-
Proposed dividend *	-	-	3,428.57	2,857.15
Tax on proposed dividend	-	-	697.98	485.57
	<u>-</u>	<u>-</u>	<u>4,126.55</u>	<u>3,342.72</u>
	<u>9.72</u>	<u>11.88</u>	<u>4,194.54</u>	<u>3,423.81</u>

\* During the year ended 31 March 2015, the amount of per share dividend proposed and recognized as distributions to equity shareholders is ₹ 30.00 (previous year ₹ 25.00).

**6 Other current liabilities**

<b>Trade payables*</b>	63.95	111.82
<b>Other liabilities</b>		
Annuity payable to VRS optees	387.38	407.18
Advance against orders	66.37	-
Security deposits	0.20	0.20
Unclaimed dividend	224.23	149.75
	<u>678.18</u>	<u>557.13</u>
	<u>742.13</u>	<u>668.95</u>

\*According to the records available with the Company, dues payable to entities that are classified as the Micro and Small Enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 during the year is ₹ Nil (previous year: ₹ Nil). Further, no interest has been paid or was payable to such parties under the said Act during the year.

Dues to micro, small and medium enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Company. This has been relied upon by the auditors.

**7 Fixed Assets : Tangible assets**

(₹ in lacs)

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 1-Apr-14	Additions	Deductions	As at 31-Mar-15	Upto 1-Apr-14	For the period	Deductions	Upto 31-Mar-15	As at 31-Mar-15	As at 31-Mar-14
Free-Hold Land	0.02	-	-	0.02	-	-	-	-	0.02	0.02
Leasehold Land	3.56	-	0.07	3.49	-	-	-	-	3.49	3.56
Buildings	570.02	-	-	570.02	416.85	112.77	-	529.62	40.40	153.17
Plant & Machinery	2,085.61	19.01	31.71	2,072.91	1,531.57	196.71	29.38	1,698.90	374.01	554.04
Furniture & Fixtures	25.66	0.46	1.93	24.19	22.44	0.91	1.90	21.45	2.74	3.22
Office Equipments	7.72	1.17	3.85	5.04	5.74	1.96	3.65	4.05	0.99	1.98
Vehicles	31.85	-	-	31.85	11.94	3.43	-	15.37	16.48	19.91
<b>Total tangible assets</b>	<b>2,724.44</b>	<b>20.64</b>	<b>37.56</b>	<b>2,707.52</b>	<b>1,988.54</b>	<b>315.78</b>	<b>34.93</b>	<b>2,269.39</b>	<b>438.13</b>	<b>735.90</b>
Previous year's Total	2,714.45	102.61	92.62	2,724.44	1,981.99	89.71	83.16	1,988.54	735.90	

Consequent to the enactment of the Companies Act, 2013 (the Act) and its applicability for accounting periods commencing after 1 April 2014, the Company has re-worked depreciation with reference to the estimated economic lives of fixed assets in the manner prescribed by Schedule II to the Act as against past practice of providing at the minimum of rates prescribed in Schedule XIV of the Companies Act, 1956. In case of any asset whose useful life is completed as at 1 April 2014, the carrying value, net of residual value, has been recognised and charged as depreciation in the Statement of Profit & Loss and in other cases the carrying value has been depreciated over the remaining of the revised life of the assets and recognised in the Statement of Profit and Loss. As a result of this change, the charge of depreciation in Statement of Profit and Loss is higher by ₹ 156.70 Lacs.

## Notes to financial statements for the year ended 31 March, 2015 (Contd.)

### 8 Investments

(A) Long Term Investments :	31 March 2015 (₹ in lacs)	31 March 2014 (₹ in lacs)
<b>In Fully Paid Equity Shares:</b>		
<b>Quoted:</b>		
1,897,466 Shares of ₹10 each of Bajaj Finance Ltd.	5,006.76	5,006.76
6,774,072 Shares of ₹10 each of Bajaj Auto Ltd.	1,824.86	1,824.86
3,725,740 Shares of ₹ 5 each of Bajaj Finserv Ltd.	3,968.63	3,968.63
- (1255,000) Shares of Re. 1 each of Bajaj Hindusthan Sugar Ltd.	-	44.54
3,387,036 Shares of ₹10 each of Bajaj Holdings & Investment Ltd.	<u>4,665.36</u>	<u>4,665.36</u>
	<u>15,465.61</u>	<u>15,510.15</u>
<b>In Fully paid Debentures:</b>		
<b>Unquoted:</b>		
- (50) 8.75% Debentures of ₹ 1,000,000 each of Reliance Industries Ltd - 2020	-	497.20
- (200) 9.40% Non-Convertible Debentures of ₹ 1,000,000 each of HDFC Ltd -SR-J-027-2015	-	1,972.90
50 (-) 9.25% Non-Convertible Debentures of ₹ 1,000,000 each of Bajaj Finance Ltd. -2018	502.22	-
750 (-) 9.00% Non-Convertible Debentures of ₹ 1,000,000 each of Bajaj Finance Ltd. SR 115 9 2019	7,500.90	-
- (50) 8.76% Non-Convertible Debentures of ₹ 1,000,000 each of LIC Housing Finance Ltd.-2015	-	485.16
	<u>8,003.12</u>	<u>2,955.26</u>
Add : Amortisation of premium paid/discount received on acquisition (net)	<u>(7.70)</u>	-
	<u>7,995.42</u>	<u>2,955.26</u>
<b>In Fully paid Bonds:</b>		
<b>Unquoted:</b>		
- (100) 9.35% Upper Tier II Unsecured Redeemable Non-Convertible Bonds of ₹ 1,000,000 each of Bank of India - 2016	-	1,000.00
- (20) 7.75% Tier II Bonds of ₹ 1,000,000 each of HDFC Bank Ltd. - 2015	-	200.00
- (100) 7.45% Bonds of ₹ 1,000,000 each of Indian Railway Financial Corporation Ltd. - 2014	-	967.87
- (50) 8.90% Bonds of ₹ 1,000,000 each of Konkan Railways Corporation Ltd. - 2016	-	500.00
- (50) 11.25% Bonds of ₹ 1,000,000 each of Power Finance Corporation Ltd. - 2018	-	577.48
- (50) 8.60% Bonds of ₹ 1,000,000 each of Power Finance Corporation Ltd. - 2014	-	508.04
- (40) 8.80% Bonds of ₹ 1,250,000 each of Power Grid Corporation of India Ltd. - 2015	-	513.62
- (50) 8.96% Bonds of ₹ 1,000,000 each of State Bank of India - 2016	-	484.08
- (50) 10.10% Bonds of ₹ 1,000,000 each of State Bank of India - 2017	-	514.29
	<u>-</u>	<u>5,265.38</u>
Add : Amortisation of premium paid/discount received on acquisition (net)	<u>-</u>	<u>(1.90)</u>
	<u>-</u>	<u>5,263.48</u>
<b>Total (A)</b>	<u>23,461.03</u>	<u>23,728.89</u>


**Notes to financial statements for the year ended 31 March, 2015 (Contd.)**
**8 Investments (contd.)**

	31 March 2015 (₹ in lacs)	31 March 2014 (₹ in lacs)
<b>(B) Current Investments :</b>		
<b>In Certificate of Deposit:</b>		
<b>Unquoted:</b>		
- (2,500) Certificate of Deposit of ₹ 100,000 each of Bank of Baroda 06-02-2015	-	2,281.31
2,500 (-) Certificate of Deposit of ₹ 100,000 each of Bank of India 09-06-2015	2,317.22	-
1,000 (-) Certificate of Deposit of ₹ 100,000 each of Bank of India 04-03-2016	926.66	-
	<u>3,243.88</u>	<u>2,281.31</u>
Add : Amortisation of premium paid/discount received on acquisition (net)	144.44	31.84
<b>Total (A)</b>	<u>3,388.32</u>	<u>2,313.15</u>
<b>In Mutual Fund Units:</b>		
<b>Quoted:</b>		
82,470 (-) Units of ICICI Prudential Money Market Fund Plan-Direct-(Growth) of ₹ 100 each in ICICI Prudential Mutual Fund	159.50	-
4,776 (-) Units of Tata Money Market Fund - Direct (Growth) of ₹1000 each in Tata Mutual Fund	105.15	-
	<u>264.65</u>	<u>-</u>
<b>Total (B)</b>	<u>3,652.97</u>	<u>2,313.15</u>
<b>Total (A+B)</b>	<u>27,114.00</u>	<u>26,042.04</u>

	Book Value as at		Market Value as at	
	<u>31 March 2015</u>	31 March 2014	<u>31 March 2015</u>	31 March 2014
Quoted	15,730.26	15,510.15	311,434.18	238,775.78
Unquoted	<u>11,383.74</u>	<u>10,531.89</u>		
Total	<u>27,114.00</u>	<u>26,042.04</u>		

## Notes to financial statements for the year ended 31 March, 2015 (Contd.)

### 9 Loans and advances

(Unsecured, good, unless stated otherwise)

	Non-current		Current	
	31 March 2015 (₹ in lacs)	31 March 2014 (₹ in lacs)	31 March 2015 (₹ in lacs)	31 March 2014 (₹ in lacs)
<b>Security deposits</b>	6.35	6.35	-	-
<b>Advances recoverable in cash or kind</b>				
Secured considered good	-	-	-	-
Unsecured considered good	-	-	10.57	14.35
Doubtful	-	-	-	-
	-	-	10.57	14.35
Provision for doubtful advances	-	-	-	-
	-	-	10.57	14.35
<b>Other loans and advances</b>				
Vat refund receivable	28.56	28.56	-	-
Advance income-tax (net of provision for tax)	768.26	642.11	2.69	0.24
Loans to former employees	72.45	228.99	156.54	182.89
Balances with Central Excise Department	-	-	14.73	16.45
	869.27	899.66	173.96	199.58
<b>Total</b>	<b>875.62</b>	<b>906.01</b>	<b>184.53</b>	<b>213.93</b>

### 10 Trade receivable

(Unsecured, considered good, unless stated otherwise)

Outstanding for a period exceeding six months  
from the date they are due for payment

Good	-	-	31.32	6.00
Doubtful	-	-	-	-
	-	-	31.32	6.00
<b>Others, Good</b>	-	-	228.42	123.69
	-	-	259.74	129.69

### 11 Other assets

(Unsecured, good, unless stated otherwise)

Interest receivable on investments	-	-	288.14	499.99
Interest receivable on loans, deposits etc.	-	-	0.48	0.48
<b>Total</b>	-	-	<b>288.62</b>	<b>500.47</b>

### 12 Inventories

(Valued at lower of cost and net realizable value)\*

Raw materials and components			15.06	10.85
Work-in-progress			109.81	32.41
Finished goods			-	-
Stores			2.92	2.41
Loose tools			0.30	0.10
			128.09	45.77

\* Refer note 1 clause 5(i) for accounting policy on valuation of inventories.


**Notes to financial statements for the year ended 31 March, 2015 (Contd.)**

	Non-current		Current	
	31 March 2015 (₹ in lacs)	31 March 2014 (₹ in lacs)	31 March 2015 (₹ in lacs)	31 March 2014 (₹ in lacs)
<b>13 Cash and bank balances</b>				
<b>Cash and cash equivalents</b>				
<b>Balances with banks:</b>				
On current accounts	-	-	47.43	5.34
On unclaimed dividend account	-	-	224.23	149.75
Cash on hand	-	-	0.21	0.09
	-	-	<u>271.87</u>	<u>155.18</u>
<b>Other bank balances</b>				
Deposits with original maturity for less than 12 months	-	-	-	200.00
Deposits with original maturity for more than 12 months	1,299.00	-	973.00	1,100.00
	<u>1,299.00</u>	-	<u>973.00</u>	<u>1,300.00</u>
	<u>1,299.00</u>	-	<u>1,244.87</u>	<u>1,455.18</u>
<b>14 Revenue from operations</b>			<b>31 March 2015 (₹ in lacs)</b>	<b>31 March 2014 (₹ in lacs)</b>
<b>Revenue from operations</b>			772.93	460.54
<b>Other operating revenue</b>				
Scrap sales			8.15	8.44
<b>Revenue from operations (gross)</b>			<u>781.08</u>	<u>468.98</u>
Less: Excise duty			85.50	51.09
<b>Revenue from operations (net)</b>			<u>695.58</u>	<u>417.89</u>
<b>Details of products sold</b>				
Toolings - Dies, Jigs & Fixtures			772.93	460.54
			<u>772.93</u>	<u>460.54</u>
<b>15 Other income</b>				
<b>Investment income:</b>				
Interest income on				
Bank deposits			192.88	162.17
Long-term investments			748.02	694.85
Others			-	-
Less : Amortisation of premium paid / (discount received) on acquisition, net			(5.81)	11.73
			<u>935.09</u>	<u>868.75</u>
Dividend income on				
Long-term investments			4,771.94	4,235.60
Profit on sale of investments, net			499.67	158.93
Surplus on redemption of securities, net			48.00	15.71
			<u>6,254.70</u>	<u>5,278.99</u>
<b>Others:</b>				
Interest - others			22.70	23.90
Miscellaneous receipts			7.07	6.01
Surplus on sale of assets			6.14	17.94
Sundry credit balances appropriated			-	5.83
Provision no longer required			-	2.56
			<u>35.91</u>	<u>56.24</u>
			<u>6,290.61</u>	<u>5,335.23</u>

## Notes to financial statements for the year ended 31 March, 2015 (Contd.)

	31 March 2015 (₹ in lacs)	31 March 2014 (₹ in lacs)	
<b>16 Cost of raw material and components consumed</b>			
Raw Materials & Boughtout Items	426.24	179.43	
	<b>426.24</b>	<b>179.43</b>	
<b>17 (Increase)/decrease in inventories</b>			
	31 March 2015 (₹ in lacs)	31 March 2014 (₹ in lacs)	(Increase)/ decrease (₹ in lacs)
<b>Inventories at the end of the year</b>			
Work-in-progress	109.81	32.41	(77.40)
Finished goods	-	-	-
	<b>109.81</b>	<b>32.41</b>	<b>(77.40)</b>
<b>Inventories at the beginning of the year</b>			
Work-in-progress	32.41	43.95	11.54
Finished goods	-	-	-
	<b>32.41</b>	<b>43.95</b>	<b>11.54</b>
	<b>(77.40)</b>	<b>11.54</b>	
<b>18 Employee benefits expense</b>			
	31 March 2015 (₹ in lacs)	31 March 2014 (₹ in lacs)	
Salaries, wages and bonus to employees	464.63	422.17	
Contribution to provident and other funds	68.67	61.01	
Staff welfare expenses	51.96	54.07	
	<b>585.26</b>	<b>537.25</b>	
<b>19 Finance costs</b>			
Interest Expenses	0.12	0.05	
	<b>0.12</b>	<b>0.05</b>	
<b>20 Other expenses</b>			
Stores and tools consumed	28.16	19.41	
Power, fuel and water	44.68	34.61	
Repairs to buildings	60.18	14.75	
Repairs to machinery	17.01	11.99	
Other repairs	30.86	20.23	
Insurance	5.89	3.98	
Rates and taxes	4.35	4.35	
Payment to auditor	11.31	12.07	
Directors' fees and travelling expenses	11.44	2.89	
Legal & professional charges	12.53	12.31	
Miscellaneous expenses	32.75	34.69	
Security transaction tax	0.22	-	
Loss on assets sold, demolished, discarded and scrapped	0.96	4.04	
Amount written off against leasehold land	0.07	0.06	
	<b>260.41</b>	<b>175.38</b>	

**Notes to financial statements for the year ended 31 March, 2015 (Contd.)**

	<b>31 March 2015</b> (₹ in lacs)	<b>31 March 2014</b> (₹ in lacs)
<b>Payment to auditor</b>		
As auditor:		
Audit fee	6.00	6.00
Tax audit fee	1.00	1.00
Limited review	1.00	-
<b>In other capacity:</b>		
Income-Tax matters	2.50	4.25
Other services (including certification fees)	0.68	0.68
Reimbursement of expenses	0.13	0.14
	<b>11.31</b>	<b>12.07</b>

**21 Earning per share (EPS)**

Earnings per share is calculated by dividing the profit attributable to the Equity Shareholders by the weighted average number of Equity Shares outstanding during the year. The numbers used in calculating basic and diluted earnings are stated below :

a	Profit for the year after taxation	5,475.78	4,759.76
	Weighted average number of shares outstanding during the year	11,428,568	11,428,568
b	Earnings per share (Basic and Diluted) in ₹	47.91	41.65
	Face value per share in ₹	10.00	10.00

**22 Contingent liabilities**

a	Claims against the Company not acknowledged as debts	4.07	3.97
b	Excise and Customs demand - matters under dispute and Claims for refund of Excise Duty, if any, against Excise Duty Refund received in the earlier year	20.29	20.29
c	Sales Tax matters under dispute *	1,038.95	320.69
d	Income-Tax matters under dispute		
	i) Appeal by Company *	-	-
	ii) Appeal by Department	39.84	42.08
		<b>39.84</b>	<b>42.08</b>

\* No provision has been made, since the Company expects favourable decision.

**23 Capital and other commitments**

Capital commitments, net of capital advances	1.01	1.74
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**24 Value of Imports calculated on CIF basis**

Raw Materials & Components	2.87	-
Capital goods	-	84.52
	<b>2.87</b>	<b>84.52</b>

**25 Imported and indigenous raw materials, boughtout items consumed**

	<b>2014-15</b>		<b>2013-14</b>	
	₹ in Lacs	Percentage	₹ in Lacs	Percentage
(a) Imported	3.30	0.77	-	-
(b) Indigenous	422.94	99.23	179.43	100.00
Total	<b>426.24</b>	<b>100.00</b>	<b>179.43</b>	<b>100.00</b>

**26 Amount of borrowing costs capitalised as per Accounting Standard 16 during the year was Nil.**



## Notes to financial statements for the year ended 31 March, 2015 (Contd.)

**27** The Company is operating in a single segment. Hence, no separate segmentwise information is given.

**28** Disclosure of transactions with related parties as required by the Accounting Standard 18.

	Name of related party and Nature of relationship	Nature of transaction	2014-15		2013-14	
			Transaction Value	Outstanding amounts carried in the Balance Sheet	Transaction value	Outstanding amounts carried in the Balance Sheet
			(₹ in lacs)	(₹ in lacs)	(₹ in lacs)	(₹ in lacs)
<b>A</b>	<b>Holding company, subsidiaries and fellow subsidiary:</b>					
	Bajaj Holdings and Investment Ltd. (Investing party- holds 24% shares of Maharashtra Scooters Ltd.)	Purchase of shares by BHIL (27,42,848 shares of ₹ 10 each)	-	24.00	-	24.00
		Dividend received	1,016.11	-	846.76	-
		Dividend paid	685.71	-	548.57	-
	Western Maharashtra Development Corporation Ltd. (Investing party- holds 27% shares of Maharashtra Scooters Ltd.)	Purchase of shares by WMDC (30,85,712 shares of ₹10 each)	-	27.00	-	27.00
		Dividend paid	771.43	-	617.14	-
<b>B</b>	<b>Associates, joint ventures and investing parties:</b>					
	Bajaj Auto Ltd.	Dividend received	3,387.04	-	3,048.33	-
		Purchases	12.59	-	32.36	-
		Sales	55.68	-	158.95	-
		Services received	11.05	-	12.92	-
		Revenue expenses reimbursed	7.38	-	0.28	-
	Bajaj Finserv Ltd.	Dividend received	65.20	-	55.89	-
	Bajaj Finance Ltd.	Dividend received	303.59	-	284.62	-
		Services received	8.79	-	4.35	-
<b>C</b>	<b>Individuals controlling voting power / exercising significant influence and their relatives:</b>					
	Madhur Bajaj	Sitting fees	0.80	-	0.20	-
	Sanjiv Bajaj	Sitting fees	1.20	-	0.25	-
<b>D</b>	<b>Key management personnel and their relatives:</b>	Included in 'C' above				
<b>E</b>	<b>Enterprises over which anyone in (c) exercises significant influence:</b>					
	Bajaj Allianz General Insurance Co. Ltd.	Insurance premiums paid	2.25	-	0.06	-

Name of the related party and nature of the related party relationship where control exists have been disclosed irrespective of whether or not there have been transactions between the related parties. In other cases, disclosure has been made only when there have been transactions with those parties.

Related parties as defined under clause 3 of the Accounting Standard - 18 "Related Party Disclosures" have been identified based on representations made by key managerial personnel and information available with the company.

**Notes to financial statements for the year ended 31 March, 2015 (Contd.)**

- 29** In view of the uncertainty in utilising the carried forward business loss as per Income Tax Act 1961, as a prudent measure, the Company has not recognised cumulative net deferred tax asset amounting to ₹1766 lacs arising on this account (previous year ₹ 1958 lacs).
- 30** Liability for gratuity has been determined by an actuary, appointed for the purpose, in conformity with the principles set out in the Accounting Standard 15 (revised) the details of which are as hereunder:

	As at 31 March, 2015 (₹ in lacs)	As at 31 March, 2014 (₹ in lacs)
<b>Amount to be recognised in Balance Sheet</b>		
Present value of funded obligations	488.92	450.74
Fair value of plan assets	488.92	450.74
Net liability	-	-
<b>Amounts in balance sheet</b>		
Liability	-	-
Assets	-	-
Net liability	-	-
<b>Expense to be recognised in the Statement of Profit &amp; Loss</b>		
Current service cost	10.79	11.47
Interest on defined benefit obligation	35.30	32.62
Expected return on plan assets	(36.06)	(32.70)
Net actuarial losses/(gains) recognized in year	8.04	4.94
Total included in "Employee emoluments"	18.07	16.33
Actual return on plan assets	39.76	35.63
<b>Reconciliation of benefit obligations &amp; plan assets for the period</b>		
<b>change in defined benefit obligation</b>		
Opening defined benefit obligation	450.74	408.76
Current service cost	10.79	11.47
Interest cost	35.30	32.62
Actuarial losses/(gain)	11.16	7.76
Benefits paid	(19.07)	(9.87)
Closing defined benefit obligation	488.92	450.74
<b>Change in fair value of assets</b>		
Opening fair value of plan assets	450.74	408.76
Expected return on plan assets	36.06	32.70
Actuarial gain/(losses)	3.12	2.82
Contributions by employer	18.07	16.33
Benefits paid	(19.07)	(9.87)
Closing fair value of plan assets	488.92	450.74
<b>Summary of the actuarial assumptions</b>		
Discount rate	8.00%	8.00%
Expected rate of return on assets	8.00%	8.00%
Salary escalation rate	8.00%	8.00%

**Note:** The Company has fully funded the Group Gratuity policy of Life insurance Corporation of India, to pay the expenditure required to settle a defined benefit obligation. As such the fair value of insurance policy is deemed to be present value of the related defined benefit obligation.

## Notes to financial statements for the year ended 31 March, 2015 (Contd.)

### 31 Previous year figures

Previous year figures have been regrouped wherever necessary.

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As per our attached report of even date

For and on behalf of  
**P. C. PARMAR & CO.**  
*Chartered Accountants*  
Firm Regn. No. 107604W

**C.A. J. P. Parmar**  
*Proprietor*  
Membership No. 46293

Pune, 12 May, 2015

**R. D. Haware**  
*Chief Executive Officer*

**R. B. Laddha**  
*Chief Financial Officer*

**N. S. Kulkarni**  
*Company Secretary*

**Madhur Bajaj**  
*Chairman*

**N. K. Poyam**  
**Yogesh J. Shah**  
**Naresh Patni**  
**R. K. Nikharge**  
**Sadashiv S. Survase**  
**Sanjay S. Degaonkar**  
**Ms. Vrushali Agashe**  
*Directors*

**5 YEARS' HIGHLIGHTS**

₹ in Lacs

	2014-15	2013-14	2012-13	2011-12	2010-11	
<b>SALES &amp; EARNINGS:</b>						
Net sales & other income	6,986	5,753	5,992	7,048	4,109	
Gross profit before interest, depreciation and exceptional items	5,792	4,850	4,984	5,286	2,214	
Profit after tax	5,476	4,760	4,884	(649)	2,113	
<b>ASSETS EMPLOYED:</b>						
Net fixed assets	438	736	732	721	816	
Investments at cost	27,114	26,042	22,313	20,560	21,397	
Net working capital	(2,326)	(2,901)	(586)	(1,031)	(1,182)	
Capital employed	Total	25,226	23,877	22,460	20,250	21,032
<b>FINANCED BY:</b>						
Shareholders' funds:						
i) Shareholders' investment	100	100	100	100	100	
ii) Bonus shares	1,043	1,043	1,043	1,043	1,043	
iii) Reserves	24,083	22,734	21,317	19,107	19,889	
Net worth	Total	25,226	23,877	20,250	21,032	
<b>OTHERS DATA:</b>						
<b>Equity Share Data:</b>						
Earning per equity share	₹ 47.91	41.65	42.74	(5.68)	19.01	
Net worth per equity share	₹ 221	209	197	177	184	
Dividend	% 300	250	200	10	90	
Dividends inclusive of tax	4,127	3,343	2,674	133	1,195	
<b>EMPLOYEES</b>						
Employees	Nos. 114	117	120	126	578	
Employees' cost	585	537	561	1,318	1,458	

# MAHARASHTRA SCOOTERS LIMITED

CIN : L35912MH1975PLC018376  
Registered Office: C/o. Bajaj Auto Limited  
Mumbai-Pune Road, Akurdi, Pune-411 035  
E-mail: investors\_msl@bajajauto.co.in  
Website: [www.mahascooters.com](http://www.mahascooters.com)  
Phone: (020) 66106564

## ATTENDANCE SLIP

I hereby record my presence at the 40th Annual General Meeting of the Company on **Tuesday, 21 July, 2015 at 12.00 noon** at the Registered Office of the Company at C/o. Bajaj Auto Limited, Mumbai-Pune Road, Akurdi, Pune - 411 035, India.

Folio No. or DP ID and Client ID No.																				
--------------------------------------	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

Full Name of the \*Shareholder/proxy  
(in block letters)

Signature of \*Shareholder/proxy

\* Strike out whichever is not applicable

E-mail ID .....

**NOTE:** Members who have multiple folios/demat accounts with different joint-holders may use copies of this attendance slip.



## PROXY FORM Form No.MGT-11

[Pursuant to Section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2015]

CIN : L35912MH1975PLC018376  
Name of the Company : **MAHARASHTRA SCOOTERS LIMITED**  
Registered Office : C/o. Bajaj Auto Limited, Mumbai-Pune Road, Akurdi,  
Pune-411 035

Name of the member(s)	
Registered Address	
E-mail ID	
Folio No. or DP ID and Client ID	

I/We, being the member(s) of ..... shares of the above named company, hereby appoint

- (1) Name : .....  
Address : .....  
E-mail ID : ..... Signature : ..... or failing him / her
- (2) Name : .....  
Address : .....  
E-mail ID : ..... Signature : ..... or failing him / her
- (3) Name : .....  
Address : .....  
E-mail ID : ..... Signature : .....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the FORTIETH annual general meeting of the Company, to be held on **Tuesday, 21 July, 2015 at 12.00 noon** at the Registered Office of the Company at C/o. Bajaj Auto Limited, Mumbai-Pune Road, Akurdi, Pune-411 035, India and at any adjournment thereof in respect of such resolutions as are indicated below:



Resolution No.		For	Against
	<b>Ordinary business</b>		
1	Adoption of Financial statements for the year ended 31 March 2015 and the Directors' and Auditors' Reports thereon		
2	To declare dividend		
3	Re-appointment of Shri Sanjiv Bajaj as Director, who retires by rotation		
4	To ratify the appointment of M/s. P.C. Parmar & Co., Chartered Accountants as Auditors and fixing their remuneration		
	<b>Special business</b>		
5	Appointment of Shri Yogesh J. Shah as Independent Director		
6	Appointment of Shri Naresh Patni as Independent Director		
7	Appointment of Shri R.K. Nikharge as Independent Director		
8	Appointment of Shri Sanjay S. Degaonkar as Independent Director		
9	Appointment of Ms. Vrushali Agashe as Independent Director		
10	Appointment of Shri N.K. Poyam as a Director		
11	Appointment of Shri Sadashiv S. Survase as a Director		
12	Appointment of Shri Rajeev D. Haware as Chief Executive Officer and Manager of the Company.		

Signed this ..... day ..... 2015.

Signature of shareholder

Signature of the proxy holder(s)

Affix  
revenue  
stamp of  
₹ 1

**Notes:**

1. This form of proxy in order to be effective, should be duly completed and deposited at the registered office of the Company, not less than 48 hours before the commencement of the meeting.
2. Notwithstanding the above the Proxies can vote on such other items which may be tabled at the meeting by the shareholders present.



Visit us at : [www.mahascooters.com](http://www.mahascooters.com)



**MAHARASHTRA SCOOTERS LIMITED**

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Phone: (020) 66106564

**BALLOT FORM  
(In lieu of E-voting)**

Sr. No. :

Registered Folio No. / DP ID No. / Client ID No. :

Name &amp; Address :

Name(s) of the Joint Member(s), if any :

No. of Shares held :

I/We hereby exercise my/our vote in respect of the Resolution(s) to be passed for the business stated in the Notice of 40th Annual General Meeting of the Company dated 12 May 2015, by conveying my/our assent or dissent to the said Resolution(s) by placing the tick (✓) mark at the appropriate box below:-

Item No.	Description	No. of Equity shares	I/We assent to the resolution (For)	I/We Dissent to the resolution (Against)
1	Adoption of Financial statements for the year ended 31 March 2015 and the Directors' and Auditors' Reports thereon			
2	To declare dividend			
3	Re-appointment of Shri Sanjiv Bajaj as Director, who retires by rotation			
4	To ratify the appointment of M/s. P.C. Parmar & Co., Chartered Accountants as Auditors and fixing their remuneration			
5	Appointment of Shri Yogesh J. Shah as Independent Director			
6	Appointment of Shri Naresh Patni as Independent Director			
7	Appointment of Shri R.K. Nikharge as Independent Director			
8	Appointment of Shri Sanjay S. Degaonkar as Independent Director			
9	Appointment of Ms. Vrushali Agashe as Independent Director			
10	Appointment of Shri N.K. Poyam as a Director			
11	Appointment of Shri Sadashiv S. Survase as a Director			
12	Appointment of Shri Rajeev D. Haware as Chief Executive Officer and Manager of the Company			

Place :

Date :

Signature of Shareholder

**NOTE:** Kindly read the instructions printed overleaf before filling the form. Valid Ballot Forms received by the Scrutinizer by **5.00 p.m. on 20 July 2015** shall only be considered.

**E-VOTING****Users who wish to opt for e-voting may use the following login credentials:-**

Even (E Voting Event No.)	User ID	PASSWORD

Please follow steps for e-voting procedure as given in the Notice of AGM by logging on to <https://evoting.karvy.com>

## INSTRUCTIONS

1. Members may fill up the Ballot Form printed overleaf and submit the same in a sealed envelope to the Scrutinizer, Shri Shyamprasad D. Limaye, Practising Company Secretary, Unit: Maharashtra Scooters Limited. C/o. Karvy Computershare Pvt. Ltd., Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032 or to his email id [cssdlimaye@gmail.com](mailto:cssdlimaye@gmail.com), so as to reach **by 5.00 p.m. on 20 July 2015. Ballot Form received thereafter will strictly be treated as if not received.**
2. The Company will not be responsible if the envelope containing the Ballot Form is lost in transit.
3. Unsigned, incomplete or incorrectly ticked forms are liable to be rejected and the decision of the Scrutinizer on the validity of the forms will be final.
4. In the event member casts his votes through both the processes i.e., E-voting and Physical Ballot Form, the votes in the electronic system would be considered and the Ballot Form would be ignored.
5. The right of voting by Ballot Form shall not be exercised by a proxy.
6. To avoid fraudulent transactions, the identity/signature of the members holding shares in electronic/demat form is verified with the specimen signatures furnished by NSDL/CDSL and that of members holding shares in physical form is verified as per the records of the share transfer agent of the Company i.e., Karvy Computershare Pvt. Ltd. Members are requested to keep the same updated.
7. There will be only one Ballot Form for every Folio / DP ID Client ID irrespective of the number of joint members.
8. In case of joint holders, the Ballot Form should be signed by the first named shareholder and in his / her absence by the next named shareholders. Ballot form signed by a joint holder shall be treated valid if signed as per records available with the Company and the Company shall not entertain any objection on such Ballot Form signed by other joint holders.
9. Where the Ballot Form has been signed by an authorized representative of the body corporate/Trust/Society etc., a certified copy of the relevant authorization / Board Resolution to vote should accompany the Ballot Form.
10. Instructions for e-voting procedure are available in the Notice of annual general meeting and are also placed on the website of the Company.