

38th
ANNUAL
REPORT
2012-2013



MAHARASHTRA SCOOTERS LTD.



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38th Annual General Meeting:

Wednesday, 17 July, 2013 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 27475811/12/13.



Board of Directors	Madhur Bajaj <i>Chairman</i> S. B. Patil Smt. Kanchan Vijayan Sanjiv Bajaj Yogesh J. Shah R. K. Nikharge M. V. Bhagat G. R. Jangda (upto 18-10-2012) Naresh Patni Sadashiv S. Survase (from 18-10-2012)
Audit Committee	Yogesh J. Shah <i>Chairman</i> R. K. Nikharge Naresh Patni
Shareholders'/Investors' Grievance Committee	Yogesh J. Shah <i>Chairman</i> Sanjiv Bajaj R. K. Nikharge
Company Secretary	N. S. Kulkarni
Chief Executive	Ranjit Gupta
Dy.General Manager (Satara)	R. D. Haware
Dy.General Manager (Finance)	R. B. Laddha
Auditors	P. C. Parmar & Co., Pune
Cost Auditor	A. P. Raman, Pune
Registered Office	C/o. Bajaj Auto Limited Mumbai-Pune Road Akurdi, Pune-411 035.
Works	Plot No. C-1, M.I.D.C. Area Satara-415 004, Maharashtra.
Website	<u>www.mahascooters.com</u>



Registered office:

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

NOTICE

NOTICE is hereby given that the Thirty Eighth Annual General Meeting of the shareholders of **MAHARASHTRA SCOOTERS LIMITED** will be held on **Wednesday, 17 July, 2013 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:

1. To consider and adopt the audited Balance Sheet as at 31 March, 2013 and Statement of Profit and Loss for the year ended on that date and the Directors' and Auditors' Reports thereon.
2. To declare a dividend on Equity Shares.
3. To appoint a Director in place of Shri M.V. Bhagat, who retires by rotation and being eligible, offer himself for re-appointment.
4. To appoint a Director in place of Shri R.K. Nikharge who retires by rotation and being eligible, offer himself for re-appointment.
5. To consider and, if thought fit, to pass with or without modifications, the following resolution as a **Special Resolution**:-
"RESOLVED that pursuant to Section 224-A of the Companies Act, 1956, M/s. P.C. Parmar & Company, Chartered Accountants, Pune, (ICAI Firm Registration No.107604W) the retiring Auditors of the Company, be and are hereby re-appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company, on a remuneration of ₹ 6,00,000/- (Rupees six lacs only) plus Taxes as applicable and out-of-pocket, travelling and living expenses."

SPECIAL BUSINESS:

6. To consider and, if thought fit, to pass with or without modifications, the following resolution as a **Special Resolution**:-
"RESOLVED that pursuant to the provisions of Section 269 of the Companies Act, 1956 and Schedule XIII annexed thereto and other applicable provisions, if any thereof, the Company hereby accords its approval and consent to the re-appointment of Shri Ranjit Gupta as "Manager" of the Company for a further period of three years from 1 April, 2013, with a liberty to the Board to alter and vary the terms and conditions of his appointment in such manner as may be acceptable to Shri Ranjit Gupta, provided however that no remuneration would be payable to him during the tenure of his appointment."
7. To consider and, if thought fit, to pass with or without modifications, the following resolution as an **Ordinary Resolution**:-
"RESOLVED that Shri Naresh Patni, who was appointed by the Board of Directors of the Company as a Director with effect from 17 January, 2012 in the causal vacancy caused by the withdrawal of nomination of Shri D.S. Mehta by Bajaj Holdings and Investment Limited and who vacates office at this annual general meeting under section 262 of the Companies Act, 1956 and in respect of whom the company has, as required by section 257 of the Companies Act, 1956, received a notice in writing from a member signifying his intention to propose his candidature for the office of Director, be and is hereby appointed as Director of the Company, liable to retire by rotation."
8. To consider and, if thought fit, to pass with or without modifications, the following resolution as an **Ordinary Resolution**:-
"RESOLVED that Shri Sadashiv S. Survase, who was appointed by the Board of Directors of the Company as a Director with effect from 18 October, 2012, in the causal vacancy caused by the withdrawal of nomination of Shri G.R. Jangda by Western Maharashtra Development Corporation Limited and who vacates office at this annual general meeting under section 262 of the Companies Act, 1956 and in respect of whom the company has, as required by section 257 of the Companies Act, 1956, received a notice in writing from a member signifying his intention to propose his candidature for the office of Director, be and is hereby appointed as Director of the Company, liable to retire by rotation."

By Order of the Board
For MAHARASHTRA SCOOTERS LTD.

N.S. Kulkarni
Company Secretary

Pune, 14 May, 2013

NOTES:

1. **EXPLANATORY STATEMENT:** Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of item Nos. 5, 6, 7 and 8 is annexed.
2. **PROFILE OF RETIRING DIRECTORS:** As required by Clause 49 of the Listing Agreement, brief details of the retiring Directors seeking re-appointment are annexed hereto.
3. **PROXY:** A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY FORM SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
4. **BOOK CLOSURE:** Register of Members and Share Transfer Books of the Company will remain closed from Saturday, 6 July, 2013 to 17 July, 2013, both days inclusive for the purpose of Annual General Meeting and payment of dividend.
5. **DIVIDEND:** If Dividend on shares as recommended by the Directors is approved at the meeting, payment of such dividend will be made from 21 July 2013 to 22 July, 2013 to those shareholders, whose names appear (a) As Beneficial Owners as at the end of the business of 5 July, 2013 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., 17-24, Vittalrao Nagar, Madhapur, Hyderabad-500 081, Share Transfer Agents (STA) of the Company on or before 5 July, 2013.
6. **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. The company has sent separate communications to all the Shareholders whose bank particulars are not registered with the company, requesting for registration of their full Bank details. Such shareholders who have still not registered their full bank account details are requested to do so latest by 5 July, 2013. In the absence of such details, SEBI has mandated the company to print bank account details on the dividend payment instrument. The proforma for intimating the bank details is available for download on the website of the company viz. www.mahascooters.com.
7. **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., 17-24, Vittalrao Nagar, Madhapur, Hyderabad - 500 081 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.
8. **UNPAID DIVIDEND:** In terms of the provisions of Section 205C of the Companies Act, 1956 as amended, 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 2004-05 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 2005-06 onwards, are made available on the website of the Company i.e. www.mahascooters.com. The said details are also available on the portal of Investor Education and Protection Fund at 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.
9. **INSPECTION OF RECORDS:** (I) Register of Contracts with Companies and Firms in which Directors are interested under Section 301 of the Companies Act, 1956 is open for inspection to the Members at the Registered Office of the Company on all working days, except on Saturdays and Sundays, between 11.00 a.m. and 2.00 p.m. (II) Register of Directors' shareholding under Section 307 of the Companies Act, 1956 will be open for inspection to the Members at the Registered Office of the Company during the period beginning fourteen days before the date of Annual General Meeting and ending three days after the date of its conclusion, during office hours.
10. **GREEN INITIATIVE IN CORPORATE GOVERNANCE:** 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 sent with such documents in the electronic form. These documents are also made available on the website of the Company viz., 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.**
11. **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, 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. Proforma 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.



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 173(2) OF THE COMPANIES ACT, 1956

Item No.3

Re-appointment of Shri M.V. Bhagat as Director

Brief resume of Shri M.V. Bhagat, who retires by rotation and being eligible is seeking re-appointment, is given below:-

Shri M.V. Bhagat, aged about 58 years, has done M.Sc and is a Master of Business Administration (MBA). He has worked in Directorate of Industries, Govt. of Maharashtra as General Manager at various places for over a period of 30 years. He has recently retired as Jt. Director of Industries, Pune Region.

Besides on the Board of the Company, he holds directorship in Western Maharashtra Development Corporation Limited.

Shri M.V. Bhagat does not hold any shares in the Company.

None of the Directors except Shri M.V. Bhagat is concerned or interested in the resolution.

The Board commends the resolution for the approval of Shareholders.

Item No. 4

Re-appointment of Shri R.K. Nikharge as Director

Brief resume of Shri R.K. Nikharge, who retires by rotation and being eligible is seeking re-appointment, is given below:-

Shri R.K. Nikharge, aged about 54 years, has over 30 years' experience in various Departments of Mantralaya, Govt. of Maharashtra and is currently occupying the position as Desk Officer, Industries, Energy and Labour Department, Mantralaya, Mumbai.

Apart from being on the Board of the Company as also a Member of its Audit Committee and Shareholders' / Investors' Grievance Committee, Shri R.K. Nikharge holds the position of Director in (i) Western Maharashtra Development Corporation Limited (ii) Konkan Development Corporation Limited and (iii) Vidharbha Development Corporation Limited.

Shri R.K. Nikharge does not hold any shares in the Company.

None of the Directors except Shri R.K. Nikharge is concerned or interested in the resolution.

The Board commends the resolution for the approval of Shareholders.

Item No.5

Appointment of Auditors

Section 224-A of the Companies Act, 1956 mandates that in a company in which not less than 25% of the subscribed share capital is held by the Government, Government Companies, nationalized banks and public financial institutions referred to therein, either singly or in any combination, the appointment of auditors shall be made by a special resolution. Since Western Maharashtra Development Corporation Limited, a Government Company holds more than 25% of the subscribed share capital of the Company, the appointment of the Auditors and payment of remuneration to them requires approval of the shareholders by a Special Resolution.

Directors recommend the resolution as a Special Resolution for the approval of Shareholders.

None of the Directors of the Company is concerned or interested in the Special Resolution aforesaid.

Item No.6

Re-appointment of Shri Ranjit Gupta as "Manager"

At the 35th Annual General Meeting of the Company held on 20 July, 2010, the Shareholders had approved the appointment of Shri Ranjit Gupta as a "Manager" of the Company, valid till 31 March, 2013. The Board of Directors having formed the opinion that continuing to avail his services would be in the best interest of the Company, re-appointed Shri Ranjit Gupta as "Manager" for a further period of three years, effective 1 April, 2013. Since Shri Gupta has completed his age of 70 years, in terms of the provisions of Section 269 of the Companies Act, 1956 and Schedule XIII annexed thereto, his appointment is subject to the approval of Shareholders by way of a Special Resolution.

The Directors commend the Special Resolution for the approval of the Shareholders.

None of the Directors of the Company is interested or concerned in the resolution.

Item No.7**Appointment of Shri Naresh Patni as Director**

Shri Naresh Patni, who was appointed as Director in the causal vacancy caused by the withdrawal of nomination of Shri D.S. Mehta by Bajaj Holdings and Investment Limited, holds office until ensuing Annual General Meeting and is to be appointed by the Shareholders. In terms of the provisions of Section 257 of the Companies Act, 1956, the Company has received a Notice in writing from a member signifying his intention to propose the name of Shri Naresh Patni as a Director of the Company.

Brief resume of Shri Naresh Patni and his other details are given below for the information of Shareholders:-

Shri Naresh Patni, aged about 64 years, is B.Sc, B.E. (Civil) and has extensive experience in finance and marketing. He has a wide experience in professional functions of trade and commerce associations and is associated with various socio-economic organizations. He is a member of Audit Committee of the Company and is on the Board of Umesh Properties P.Ltd. and Wardhman Urban Co-Op.Bank Ltd., unlisted entities.

Shri Naresh Patni does not hold any shares in the Company.

None of the Directors except Shri Naresh Patni is concerned or interested in the resolution.

The Board commends the resolution for the approval of Shareholders.

Item No.8**Appointment of Shri Sadashiv S. Survase as Director**

Shri Sadashiv S. Survase, who was appointed as Director in the causal vacancy caused by the withdrawal of nomination of Shri G.R. Jangda by Western Maharashtra Development Corporation Limited, holds office until ensuing Annual General Meeting and is to be appointed by the Shareholders. In terms of the provisions of Section 257 of the Companies Act, 1956, 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 resume of Shri Sadashiv S. Survase and his other details are given below for the information of Shareholders:-

Shri Sadashiv S. Survase, aged about 45 years, has done Master of Engineering in Design Engineering from the College of Engineering, Pune as also Master of Business Administration from the University of Pune. Currently he is occupying the position as General Manager in the Dist.Industries Centre of Directorate of Industries, Pune.

Besides on the Board of the Company, he holds directorship in Western Maharashtra Development Corporation Limited.

Shri Survase does not hold any shares in the Company.

None of the Directors of the Company, except Shri Sadashiv S. Survase is interested or concerned in the respective resolution.

Directors recommend the resolution for approval of the shareholders

By Order of the Board
For MAHARASHTRA SCOOTERS LTD.


N.S. Kulkarni
Company Secretary

Pune, 14 May, 2013

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

The Directors present their Thirty Eighth Annual Report and Audited Statement of Accounts for the year ended 31 March, 2013.

OPERATIONS:

With the Company having ceased manufacture of geared scooters effective April, 2006, the current activity of the Company during the year under review was restricted to the manufacture of die casting dies, jigs and fixtures, primarily meant for the automobile industry.

There was no significant development during the year under review affecting the operational / financial performance of the Company. It is worthwhile to note that on account of implementation of Voluntary Retirement Scheme during the previous year, the employee benefit expenses of the Company stand reduced from ₹ 1317.92 lacs to ₹ 560.81 lacs.

During the financial year under review, the gross revenue of the Company was ₹ 5992.32 lacs as against ₹ 7048.38 lacs during the previous financial year.

FINANCIAL RESULTS:

	2012-13	2011-12
		(₹ in lacs)
Net sales and other income	5992.32	7048.38
Gross profit before exceptional items, interest and depreciation	4983.87	5286.35
Interest	0.01	0.07
Depreciation	99.73	95.95
Gross profit before exceptional items	4884.13	5190.33
Exceptional item – VRS compensation	-	5839.45
Profit before tax	4884.13	(649.12)
Tax expense	-	-
Profit after tax	4884.13	(649.12)
Add: Tax credits pertaining to earlier years	-	(0.03)
Profit for the year	4884.13	(649.09)
Withdrawal from General Reserve	-	781.92
Proposed dividend (inclusive of dividend distribution tax)	2674.18	132.83
Balance carried to General Reserve	2209.95	-
Earnings per share (₹)	42.74	(5.68)

DIVIDEND:

The Directors are pleased to recommend for consideration of the Shareholders at the ensuing Annual General Meeting, payment of dividend of ₹ 20 per share (200%) on 1,14,28,568 Equity Shares of ₹ 10 each for the financial year ended 31 March, 2013. The amount of dividend inclusive of tax thereon amounts to ₹ 2674.18 lacs. During the previous year, the Company having incurred a loss, had declared a dividend of ₹ 1 per share (10%), amounting to ₹ 132.83 lacs, in due compliance of the stipulations contained in the Companies (Declaration of Dividend Out of Reserves) Rules, 1975.

RESEARCH, DEVELOPMENT AND TECHNOLOGY ABSORPTION:

No expenditure is incurred by the Company attributable to Research, Development and Technology Absorption during the year under review.

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, wormy composting, solar water heaters and effluent treatment plant operated effectively.

SAFETY, HEALTH AND ENVIRONMENT:

There were zero reportable accidents during the year. The Company has taken adequate measures to reduce noise pollution inside the factory by use of screw compressor, reduction in the volume / timing of siren etc.

Environment Audit was carried out as stipulated.

The Company has formulated Policy on AIDS, Safety and Health and has displayed the same at prominent locations at the factory premises.

FOREIGN EXCHANGE EARNINGS AND OUTGO:

During the year under review, foreign exchange earnings were NIL and outgo was ₹ 94.90 lacs.

CASH FLOW STATEMENT:

A Cash Flow Statement for the year 2012-13 is included in the annexed Statement of Accounts.

INDUSTRIAL RELATIONS:

During the year under review, the industrial relations remained cordial. The current manpower strength of the Company stood at 120 Nos. represented by 70 permanent workmen and 50 permanent staff.

DIRECTORS:

- a) During the year under review, Western Maharashtra Development Corporation Limited (WMDC) nominated Shri Sadashiv S. Survase as a Director in place of Shri G.R. Jangda.

- b) Shri M.V. Bhagat and Shri R.K. Nikharge retire by rotation and being eligible, offer their candidature for re-appointment.
- c) Shri Naresh Patni and Shri Sadashiv S. Survase, who were appointed in the causal vacancies, hold office until the ensuing Annual General Meeting and being eligible, are to be appointed by the Shareholders.

DIRECTORS' RESPONSIBILITY STATEMENT:

As required by sub-section (2AA) of Section 217 of the Companies Act, 1956, the Directors confirm:

- a) that in the preparation of annual accounts the applicable accounting standards have been followed.
- b) that the Directors have selected such accounting policies and have 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 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) that the Directors have prepared the annual accounts on a going concern basis.

REAPPOINTMENT OF "MANAGER" UNDER THE COMPANIES ACT, 1956:

The Board of Directors, subject to the approval of Shareholders, have reappointed Shri Ranjit Gupta, Chief Executive of the Company, as "Manager" under the Companies Act, 1956, for a further period of three years effective 1 April, 2013, on the terms and conditions as set out in the Resolution contained in the Notice convening the ensuing Annual General Meeting. Since Shri Ranjit Gupta has completed his age of 70 years, in terms of the provisions of Section 269 of the Companies Act, 1956 and Schedule XIII annexed thereto, his appointment is subject to the approval of Shareholders by way of a Special Resolution. The Directors commend the said Special Resolution for the approval of Shareholders.

PARTICULARS OF EMPLOYEES:

The company had no employee who was in receipt of remuneration exceeding the limits prescribed under Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, as amended.

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 statement forms part of the Annual Report.

AUDITORS' REPORT:

The observations made in the Auditors' Report, read with the relevant notes thereon are self-explanatory and therefore do not call for any further comments under Section 217 of the Companies Act, 1956.

STATUTORY AUDITORS:

The Statutory Auditors, M/s. P.C. Parmar & Co., Chartered Accountants, Pune, (ICAI Firm Regn.No.107604W) who retire at the conclusion of the ensuing Annual General Meeting, are eligible for re-appointment. Since Western Maharashtra Development Corporation Limited, a Government Company, holds more than 25% of the subscribed capital of the Company, the appointment of Auditors and the payment of remuneration to them is required to be made by a Special Resolution, pursuant to Section 224-A of the Companies Act, 1956. The Shareholders are requested to appoint the Auditors and fix their remuneration.

COST AUDITORS:

In conformity with the directives of the Central Government contained in the Ministry of Corporate Affairs circular No. 15/2011 dated 11 April, 2011 as amended, the company has approved the appointment of Shri A. P. Raman, Cost Accountant, as the Cost Auditor under Section 233B of the Companies Act, 1956, to conduct the cost audit of the cost accounts for the financial year 2013-14, subject to the approval of the Government. The full particulars of the cost auditor are furnished below:-

ICWA Membership No.	837
Registration No. of Firm	110141
Address	Golok, Plot No.13, Sector No.28 Pradhikaran, Nigdi, Pune – 411 044
Details of Cost Audit Report for the financial year 2011-12:	
(a) Due date of Filing	28 February, 2013
(b) Actual Date of Filing	26 February, 2013

On behalf of the Board of Directors



Madhur Bajaj
Chairman

Pune, 14 May, 2013

**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.

BOARD OF DIRECTORS:

Composition of the Board of Directors and the number of Directorships and committee positions held by the Directors during the year ended 31 March, 2013:

Name of director	In listed companies	In unlisted public limited companies	Committee positions	
			As Chairman	As Member
Madhur Bajaj	6	-	-	-
S.B. Patil	1	1	-	-
Smt. Kanchan Vijayan	1	2	-	-
Sanjiv Bajaj	6	4	1	5
R.K. Nikharge	1	3	-	-
M.V. Bhagat	1	1	-	-
G.R. Jangda (upto 18.10.2012)	1	2	-	-
Sadashiv S. Survase (from 18.10.2012)	1	1	-	-
Yogesh J. Shah	1	-	-	-
Naresh Patni	1	1	-	-

Notes: Private limited companies, foreign companies and companies under Section 25 of the Companies Act, 1956 are excluded for the above purposes. Only audit committee and shareholders' grievance committee are considered for the purpose of committee positions as per listing agreement.

None of the directors was a member in more than 10 committees, nor a chairman in more than five committees across all companies, in which he/she was a director.

Attendance of Directors at the Board Meetings during the year ended on 31 March, 2013 and at the last AGM:

Name of director	Category	Number of Board meetings		Attendance at the last AGM held on 16-07-2012
		Held	Attended	
Madhur Bajaj	Non-executive, Chairman	4	4	Yes
S.B. Patil	Non-executive	4	2	Yes
Smt. Kanchan Vijayan	Non-executive, Independent	4	3	No
Sanjiv Bajaj	Non-executive	4	4	Yes
R.K. Nikharge	Non-executive, Independent	4	4	Yes
M.V. Bhagat	Non-executive, Independent	4	4	Yes
G.R. Jangda (upto 18.10.2012)	Non-executive, Independent	2	-	No
Sadashiv S. Survase (from 18.10.2012)	Non-executive	2	2	Not applicable
Yogesh J. Shah	Non-executive, Independent	4	4	Yes
Naresh Patni	Non-executive, Independent	4	4	Yes

The Board met four times during the year on 15 May, 2012, 16 July, 2012, 18 October, 2012 and 14 January, 2013.

Information placed before the Board of Directors:

The Board of the Company was presented with all the relevant and necessary information at their meetings as specified under covenants contained in the Listing Agreement and as stipulated under the Companies Act, 1956 and other enactments as applicable.

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

Code of Conduct:

The Board has laid down a Code of Conduct for all Board Members and Senior Management of the Company. All Board Members and Senior Management Personnel have affirmed compliance with the Code as on 31 March, 2013. Declaration from Chief Executive to this effect forms part of this report.

AUDIT COMMITTEE:

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

The meetings of the Audit Committee are attended by the members and the invitees viz., Chief Executive, Dy.General Manager (Satara), Dy.General Manager (Finance), Sr.Manager (Internal Audit), Statutory Auditors and Cost Auditor. Company Secretary acts as the Secretary to the Committee.

The committee met four times during the year on 15 May, 2012, 16 July, 2012, 18 October, 2012 and 14 January, 2013.

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 37th Annual General Meeting of the Company held on 16 July, 2012 to answer shareholders queries.

Terms of reference of Audit Committee:

- Review of the Company's financial reporting process and its financial statements.
- Review of accounting and financial policies and practices.
- Review of the internal control and internal audit systems.
- Review of risk management policies and practices.
- Review with the management, matters required to be included in the Directors' Responsibility Statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956.
- Review with the management, the quarterly financial statements before submission to the Board for approval.
- Review with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
- Carrying out any other functions as mentioned in the terms of reference of the Audit Committee.

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.

REMUNERATION COMMITTEE:

The Company has not constituted a Remuneration Committee, since all the Directors of the Company are non-executive Directors and are paid only sitting fees for attending the meetings of the Board and the Committee/s thereof.

SHAREHOLDERS'/INVESTORS' GRIEVANCE COMMITTEE:

The Company has constituted a Shareholders'/Investors' Grievance Committee, comprising three non-executive Directors, two being independent Directors. The members of the Committee are Shri Yogesh J. Shah, Shri Sanjiv Bajaj and Shri R.K. Nikharge. Shri Yogesh J. Shah, Chairman of the Committee is an independent Director.

The Committee specifically looks into the redressal of all shareholder and investor grievances at its meetings. The committee met once during the year on 14 January, 2013, which was attended by all the Members. Shri Shyamprasad D. Limaye, Secretarial Auditor was also present at the meeting. The relevant details are as under:-

Name of Non-Executive Director heading the committee	: Shri Yogesh J. Shah
Name and designation of Compliance Officer	: Shri N.S. Kulkarni, Company Secretary
Number of shareholders' complaints received during the year	: 23
Number of shareholders' complaints not solved to the satisfaction of shareholders	: Nil
Number of share transfers pending for over 30 days as on 31-03-2013	: Nil

UNCLAIMED SHARES SUSPENSE ACCOUNT

As stipulated by Clause 5A of the Listing Agreement, the Company in due compliance of the procedure, had transferred 33,156 No. of unclaimed shares in respect of 236 Shareholders to the Unclaimed Suspense Account opened with HDFC Bank Ltd.

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

Outstanding at the beginning of the year		Claimed and settled during the year		Outstanding at the end of the year	
Shareholders	Shares	Shareholders	Shares	Shareholders	Shares
236	33,156	2	300	234	32,856

**SUBSIDIARY COMPANIES:**

The Company does not have any subsidiary.

DISCLOSURES:

- A. In the preparation of financial statements, generally accepted accounting principles and policies were followed. Mandatory accounting standards announced by the Institute of Chartered Accountants of India were followed in the preparation of Financial Statements.
- B. A Note on Risk Management was presented by the Management to the Board.
- C. The Company has not raised any proceeds from public issue, rights issue or preferential issue of shares during the year.
- D. 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:

Relationships of Directors, their business interests and remuneration paid:

Director	Relationship with other Directors	Remuneration paid/payable during 2012-13 (in ₹)			
		Sitting Fees	Salary & Perks	Commission	Total
Madhur Bajaj	None	20,000	Nil	Nil	20,000
Sanjiv Bajaj	None	25,000	Nil	Nil	25,000
S.B. Patil	None	10,000	Nil	Nil	10,000
Smt. Kanchan Vijayan	None	15,000	Nil	Nil	15,000
R.K. Nikharge	None	45,000	Nil	Nil	45,000
M.V. Bhagat	None	20,000	Nil	Nil	20,000
G.R. Jangda ¹	None	-	Nil	Nil	-
Sadashiv S. Survase ²	None	10,000	Nil	Nil	10,000
Yogesh J. Shah	None	45,000	Nil	Nil	45,000
Naresh Patni	None	40,000	Nil	Nil	40,000

1 ceased to be a Director during the year 2012-13

2 appointed as a Director during the year 2012-13

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

During the year 2012-13, the Company did not advance any loans 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:**

Shri M.V. Bhagat and Shri R.K. Nikharge retire by rotation and being eligible, offer their candidature for re-appointment by the Shareholders at the ensuing Annual General Meeting. Shri Naresh Patni and Shri Sadashiv S. Survase, who were appointed in the causal vacancies, hold office until the ensuing Annual General Meeting and being eligible, offer their candidature for appointment by the Shareholders.

Brief resume and other details required to be disclosed in respect of Directors to be appointed by the Shareholders at the ensuing Annual General Meeting are given in the Notice convening the 38th Annual General Meeting of the Company.

GENERAL BODY MEETINGS:

Location and time where last three AGMs were held:

AGM Number	Date & Time	Venue
35th	20-07-2010 at 12.00 noon	Registered Office at C/o. Bajaj Auto Ltd., Akurdi, Pune-411 035
36th	12-07-2011 at 12.00 noon	-do-
37th	16-07-2012 at 12.00 noon	-do-

i)	Any special resolutions passed at the last three annual general meetings	Yes
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, www.mahascooters.com 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

GENERAL SHAREHOLDER INFORMATION:

Annual General Meeting	
Date	17 July, 2013
Time	12.00 noon
Venue	Registered Office, C/o. Bajaj Auto Ltd. Mumbai-Pune Road Akurdi, Pune-411 035
Financial Year	1 April, 2012 to 31 March, 2013
Date of Book Closure for dividend, if any,	6 July 2013 to 17 July, 2013
Date of Dividend Payment	From 21 July 2013 to 22 July, 2013
Listing on Stock Exchanges	National Stock Exchange of India Ltd. Exchange Plaza, Bandra-Kurla Complex, Bandra (E), Mumbai-400 051. Bombay Stock Exchange Ltd. 1st Floor, Phiroze Jeejeebhoy Towers Dalal Street, Mumbai-400 001.
Listing Fees paid	The listing fees payable to each of the above stock exchanges have been paid in full by the Company.
Stock Code/Symbol	500266 (BSE) MAHSCOOTER (NSE)



Demat ISIN for NSDL & CDSL	INE288A01013												
Market Price Data: High, Low during each month in the financial year 2012-13	As per Table 1												
Performance in comparison to broad-based indices such as S&P BSE Sensex and S&P CNX Nifty during 2012-13	<table> <tr> <td>MSL Share</td> <td>Up by</td> <td>22.20% on BSE</td> </tr> <tr> <td></td> <td>Up by</td> <td>20.49% on NSE</td> </tr> <tr> <td>S&P BSE Sensex</td> <td>Up by</td> <td>8.23%</td> </tr> <tr> <td>S&P CNX Nifty</td> <td>Up by</td> <td>7.31%</td> </tr> </table>	MSL Share	Up by	22.20% on BSE		Up by	20.49% on NSE	S&P BSE Sensex	Up by	8.23%	S&P CNX Nifty	Up by	7.31%
MSL Share	Up by	22.20% on BSE											
	Up by	20.49% on NSE											
S&P BSE Sensex	Up by	8.23%											
S&P CNX Nifty	Up by	7.31%											
Registrar and Transfer Agents	Karvy Computershare Pvt. Ltd., Plot No.17 to 24, Vittalrao Nagar, Near Image Hospital, Madhapur, Hyderabad-500 081.												
Share Transfer & Demat System	Karvy Computershare Pvt. Ltd., acts as the Share Transfer Agent (STA) for physical as well as for electronic segment.												
Distribution of shareholding & category-wise distribution	As per Table 2 & 3												
Dematerialisation of shares and liquidity	As per Table 4												
Outstanding GDRs/ADRs/Warrants or any Convertible instruments, conversion date and likely impact on equity.	Nil												
Plant Location	C-1, MIDC Area, Satara-415 004 Phone (02162) 244668, 246242 Fax (02162) 244428 E-mail rdhaware@bajajauto.co.in												
Address for share related correspondence	Karvy Computershare Pvt. Ltd., Plot No.17 to 24, Vittalrao Nagar, Madhapur Near Image Hospital, Hyderabad-500 081. Phone (040) 44655000/44655152 Fax (040) 44655024 E-mail mohsin.mohd@karvy.com												
Address for correspondence	Maharashtra Scooters Ltd. C/o. Bajaj Auto Ltd., Mumbai-Pune Road, Akurdi, Pune-411 035. Phone (020) 27475811 Fax (020) 27472764 Company Secretary & Compliance Officer Shri N.S. Kulkarni E-mail kulkarnins@bajajauto.co.in investors_msl@bajajauto.co.in Website www.mahascooters.com												

CEO/CFO CERTIFICATION:

The Chief Executive and Dy. General Manager (Finance) of the Company, who have been designated by the Board as CEO and CFO respectively 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 2012-13. 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 2012-13 and will be sent to the stock exchanges along with the annual report.

Annexures

Table 1 : Market price data:

High, Low during each month in the financial year 2012-13:

(₹)

Month & Year		Bombay Stock Exchange Ltd.		National Stock Exchange of India Ltd.	
		High	Low	High	Low
April	2012	341.70	301.80	342.80	301.45
May	2012	334.55	313.50	336.20	313.15
June	2012	336.45	317.80	335.00	317.50
July	2012	354.15	327.30	349.75	326.00
August	2012	349.05	335.05	350.95	335.05
September	2012	362.15	331.30	366.20	330.20
October	2012	373.55	354.45	376.90	355.00
November	2012	388.75	372.15	389.95	373.00
December	2012	533.00	384.25	531.85	388.10
January	2013	528.05	480.35	523.85	479.70
February	2013	492.95	420.15	494.00	420.65
March	2013	446.55	369.10	435.95	371.55

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

Table 2 : Distribution of shareholding as on 31-3-2013:

No. of Shares	No. of shares held	% to Total shares	No. of Shareholders	% to Total Shareholders
1 to 100	3,05,750	2.68	5,139	49.60
101 to 500	12,40,470	10.84	4,254	41.06
501 to 1000	3,90,475	3.42	559	5.40
1001 to 5000	6,35,774	5.56	304	2.93
5001 to 10000	3,75,609	3.29	53	0.51
10001 to 100000	11,10,592	9.72	45	0.43
100001 and above	73,69,898	64.49	7	0.07
	1,14,28,568	100.00	10,361	100.00

Table 3 : Category-wise distribution of shareholding as on 31-3-2013:

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	58,28,560 [30,85,712] [27,42,848]	51.00 [27.00] [24.00]
2.	Public Financial Institutions & Mutual Funds	10	3,55,202	3.11
3.	Banks	13	2,737	0.02
4.	Bodies Corporate	240	9,16,317	8.02
5.	Non-Resident Individuals & FIIs	135	4,99,758	4.37
6.	Resident Individuals	9,961	38,25,994	33.48
	Total	10,361	1,14,28,568	100.00

Table 4 : Break-up of shares in physical & electronic mode as on 31-3-2013:

Mode	No. of Shareholders		% to Total Shareholders		No. of Shares		% to Total Shares	
	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13
Physical	3,711	3,609	33.66	34.83	66,60,718	65,97,089	58.28	57.72
Electronic	7,314	6,752	66.34	65.17	47,67,850	48,31,479	41.72	42.28
Total	11,025	10,361	100.00	100.00	1,14,28,568	1,14,28,568	100.00	100.00



MANAGEMENT DISCUSSION AND ANALYSIS REPORT

a) Industry structure and developments

Since its inception, Maharashtra Scooters Ltd. (MSL) 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 almost 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, however, continues to produce pressure dies castings dies, Jigs and Fixtures.

The near term outlook continues to remain uncertain.

c) Segment-wise or product-wise performance

MSL being a single segment Company, 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, 2013, the Company had 70 permanent workmen and 50 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.

ANNEXURE TO DIRECTORS' REPORT

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** for the year ended on 31 March, 2013 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 above mentioned Listing Agreement.

We have to state that in respect of investors grievances, no investor grievances as stipulated in clause 49 of the Listing agreement, are pending for a period exceeding one month against the Company as per the records maintained by the shareholders' / Investors' Grievance Committee.

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

J. P. PARMAR
Proprietor
Membership No. 46293

Pune, 14 May, 2013

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, 2005.

25 April, 2013

RANJIT GUPTA
Chief Executive



INDEPENDENT AUDITOR'S REPORT

To the Members of
Maharashtra Scooters Limited

We have audited the accompanying financial statements of MAHARASHTRA SCOOTERS LIMITED, which comprise the Balance Sheet as at March 31, 2013 and 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 is responsible for the preparation of these 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 Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control 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.

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 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 control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, 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.

In our opinion and to the best of our information and according to the explanations given to us, the 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:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
 - b) in the case of the Statement of Profit and Loss Account, of the profit for the year ended on that date; and
 - c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.
1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
 2. As required by section 227(3) of the Act, we report that:
 - a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c) the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d) in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
 - e) on the basis of written representations received from the directors as on March 31, 2013 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

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

J. P. PARMAR
Proprietor
Membership No. 46293

Pune, 14 May, 2013

ANNEXURE TO AUDITORS' REPORT

STATEMENT REFERRED TO IN PARAGRAPH 3 OF OUR REPORT OF EVEN DATE TO THE MEMBERS OF MAHARASHTRA SCOOTERS LIMITED ON THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH, 2013.

- (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.
 (c) The fixed assets disposed off during the year are not substantial and hence it has not affected the going concern assumption.
- (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) (a) The Company has not granted or taken any loans, secured or unsecured to/from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Sub-clauses (b), (c) and (d) 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 major weaknesses have been noticed in the internal controls.
- (v) (a) In our opinion and according to the information and explanations given to us, transactions that need to be entered into the register maintained in pursuance of section 301 of the Companies Act, 1956 have been so entered.
 (b) In our opinion and according to information and explanations given to us the transaction made in pursuance of contract and arrangement entered in register maintained under section 301 of the Act and exceeding the value of five lakh rupees with any party during the year, have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- (vi) The Company has not accepted deposits from public.
- (vii) In our opinion, the Company has an internal audit system which is commensurate with its size and nature of its business.
- (viii) Cost Records have been prescribed by the Central Government under clause (d) of sub-section (1) of section 209 of the Companies Act. The Company has made and maintained such accounts and records.
- (ix) (a) According to the records of the Company, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-Tax, Sales-Tax, Wealth-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, 2013 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	Maharashtra Sales Tax Tribunal, Mumbai
Sales Tax for the year 2001-02	52,95,295	Joint Commissioner of Sales Tax (Appeals) - I, Pune division, Pune
Sales Tax for the year 2002-03	1,79,87,580	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

- (x) The Company does not have any accumulated losses as at 31 March, 2013. The Company has not incurred cash losses during the financial year covered by our audit but has incurred cash losses in the immediately preceding financial year.
- (xi) 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.
- (xii) The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) The Company is not a chit fund, nidhi/ mutual benefit fund and therefore a requirement pertaining to such class of companies is not applicable.
- (xiv) The Company is not dealing or trading in shares, securities, debentures and other investments.
- (xv) The Company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xvi) The Company has not obtained any term loans.
- (xvii) In our opinion the funds raised on short-term basis have not been used for long term investment and vice versa.
- (xviii) The Company has not made any preferential allotment of shares during the year to parties and companies covered in the Register maintained under section 301 of the Companies Act, 1956.
- (xix) The Company has not issued any debentures during the year.
- (xx) The Company has not made any public issue during the year.
- (xxi) 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

J. P. PARMAR
 Proprietor
 Membership No. 46293

**Balance Sheet as at 31 March, 2013**

Particulars	Note No.	As at 31 March 2013	As at 31 March 2012
(₹ in lacs)			
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2	1,142.86	1,142.86
Reserves and surplus	3	21,316.83	19,106.88
		22,459.69	20,249.74
Non-current liabilities			
Other Long term liabilities	4	2,454.80	2,885.75
Long-term provisions	5	7.92	2.52
		2,462.72	2,888.27
Current liabilities			
Trade payables	6	76.01	88.83
Other current liabilities	6	525.42	554.69
Short-term provisions	5	2,734.11	190.82
		3,335.54	834.34
TOTAL		28,257.95	23,972.35
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	7	732.46	720.62
Non-current investments	8	22,266.33	17,722.25
Long-term loans and advances	9	971.09	1,077.09
		23,969.88	19,519.96
Current assets			
Current investments	8	46.78	2,838.07
Inventories	12	57.48	27.30
Trade receivables	10	252.61	158.52
Cash and bank balances	13	3,166.88	742.86
Short-term loans and advances	9	235.02	247.73
Other current assets	11	529.30	437.91
		4,288.07	4,452.39
TOTAL		28,257.95	23,972.35
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

J. P. Parmar
Proprietor
Membership No.46293
Firm Regn. No. 107604 W
Pune, 14 May, 2013

Madhur Bajaj
Chairman

N. S. Kulkarni
Company Secretary

Sanjiv Bajaj
Yogesh J. Shah
Naresh Patni
R. K. Nikharge
M. V. Bhagat
Smt. Kanchan Vijayan
S. S. Survase
Directors

Statement of Profit and Loss for the year ended 31 March 2013

Particulars	Note No.	(₹ in lacs)	
		Year ended 31 March 2013	Year ended 31 March 2012
Revenue from operations (gross)		751.21	737.67
Less : Excise duty		81.25	69.84
Revenue from operations (net)	14	669.96	667.83
Other income	15	5,322.36	6,380.55
Total Revenue (I)		5,992.32	7,048.38
Expenses:			
Cost of raw material and components consumed	16	304.70	243.75
(Increase) / decrease in inventories of finished goods and work-in-progress	17	(27.07)	24.29
Employee benefits expense	18	560.81	1,317.92
Finance costs	19	0.01	0.07
Depreciation and write downs		99.73	95.95
Other expenses	20	170.01	176.07
Total expenses (II)		1,108.19	1,858.05
Profit before exceptional items and tax (I - II)		4,884.13	5,190.33
Exceptional items	21	-	5,839.45
Profit before tax		4,884.13	(649.12)
Tax expenses			
Current tax		149.00	-
MAT Credit		(149.00)	-
Debit/(Credits) relating to earlier years taxation		-	(0.03)
Total Tax Expense		-	(0.03)
Profit after Tax for the year		4,884.13	(649.09)
Basic and diluted Earnings per share (in ₹) (Nominal value per share ₹ 10)	22	42.74	(5.68)
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

J. P. Parmar
Proprietor
Membership No.46293
Firm Regn. No. 107604 W
Pune, 14 May, 2013

Madhur Bajaj
Chairman

N. S. Kulkarni
Company Secretary

Sanjiv Bajaj
Yogesh J. Shah
Naresh Patni
R. K. Nikharge
M. V. Bhagat
Smt. Kanchan Vijayan
S. S. Survase
Directors



Notes to financial statements for the year ended 31 March 2013

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

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 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 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. 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 investments is recognised on the contract date.

3) Fixed Assets and Depreciation

i) Fixed Assets

Fixed 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 Fixed Assets
Depreciation on all assets is provided on "Straight Line basis" in accordance with the provisions of Section 205(2)(b) of the Companies Act, 1956, in the manner and at the rates specified in Schedule XIV to the said Act.
 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.

4) 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.

5) 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.

6) 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

Notes to financial statements for the year ended 31 March 2013 (Contd.)

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.

7) Provisions

Necessary provisions are made for present obligations that arise out of events prior to the balance sheet date entailing future outflow of economic resources. Such provisions reflect best estimate based on available information.

8) 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.

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.

9) 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.

10) 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.

11) 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 2013 (Contd.)****2 Share Capital**

	31 March 2013	31 March 2012
	(₹ in lacs)	(₹ in lacs)
Authorised :		
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
	1,200.00	1,200.00
Issued, subscribed and fully paid-up shares :		
11,428,568 Equity Shares of ₹ 10 each	1,142.86	1,142.86
	1,142.86	1,142.86

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

	31 March 2013		31 March 2012	
	Nos.	% Holding	Nos.	% Holding
Equity shares of ₹ 10 each fully paid				
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.	609,384	5.33	602,114	5.27

3 Reserves & Surplus**General Reserve**

	31 March 2013	31 March 2012
	(₹ in lacs)	(₹ in lacs)
Balance as per the last financial statements	19,106.88	19,888.80
Add: Transfer from surplus in the statement of profit & loss	2,209.95	-
Less: Withdrawal	-	781.92
Closing balance	21,316.83	19,106.88

Surplus in the statement of profit and loss

Profit / (Loss) for the year	4,884.13	(649.09)
Add: Withdrawal from general reserve	-	781.92
	4,884.13	132.83
Less: Appropriations		
Proposed dividend	2,285.72	114.29
Tax on proposed dividend	388.46	18.54
Transfer to general reserve	2,209.95	-
Total appropriations	4,884.13	132.83

Balance in the statement of profit and loss

	-	-
Total reserves and surplus	21,316.83	19,106.88

4 Other long-term liabilities

Annuity payable to VRS optees	2,454.80	2,885.75
	2,454.80	2,885.75

Notes to financial statements for the year ended 31 March 2013 (Contd.)

5 Provisions

	Long-term		Short-term	
	31 March 2013 (₹ in lacs)	31 March 2012 (₹ in lacs)	31 March 2013 (₹ in lacs)	31 March 2012 (₹ in lacs)
Provision for employee benefits				
Provision for gratuity (See Note 31)	-	-	-	-
Provision for compensated absences	-	-	58.49	57.28
Provision for welfare scheme	7.92	2.52	1.44	0.72
	<u>7.92</u>	<u>2.52</u>	<u>59.93</u>	<u>58.00</u>
Other provisions				
Provision for tax (net of tax paid in advance)	-	-	-	-
Proposed dividend *	-	-	2,285.72	114.28
Tax on proposed dividend	-	-	388.46	18.54
	<u>-</u>	<u>-</u>	<u>2,674.18</u>	<u>132.82</u>
	<u>7.92</u>	<u>2.52</u>	<u>2,734.11</u>	<u>190.82</u>

* During the year ended 31 March 2013, the amount of per share dividend proposed and recognized as distributions to equity shareholders is ₹ 20.00 (Previous year ₹ 1.00).

6 Other current liabilities

Trade payables*	76.01	88.83
Other liabilities		
Annuity payable to VRS optees	430.95	449.78
Security deposits	0.20	6.21
Unclaimed dividend	94.27	98.70
	<u>525.42</u>	<u>554.69</u>
	<u>601.43</u>	<u>643.52</u>

*In absence of any intimation from the vendors with regard to their registration (filing of Memorandum) under "The Micro, Small and Medium Enterprises Development Act, 2006" and considering the company has been extended credit period upto 45 days by its vendors and payments being released on a timely basis, there is no liability towards interest on delayed payments during the year under the said Act. There is also no amount of outstanding interest in this regard, brought forward from previous years.

7 Fixed Assets : Tangible assets

(₹ in lacs)

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 1-Apr-12	Additions	Deductions	As at 31-Mar-13	Upto 1-Apr-12	For the period*	Deductions	Upto 31-Mar-13	As at 31-Mar-13	As at 31-Mar-12
Free-Hold Land	0.02	-	-	0.02	-	-	-	-	0.02	0.02
Leasehold Land	3.68	-	0.06	3.62	-	-	-	-	3.62	3.68
Buildings	570.21	-	-	570.21	388.74	14.21	-	402.95	167.26	181.47
Plant & Machinery	2,025.56	132.56	85.04	2,073.08	1,520.84	81.64	66.36	1,536.12	536.96	504.72
Furniture & Fixtures	29.44	-	1.75	27.69	24.86	0.54	1.66	23.74	3.95	4.58
Office Equipments	8.00	-	-	8.00	5.42	0.29	-	5.71	2.29	2.58
Vehicles	36.18	0.64	4.99	31.83	12.61	3.05	2.19	13.47	18.36	23.57
Total tangible assets	2,673.09	133.20	91.84	2,714.45	1,952.47	99.73	70.21	1,981.99	732.46	720.62
Previous year's Total	2,711.15	4.69	42.75	2,673.09	1,895.02	95.95	38.50	1,952.47	720.62	

* Depreciation for the year includes assets written down to the realisable value by ₹ 6.11 lacs on account of impairment.

**Notes to financial statements for the year ended 31 March 2013 (Contd.)****8 Investments****(A) Long Term Investments :**

	31 March 2013 (₹ in lacs)	31 March 2012 (₹ in lacs)
In Fully Paid Equity Shares:		
Quoted:		
1,897,466 (1,638,720) Shares of ₹ 10 each of Bajaj Finance Ltd.	5,006.76	2,160.56
6,774,072 Shares of ₹ 10 each of Bajaj Auto Ltd.	1,824.86	1,824.86
3,725,740 (3,387,036) Shares of ₹ 5 each of Bajaj Finserv Ltd.	3,968.63	1,767.05
1,255,000 Shares of ₹ 1 each of Bajaj Hindusthan Ltd.	44.54	44.54
3,387,036 Shares of ₹ 10 each of Bajaj Holdings & Investment Ltd.	4,665.36	4,665.36
	<u>15,510.15</u>	<u>10,462.37</u>
In Fully paid Debentures:		
Unquoted:		
50 8.75% Debentures of ₹ 1,000,000 each of Reliance Industries Ltd - 2020	497.20	497.20
	<u>497.20</u>	<u>497.20</u>
In Fully paid Bonds:		
Unquoted:		
100 9.35% Upper Tier II Unsecured Redeemable Non-Convertible Bonds of ₹ 1,000,000 each of Bank of India - 2016	1,000.00	1,000.00
20 7.75% Tier II Bonds of ₹ 1,000,000 each of HDFC Bank Ltd. - 2015	200.00	200.00
100 7.45% Bonds of ₹ 1,000,000 each of Indian Railway Financial Corporation Ltd. - 2014	967.87	967.87
50 8.90% Bonds of ₹ 1,000,000 each of Konkan Railways Corporation Ltd. - 2016	500.00	500.00
50 11.25% Bonds of ₹ 1,000,000 each of Power Finance Corporation Ltd. - 2018	577.48	577.48
50 8.60% Bonds of ₹ 1,000,000 each of Power Finance Corporation Ltd. - 2014	508.04	508.04
40 8.80% Bonds of ₹ 1,250,000 each of Power Grid Corporation of India Ltd. - 2015	513.62	513.62
80 8.64% Bonds of ₹ 1,250,000 each of Power Grid Corporation of India Ltd. - 2015	1,007.23	1,007.23
- (50) 7.20% Bonds of ₹ 1,000,000 each of Rural Electrification Corporation - 2012	-	498.62
50 8.96% Bonds of ₹ 1,000,000 each of State Bank of India - 2016	484.08	484.08
50 10.10% Bonds of ₹ 1,000,000 each of State Bank of India - 2017	514.29	514.29
	<u>6,272.61</u>	<u>6,771.23</u>
Add : Amortisation of premium paid/discount received on acquisition (Net)	(13.63)	(8.55)
	<u>6,258.98</u>	<u>6,762.68</u>
Total (A)	<u>22,266.33</u>	<u>17,722.25</u>

Notes to financial statements for the year ended 31 March 2013 (Contd.)

8 Investments (contd.)

	31 March 2013 (₹ in lacs)	31 March 2012 (₹ in lacs)
(B) Current Investments :		
In Certificate of Deposit:		
Unquoted:		
- (2,500) Certificate of Deposit of ₹ 100,000 each of State Bank of Hyderabad 06-12-2012	-	2,297.52
- (500) Certificate of Deposit of ₹ 100,000 each of Punjab National Bank 16-03-2013	-	451.05
	-	2,748.57
Add : Amortisation of premium paid/discount received on acquisition (Net)	-	49.50
	-	2,798.07
In Mutual Fund Units:		
Quoted:		
- (169,980) Units of HDFC Cash Management Treasury Advantage Plan-Wholesale (Growth) of ₹ 10 each in HDFC Mutual Fund	-	40.00
1,640 (-) Units of Reliance Liquid Fund-Treasury Plan Direct (Growth) of ₹ 1000 each in Reliance Mutual Fund	46.78	-
	46.78	40.00
Total (B)	46.78	2,838.07
Total (A+B)	22,313.11	20,560.32

	Book Value as at		Market Value as at	
	31 March 2013	31 March 2012	31 March 2013	31 March 2012
Quoted	15,556.93	10,502.37	203,411.04	175,712.33
Unquoted	6,756.18	10,057.95		
Total	22,313.11	20,560.32		

Following investments were purchased and sold during the year

Nature of Investment	Quantity Nos.	Purchase Cost (₹ in lacs)	Sale Proceeds (₹ in lacs)
Mutual Funds:			
HDFC Cash Management Fund-Saving Plan (Growth)	31,740,856	7,400.85	7,418.44
HDFC Cash Management Fund - Treasury Advantage Plan-Wholesale (Growth)	912,094	222.00	222.19
Reliance Liquid Fund - Treasury Plan - Growth Plan-Growth Option	1,331,956	5,030.22	5,047.49
Birla Sunlife Short Term Fund (Growth)	1,197,304	500.00	513.56
HDFC High Interest Short Term Fund (Growth)	1,794,486	400.00	410.66
Certificate of Deposit:			
Corporation Bank CD 18 Jan 2013	2,500	2,393.74	2,500.00

**Notes to financial statements for the year ended 31 March 2013 (Contd.)****9 Loans and advances**

(Unsecured, good, unless stated otherwise)

	Non-current		Current	
	31 March 2013 (₹ in lacs)	31 March 2012 (₹ in lacs)	31 March 2013 (₹ in lacs)	31 March 2012 (₹ in lacs)
Security deposits	6.35	6.35	-	-
Advances recoverable in cash or kind				
Secured considered good	-	-	-	-
Unsecured considered good	-	-	13.81	12.95
Doubtful	-	-	-	-
	-	-	13.81	12.95
Provision for doubtful advances	-	-	-	-
	-	-	13.81	12.95
Other loans and advances				
VAT refund receivable	29.21	29.21	-	-
Advance income-tax (net of provision for tax)	523.65	427.99	2.35	16.71
Loans to former employees	411.88	613.54	201.65	212.43
Balances with Central Excise Department	-	-	17.21	5.64
	964.74	1,070.74	221.21	234.78
Total	971.09	1,077.09	235.02	247.73

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	-	-	-	0.62
Doubtful	-	-	-	-
	-	-	-	0.62
Others, Good	-	-	252.61	157.90
	-	-	252.61	158.52

11 Other assets

(Unsecured, good, unless stated otherwise)

Interest receivable on investments	-	-	408.29	428.45
Interest receivable on loans, deposits etc.	-	-	121.01	9.46
Total	-	-	529.30	437.91

12 Inventories

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

Raw materials and components			8.95	7.91
Work-in-progress			43.95	16.88
Finished goods			-	-
Stores			4.49	2.41
Loose tools			0.09	0.10
			57.48	27.30

* Refer note 1 clause 6(i) for accounting policy on valuation of inventories.

Notes to financial statements for the year ended 31 March 2013 (Contd.)

	Non-current		Current	
	31 March 2013 (₹ in lacs)	31 March 2012 (₹ in lacs)	31 March 2013 (₹ in lacs)	31 March 2012 (₹ in lacs)
13 Cash and bank balances				
Cash and cash equivalents				
Balances with banks:				
On current accounts	-	-	(17.60)	143.65
On unclaimed dividend account	-	-	94.27	98.70
Cash on hand	-	-	0.21	0.13
	-	-	76.88	242.48
Other bank balances				
Deposits with original maturity for less than 12 months*	-	-	1,500.00	-
Deposits with original maturity for more than 12 months	-	-	1,590.00	500.38
	-	-	3,090.00	500.38
	-	-	3,166.88	742.86

* includes fixed deposit amounting to ₹ 1000 Lacs placed with Housing Development Finance Corporation Ltd.

	31 March 2013 (₹ in lacs)	31 March 2012 (₹ in lacs)
14 Revenue from operations		
Revenue from operations	736.10	718.75
Other operating revenue		
Scrap sales	15.11	18.92
Revenue from operations (gross)	751.21	737.67
Less: Excise duty	81.25	69.84
Revenue from operations (net)	669.96	667.83
Details of products sold		
Toolings-Dies, Jigs & Fixtures	736.10	718.75
	736.10	718.75
15 Other income		
Investment income:		
Interest income on		
Bank deposits	168.06	18.34
Long-term investments	612.85	680.49
Others	-	-
Less : Amortisation of premium paid / (discount received) on acquisition (net)	(5.08)	(32.64)
	775.83	666.19
Dividend income on		
Long-term investments	4,143.80	4,106.32
Profit on sale of investments, net	274.72	272.50
Surplus on redemption of securities, net	59.68	71.45
	5,254.03	5,116.46
Others:		
Interest - others	35.16	12.13
Miscellaneous receipts	0.01	0.02
Surplus on sale of assets	32.52	30.61
Sundry credit balances appropriated	0.63	1,221.33
Provision no longer required	0.01	-
	68.33	1,264.09
	5,322.36	6,380.55

**Notes to financial statements for the year ended 31 March 2013 (Contd.)**

	31 March 2013 (₹ in lacs)	31 March 2012 (₹ in lacs)
16 Cost of raw material and components consumed		
Raw Materials & Boughtout Items	304.70	243.75
	<u>304.70</u>	<u>243.75</u>

17 (Increase)/decrease in inventories

	31 March 2013 (₹ in lacs)	31 March 2012 (₹ in lacs)	(Increase)/ decrease (₹ in lacs)
Inventories at the end of the year			
Work-in-progress	43.95	16.88	(27.07)
Finished goods	-	-	-
	<u>43.95</u>	<u>16.88</u>	<u>(27.07)</u>
Inventories at the beginning of the year			
Work-in-progress	16.88	41.17	24.29
Finished goods	-	-	-
	<u>16.88</u>	<u>41.17</u>	<u>24.29</u>
	<u>(27.07)</u>	<u>24.29</u>	

18 Employee benefits expense

	31 March 2013 (₹ in lacs)	31 March 2012 (₹ in lacs)
Salaries, wages and bonus to employees	405.81	906.42
Contribution to provident and other funds	52.42	342.50
Staff welfare expenses*	102.58	69.00
	<u>560.81</u>	<u>1,317.92</u>

* Current year expenses includes ₹ 45.11 Lacs paid to Maharashtra Scooters Consumers' Co-operative Society Ltd on account of reimbursement of early retirement of employees working in Canteen.

No Managerial remuneration under section 198 of the Companies Act, 1956, is paid or payable to Shri Ranjit Gupta, 'Manager' of the Company. Shri Ranjit Gupta is on deputation from Bajaj Holdings & Investment Limited.

19 Finance costs

Interest Expenses	0.01	0.07
	<u>0.01</u>	<u>0.07</u>

20 Other expenses

Stores and tools consumed	21.13	18.79
Power, fuel and water	40.77	40.70
Repairs to buildings	2.01	2.52
Repairs to machinery	14.88	14.08
Other repairs	14.45	10.78
Insurance	3.49	2.59
Rates and taxes	4.35	4.36
Payment to auditor	10.19	14.41
Directors' fees and travelling expenses	2.90	1.54
Legal & Professional Charges	14.65	33.73
Miscellaneous expenses	35.04	32.51
Loss on assets sold, demolished, discarded and scrapped	6.09	-
Amount written off against leasehold land	0.06	0.06
	<u>170.01</u>	<u>176.07</u>

Notes to financial statements for the year ended 31 March 2013 (Contd.)

	<u>31 March 2013</u> (₹ in lacs)	<u>31 March 2012</u> (₹ in lacs)
Payment to auditor		
As auditor:		
Audit fee	5.00	5.00
Tax audit fee	1.00	1.00
In other capacity:		
Income-Tax Matters	3.50	7.60
Other services (including certification fees)	0.52	0.67
Reimbursement of expenses	0.17	0.14
	<u>10.19</u>	<u>14.41</u>
21 Exceptional items		
Expenditure on Voluntary Retirement Scheme	-	5,839.45
	-	<u>5,839.45</u>
22 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 / (Loss) for the year after taxation	4,884.13 (649.09)
	Weighted average number of shares outstanding during the year	11,428,568 11,428,568
b	Earnings per share (Basic and Diluted) in ₹	42.74 (5.68)
	Face value per share in ₹	10.00 10.00
23 Contingent liabilities		
a	Claims against the Company not acknowledged as debts	3.88 3.79
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 *	320.69 320.69
d	Income-Tax matters under dispute	
	i) Appeal by Company *	- 25.25
	ii) Appeal by Department	42.08 315.62
		<u>42.08 340.87</u>
* No provision has been made, since the Company expects favourable decision.		
24 Capital and other commitments		
	Capital Commitments, net of capital advances	- 67.63
25 Value of Imports calculated on CIF basis		
	Capital goods	<u>94.90 -</u>
26 Imported and indigenous raw materials, boughtout items consumed		
Entire raw material and boughtout items consumed are indigenous.		
27	Amount of borrowing costs capitalised as per Accounting Standard 16 during the year was Nil.	
28	The Company is operating in a single segment. Hence, no separate segmentwise information is given.	

**Notes to financial statements for the year ended 31 March 2013 (Contd.)****29** Related Party disclosures in accordance with Accounting Standard 18.

A. Related Parties and nature of relationship

Sr. No.	Name of the Party	Nature of relationship
1.	Bajaj Holdings & Investment Ltd.	Promoter Company holding 24% of equity capital
2.	Western Maharashtra Development Corporation Ltd.	Promoter Company holding 27% of equity capital
3.	Shri Ranjit Gupta	Key Management Personnel

B. Transactions that have taken place during the period 1st April, 2012 to 31 March, 2013 are as under:

Sr. No.	Particulars	Transaction Value	Outstanding Amount carried in Balance Sheet (₹)
1.	Bajaj Holdings & Investment Ltd.	Nil	Nil
2.	Western Maharashtra Development Corporation Ltd.	Nil	Nil
3.	Shri Ranjit Gupta	Nil	Nil

C. Amount written-off or written-back in respect of debts due from or to related parties is Nil.

30 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 net deferred tax asset arising on this account.**31** 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, 2013 (₹ in lacs)	As at 31 March, 2012 (₹ in lacs)
Amount to be recognised in Balance Sheet		
Present Value of Funded Obligations	408.76	383.69
Fair Value of Plan Assets	408.76	383.69
Net Liability	-	-
Amounts in Balance Sheet		
Liability	-	-
Assets	-	-
Net Liability	-	-
Expense to be Recognised in the Statement of Profit & Loss		
Current Service Cost	11.73	10.44
Interest on Defined Benefit Obligation	29.94	35.12
Expected Return on Plan Assets	(30.70)	(73.78)
Net Actuarial Losses / (Gains) Recognized in Year	1.80	287.11
Total included in "Employee Emoluments"	12.77	258.89
Actual Return on Plan Assets	34.95	57.71

Notes to financial statements for the year ended 31 March 2013 (Contd.)

	As at 31 March, 2013 (₹ in lacs)	As at 31 March, 2012 (₹ in lacs)
Reconciliation of Benefit Obligations & Plan Assets for the period		
Change in Defined Benefit Obligation		
Opening Defined Benefit Obligation	383.69	922.25
Current Service Cost	11.73	10.44
Interest Cost	29.94	35.12
Actuarial Losses / (Gain)	6.27	268.48
Benefits Paid	(22.87)	(852.60)
Closing Defined Benefit Obligation	408.76	383.69
Change in Fair Value of Assets		
Opening Fair Value of Plan Assets	383.69	922.25
Expected Return on Plan Assets	30.70	73.78
Actuarial Gain / (Losses)	4.47	(18.63)
Contributions by Employer	12.77	258.89
Benefits Paid	(22.87)	(852.60)
Closing Fair Value of Plan Assets	408.76	383.69
Summary of the Actuarial Assumptions		
Discount Rate	8.00%	8.00%
Expected Rate of Return on Assets	8.00%	8.00%
Salary Escalation Rate	8.00%	7.00%

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.

32 Previous year figures

Previous year 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

J. P. Parmar
Proprietor
Membership No.46293
Firm Regn. No. 107604 W
Pune, 14 May, 2013

Madhur Bajaj
Chairman

N. S. Kulkarni
Company Secretary

Sanjiv Bajaj
Yogesh J. Shah
Naresh Patni
R. K. Nikharge
M. V. Bhagat
Smt. Kanchan Vijayan
S. S. Survase
Directors

**Cash Flow Statement for the year ended 31 March, 2013**

Particulars	(₹ in lacs)	Current Year (₹ in lacs)	Previous Year (₹ in lacs)
A. Cash Flow From Operating Activities:			
1. Net Profit before Tax		4,884.13	(649.12)
2. Add: Adjustments for:			
i) Depreciation	99.73		95.95
ii) Loss on Assets sold, demolished or discarded	6.09		-
iii) Interest Paid	0.01		0.07
iv) Lease-hold land write-off	0.06		0.06
		<u>105.89</u>	<u>96.08</u>
		4,990.02	(553.04)
Less:			
i) Income from Investing activities included in above			
Dividend/Income from Investments	4,143.80		4,106.32
Interest Income from Investments	780.91		698.83
Add: Amortisation of Premium paid/Discount received on acquisition (Net)	(5.08)		(32.64)
Profit on Sale of Investments (Net)	334.40		343.95
	<u>5,254.03</u>		<u>5,116.46</u>
ii) Surplus on Sale of Assets	32.52		30.61
		<u>5,286.55</u>	<u>5,147.07</u>
3. Cash from Operations		(296.53)	(5,700.11)
4. Less: Adjustments for Working Capital changes			
i) Inventories	30.18		(26.91)
ii) Sundry Debtors	94.09		29.89
iii) Other Current Assets, Loans & Advances	(199.86)		806.89
	<u>(75.59)</u>		<u>809.87</u>
Less: Trade Payables	(461.28)		1,975.11
		<u>385.69</u>	<u>(1,165.24)</u>
5. Net Cash generated from Operations after Working Capital changes (3-4)		(682.22)	(4,534.87)
6. Less: Income Tax Paid/Refunds (Net)		72.44	0.08
7. Net Cash from Operating Activities (5 - 6)		<u>(754.66)</u>	<u>(4,534.95)</u>

Cash Flow Statement for the year ended 31 March, 2013 (Contd.)

Particulars	(₹ in lacs)	Current Year (₹ in lacs)	Previous Year (₹ in lacs)
B. Cash Flow From Investing Activities:			
1. i) Sale of Fixed Assets	48.01		34.79
ii) Sale of Investments	19,617.91		28,866.41
iii) Income from Investing activities			
Dividends/Income from Investments	4,143.80		4,106.32
Interest	680.80		813.24
Sub-Total (iii)	<u>4,824.60</u>		<u>4,919.56</u>
Sub-Total [(i) to (iii)]	<u>24,490.52</u>		<u>33,820.76</u>
2. Less:			
i) Purchase of Fixed Assets	133.20		4.69
ii) Purchase of Investments	<u>21,041.37</u>		<u>27,718.12</u>
	<u>21,174.57</u>		<u>27,722.81</u>
3. Net Cash from Investing Activities (1 - 2)		<u>3,315.95</u>	<u>6,097.95</u>
C. Cash Flow From Financing Activities:			
1. Increase/(Decrease) in Bank Cash Credit Balances		-	-
2. Interest Paid		(0.01)	(0.07)
3. Dividend Paid		(118.72)	(1,006.42)
4. Dividend Distribution Tax Paid		<u>(18.54)</u>	<u>(166.86)</u>
Net Cash from Financing Activities		<u>(137.27)</u>	<u>(1,173.35)</u>
D. Net Increase in Cash & Cash Equivalents (A+B+C)		<u>2,424.02</u>	389.65
E. Cash & Cash equivalents as at 1 April (Opening Balance)		<u>742.86</u>	353.21
F. Cash & Cash equivalents as at 31 March (Closing Balance)		<u>3,166.88</u>	742.86

Previous year's figures have been regrouped wherever necessary.

Madhur Bajaj
Chairman

Sanjiv Bajaj
Yogesh J. Shah
Naresh Patni
R. K. Nikharge
M. V. Bhagat
Smt. Kanchan Vijayan
S. S. Survase
Directors

Pune, 14 May, 2013

N. S. Kulkarni
Company Secretary

AUDITORS' CERTIFICATE

We have verified the above Cash Flow Statement with the books and record maintained by Maharashtra Scooters Ltd. and certify that in our opinion and according to the information and explanations given to us, the above statement is in accordance therewith.

For P. C. Parmar & Co.
Chartered Accountants

Pune, 14 May, 2013

J. P. Parmar
Proprietor
Membership No.46293
Firm Regn. No. 107604 W



MAHARASHTRA SCOOTERS LTD.

Registered Office : C/o Bajaj Auto Limited
Mumbai Pune Road, Akurdi, Pune - 411 035

PROXY FORM

Folio No.
DP ID No.
Client ID No.
No. of Shares held

I/We of
 being a member / members of MAHARASHTRA SCOOTERS LIMITED hereby appoint

 of or failing him
 of or failing him
 of as my / our Proxy to vote for me / us
 on my / our behalf at the Thirty Eighth Annual General Meeting of the Company to be held on Wednesday, 17 July, 2013 and at any adjournment thereof.

Signed this day of 2013



Signature(s) of the Shareholder(s)

Note : The proxy duly completed must be deposited at the Registered Office of the Company not less than 48 hours before the time of holding the meeting.



MAHARASHTRA SCOOTERS LTD.

Registered Office : C/o Bajaj Auto Limited
Mumbai Pune Road, Akurdi, Pune - 411 035

ATTENDANCE SLIP

(To be filled in and handed over at the entrance of the Meeting Hall)

I hereby record my presence at the THIRTY EIGHTH ANNUAL GENERAL MEETING of the Company on Wednesday, 17 July, 2013 at 12.00 noon

Folio No. _____

DP ID No. _____

Client ID No. _____

Full Name of the Shareholder
(in block letters)

Signature of Shareholder

* Full Name of Proxy
(in block letters)

Signature of Proxy

* (To be filled in, if the Proxy attends instead of the Member)



Visit us at : www.mahascooters.com