

**MAHARASHTRA
SCOOTERS
LIMITED**

**46th
ANNUAL
REPORT**
2020-21



MAHARASHTRA SCOOTERS LTD.



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CORPORATE INFORMATION

Board of Directors

Sanjiv Bajaj

Chairman

Yogesh J. Shah

Lila Poonawalla

Naresh Patni

V. Rajagopalan

Anish P. Amin

Audit Committee

Yogesh J. Shah

Chairman

Naresh Patni

Lila Poonawalla

Nomination & Remuneration Committee

Yogesh J. Shah

Chairman

Naresh Patni

Lila Poonawalla

Anish P. Amin

Risk Management Committee

Lila Poonawalla

Chairperson

Yogesh J. Shah

Anish P. Amin

Shriniwas Pathak

Stakeholders Relationship Committee

Yogesh J. Shah

Chairman

Sanjiv Bajaj

V. Rajagopalan

Key Managerial Personnel

Shriniwas Pathak

Chief Executive Officer

Anant Marathe

Chief Financial Officer

Sriram Subbramaniam

Company Secretary

Auditors

Kirtane & Pandit LLP

Chartered Accountants

Secretarial Auditor

Shyamprasad D. Limaye

Practising Company Secretary

Registered Office

C/o. Bajaj Auto Ltd.

Mumbai-Pune-Road

Akurdi, Pune - 411 035, Maharashtra

Works

Plot No.C-1, M.I.D.C. Area

Satara - 415 004, Maharashtra

Corporate Identification No. (CIN)

L35912MH1975PLC018376

Registrar and Share Transfer Agent

KFin Technologies Pvt. Ltd.

Selenium Building, Tower B, Plot No.31-32

Gachibowli, Financial District

Nanakramguda

Hyderabad-500 032

DIRECTORS' REPORT

At the outset, your Company's Board of directors commiserates with the families of all employees, members and others who succumbed to this dreadful COVID-19 pandemic.

Your directors present the forty-sixth (46th) Annual Report along with the audited financial statements for FY2021.

Circulation of Annual Reports in electronic form

Pursuant to circulars from the Ministry of Corporate Affairs ("MCA") dated 8 April 2020, 13 April 2020, 5 May 2020 and 13 January 2021, read with SEBI Circulars dated 12 May 2020 and 15 January 2021, relaxation has been afforded to the companies in respect of sending physical copies of annual report to members and conducting AGM through VC/OAVM till 31 December 2021.

Accordingly, the financial statements (including Directors' Report, Corporate Governance Report, Management Discussion & Analysis, Auditors' Report and other documents to be attached therewith) for this year as well are being sent through electronic mode to those members whose email addresses are registered with the Company's Registrar and Share Transfer Agent viz., KFin Technologies Pvt. Ltd. (KFin) /Depository Participants, and whose names appear in the Register of Members as on Friday, 18 June 2021. The Company has also made arrangements for those members who have not yet registered their email address to get these registered by following the procedure prescribed in the notice of AGM.

Review of operations

During the year under review, the business operations of the Company continued to be (i) manufacture of die casting dies, fixtures and die casting components, primarily meant for the automobiles industry and (ii) treasury operations involving management of surplus funds invested by the Company.

Total income of the Company during the year under review is ₹ 3,071.46 lakh, as against ₹ 21,383 lakh during the previous year. Income from investments aggregating to ₹ 1,512.93 lakh represented major portion of the turnover, which during the previous year was ₹ 19,561.90 lakh.

Financial Highlights

| Particulars | (₹ In Lakh) | |
|---------------------------------------|-------------|-----------|
| | FY2021 | FY2020 |
| Total income | 3,071.46 | 21,383.00 |
| Gross profit before depreciation | 1,097.88 | 19,361.51 |
| Depreciation and amortisation expense | 193.40 | 181.55 |
| Profit before tax | 904.48 | 19,179.96 |
| Tax expenses | 23.26 | 1,185.69 |
| Profit for the year | 881.22 | 17,994.27 |
| Earnings per share (₹) | 7.71 | 157.45 |

Total income and profit of the Company for FY2021 is unlike FY2020. The Company received dividends of ₹ 17,964.31 lakh in FY2020 and no dividend was received in FY2021. Additionally, in FY2020, a provision was made for possible non-utilisation of MAT credit of ₹ 900 lakh.

Presentation of Financial Statements

The financial statements of the Company for FY2021, on a standalone basis has been prepared in compliance with the Companies Act, 2013 ('the Act'), applicable Accounting Standards and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations) and are disclosed in accordance with Schedule III of the Act.

Continued classification as a Core Investment Company

Under the Master Circular – Core Investment Companies (Reserve Bank) Directions, 2016, the Company is termed as an unregistered Core Investment Company (CIC) as per Reserve Bank of India Guidelines dated 13 August 2020. As an unregistered CIC, the Company must invest at least 90% of its net assets in Group companies, of which at least 60% must be through equity investments.

The Company continued to meet the conditions for being classified as a Core Investment Company, exempted from registration with Reserve Bank of India, pursuant to the provisions of section 45-IA of the RBI Act, 1934.

Dividend distribution policy

Pursuant to the provisions of SEBI Listing Regulations as amended, the Company has formulated a Dividend Distribution Policy. The Policy sets out the parameters and circumstances that will be taken into account by the Board in determining the distribution of dividend to its members.

The policy has been uploaded on the website of the Company and can be accessed at

<https://www.bajajauto.com/MSL-html/html/images/pdf/Maharashtra-Scooters-Limited-46th-AGM-Web-Links.pdf>

Dividend

The directors recommend for consideration of the members at the ensuing Annual General Meeting, payment of dividend of ₹ 50 per equity share (500%) of face value of ₹ 10 each. The total dividend pay-out for FY2021 is ₹ 5,714.28 lakh.

During FY2020, the Company received significant amount of dividend income as compared to no dividend in FY2021 as group companies had declared interim dividend in FY2020. In order to keep the dividend declared stable and steady, the Board has, for FY2021, recommended dividend out of the Retained Earnings outstanding at the close of the year. Such payment of dividend from retained profits was not envisaged in the Dividend Distribution policy, which will be suitably revised.

Dividend paid for FY2020 was ₹ 50 per equity share (500%) of face-value of ₹ 10 each and the total dividend pay-out and the tax thereon aggregated to ₹ 6,888.87 lakh.

In view of the amendment to the Income Tax Act, 1961 through the Finance Act, 2020, imposition of Dividend Distribution Tax has been abolished. The dividend, if declared at the ensuing AGM will be taxable in the hands of the members of the Company. For further details on taxability, please refer to 'Notice of AGM'.

Subsidiary/associates

The Company has no subsidiary or associates. Neither the Company has entered into a joint venture with any company.

Directors and Key Managerial Personnel

(i) Director liable to retire by rotation

The Company in total has 6 directors - 3 independent directors and 3 non-executive, non independent directors. As per the provisions of Act, at least two-thirds of the total number of directors (excluding independent directors) shall be liable to retire by rotation. Amongst the said 3 directors, Sanjiv Bajaj, Chairman is a director not liable to retire by rotation. Out of the remaining 2 directors liable to retire by rotation, V. Rajagopalan retires by rotation as a director and being eligible, offers himself for re-appointment.

Brief details of V. Rajagopalan, Director, who is seeking re-appointment, are given in the notice of AGM.

(ii) Changes in KMP

Sriram Subbramaniam was appointed as Company Secretary & Compliance Officer of the Company effective 1 July 2020, in place of N.S. Kulkarni, who had superannuated from the services effective 30 June 2020.

Sriram Subbramaniam also acts as Company Secretary & Compliance Officer of Bajaj Holdings & Investment Ltd., the holding company.

Declaration given by Independent Directors

The independent directors have submitted a declaration of independence, stating that they meet the criteria of independence as stipulated under the Act, as amended, and SEBI Listing Regulations. The independent directors have also confirmed compliance with the provisions of rule 6 of Companies (Appointment and Qualifications of Directors) Rules, 2014, as amended, relating to inclusion of their name in the databank of independent directors.

The Board took on record the declaration and confirmation submitted by the independent directors regarding them meeting the prescribed criteria of independence, after undertaking due assessment of the veracity of the same in terms of the requirements of the SEBI Listing Regulations.

Policy on directors' appointment and remuneration

The salient features of the policy on directors' appointment and remuneration forms a part of the 'Corporate Governance Report'. This policy is on the Company's website at <https://www.bajajauto.com/MSL-html/html/images/pdf/Maharashtra-Scooters-Limited-46th-AGM-Web-Links.pdf>

Annual Return

A copy of the annual return as stipulated under the Act, in the prescribed form, which will be filed with the Registrar of Companies/Ministry of Corporate Affairs within the regulatory timelines is hosted on the Company's website and can be accessed at <https://www.bajajauto.com/MSL-html/html/images/pdf/Maharashtra-Scooters-Limited-46th-AGM-Web-Links.pdf>

Number of meetings of the Board

Four meetings of the Board were held during FY2021. Details of the meetings and attendance thereat forms part of the Corporate Governance Report.

Directors' Responsibility Statement

In accordance with the provisions of the Act and based on the information provided by the Management, the directors state that:

- (a) in the preparation of the annual accounts, the applicable Accounting Standards had been followed along with proper explanation relating to material departure;
- (b) they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profits of the Company for that period;

- (c) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) they have prepared the annual accounts on a going concern basis;
- (e) they have laid down internal financial controls to be followed by the Company and that such internal financial controls were adequate and were operating effectively; and
- (f) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Particulars of loans, guarantees and investments

The Company has not given any loans or provided any security. Full particulars of the investments covered under the provisions of the Act, made by the Company are detailed in the Financial Statements attached to this Report.

Share capital

The paid-up equity share capital as on 31 March 2021 was ₹ 1,142.86 lakh. During the year under review, there was no public issue, rights issue, bonus issue or preference share issue, nor had the Company issued shares with differential voting rights or granted stock options or sweat equity.

Related party transactions

All contracts/arrangement/transactions entered by the Company during FY2021 with related parties were in compliance with the applicable provisions of the Act and SEBI Listing Regulations. Prior omnibus approval of the Audit Committee is obtained for all related party transactions which are of foreseen and repetitive in nature. Pursuant to the said omnibus approval, details of transactions entered into is also reviewed by the Audit Committee on a quarterly basis.

All related party transactions entered during FY2021 were on arm's length basis and in the ordinary course of business of the Company under the Act and not material under the SEBI Listing Regulations. None of the transactions required members' prior approval under the Act or SEBI Listing Regulations.

Details of transactions with related parties during FY2021 are provided in the notes to the financial statements. There were no material related party transactions requiring disclosure as per the Act. Hence, the prescribed Form AOC-2 does not form a part of this report.

The Company has formulated a policy on materiality of related party transactions and on dealing with related party transactions including clear threshold limits, duly approved by the Board. The Board has reviewed the policy and has not recommended any change either to the policy or prescribed threshold. The policy is available on the website of the Company at <https://www.bajajauto.com/MSL-html/html/images/pdf/Maharashtra-Scooters-Limited-46th-AGM-Web-Links.pdf>.

Material changes and commitments

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

Conservation of energy, technology absorption, foreign exchange earnings and outgo

Details pursuant to Rule 8(3) of the Companies (Accounts) Rules, 2014

| | |
|---------------------------------------|--|
| Conservation of energy | The Company continued to maintain the power factor to unity throughout the year. This has helped in availing maximum rebate in electricity bills. Replacement of LED/lamps tubes all over the factory has also contributed to saving in electricity. |
| Technology absorption | No expenditure was incurred by the Company attributable to technology absorption during the year. |
| Expenditure on Research & Development | No expenditure was incurred by the Company attributable to Research & Development during the year. |
| Foreign exchange earnings and Outgo | The Company did not earn any foreign exchange, while the outgo was ₹ 27.39 lakh. |

Risk Management Policy

The Board of directors have adopted a risk management policy for the Company which provides for identification, assessment and control of risks which, in the opinion of the Board, may pose significant loss or threat to the Company. The details of the risk management framework are given in the Corporate Governance Report.

Corporate Social Responsibility (CSR)

The Companies Act, 2013, as amended, now allows a company with CSR spend of up to ₹ 50 lakh to dispense with the requirement of constituting a CSR Committee and the functions of the Committee shall in such cases be discharged by the Board of directors of the Company. Considering the CSR spend of MSL below ₹ 50 lakh for the past few years, the Board at its meeting held on 20 October 2020 disbanded the CSR Committee of the Company. The functions of the Committee is now being discharged by the Board of directors of the Company.

In terms of the provisions of the Act read with amended Companies (Corporate Social Responsibility Policy) Rules, 2014, the Annual Report on CSR activities under the format prescribed under Annexure II of the said Rules is annexed to this Report.

In line with the recent amendment to the Act dealing with CSR, the Board, at its meeting held on 28 April 2021, amended the existing Policy. The Policy is uploaded on the website of the Company at <https://www.bajajauto.com/MSL-html/html/images/pdf/Maharashtra-Scooters-Limited-46th-AGM-Web-Links.pdf>.

The Chief Financial Officer has certified that the funds disbursed have been utilised for the purpose and in the manner approved by the Board for FY2021.

Formal annual evaluation

Information on the manner in which formal annual evaluation is made by the Board of its own performance and that of its Committees, Chairperson and individual directors is given in the annexed 'Corporate Governance Report'.

Significant and material orders

During FY2021, there were no significant or material orders passed by any regulator or court or tribunal impacting the going concern status and Company's operations in future.

Audit Committee

The Audit Committee comprises of 3 Independent Directors namely, Yogesh J. Shah, Naresh Patni & Lila Poonawalla. Yogesh J. Shah is the Chairman of the committee.

The brief terms of reference and attendance record of members are given in the 'Corporate Governance Report'.

Internal audit

At the beginning of each financial year, an audit plan is rolled out after the same has been approved by Audit Committee. The audit plan is aimed at evaluation of the efficacy and adequacy of internal control systems and compliance thereof, robustness of internal processes, policies and accounting procedures, compliance with laws and regulations. Based on the reports of internal audit, process owners undertake corrective action in their respective areas.

Significant audit observations and corrective actions thereon are presented to the Audit Committee of the Board.

Internal financial controls

The Company has in place adequate financial controls commensurate with its size, scale and complexity of operations with reference to its financial statements. Internal financial controls of the Company are also similarly commensurate. These have been designed to provide reasonable assurance about recording and providing reliable financials information, ensuring integrity in conducting business, accuracy and completeness in maintaining accounting records and prevention and detection of frauds and errors.

Whistle blower policy/vigil mechanism

The Company has a whistle blower policy encompassing vigil mechanism pursuant to the provisions of the Act and SEBI Listing Regulations. The Audit Committee reviews the functioning of the whistle blower policy. The policy/vigil mechanism enables directors and employees to report to the management their concerns about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics policy and leak or suspected leak of unpublished price sensitive information. More details are given in 'Corporate Governance Report'.

The whistle blower policy is uploaded on the website of the Company and can be accessed at <https://www.bajajauto.com/MSL-html/html/images/pdf/Maharashtra-Scooters-Limited-46th-AGM-Web-Links.pdf>

Statutory disclosures

- The financial results of the Company are placed on the Company's website at <https://www.bajajauto.com/MSL-html/html/investors.html#QFR>
- Details as required under the provisions of the Act read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, containing, *inter alia*, ratio of remuneration of Directors to median remuneration of employees and percentage increase in the median remuneration are annexed to this Report.
- Details as required under the provisions of the Act read with rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, which form part of the Directors' Report, will be made available to any member by way of e-mail, as per provisions of section 136(1) of the said Act.
- The provisions of section 148 of the Act, are not applicable to the Company. Accordingly, there is no requirement of maintenance of cost records as specified under sub-section (1) of section 148 of the Act.
- The Company has a policy on prevention of sexual harassment at the workplace. There was no case reported during the year under review under the said Policy. Further, there were no women employees employed during FY2021.
- There was no change in the nature of business of the Company during FY2021.

Corporate Governance

In terms of SEBI Listing Regulations, a separate chapter titled 'Corporate Governance' has been included in this Annual Report, along with the reports on Management Discussion and Analysis and General Shareholder Information.

All the Board members and Senior Management personnel have affirmed compliance with the Code of Conduct for FY2021. A declaration to this effect signed by the Chief Executive Officer of the Company is contained in this Annual Report.

The Chief Executive Officer and the Chief Financial Officer have certified to the Board with regard to the financial statements and other matters as required under SEBI Listing Regulations.

Certificate from the statutory auditors of the Company regarding compliance of conditions of corporate governance is annexed to this Report.

Business Responsibility Report

Pursuant to the provisions of the SEBI Listing Regulations, the Company is required to give Business Responsibility Report ('BRR') in the Annual Report.

The BRR for FY2021 has been placed on the Company's website at

<https://www.bajajauto.com/MSL-html/html/images/pdf/Maharashtra-Scooters-Limited-46th-AGM-Web-Links.pdf>

Secretarial Standards of ICSI

The Company has complied with the requirements prescribed under the Secretarial Standards on Meetings of the Board of Directors (SS-1) and General Meetings (SS-2) read with the MCA Circulars granting exemptions in view of the COVID-19 pandemic.

COVID-19

Towards the end of March 2020, the Prime Minister announced a Nationwide Lockdown in view of the heightened concern over the spread of Corona Virus ('COVID-19'), which had adversely affected all the industrial operations.

In line with the lockdowns announced by the Central Government, all offices of the Company were closed from 23 March 2020 providing 'Work from Home' facility to employees to ensure continuity of operations of the Company. The said closure(s) have adversely affected the manufacturing operations of the Company. However, the operations of the Company gradually resumed on easing of restrictions from the month of July/August 2020, to reach normalcy at the close of the year.

Your Company has seen a better than expected recovery in such short span of time. The dynamic and evolving nature of the pandemic with its resurgence (second wave) at the close of the year once again creates uncertainty, including economic impact, with focus on breaking the chain of spread and savings lives. Hopefully, the outreach of vaccination drives across the country, additional efforts to set up medical infrastructure and procure required medical supplies, in addition to continued adherence to COVID-19 specific protocols will help in overcoming this testing situation. Further measures by regulators and governments, if any, could affect the operations of the Company.

Statutory Auditor and Auditors' Report

Pursuant to the provisions of the Act, the members at the Annual General Meeting of the Company held on 18 July 2017 had appointed Kirtane & Pandit LLP, Chartered Accountants (Firm Registration No.105215W/W100057) as statutory auditors of the Company from the conclusion of 42nd Annual General Meeting till the conclusion of 47th Annual General Meeting, covering a term of five consecutive years.

The statutory audit report for FY2021 does not contain any qualification, reservation or adverse remark or disclaimer made by statutory auditor.

Secretarial Auditor and Auditors' Report

Pursuant to the provisions of the Act and Rules made thereunder, the Company has re-appointed, Shyamprasad D Limaye, Practising Company Secretary (FCS No. 1587, CP No. 572) to undertake the secretarial audit of the Company. Secretarial audit report for FY2021 as issued by him in the prescribed form MR-3 is annexed to this Report.

The secretarial audit report for FY2021 does not contain any qualification, reservation or adverse remark or disclaimer made by the secretarial auditor.

In addition to the above and pursuant to SEBI circular dated 8 February 2019, a report on secretarial compliance by Shyamprasad D Limaye for FY2021 is being submitted to stock exchanges. There are no observations, reservations or qualifications in the said report.

The auditors i.e. statutory auditors and secretarial auditors have not reported any matter under section 143(12) of the Act, and therefore, no details are required to be disclosed under section 134(3)(ca) of the Act.

Industrial relations

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

On behalf of the Board of Directors

Sanjiv Bajaj
Chairman

Pune : 28 April 2021

Annual Report on CSR activities for the financial year ended 31 March 2021

1. Brief outline of Company's CSR Policy

Introduction

The vision and philosophy of late Shri Jamnalal Bajaj, the founder of Bajaj Group, guide the Corporate Social Responsibility (CSR) activities of the group. He embodied the concept of trusteeship in business and common good, and laid the foundation for ethical, value-based and transparent functioning.

Bajaj Group believes that true and full measure of growth, success and progress lies beyond balance sheets or conventional economic indices. It is best reflected in the difference that business and industry make to the lives of people.

Through its social investments, Bajaj Group addresses the needs of communities residing in the vicinity of its facilities by taking sustainable initiatives in the areas of health, education, environment conservation, infrastructure and community development, and response to natural calamities. For society, however, Bajaj is more than a corporate identity. It is a catalyst for social empowerment and the reason behind the smiles that light up a million faces.

It is this goodwill that has made us work towards 'Activating Lives'.

Guiding principles:

The Bajaj Group believes that social investments should:

- **Benefit generations:** The Company believes in 'investment in resource creation' for use over generations. The Company tries to identify sustainable projects which will benefit the society over long periods.
- **Educate for self-reliance and growth:** To usher in a growth-oriented society and thereby a very strong and prosperous nation, by educating each and every Indian.
- **Promote health:** The Company believes good health is a pre-requisite for both education and productivity.
- **Encourage for self-help:** To guide and do hand holding for self-help, individually and collectively to create excellence for self and for the team.
- **Be focused:** The Company believes that activities should be focused around locations where it has a presence and hence can effectively guide, monitor and implement specific projects.
- **Target those who need it most:** Care for the sections of the society, which are socially at the lowest rung irrespective of their religion or caste or language or colour.
- **Sustain natural resources:** The Company encourages balanced development and ensures least adverse impact on environment – Growth with Mother Nature's-blessings.

Brief Contents of CSR Policy

Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014 have been amended substantially with effect from 22 January 2021. Accordingly, the CSR Policy which was framed by the Company has got amended on 28 April 2021, with approval of the Board of Directors. The Policy, *inter alia*, covers the following:

- Philosophy, Approach & Direction;
- Guiding Principles for selection, implementation and monitoring of activities; and
- Guiding Principles for formulation of Annual Action Plan.

2. Composition of CSR Committee

Not required to be constituted pursuant to amendment to the Act

3. Web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the Website of the Company

<https://www.bajajauto.com/MSL-html/html/images/pdf/Maharashtra-Scooters-Limited-46th-AGM-Web-Links.pdf>

4. Details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report) Not Applicable
5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any Not Applicable
6. Average net profit of the Company as per section 135(5) ₹ 990.53 lakh
7. (a) Two percent of average net profit of the company as per section 135(5) ₹ 19.81 lakh
- (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years Nil
- (c) Amount required to be set off for the financial year, if any Nil
- (d) Total CSR obligation for the financial year (7a+7b-7c) ₹ 19.81 lakh
8. (a) CSR amount spent or unspent for the financial year:

| Total Amount Spent for the financial year (in ₹) | Total Amount transferred to Unspent CSR Account as per section 135(6) | | Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5) | | |
|--|---|------------------|---|--------|------------------|
| | Amount | Date of transfer | Name of the Fund | Amount | Date of transfer |
| ₹ 20 lakh | Not applicable, since there is no unspent amount | | | | |

- (b) Details of CSR amount spent against ongoing projects for the financial year : Not Applicable

- (c) Details of CSR amount spent against other than ongoing projects for the financial year:

| Sl. No. | Name of the Project | Item from the list of activities in Schedule VII to the Act | Local area (Yes/No) | Location of the project | | Amount spent for the project (In ₹) | Mode of implementation - Direct (Yes/No) | Mode of implementation - Through implementing agency |
|--|--|---|---------------------|-------------------------|----------|-------------------------------------|--|--|
| | | | | State | District | | | Name |
| 1 | Transport facility to Rural Children for promoting Education | Education (ii) | Yes | Maharashtra | Satara | 20 lakh | No | Shivaji Shikshan Prasarak Mandal |
| Total | | | | | | 20 lakh | | |
| Mandatory CSR spend requirement for 2020-21 | | | | | | 19.81 lakh | | |

- (d) Amount spent in Administrative Overheads : Nil
- (e) Amount spent on Impact Assessment, if applicable : Nil
- (f) Total amount spent for the financial Year (8b+8c+8d+8e) : ₹ 20 lakh
- (g) Excess amount for set off, if any : Nil
9. (a) Details of Unspent CSR amount for the preceding three financial years: : Not Applicable
- (b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): : Not Applicable
10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year : Nil
11. Specify the reason(s), if the company has failed to spend two percent of the average net profit as per section 135(5) : Not Applicable

.....
Sanjiv Bajaj
Chairman

Remuneration details under Rule 5(1) of Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 (as amended) for the year ended 31 March 2021

| Sr. No. | Name of Director/KMP | Ratio of Remuneration of director to Median Remuneration of employees | % increase in the financial Year |
|------------|--|---|----------------------------------|
| (A) | Whole-time directors/Managerial Personnel | - | - |
| (B) | Non-executive directors | - | - |
| | Sanjiv Bajaj | - | - |
| | Yogesh J. Shah | - | - |
| | Naresh Patni | - | - |
| | Lila Poonawalla | - | - |
| | V. Rajagopalan | - | - |
| | Anish P. Amin | - | - |
| (C) | Key Managerial Personnel | | |
| | Shriniwas Pathak, CEO | | 10.41 |
| | Anant Marathe, CFO | | NA |
| | Sriram Subbramaniam, Company Secretary | | NA |
| (D) | Remuneration of Median Employee (other than whole-time directors) | | -0.11 |
| (E) | Permanent employees as on 31 March 2021 | | 102 |

Note :

1. No remuneration by way of commission is payable to Non-executive directors except sitting fee for attending the meetings of the Board / Committees as a Member.
2. The term 'Permanent Employees' does not include trainees, probationers and contract employees.

Notes on Disclosures under Rule 5

1. In FY2021, the remuneration of median employee other than whole-time Directors decreased by 0.11% over the previous year.
2. The remuneration paid as above was as per the Remuneration Policy of the Company.

Secretarial Audit Report Form no. MR-3

[Pursuant to section 204(1) of the Companies Act, 2013 and rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

For the financial year ended 31 March 2021

To,
The Members,
Maharashtra Scooters Ltd.
(CIN: L35912MH1975PLC018376)
Mumbai-Pune Road,
Akurdi, Pune - 411035.

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and adherence to good corporate practices by Maharashtra Scooters Ltd., (hereinafter called as 'the Company'). Subject to limitation of physical interaction and verification of records caused by COVID-19 Pandemic lock down while taking review after completion of financial year, the Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, registers, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, and subject to letter annexed herewith, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31 March 2021, complied with the applicable statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31 March 2021, according to the provisions of:

- 1) The Companies Act, 2013 (the Act) and the rules made thereunder;
- 2) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- 3) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- 4) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- 5) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent applicable: -
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 and The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018; and
 - (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- 6) Regulatory framework / Directions issued by the Reserve Bank of India, as are applicable to a 'Core Investment Company', not required to obtain Certificate of Registration (COR) from RBI under Section 45IA of the RBI Act, 1934, which are specifically applicable to the Company.

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards pursuant to section 118(10) of the Act, issued by the Institute of Company Secretaries of India.
- (ii) Listing Agreements entered into by the Company with BSE Ltd. (BSE) and National Stock Exchange of India Ltd. (NSE) as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has complied with the provisions of the Act, rules, regulations, guidelines, standards mentioned above.

I further report that the Board of Directors of the Company is duly constituted with proper balance of non-executive directors and independent directors including one woman director. There were no changes in the composition of the Board of Directors, during the period under review.

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

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

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

Shyamprasad D. Limaye
FCS 1587 CP 572
UDIN: F001587C000195319
Pune: 28 April 2021

Annexure to Secretarial Audit

To,
The Members,
Maharashtra Scooters Limited,
Mumbai-Pune Road,
Akurdi, Pune - 411035

My Secretarial Audit Report for Financial Year ended on 31 March 2021, of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the process and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of event etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Shyamprasad D. Limaye
F.C.S. No. 1587 C.P. No. 572
Pune: 28 April 2021

Independent Auditors' Certificate on Corporate Governance

To
The Members,
Maharashtra Scooters Ltd.

1. We have examined the compliance of conditions of corporate governance by Maharashtra Scooters Ltd. ('the Company') for the year ended 31 March 2021 as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C, D and E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Listing Regulations').
2. The compliance of the conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure compliance with the conditions of the Corporate Governance stipulated in the Listing Regulations.
3. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
4. We have examined the books of accounts and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
5. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) issued by the ICAI.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.
7. Based on our examination of the relevant records and according to the best of our information and explanations provided to us, we certify that the Company has complied with the conditions of regulations of Corporate Governance as stipulated in the above-mentioned Listing Regulations.
8. 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.
9. The certificate is issued solely for the purpose of complying with the aforesaid SEBI Listing Regulations and may not be suitable for any other purpose.

For Kirtane & Pandit LLP
Chartered Accountants
Firm Registration Number: 105215W/W100057

Suhas Deshpande
Partner
Membership Number: 31787
UDIN: 21031787AAAAAN2522

Pune: 28 April 2021

Declaration on code of conduct

Pursuant to SEBI Listing Regulations, it is hereby affirmed that all the Board Members and Senior Management Personnel have complied with the Code of Conduct for the year ended 31 March 2021.

Shriniwas Pathak
Chief Executive Officer

Pune: 21 April 2021

Certificate by practising Company Secretary

[Pursuant to Schedule V read with Regulation 34(3) of the SEBI Listing Regulations (as amended)]

In the matter of Maharashtra Scooters Ltd. (CIN: L35912MH1975PLC018376) having its registered Office at Bajaj Auto Ltd. Complex, Mumbai-Pune Road, Akurdi, Pune - 411035.

On the basis of examination of the books, minute books, forms and returns filed and other records maintained by the Company and declarations made by the directors and explanations given by the Company, and subject to limitation of physical interaction and verification of records caused by COVID-19 Pandemic lock down.

I certify that the following persons are Directors of the Company (during 1 April 2020 to 31 March 2021) and none of them have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority.

| Sr. No. | Name of Director | DIN | Designation |
|---------|------------------|----------|-------------------------|
| 1 | Sanjiv Bajaj | 00014615 | Chairman, Non-executive |
| 2 | Yogesh J. Shah | 00137526 | Independent Director |
| 3 | Lila Poonawalla | 00074392 | Independent Director |
| 4 | Naresh Patni | 00045532 | Independent Director |
| 5 | V. Rajagopalan | 02997795 | Non-executive Director |
| 6 | Anish P. Amin | 00070679 | Non-executive Director |

Shyamprasad D. Limaye
FCS 1587 CP 572
UDIN: F001587C000195352
Pune: 28 April 2021

MANAGEMENT DISCUSSION AND ANALYSIS

a) Industry structure and developments

With the gradual shift in consumer preferences from geared scooters to the motorcycles, the Company discontinued production of geared scooters effective 1 April 2006. Thereafter, Maharashtra Scooters Ltd. ('the Company' or 'MSL') saw opportunity in manufacturing of pressure die casting dies, jigs and fixtures, primarily meant for two and three - wheeler industry, which is the current manufacturing activity of the Company. The customer profile have since expanded from auto component to include Telecom segment, Generator Segment and LED Light parts.

MSL is today an Unregistered Core Investment Company, not requiring registration with RBI.

b) Opportunities, Threats, Risks and Concerns

The Company ceased to manufacture geared scooters in April 2006 and since then, there has been no activity for manufacture of geared/non-geared scooters at its factory. The Company, however, continues to manufacture pressure die casting dies, fixtures and die casting components for automobiles industry. At MSL, we strive to conduct our business with only credible entities which operate in industry segments that generally have a large, active and buoyant market, have a credible management and carry reputational goodwill in the business community.

During the year, the Company continued taking steps to enhance its manufacturing capabilities. However, the manufacturing operations were hit by a slowdown in the auto sector, initially due to a slow economy and further on account of the COVID-19 pandemic situation. As far as Investment activities are concerned, MSL, being a CIC, continues to remain strategically invested in the securities of its group companies and hence any temporary fluctuations in stock market prices does not have a major impact. As far as investments in debt securities are concerned, MSL invests only in highly rated issuers and securities i.e. in AAA, AA+ and like rated papers.

c) Change in the status of the Company and business outlook

Consequent upon the acquisition of 27% stake of MSL by Bajaj Holdings & Investment Ltd. from WMDC Ltd., the Company has become a subsidiary of BHIL with effect from 17 June 2019.

The Company has been receiving steady flow of orders for pressure dies post phased unlocking of the economy leading to a positive business outlook for the Company.

d) Segment-wise or product-wise performance

There being two reportable segments, segment-wise information is given under Financial Statements.

e) Internal control systems and their adequacy

The Company has effective internal control systems, which have been found to be adequate by the Management of the Company. The Internal Auditors periodically bring to the attention of the Audit committee any deficiencies and weaknesses in the internal control systems, if any. The Audit Committee reviews and monitors the remedial actions to ensure its overall adequacy and effectiveness.

f) 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.

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

As at the end of 31 March 2021, the Company had 50 permanent workers, 52 permanent staff, 20 trainees and 2 persons working on contract basis.

h) There were 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.

i) **Significant changes in financial ratios:**

| Particulars | Ratio in FY2021 | Ratio in FY2020 | Over FY2020 | Remarks |
|-----------------------------|----------------------------|----------------------------|------------------------|---|
| Debtors turnover ratio | 2.22 | 3.24 | (31.50%) | Lower debtors turnover ratio is due to higher dispatches in Q4 of FY2021. |
| Inventory turnover ratio | 2.25 | 2.28 | (1.30%) | - |
| Current ratio | 9.31 | 16.23 | (42.70%) | Lower current ratio is due to reduction in current investments. |
| Operating profit margin (%) | (42.18) | (43.66) | (3.40%) | - |
| Net profit margin (%) | 28.69 | 84.15 | (65.90%) | Net profit margin is lower due to reduction in total income. Total income has reduced because there was no dividend income during FY2021. |
| Return on net worth (%) | 0.05 | 2.19 | (97.50%) | Return on net worth is lower due to lower PAT in FY2021. Also, net worth for FY2020 was higher due to fair value changes on equity investments. |

CORPORATE GOVERNANCE

Corporate governance is about promoting fairness, transparency, accountability, commitment to values, ethical business conduct and about considering all stakeholders' interests while conducting business.

In accordance with the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and amendments thereto, (SEBI Listing Regulations), given below are the corporate governance policies and practices of Maharashtra Scooters Ltd. ('the Company' or 'MSL') for FY2021.

This report states compliance with requirements of the Companies Act, 2013, as amended (the Act) and the SEBI Listing Regulations as applicable to the Company. As will be seen, the Company's corporate governance practices and disclosures are well beyond complying with the statutory and regulatory requirements stipulated in the applicable laws.

Philosophy

For us, corporate governance is a reflection of principles entrenched in our values and policies and also embedded in our day to day business practices, leading to value driven growth. The commitment of the Bajaj group to the highest standards of good corporate governance practices predates SEBI and the provisions of the SEBI Listing Regulations. Ethical dealings, transparency, fairness, disclosure and accountability are the main thrust of the working of the Bajaj group. MSL maintains the same tradition and commitment.

Key elements of MSL's Corporate Governance

- Compliance with applicable laws.
- Board is composed of directors from diverse backgrounds and substantial experience, who are collectively able to provide appropriate guidance to the executive management as required.
- Panel of independent directors with outstanding track record and reputation.
- Separate meeting of independent directors without presence of non-independent directors or executive management.
- Confidential Board evaluation process where each Board member evaluates the performance of every other Director, Committees of the Board, the Chairman of the Board and the Board.
- Complete and detailed information provided to Board members in advance to enable them to evaluate matters and to ensure the information brought before the Board are considered carefully and discussions are meaningful.
- Adoption of key governance policies and codes by the Board, which are made available to stakeholders for viewing from the Company's website. These include whistle blower policy/vigil mechanism Policy on materiality of related party transaction specifying thresholds, Dividend Distribution policy and Policy on prevention of sexual harassment, which are in line with best practice.

Board of Directors

Keeping with the commitment to the principle of integrity and transparency in business operations for good corporate governance, the Company's policy is to have an appropriate blend of executive, non-executive and independent directors, to maintain the independence of the Board and to separate the Board functions of governance and management.

Composition:

In compliance with the provisions of the SEBI Listing Regulations and the Act, the Company has an optimum combination of independent directors and non-executive, non-independent directors with a woman independent director. The Company has a non-executive Chairman. According to provisions of the SEBI Listing Regulations, if the non-executive chairman is a promoter or is related to any promoter, at least one half of the board of the company should consist of independent directors.

As on 31 March 2021, the Board of the Company consisted of six (6) directors, of whom three (3) were non-executive, independent (including woman independent director) and three (3) were non-executive and non-independent. The Board has no institutional nominee director. As Table 1 shows, the Company is in compliance with SEBI Listing Regulations.

Number of meetings of the Board

As per the relaxation given by MCA due to COVID-19 pandemic, all the board and committee meetings of the Company during the year under review were held through video-conferencing (VC).

During FY2021, the Board of Directors met four (4) times viz., on 18 May 2020, 20 July 2020, 20 October 2020 and 18 January 2021. The intervening gap between any two consecutive meetings was less than one hundred and twenty days.

Attendance record of Directors

Table 1: Composition of the Board and attendance record of directors for FY2021

| Name of Director | Category | No of shares held by Directors | Number of Board meetings | | Whether attended last AGM |
|------------------|--------------------------------|--------------------------------|--------------------------|----------|---------------------------|
| | | | Held | Attended | |
| Sanjiv Bajaj | Non-executive, Chairman | - | 4 | 4 | Yes |
| Yogesh J. Shah | Non-executive, independent | 2,864 | 4 | 4 | Yes |
| Naresh Patni | Non-executive, independent | - | 4 | 4 | Yes |
| Lila Poonawalla | Non-executive, independent | - | 4 | 4 | Yes |
| Anish P. Amin | Non-executive, non-independent | - | 4 | 4 | Yes |
| V. Rajagopalan | Non-executive, non-independent | - | 4 | 4 | Yes |

Note : None of the directors are related to each other.

Board diversity

In compliance with the provisions of the SEBI Listing Regulations, the Board, through Nomination & Remuneration Committee, has devised a policy on Board Diversity. The board comprises of adequate number of members with diverse experience and skills, such that it best serves the governance and strategic needs of the Company. The present composition broadly meets this objective. The directors are persons of eminence in areas such as global business leadership, finance and taxation, corporate governance and ethics, audit and risk management, law, administration, research, etc. and bring with them experience / skills which add value to the performance of the Board. The directors are selected purely on the basis of merit with no discrimination on race, colour, religion, gender or nationality.

Core skills/expertise/competencies

A brief profile of directors is available on the website of the Company at <https://www.bajajauto.com/MSL-html/html/aboutus.html#cgic>

As stipulated under schedule V to the SEBI Listing Regulations, core skills/expertise/competencies as required in the context of the business and sector for it to function effectively and those actually available with the Board have been identified by the Board of directors.

The chart/matrix of such core skills/expertise/competencies, along with the names of directors who possess such skills, is on the website of the Company at

<https://www.bajajauto.com/MSL-html/html/images/pdf/Maharashtra-Scooters-Limited-46th-AGM-Web-Links.pdf>

Opinion of the Board

The Board hereby confirms that, in its opinion, the Independent Directors on the Board fulfil the conditions specified in the SEBI Listing Regulations and the Act and are independent of the management of the Company.

Non-executive directors' compensation

During FY2021, sitting fee of ₹ 50,000 per meeting was paid to non-executive directors (independent and non-independent) for every meeting of the Board and/or Committee of the Board attended by them as a member.

No commission is paid by the Company to Non-executive Directors for attending the Board/ Committee meeting(s). The Company currently does not have a stock option programme for any of its directors.

Information furnished to the Board

In advance of each meeting, the Board is presented with relevant information on various matters related to the working of the Company, especially those that require deliberation at the highest level. Presentations are also made to the Board by different functional heads on important matters from time to time. Directors have separate and independent access to the officers of the Company. In addition to items required to be placed before the Board for its noting and/or approval, information is provided on various significant items.

In terms of quality and importance, the information supplied by the Management to the Board of the Company is far ahead of the list mandated under SEBI Listing Regulations. The independent directors of the Company at their meeting held on 18 January 2021 expressed satisfaction on the quality, quantity and timeliness of flow of information between the Company Management and the Board, that is necessary for the Board to effectively and reasonably perform their duties.

With a view to leveraging technology and moving towards paperless systems for the preservation of environment, the Company has now adopted a web-based application for transmitting Board/ Committee papers. The Directors of the Company receive the agenda in electronic form through this secure application. The application meets high standards of security and integrity required for storage and transmission of Board/Committee agenda in electronic form.

Directors & Officers liability insurance (D&O Policy)

The Company has in place a D&O policy which is renewed every year. It covers all the directors of the Company. The Board is of opinion that the quantum and risk presently covered is adequate.

Orderly succession to Board and Senior Management

One of the key functions of the Board of directors is selecting, compensating, monitoring and, when necessary, replacing key managerial personnel and overseeing succession planning.

The Board of the Company satisfied itself that plans are in place for orderly succession for appointments to the Board and to Senior Management.

Directorships and memberships of Board Committees

Table 2: Number of directorships/committee positions of directors for FY2021 (including the Company)

| Name of director | Directorships | | | Committee positions in listed and unlisted public limited companies | |
|------------------|----------------------------|--------------------------------------|------------------------------|---|----------------|
| | In equity listed companies | In unlisted public limited Companies | In private limited companies | As member (including as Chairperson) | As Chairperson |
| Sanjiv Bajaj | 5 | 5 | 9 | 7 | - |
| Yogesh J. Shah | 1 | 1 | 4 | 3 | 2 |
| Naresh Patni | 1 | - | 3 | 1 | - |
| Lila Poonawalla | 2 | 7 | 2 | 7 | 4 |
| Anish P. Amin | 1 | 2 | - | - | - |
| V. Rajagopalan | 1 | 5 | 1 | 1 | - |

Notes: None of the directors hold office as a director, including as alternate director, in more than twenty companies at the same time. None of them has directorships in more than ten public companies. For reckoning the limit of public companies, directorships of private companies that are either holding or subsidiary company of a public company are included and directorships in dormant companies are excluded.

As per declarations received, none of the directors serves as independent director in more than seven equity listed companies.

None of the directors were members in more than ten committees, nor a Chairperson in more than five committees across all companies, in which he was a director.

For the purpose of considering the limit of the committees on which a director can serve, all public limited companies, whether listed or not, have been included and all other companies including private limited companies, foreign companies and companies under section 8 of the Act have been excluded. Only Audit Committees and Stakeholders' Relationship Committees are considered for the purpose of reckoning committee positions.

Table 3: Name of equity listed entities where directors of the Company held directorships during FY2021 (including the Company).

| Name of Director | Name of listed entities | Category |
|-------------------------|--|--|
| Sanjiv Bajaj | Maharashtra Scooters Ltd. Bajaj Holdings & Investment Ltd. Bajaj Finserv Ltd. Bajaj Finance Ltd. Bajaj Auto Ltd. | Chairman, Non-executive Managing Director & CEO, Executive Chairman and Managing Director, Executive Chairman, Non-executive Non-Executive |
| Yogesh J. Shah | Maharashtra Scooters Ltd. | Independent, Non-executive |
| Naresh Patni | Maharashtra Scooters Ltd. | Independent, Non-executive |
| Lila Poonawalla | Bajaj Auto Ltd. Maharashtra Scooters Ltd. | Independent, Non-executive Independent, Non-executive |
| Anish P. Amin | Maharashtra Scooters Ltd. | Non-Executive |
| V. Rajagopalan | Maharashtra Scooters Ltd. | Non-Executive |

Certificate from practising company secretary

The Company has received a certificate from Shyamprasad D Limaye, Practising Company Secretary to the effect that none of the directors on the board of the Company has been debarred or disqualified from being appointed or continuing as directors of the Company by the Ministry of Corporate Affairs or any other statutory authority. The same certificate forms part of this Annual Report.

Review of legal compliance reports

The Board periodically reviews compliance reports with respect to the various laws applicable to the Company, as prepared and placed before it by the Management.

Code of conduct

The SEBI Listing Regulations requires listed companies to lay down a code of conduct for its directors and senior management, incorporating duties of directors as laid down in the Act.

Accordingly, the Company has a Board approved code of conduct for Board members and senior management of the Company and the same has been placed on the Company's website at

<https://www.bajajauto.com/MSL-html/html/images/pdf/Maharashtra-Scooters-Limited-46th-AGM-Web-Links.pdf>

All the Board members and Senior Management personnel have affirmed compliance with the Code for the year ended 31 March 2021. A declaration to this effect signed by the Manager & CEO is given in this Annual Report.

Maximum tenure of Independent Directors

The maximum tenure of independent directors is in accordance with the provisions of the Act and SEBI Listing Regulations.

Formal Letter of Appointment to Independent Directors

The Company issues a formal letter of appointment to independent directors in the manner as provided in the Act. As per the SEBI Listing Regulations, the terms and conditions of appointment of independent directors are placed on the Company's website: <https://www.bajajauto.com/MSL-html/html/images/pdf/Maharashtra-Scooters-Limited-46th-AGM-Web-Links.pdf>

Performance Evaluation

Pursuant to the provisions of the Act and the SEBI Listing Regulations, the Board has carried out an annual performance evaluation of its own performance, and that of its Committees, Chairperson and individual directors.

The manner in which formal annual evaluation of performance was carried out by the Board is given below:

- The Nomination and Remuneration Committee at its meeting held on 16 May 2017, had approved the revised criteria for evaluation of the Board, its Committees, Chairperson and individual directors, which is available on the website of the Company at <https://www.bajajauto.com/MSL-html/html/images/pdf/Maharashtra-Scooters-Limited-46th-AGM-Web-Links.pdf>
- Based on the said criteria, a questionnaire-cum-rating sheet was deployed using an IT platform for seeking feedback of the directors with regards to the performance of the Board, its Committees, the Chairperson and individual directors.
- From the individual ratings received from the directors, a report on summary of ratings in respect of performance evaluation of the Board, its Committees, Chairperson and individual directors for the FY2021 and a consolidated report thereof were arrived at.
- The report of performance evaluation so arrived at was then noted and discussed by the Board at its meeting held on 18 January 2021.
- The NRC reviewed the implementation and compliance of the performance evaluation at its meeting held on 18 January 2021.
- Under the law, as per the report of performance evaluation, the Board shall determine, *inter alia*, whether to continue the term of appointment of an independent director. Based on the report and evaluation, the Board and NRC at their meeting held on 18 January 2021, determined that the appointment of all independent directors may continue.
- Details on the evaluation of Board, non-independent directors and Chairperson of the Company as carried out by the independent directors at their separate meeting held on 18 January 2021 have been furnished in a separate paragraph elsewhere in this Report.
- During FY2021, the criteria and process followed by the Company was reviewed by the NRC and the Board, which opined these to be satisfactory.

Other than Chairman of the Board and NRC, no other director has access to the individual ratings given by directors.

Familiarisation program for Independent Directors

With a view to familiarising the independent directors with the Company's operations, as required under the SEBI Listing Regulations, the Company has held various familiarisation programmes for the independent directors throughout the year on an ongoing and continuous basis.

The details of familiarisation programmes are placed at <https://www.bajajauto.com/MSL-html/html/images/pdf/Maharashtra-Scooters-Limited-46th-AGM-Web-Links.pdf>

Whistle Blower Policy / Vigil Mechanism

The Company has a whistle blower policy encompassing vigil mechanism pursuant to the requirements of the Act and the SEBI Listing Regulations.

The whistle blower policy/vigil mechanism enables a director or employee to report confidentially to the management, without fear of victimisation, any unacceptable work behaviour, any unethical behaviour, suspected or actual fraud, violation of the Company's Code of Conduct or ethics policy and instances of leak or suspected leak of unpublished price sensitive information which are detrimental to the organisation's interest. It provides safeguards against victimisation of directors/employees who avail of the mechanism and allows for direct access to the Chairman of the Audit Committee in exceptional cases.

The policy has been hosted on the Company's website and can be accessed at <https://www.bajajauto.com/MSL-html/html/images/pdf/Maharashtra-Scooters-Limited-46th-AGM-Web-Links.pdf>

During the year under review, there were no complaints received under the above mechanism nor was any employee denied access to the Audit Committee.

Related party transactions

All related party transactions which were entered into during FY2021 were on an arm's length basis and in the ordinary course of business under the Act and not material under the SEBI Listing Regulations.

All related party transactions during FY2021 were entered with the approval of the Audit Committee pursuant to provisions of Act and the SEBI Listing Regulations. The details of such transactions were placed before the Audit Committee for noting/review, on a quarterly basis.

A statement showing the disclosure of transactions with related parties as required under Indian Accounting Standard 24 (Ind AS 24) including transaction with promoter/promoter group holding 10% or more in the Company, if any, is set out separately in this Annual Report.

Disclosures relating to related party transactions on a half-yearly basis are filed with the stock exchanges.

During FY2021, there were no materially significant related party transactions that could have potential conflict with the interest of the Company at large. In line with amendment to the SEBI Listing Regulations, the Board, at its meeting held on 15 May 2019, amended the Policy on Materiality of Related Party Transactions. The revised policy is also hosted on the Company's website and can be accessed at <https://www.bajajauto.com/MSL-html/html/images/pdf/Maharashtra-Scooters-Limited-46th-AGM-Web-Links.pdf>

Audit Committee

Pursuant to the Act and SEBI Listing Regulations, the Company has constituted an Audit Committee. All members are financially literate and have accounting or related financial expertise.

The Board reviews the working of the Committee from time to time to bring about greater effectiveness and to ensure compliance with the various requirements under the Act and SEBI Listing Regulations.

The terms of reference of the Committee are in accordance with the Act and SEBI Listing Regulations. These broadly include oversight of the Company's financial reporting process and disclosure of its financial information, review of financial statements, review of compliances and review of systems and controls, approval or any subsequent modification of transactions with related parties, review compliance with SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended. More details on the terms of reference of the Committee are placed at <https://www.bajajauto.com/MSL-html/html/images/pdf/Maharashtra-Scooters-Limited-46th-AGM-Web-Links.pdf>

Meetings and attendance

During FY2021, the Committee met four times on 18 May 2020, 20 July 2020, 20 October 2020 and 18 January 2021. The intervening gap between any two consecutive meetings was less than one hundred and twenty days.

The meetings of the Audit Committee were attended by its members and the invitees viz., Constituted Attorney, Chief Executive Officer, Chief Financial Officer, Internal Auditor and Statutory Auditors.

The Company Secretary acted as secretary to the Audit Committee.

Table 4: Composition of Audit Committee and attendance record of members for FY2021

| Sr. No. | Name of member | Category | No. of meetings attended |
|---------|-----------------|---------------------------------|--------------------------|
| 1. | Yogesh J. Shah | Chairman – Independent Director | 4/4 |
| 2. | Naresh Patni | Member – Independent Director | 4/4 |
| 3. | Lila Poonawalla | Member – Independent Director | 4/4 |

During FY2021, the Board had accepted all recommendations of the Committee.

Yogesh J. Shah, Chairman of the Audit Committee, was present at the annual general meeting of the Company held on 20 July 2020 to answer members' queries.

Nomination and Remuneration Committee

Pursuant to the Act and the SEBI Listing Regulations, the Company has constituted a Nomination and Remuneration Committee.

The terms of reference of the Committee, *inter alia*, includes formulation of criteria for determining qualifications, positive attributes and independence of a director, recommendation of persons to be appointed to the Board and senior management, devising a Policy on Board diversity, specifying the manner for effective evaluation of performance of Board, its Committees, Chairperson and individual directors, recommendation of remuneration policy for directors, key managerial personnel and other employees, formulation of criteria for evaluation of performance of independent directors and the Board, etc. The Committee also reviews the remuneration of the senior management team. More details on the terms of reference of the Committee are placed at <https://www.bajajauto.com/MSL-html/html/images/pdf/Maharashtra-Scooters-Limited-46th-AGM-Web-Links.pdf>

Meetings & attendance

During FY2021, the committee met twice during the year on 18 May 2020 and 18 January 2021.

The Company Secretary acted as the secretary to the Nomination & Remuneration Committee.

Table 5: Composition of Nomination and Remuneration Committee and attendance record of members for FY2021

| Name of member | Category | No. of meetings attended |
|-----------------|---------------------------------|--------------------------|
| Yogesh J. Shah | Chairman – Independent Director | 2/2 |
| Naresh Patni | Member – Independent Director | 2/2 |
| Lila Poonawalla | Member – Independent Director | 2/2 |
| Anish P. Amin | Member – Non-Executive Director | 2/2 |

Yogesh J. Shah, Chairman of the Nomination and Remuneration Committee, was present at the annual general meeting of the Company held on 20 July 2020, to answer members' queries.

Risk Management Committee

Pursuant to provisions of SEBI Listing Regulations, the Company has constituted a Risk Management Committee consisting of composition as specified therein.

The terms of reference of the Committee, *inter alia*, include, to manage the integrated risk, to lay down procedures to inform the Board about risk assessment and minimisation procedures in the Company, to frame, implement, monitor the risk management plan for the Company and perform such other functions as the board may deem necessary including

cyber security etc. For better management of internal risk practices, the Board at its meeting held on 18 January 2021 had adopted a Risk management Policy for the Company.

During the year under review, the Company did not trade in nor had any exposure in commodities market.

Meeting and attendance

During the year under review, the Committee met once on 18 January 2021.

Table 6: Composition of Risk Management Committee and attendance record of members for FY2021

| Name of member | Category | No. of meetings attended |
|------------------|------------------------------------|--------------------------|
| Lila Poonawalla | Chairperson – Independent Director | 1/1 |
| Yogesh J. Shah | Member – Independent Director | 1/1 |
| Anish P. Amin | Member – Non-executive Director | 1/1 |
| Shriniwas Pathak | Member – Chief Executive Officer | 1/1 |

Stakeholders' Relationship Committee

Pursuant to the Act and the SEBI Listing Regulations, the Company has constituted a Stakeholders' Relationship Committee. This Committee specifically looks into the grievances of equity shareholders of the Company.

Yogesh J. Shah, Independent Director is the Chairman of the Committee and Sriram Subbramaniam, Company Secretary is the Compliance officer of the Company.

The terms of reference of the Committee, inter alia, includes review of measures taken for effective exercise of voting rights by members and review of adherence to the service standards in respect of various services being rendered by the registrar and share transfer agent. More details on this subject and on members' related matters including unclaimed suspense account have been furnished in 'General Shareholder Information.'

More details on the terms of reference of the Committee are placed at <https://www.bajajauto.com/MSL-html/html/images/pdf/Maharashtra-Scooters-Limited-46th-AGM-Web-Links.pdf>

Meetings and attendance

During FY2021, the Committee met once on 18 January 2021 to, inter alia, review the status of investors' services rendered. The secretarial auditor as well as the Company Secretary were present at the said meeting.

The Committee was apprised of the major developments on matters relating to investors. In addition, the Committee also considered matters that can facilitate better investor services and relations.

During FY2021, meeting of senior executives of KFin Technologies Pvt. Ltd. with few Committee members was organised to discuss on service standards and operations at KFin.

Table 7: Composition of Stakeholders' Relationship Committee and attendance record of members for FY2021

| Name of member | Category | No. of meetings attended |
|----------------|---------------------------------|--------------------------|
| Yogesh J. Shah | Chairman – Independent Director | 1/1 |
| Sanjiv Bajaj | Member – Non-executive Director | 1/1 |
| V. Rajagopalan | Member – Non-executive Director | 1/1 |

Yogesh J. Shah, Chairman of the Stakeholders' Relationship Committee, was present at the annual general meeting of the Company held on 20 July 2020, to answer members' queries.

Table 8: Investors' complaints attended and resolved during FY2021

| Investors Complaints | Attended/Resolved during 2020-21 |
|--|---|
| Pending at the beginning of the year | Nil |
| Received during the year | 2 |
| Disposed-off during the year | 2 |
| Remaining unresolved at the end of the year | Nil |
| Complaints not solved to the satisfaction of members | None |

Duplicate Share Certificate Issuance Committee

To meet the timeline stipulated under Act, read with rule 6 of the Companies (Share Capital and Debentures) Rules, 2014 and SEBI Listing Regulations, the Board at its meeting held on 2 February 2016 constituted a committee of the Board to approve the issuance of duplicate share certificates in lieu of original share certificates lost or misplaced.

During the year under review, the Committee met once on 18 January 2021, to approve the resolutions, including noting of circular resolutions passed by the members approving the issue of duplicate share certificates.

Table 9: Composition of Duplicate Share Certificate Issuance Committee and attendance record of members for FY2021

| Name of member | Category | No. of meetings attended |
|-----------------------|-----------------------------------|---------------------------------|
| Sanjiv Bajaj | Chairman – Non-executive Director | 1/1 |
| Yogesh J. Shah | Member – Independent Director | 1/1 |
| V. Rajagopalan | Member – Non-executive Director | 1/1 |

Independent Directors' Meeting

Pursuant to the Act and the SEBI Listing Regulations, the independent directors must hold at least one meeting in a year without attendance of non-independent directors and members of the management. Accordingly, independent directors of the Company met on 18 January 2021, without the attendance of non-independent directors and members of the Management and :

- i) noted the report of Performance Evaluation from the Chairman of the Board for 2020-2021;
- ii) reviewed the performance of non-independent directors and the Board as a whole;
- iii) reviewed the performance of the Chairperson of the Company, taking into account the views of non-executive directors; and
- iv) assessed the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

All independent directors were present at the meeting. The independent directors present elected Yogesh J. Shah as Chairman for the meeting.

Remuneration of Directors

Pecuniary relationship/transaction with non-executive directors

During the year under review, there were no pecuniary relationship/transactions with any non-executive directors of the Company.

Details of Remuneration of directors

The details of sitting fee paid to non-executive directors of the Company are provided in the Form MGT-7 (annual return) which is hosted on the website of the Company at <https://www.bajajauto.com/MSL-html/html/images/pdf/Maharashtra-Scooters-Limited-46th-AGM-Web-Links.pdf>.

As mentioned elsewhere in the Report, no commission is payable to any directors of the Company.

Compliances regarding insider trading

Pursuant to SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended, (SEBI PIT Regulations) the Company has a Board approved code of conduct to regulate, monitor and report trading by insiders ('code of conduct') and a Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information ('code of fair disclosure').

During the year 2018-19, the Board had revised the Code of Conduct to regulate, monitor and report trading by Insiders in line with the amended SEBI PIT Regulations.

The Company also, by frequent communication, makes aware the designated employees of the obligations under the insider trading regulations.

The status of compliance with SEBI PIT Regulations are reviewed by Audit Committee and Board.

Management

Management discussion and Analysis

This is given as a separate chapter in the Annual Report.

Disclosure of material transactions

Pursuant to the SEBI Listing Regulations, the senior management is required to make disclosures to the Board relating to all material financial and commercial transactions, where they had or were deemed to have had personal interest that might have been in potential conflict with the interest of the Company. As per the disclosures submitted by the senior management, there were no such transactions during FY2021.

Means of communication

Quarterly, half-yearly and annual financial results and other public notices issued for the members are published in the newspapers i.e., Financial Express and Kesari.

The Company has its own website, <https://www.bajajauto.com/MSL-html/html/investors.html> which contains all important public domain information including the information mandated to be provided pursuant to the provisions of the Act and SEBI Listing Regulations.

Section 20 and 136 of the Act read with Companies (Accounts) Rules, 2014 permit companies to service delivery of documents electronically on the registered members'/members' email addresses. The Company, during the year under review, sent documents, such as notice calling the general meeting, audited financial statements, Directors' Report, auditors' report etc., in electronic form at the email addresses provided by the members and made available by them to the Company through the depositories. Shareholders desiring to receive the said documents in physical form continued to get the same in physical form, upon request, during the year under review.

All financial and other vital official news releases and documents under SEBI Listing Regulations 2015 are also communicated to the concerned stock exchanges, besides being placed on the Company's website.

Information on Annual General Meetings and details of special resolution(s) passed

During the previous three years, the annual general meetings (AGM) of the Company were held/deemed to be held at the registered office of the Company at Mumbai-Pune Road, Akurdi, Pune 411 035 on the following dates and time

| AGM Number | Date & Time | Details of special resolution(s) passed at the Annual General Meetings, if any |
|------------|----------------------------|---|
| 43rd | 16 July 2018 at 12.15 p.m. | Appointment of Vrushali Agashe as an Independent Director for the second term of five years |
| 44th | 24 July 2019 at 12.15 p.m. | None |
| 45th | 20 July 2020 at 12.15 p.m. | None |

All resolutions proposed by the Board have been passed with overwhelming majority by the members.

Special resolution(s) passed through postal ballot

During FY2021, no special resolution was passed by way of postal ballot.

Details of capital market non-compliance, if any

The Company has complied with all the applicable legal requirements. No penalty or stricture has been imposed on the Company by any of the stock exchanges, SEBI or any other statutory authority, in any matter related to capital markets, during the last three years.

Compliance Certificate

The CEO & Manager has certified to the Board with regard to the financial statements and other matters as required under the SEBI Listing Regulations.

Report on corporate governance

This chapter, read together with the information given in the Directors' Report and the section on "Management Discussion and Analysis" and "General Shareholder Information", constitute the compliance report on Corporate Governance during FY2021. The Company has been regularly submitting the quarterly compliance report to the Stock exchanges as required under SEBI Listing Regulations.

Disclosure under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The disclosure as required under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 is given below:

| | | |
|----|--|-----|
| a. | number of complaints filed during the financial year | Nil |
| b. | number of complaints disposed of during the financial year | Nil |
| c. | number of complaints pending as on end of the financial year | Nil |

Statutory Auditors

Kirtane & Pandit LLP are the Statutory Auditors of the Company. During the year under review, the total fees paid by the Company to them are as follows:

| Sr. No. | Particulars | Statutory Audit Fee | Limited Review fee | Tax audit fee | Amount (in ₹) |
|---------|----------------------|---------------------|--------------------|---------------|----------------|
| | | | | | Other Services |
| 1. | Kirtane & Pandit LLP | 750,000 | 125,000 | - | 70,000 |

Auditors' certificate on corporate governance

The Company has obtained a certificate from its statutory auditors regarding compliance with the provisions relating to corporate governance laid down under the SEBI Listing Regulations. The same is annexed to the Directors' Report.

COMPLIANCE OF MANDATORY AND DISCRETIONARY REQUIREMENT

Mandatory:

The Company has complied with all the mandatory requirements of the SEBI Listing Regulations.

Discretionary:

The Company has also complied with the following discretionary requirements as stipulated in the SEBI Listing Regulations:-

a) Modified opinion(s) in audit report

The Company confirms that its financial statements are with unmodified audit opinion.

b) Reporting of Internal Auditor

The Internal Auditor reports directly to the Audit Committee.

GENERAL SHAREHOLDER INFORMATION

46th Annual General Meeting (AGM)

| | |
|----------------|---|
| Date | 21 July 2021 |
| Time | 4.15 p.m. |
| Venue/Mode | The Company is conducting meeting through video conferencing ('VC') / other audio-visual means ('OAVM'), pursuant to Ministry of Corporate Affairs (MCA) & Securities and Exchange Board of India (SEBI) circulars. For details, please refer to the Notice of AGM. |
| Financial Year | 1 April 2020 to 31 March 2021 |

MCA vide its circular dated 8 April 2020, 13 April 2020, 5 May 2020, 13 January 2021 read with SEBI circulars dated 12 May 2020 and 15 January 2021 has provided an option to companies to conduct AGM through 'VC or OAVM' and send financial statements (including Directors' Report, Auditors Report and other documents to be attached therewith) through email.

Accordingly, like in the previous year, this year as well, the Annual report of the Company for FY2021 along with the Notice of AGM are being sent by email to the members, and all other persons/entities entitled to receive the same and the 46th AGM will be convened through VC or OAVM. The Company has also made arrangements for those members who have not yet registered their email address to get the same registered by following the procedure prescribed in the notice of AGM.

Tentative meeting schedule for considering financial related matters for FY2022

| | |
|---|-----------------------------|
| Unaudited first quarter financial results | July |
| Unaudited second quarter financial results | October |
| Unaudited third quarter financial results | January/early February 2022 |
| Approval of audited annual results for year ending 31 March | April 2022/early May 2022 |

Registrar and Share transfer agent (STA)

Pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the 'SEBI Listing Regulations'), KFin Technologies Pvt. Ltd. (referred to as 'KFin') continues to be the Registrar and Share Transfer Agent; and handle all relevant share registry services.

All physical transfers (to the extent permitted), transmission, transposition, issue of duplicate share certificate(s), issue of demand drafts in lieu of dividend warrants, etc., as well as requests for dematerialisation/rematerialisation are processed by KFin. The work related to dematerialisation/rematerialisation is handled by KFin through connectivity with NSDL and CDSL.

Dates of book closure

The register of members and share transfer books of the Company will remain closed from Saturday, 10 July 2021 to Wednesday, 21 July 2021 (both days inclusive) for the purpose of payment of dividend.

Dividend and date of dividend payment

The Board of Directors has proposed a dividend of ₹ 50 per equity share (500%) for FY2021, subject to approval by members at the ensuing AGM as against dividend of ₹ 50 per equity share (500%) paid for the previous year.

Dividend on equity shares, if declared, at the AGM, will be credited/dispatched between 26 July 2021 and/or 27 July 2021 as under:

- a) To all those members holding shares in physical form, as per the details provided to the Company by the share transfer agent of the Company i.e. KFin, as on closing hours on Friday, 9 July 2021; and
- b) To all those beneficial owners holding shares in electronic form as per beneficial ownership details provided to the Company by NSDL and CDSL, as of the closing hours of the day on Friday, 9 July 2021.

Payment of dividend

SEBI Listing Regulations read with SEBI circular dated 20 April 2018, require companies to use any electronic mode of payment approved by the Reserve Bank of India (RBI) for making payment to members. Accordingly, the dividend, if declared will be paid through electronic mode, where the bank account details of the members are available. Where dividend payments are made through electronic mode, intimation regarding such remittance will be sent separately to the members.

In cases where the dividend cannot be paid through electronic mode, it will be paid by account payee/non-negotiable instruments/warrants with bank account details printed thereon. In case of non-availability of bank account details, address of the members will be printed on such payment instruments.

Pursuant to the circular mentioned above, the Company has written to members holding shares in physical form requesting them to furnish details regarding their PAN and also their bank details for payment of dividend through electronic mode. Those members who are yet to respond to the Company's appeal in this regard are again requested to take action in the matter at the earliest.

To enable payment of dividend through electronic mode, members holding shares in physical form are requested to furnish, on or before 9 July 2021, updated particulars of their bank accounts to KFin along with a photocopy of a cancelled cheque of the bank account and self-attested copy of PAN card.

Beneficial owners holding shares in electronic form are requested to furnish their bank account details to their respective depository participants and ensure that such changes are recorded by them correctly before 9 July 2021. The request to update particulars of bank account should be signed as per the specimen signature registered with KFin/depository participants, as the case may be.

Tax deducted at source (TDS) on dividend

As per the amended Income Tax Act, 1961, there will be no Dividend Distribution Tax payable by the Company. The dividend, if declared will be taxable in the hands of the members. For details, members are requested to refer to the 'Notice of AGM.'

Unclaimed dividends

Pursuant to the provisions of Companies Act, 2013 (referred to as 'the Act'), any money transferred by the Company to the unpaid dividend account and remaining unclaimed for a period of seven years from the date of such transfer shall be transferred to a fund called the Investor Education and Protection Fund (the 'Fund') set up by the Central Government. Accordingly, unpaid/unclaimed dividend for the financial years 2007-08 to 2012-13 has been already transferred by the Company to the said Fund from September 2015 onwards.

Unpaid/unclaimed dividend for the financial year 2013-14 shall be due for transfer to the Fund in August 2021. Members are requested to verify their records and send their claim, if any, for 2013-14, before such amount become due for transfer. Communications are being sent to members, who have not yet claimed dividend for 2013-14, requesting them to claim the same as well as unpaid dividend, if any, for subsequent years.

The following are the details of unclaimed dividends which are due to be transferred to the Fund in the coming years including current year. Once again, members who have not claimed the dividends till date, are requested to verify their records and send their claim, if any, before the same becomes due for transfer as per the table given below

| Year | Dividend Type | Date of Declaration/ AGM Date | Last date for claiming dividend | Due date for transfer |
|-----------|------------------------------|-------------------------------|---------------------------------|-----------------------|
| 2013-2014 | Final | 15 July 2014 | 12 August 2021 | 11 September 2021 |
| 2014-2015 | Final | 21 July 2015 | 19 August 2022 | 18 September 2022 |
| 2015-2016 | Interim (Confirmed as Final) | 15 March 2016 | 14 April 2023 | 14 May 2023 |
| 2016-2017 | Final | 18 July 2017 | 16 August 2024 | 15 September 2024 |
| 2017-2018 | Final | 16 July 2018 | 14 August 2025 | 13 September 2025 |
| 2018-2019 | Final | 24 July 2019 | 22 August 2026 | 21 September 2026 |
| 2019-2020 | Interim (Confirmed as Final) | 21 February 2020 | 7 April 2027 | 6 May 2027 |

The Company has uploaded the details of unclaimed dividend on the Company's website at <https://www.bajajauto.com/MSL-html/html/investorsrel.html#AGM> and also on website specified by the Ministry of Corporate Affairs <http://www.iepf.gov.in>

Transfer of shares to IEPF

Pursuant to the Act and the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended (the 'IEPF Rules'), all shares in respect of which dividend has not been paid or claimed for seven consecutive years or more shall be transferred by the Company to the IEPF, within 30 days of such shares becoming due for transfer.

Accordingly, the Company will send individual letters through ordinary/speed post/e-mail to such members, whose dividend from the year 2013-14 has remained unclaimed, requesting them to claim the amount of unpaid dividend on or before the Company transfer the related shares to the demat account of IEPF. The Company also publishes, on an annual basis, a notice in the newspapers intimating the members regarding the said transfer. These details are also made available on the Company's website at <https://www.bajajauto.com/MSL-html/html/investorsrel.html#AGM>

During the year under review, the Company transferred 8,634 equity shares of the face value of ₹ 10 each in respect of 41 members to the Demat Account of the IEPF Authority held with NSDL. Details of such members, whose shares are transferred to IEPF and their unpaid dividends for the subsequent years are available to the concerned members on the website of the Company at <https://www.bajajauto.com/MSL-html/html/investorsrel.html>

Shareholders can claim such unpaid dividends and underlying shares transferred to the Fund by following the procedure prescribed in the IEPF Rules. A link to the procedure to claim is available on the Company's website at <https://www.bajajauto.com/MSL-html/html/investorsrel.html#AGM>

Shareholders are requested to get in touch with the compliance officer for further details on the subject at ssubramaniam@bhil.in

Share transfer system

SEBI amended regulation 40 of the SEBI Listing Regulations, prohibiting transfer of securities (except transmission or transposition of shares) in physical form from 1 April 2019. Accordingly, the Company had sent letters to members holding shares in physical form advising them to dematerialise their holdings.

During FY2021, as confirmed to us by KFin, there were no transfer of shares effected in physical form.

Further, SEBI vide its circular has fixed 31 March 2021 as the cut-off date for re-lodgment and that such transferred shares shall be issued only in demat mode and provided operational guidelines for effecting demat to the transferee's account.

The details of physical transfer/transmission were placed before the Board of Directors on a quarterly basis.

Investor Grievance Redressal Mechanism

SEBI has issued a circular, SEBI/HO/OIAE/IGRD/CIR/P/2020/152 dated 13 August 2020, laying down the mechanism for redressal of investor complaints by companies and stock exchanges effective from 1 September 2020. This outlines the procedure for handling complaints by stock exchanges as well as standard operating procedure for actions to be taken against listed companies for failure to redress investor grievances.

An investor can raise complaints on non-receipt of bonus shares, of dividend, of duplicate share certificate, and delays in demat/remat etc. Complaints pertaining to deposits and IEPF matters are not governed by this circular.

For further details members are advised to refer the aforesaid circular.

E-Voting Facility provided by Listed Entities

SEBI has issued a circular dated 9 December 2020 for increase in the participation by the public non-institutional Shareholders/retail Shareholders. It has been decided to enable e-voting to all the demat account holders, via a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants. Demat account holders will be able to cast their vote without having to register again with the e-voting service providers (ESPs). This will not only facilitate seamless authentication but also enhance the ease and convenience of participating in the e-voting process.

Shareholders are advised to refer to the notice of AGM for the ways in which they may register to cast their votes.

Dematerialisation/rematerialisation of shares and liquidity

During FY2021, 32,970 shares were dematerialised. There were no shares which were rematerialised, during FY2021.

Table 1 : Shares held in physical and electronic mode

| Particulars | Position as on 31 March 2021 | | Position as on 31 March 2020 | | Net change during 2020-21 | |
|-------------|------------------------------|-------------------------|------------------------------|-------------------------|---------------------------|-------------------------|
| | No. of shares | % of total shareholding | No. of shares | % of total shareholding | No. of shares | % of total shareholding |
| Physical | 276,525 | 2.42 | 297,162 | 2.60 | (20,637) | (0.18) |
| Demat: | | | | | | |
| NSDL | 9,430,920 | 82.52 | 9,444,797 | 82.64 | (13,877) | (0.12) |
| CDSL | 1,721,123 | 15.06 | 1,686,609 | 14.76 | 34,514 | 0.30 |
| Total | 11,428,568 | 100.00 | 11,428,568 | 100.00 | - | - |

Stock code

| | |
|---|--------------|
| BSE Ltd. | 500266 |
| National Stock Exchange of India Ltd. (NSE) | MAHSCOOTER |
| ISIN for Depositories (NSDL and CDSL) | INE288A01013 |

Listing on stock exchanges

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

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

Pursuant to the SEBI Listing Regulations, the Company has entered into Uniform Listing Agreement with BSE and NSE.

The listing fees payable for the financial year 2020-21 to each of the above stock exchanges have been paid in full by the Company.

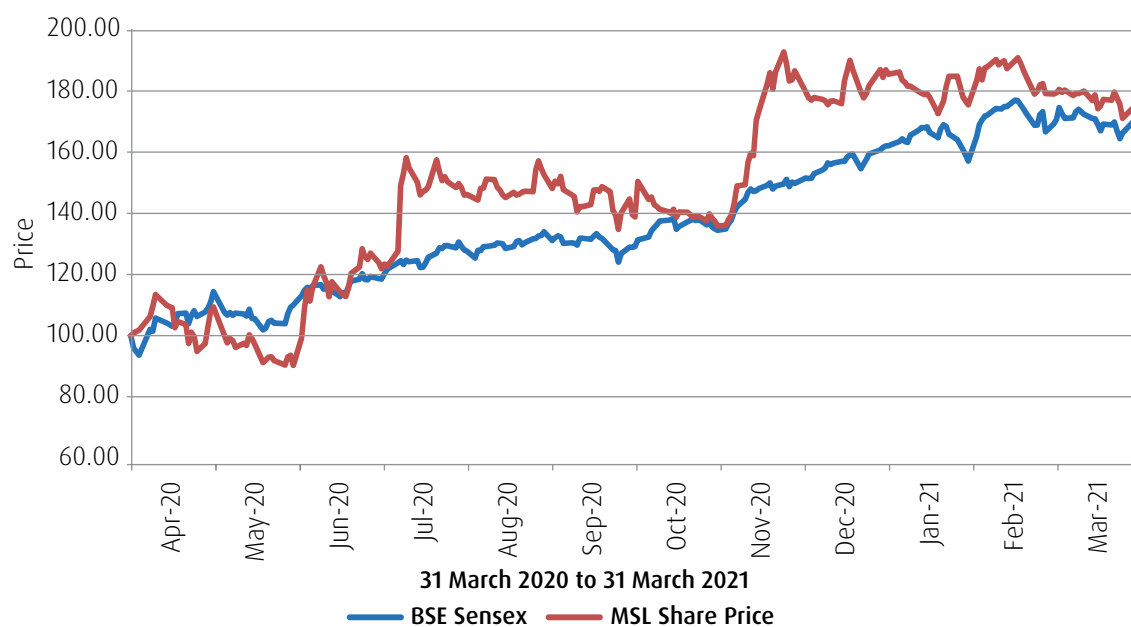
Market price data

Table 2 : Monthly highs and lows of the Company's share price on the BSE and the NSE during FY2021

| Month | BSE | | NSE | |
|--------|----------|----------|----------|----------|
| | High (₹) | Low (₹) | High (₹) | Low (₹) |
| Apr-20 | 2,538.00 | 1,934.00 | 2,415.00 | 1,930.20 |
| May-20 | 2,154.40 | 1,815.00 | 2,199.95 | 1,813.00 |
| Jun-20 | 2,748.30 | 1,885.05 | 2,750.00 | 1,873.80 |
| Jul-20 | 3,382.00 | 2,511.00 | 3,380.00 | 2,498.00 |
| Aug-20 | 3,315.00 | 2,916.90 | 3,318.95 | 2,951.05 |
| Sep-20 | 3,151.00 | 2,752.75 | 3,149.00 | 2,737.05 |
| Oct-20 | 3,130.00 | 2,758.00 | 3,133.00 | 2,750.00 |
| Nov-20 | 3,995.00 | 2,770.00 | 4,009.95 | 2,751.00 |
| Dec-20 | 3,947.95 | 3,497.50 | 3,945.00 | 3,503.65 |
| Jan-21 | 3,940.00 | 3,540.00 | 3,940.00 | 3,531.00 |
| Feb-21 | 4,043.40 | 3,538.25 | 4,399.95 | 3,550.05 |
| Mar-21 | 3,848.95 | 3,483.90 | 3,781.40 | 3,353.95 |

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

Maharashtra Scooters Ltd. stock performance vs BSE Sensex, during 2020-21, indexed to 100 on 31 March 2020



Distribution of shareholding

Table 3 gives details about the pattern of shareholding across various categories as on 31 March 2021, while Table 4 gives the data according to size classes.

Table 3: Distribution of shareholding across categories as on

| Categories | 31 March 2021 | | 31 March 2020 | |
|---|-------------------|--------------------|-------------------|--------------------|
| | No. of shares | % to total capital | No. of shares | % to total capital |
| Promoters | 5,828,560 | 51.00 | 5,828,560 | 51.00 |
| Foreign Institutional Investors / Foreign Portfolio Investors | 516,567 | 4.52 | 576,920 | 5.05 |
| Mutual Funds | 3,019 | 0.03 | 1,822 | 0.02 |
| Banks & Insurance | 346,319 | 3.03 | 348,673 | 3.05 |
| NRIs | 158,461 | 1.39 | 113,653 | 0.99 |
| Bodies Corporates | 1,001,959 | 8.77 | 1,035,269 | 9.06 |
| Resident Individuals | 3,183,306 | 27.85 | 3,102,057 | 27.14 |
| Others | 390,377 | 3.41 | 421,614 | 3.69 |
| Total | 11,428,568 | 100.00 | 11,428,568 | 100.00 |

Table 4 : Distribution of shareholding according to size class as on 31 March 2021

| Category (Shares) | No. of Members | % to Members | No. of Shares | % to Equity Capital |
|--------------------------|-----------------------|---------------------|----------------------|----------------------------|
| 1 - 500 | 17,851 | 94.93 | 1,358,379 | 11.89 |
| 501 - 1000 | 500 | 2.66 | 350,360 | 3.07 |
| 1001 - 2000 | 225 | 1.20 | 318,382 | 2.79 |
| 2001 - 3000 | 80 | 0.43 | 190,621 | 1.67 |
| 3001 - 4000 | 27 | 0.14 | 97,363 | 0.85 |
| 4001 - 5000 | 32 | 0.17 | 144,700 | 1.26 |
| 5001 - 10000 | 37 | 0.20 | 260,954 | 2.28 |
| 10001 and above | 52 | 0.27 | 8,707,809 | 76.19 |
| TOTAL: | 18,804 | 100.00 | 11,428,568 | 100.00 |

Shareholders' and investors' grievances

The Board of Directors of the Company currently has a Stakeholders Relationship Committee consisting of three non-executive directors to specifically look into and resolve grievances of security-holders on various matters. Routine queries/complaints received from Shareholders are promptly attended to and replied. Queries/complaints received during the period under review related to non-receipt of dividend by warrants as well as through electronic clearing service, non-receipt of annual report, non-receipt of transferred shares and change of address and/or bank particulars. As on 31 March 2021, there were no pending issues to be addressed or resolved.

During the year, a letter was received from Investor/SEBI (SCORES) concerning 2 (Two) complaints filed by a shareholder. In respect of the said complaint, reply was sent to Investor/Action Taken Report uploaded on SCORES and no complaint remained pending to be attended to/resolved.

Green Initiative

The Company believes in driving environmental initiatives. As a step in this direction, it availed of special services offered by NSDL/CDSL to update email addresses of Shareholders holding shares with depository participant registered with NSDL/CDSL and who have not registered their email addresses. This would enable such Shareholders to immediately receive various email communication from the Company from time to time including the Annual Report, dividend credit intimation etc. Shareholders who have not updated their email, are requested to update their email id, by sending a request to the Company/KFin or their respective depository participant.

KPRISM- Mobile service application by KFIN

Members should note that our Registrar and Share Transfer Agent – KFin has launched a new mobile app KPRISM and a website <https://kprism.kfintech.com/> for our investors. Members can download the mobile app and see their portfolios serviced by KFIN; check their dividend status; request for annual reports; register change of address; register change in the bank account or update the bank mandate; and download the standard forms. This android mobile application can be downloaded from Google Play Store.

Demat Suspense Account for Unclaimed shares

According to the provisions of the SEBI Listing Regulations, the Company has a demat account titled 'Maharashtra Scooters Ltd. – Unclaimed Suspense Account' with HDFC Bank Ltd., Pune, to which unclaimed shares were transferred.

The summary of this account for 2020-21 is as follows

| Sr. No. | Particulars | No. of members | No. of shares |
|---------|--|----------------|---------------|
| 1. | Aggregate No. of members and the outstanding shares lying in the Unclaimed Suspense Account at the beginning of the year i.e. 1 April 2020 | 54 | 5,761 |
| 2. | No. of members who approached the Company for transfer of shares from the Unclaimed Suspense Account during the year 2020-21 | 1 | 50 |
| 3. | No. of members to whom shares were transferred from the Unclaimed Suspense Account during the year 2020-21 | 1 | 50 |
| 4. | Transferred to Investor Education and Protection Fund Authority | 1 | 100 |
| 5. | Aggregate No. of members and the outstanding shares lying in the Unclaimed Suspense Account at the end of the year i.e. 31 March 2021 | 52 | 5,611 |

The Company, acting as a trustee in respect of the unclaimed shares, follows the modalities for the operation of the said account in the manner set out in SEBI Listing Regulations.

The shares lying in the aforesaid account will be transferred to the concerned members on lodging of the claim and after proper verification. Till such time, the voting rights on these shares will remain frozen.

Nomination

Individual members holding shares singly or jointly in physical form can nominate a person in whose name the shares shall be transferable in the case of death of the registered shareholder(s). The prescribed nomination form (SH-13) will be sent by the share transfer agent of the Company upon such request and is also available on the Company's website <https://www.bajajauto.com/MSL-html/html/investors.html>.

Nomination facility for shares held in electronic form is also available with depository participant.

Voting through electronic means

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

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

The members would therefore be able to exercise their voting rights on the items put up in the Notice of AGM, through such e-voting method. Further, in accordance with the Companies (Management and Administration) Rules, 2014 and MCA circulars, the Company will also provide e-voting facility for members attending the AGM through VC or OAVM.

Members, who are attending the meeting through VC or OAVM and who have not already cast their votes by remote e-voting shall only be able to exercise their right of voting at the meeting.

Cut-off date, as per the said Rules, shall be 14 July 2021 (end of day) and the remote E-voting shall be open from 18 July 2021 (9.00 a.m.) till 20 July 2021 (5.00 p.m.). The Board has appointed Shyamprasad D Limaye, Practising Company Secretary as scrutinizer for the e-voting process.

The detailed procedure is given in the notice of the 46th annual general meeting and also placed on the Company's website at <https://www.bajajauto.com/MSL-html/html/investorsrel.html#AGM>

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

Outstanding convertible instruments/ADRs/GDRs/warrants

The Company does not have any outstanding convertible instruments/ADRs/GDRs/warrants as on date of this Report.

Credit Rating

Since the Company had no borrowings during the year under review, no credit ratings were required to be obtained from any credit rating agencies.

Address for correspondence

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

Share transfer agent

KFin Technologies Pvt. Ltd.

Unit: Maharashtra Scooters Ltd.
Selenium Tower B
Plot 31-32, Gachibowli
Financial District, Nanakramguda
Hyderabad - 500 032

Contact Persons

M.S. Madhusudan/Mohd. Mohsinuddin
Phone No. (040) 6716 1500
Fax No.: (040) 2300 1153
Phone No. (040) 6716 1562
E-mail: einward.ris@kfintech.com
Website: www.kfintech.com

Company

Maharashtra Scooters Ltd.
C/o. Bajaj Auto Ltd.
Mumbai-Pune Road, Akurdi
Pune - 411 035.

Company Secretary and Compliance Officer

Sriram Subbramaniam
Phone No. 020 6610 7150
E-mail: ssubbramaniam@bhil.in
Website: <https://www.bajajauto.com/MSL-html/html/investors.html>

FINANCIAL STATEMENTS

Independent Auditors' Report on the Financial Statements

To the Members of **Maharashtra Scooters Ltd.**

Opinion

We have audited the accompanying financial statements of Maharashtra Scooters Ltd. ('the Company'), which comprise the Balance Sheet as at 31 March 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as 'the financial statements').

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ('Ind AS') and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2021, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. We have determined that there are no key audit matters to communicate in our report.

Information other than the financial statements and auditor's report thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Corporate Governance and Shareholder's Information, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's responsibility for the financial statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments

Independent Auditors' Report on the Financial Statements (Contd.)

and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

Independent Auditors' Report on the Financial Statements (Contd.)

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of the written representations received from the directors as on 31 March 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2021 from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in 'Annexure A'. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
 - h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 30 to the financial statements
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

Independent Auditors' Report on the Financial Statements (Contd.)

2. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government in terms of Section 143(11) of the Act, we give in 'Annexure B' a statement on the matters specified in paragraphs 3 and 4 of the Order.

For Kirtane & Pandit LLP
Chartered Accountants
Firm Registration Number: 105215W/W100057

Suhas Deshpande
Partner
Membership Number: 31787
UDIN: 21031787AAAAAM4279

Pune: 28 April 2021

Annexure A to Independent Auditors' Report

(Referred to in paragraph 1(f) under 'Report on other legal and regulatory requirements' section of our report to the Members of Maharashtra Scooters Ltd. of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

We have audited the internal financial controls over financial reporting of Maharashtra Scooters Ltd. ('the Company') as of 31 March 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's responsibility for internal financial controls

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Company.

Meaning of internal financial controls over financial reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Limitations of internal financial controls over financial reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are

Annexure A to Independent Auditors' Report (Contd.)

subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Kirtane & Pandit LLP
Chartered Accountants
Firm Registration Number: 105215W/W100057

Suhas Deshpande
Partner
Membership Number: 31787
UDIN: 21031787AAAAAM4279

Pune: 28 April 2021

Annexure B to Independent Auditors' Report

(Referred to in paragraph 2 under 'Report on other legal and regulatory requirements' section of our report to the Members of Maharashtra Scooters Ltd. of even date)

- i. In respect of the Company's property, plant and equipment:
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
 - (b) According to the information and explanations given to us, Property, plant and equipment were physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of physical verification of Property, plant and equipment is reasonable.
 - (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties as reported in note 2 of financial statements are held in the name of the Company.
- ii. As informed to us, the physical verification of inventory has been conducted by the management at reasonable intervals and the no material discrepancies were noticed on such verification.
- iii. The Company has not granted any loans, secured or unsecured, to Companies, Firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act. Accordingly, paragraph 3(iii) of the Order is not applicable.
- iv. In our opinion and according to information and explanations given to us, the Company has complied with the provisions of section 186 of the Companies Act, 2013 in respect of investments and loans given. Further the Company has not given any guarantee or security in connection with a loan to any other body corporate or person. Further company has not given any loan to directors as per section 185 of the act.
- v. The Company has not accepted deposits during the year and does not have any unclaimed deposits as at 31 March 2021 and therefore, the paragraph 3 (v) of the Order is not applicable to the Company.
- vi. In our opinion and according to the information and explanations given to us, Maintenance of Cost Records, for the Company, has not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013.
- vii. According to the information and explanations given to us, in respect of statutory dues:
 - (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues applicable to it with the appropriate authorities. There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues in arrears as at 31 March 2021 for a period of more than six months from the date they became payable.

Annexure B to Independent Auditors' Report (Contd.)

(b) Details of disputed amounts of Income Tax, Sales Tax, Service Tax, Excise Duty and Value Added Tax as at 31 March 2021 are given below:

| Sl. No. | Name of the statute | Nature of the dues | Amount in Dispute (₹ In Lakh) | Period(s) to which the amount relate | Forum where such dispute is pending |
|---------|--|--------------------|-------------------------------|--|--|
| 1 | The Bombay Sales Tax Act, 1959 and The Central Sales Tax Act, 1956 | Sales Tax | 388.08 | 2001-02 and 2002-03 | Maharashtra Sales Tax Tribunal, Mumbai |
| 2 | Central Sales Tax Act, 1956 | Sales Tax | 31.60 | 2005-06 | Maharashtra Sales Tax Tribunal, Mumbai |
| 3 | Maharashtra Value added Tax Act, 2002 | Value Added Tax | 1.91 | 2014-15 to 2016-17 | Joint Commissioner, of Sales tax, Kolhapur |
| 4 | Income Tax Act, 1961 | Income Tax | 112.63 | 2007-08 to 2011-12, 2016-17 to 2017-18 | CIT Appeals, Pune |
| 5 | Income Tax Act, 1961 | Income Tax | 45.71 | 2012-13 to 2014-15 | Income Tax Appellate Tribunal, Pune |
| 6 | Income Tax Act, 1961 | Income Tax | 39.84 | 1997-98 and 1998-99 | High Court at Mumbai |
| 7 | Central Excise Act, 1944 | Excise Duty | 3.19 | 1985-86 to 1991-92 | Customs, Excise and Service Tax Appellate Tribunal, Mumbai |
| | | | 12.14 | 1985-86 to 1995-96 | High Court at Mumbai |
| | | | 4.66 | 1994-95 and 1995-96 | Assistant Commissioner, Satara |
| | | | 0.28 | 1987-88 | |

- viii. In our opinion and according to the information and explanations given to us, the Company did not have any outstanding loans or borrowings to financial institutions, banks and government and dues to debenture holders.
- ix. In our opinion and according to the information and explanations given to us, the Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) and term loans during the year hence reporting under paragraph 3(ix) of the Order is not applicable to the Company.
- x. According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- xi. In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- xii. The Company is not a Nidhi Company and hence reporting under paragraph 3 (xii) of the Order is not applicable to the Company.
- xiii. In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under paragraph 3(xiv) of the Order is not applicable to the Company.

Annexure B to Independent Auditors' Report (Contd.)

- xv. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi. According to the information and explanations given to us, and based on our examination of the records of the Company, the Company has been classified as a Core Investment Company not requiring registration with Reserve Bank of India pursuant to the provisions of section 45-IA of RBI Act, 1934.

For Kirtane & Pandit LLP
Chartered Accountants
Firm Registration Number: 105215W/W100057

Suhas Deshpande
Partner
Membership Number: 31787
UDIN: 21031787AAAAAM4279

Pune: 28 April 2021

Balance Sheet

| Particulars | Note No. | (₹ In Lakh) | |
|-------------------------------|----------|---------------------|-------------------|
| | | As at 31 March | |
| | | 2021 | 2020 |
| ASSETS | | | |
| Non-current assets | | | |
| Property, plant and equipment | 2 | 1,428.27 | 1,533.04 |
| Capital work-in-progress | 2 | - | - |
| Financial assets | | | |
| Investments | 3A | 1,716,112.79 | 797,970.56 |
| Other financial assets | 5 | 10.86 | 11.00 |
| Deferred tax assets (net) | 14 | - | 3,317.01 |
| Other non-current assets | 6 | 30.31 | 30.12 |
| | | 1,717,582.23 | 802,861.73 |
| Current assets | | | |
| Inventories | 7 | 360.42 | 335.64 |
| Financial assets | | | |
| Investments | 3B | 2,802.93 | 10,017.75 |
| Trade receivables | 8 | 683.29 | 469.95 |
| Cash and cash equivalents | 9 | 59.97 | 7,515.96 |
| Other bank balances | 10 | 5,564.80 | 675.66 |
| Loans | 4 | - | 1.33 |
| Other financial assets | 5 | 916.09 | 562.25 |
| Other current assets | 6 | 20.00 | 79.71 |
| | | 10,407.50 | 19,658.25 |
| Total | | 1,727,989.73 | 822,519.98 |

Balance Sheet (Contd.)

(₹ In Lakh)

As at 31 March

| Particulars | Note No. | 2021 | 2020 |
|--|----------|---------------------|-------------------|
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| Equity share capital | 11 | 1,142.86 | 1,142.86 |
| Other equity | 12 | 1,623,213.83 | 819,934.59 |
| | | 1,624,356.69 | 821,077.45 |
| Liabilities | | | |
| Non-current liabilities | | | |
| Financial liabilities | | | |
| Other financial liabilities | 16 | 11.10 | 7.80 |
| Deferred tax liabilities (net) | 14 | 102,428.35 | - |
| Other non-current liabilities | 15 | 31.18 | 146.59 |
| Provisions | 13 | 44.71 | 76.87 |
| | | 102,515.34 | 231.26 |
| Current liabilities | | | |
| Financial liabilities | | | |
| Trade payables | | | |
| Total outstanding dues of micro enterprises and small enterprises | | 11.13 | 34.35 |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | | 206.98 | 72.03 |
| Other financial liabilities | 16 | 628.44 | 693.92 |
| Other current liabilities | 17 | 189.48 | 322.67 |
| Provisions | 13 | 81.67 | 88.30 |
| | | 1,117.70 | 1,211.27 |
| Total | | 1,727,989.73 | 822,519.98 |

Summary of significant accounting policies followed by the Company

1

The accompanying notes are an integral part of the financial statements

In terms of our report of even date

On behalf of the Board of Directors

For Kirtane & Pandit LLP

Chartered Accountants

Firm Registration Number: 105215W/W100057

Suhas Deshpande

Partner

Membership Number: 31787

Anant Marathe
Chief Financial OfficerSanjiv Bajaj
ChairmanSriram Subbramaniam
Company SecretaryV. Rajagopalan
Director

Pune: 28 April 2021

Statement of Profit and Loss

| Particulars | Note No. | For the year ended 31 March | |
|---|----------|-----------------------------|------------------|
| | | ₹ In Lakh) | |
| | | 2021 | 2020 |
| Sales | | 1,515.36 | 1,523.06 |
| Other operating revenue | | 12.58 | 14.49 |
| Revenue from operations | 18 | 1,527.94 | 1,537.55 |
| Other income | 19 | 1,543.52 | 19,845.45 |
| Total income | | 3,071.46 | 21,383.00 |
| Expenses | | | |
| Cost of raw material and components consumed | 20 | 839.73 | 938.95 |
| Changes in inventories of finished goods and work-in-progress | 21 | (28.23) | (173.06) |
| Employee benefits expenses | 22 | 799.51 | 864.52 |
| Depreciation and amortisation expense | 23 | 193.40 | 181.55 |
| Other expenses | 24 | 362.57 | 391.08 |
| Total expenses | | 2,166.98 | 2,203.04 |
| Profit before tax | | 904.48 | 19,179.96 |
| Tax expense | | | |
| Current tax | | 66.00 | 254.00 |
| Tax debits pertaining to earlier years | | - | 21.52 |
| Deferred tax | | (42.74) | 10.17 |
| Provision for possible non-utilisation of MAT credit | | - | 900.00 |
| Total tax expense | 25 | 23.26 | 1,185.69 |
| Profit for the year | | 881.22 | 17,994.27 |

Statement of Profit and Loss (Contd.)

| Particulars | Note No. | For the year ended 31 March | |
|--|----------|-----------------------------|---------------------|
| | | 2021 | 2020 |
| (₹ In Lakh) | | | |
| Other comprehensive income | | | |
| Items that will not be reclassified to profit or loss | | | |
| Actuarial gains/losses of defined benefit plans | | 16.49 | (29.01) |
| Tax impacts on above | | (4.50) | 6.92 |
| Changes in fair value of equity instruments (FVOCI) | | 908,169.63 | (359,675.77) |
| Tax impacts on above | | (105,783.60) | 41,895.03 |
| Items that will be reclassified to profit or loss | | - | - |
| Other comprehensive income for the year (net of tax) | | 802,398.02 | (317,802.83) |
| Total comprehensive income for the year | | 803,279.24 | (299,808.56) |
| Basic and diluted Earnings per share (in ₹) | 26 | 7.71 | 157.45 |
| (Nominal value per share ₹ 10) | | | |
| Summary of significant accounting policies followed by the Company | 1 | | |

The accompanying notes are an integral part of the financial statements

In terms of our report of even date

On behalf of the Board of Directors

For Kirtane & Pandit LLP
Chartered Accountants
Firm Registration Number: 105215W/W100057

Suhas Deshpande
Partner
Membership Number: 31787

Anant Marathe
Chief Financial Officer

Sanjiv Bajaj
Chairman

Pune: 28 April 2021

Sriram Subbramaniam
Company Secretary

V. Rajagopalan
Director

Statement of Changes in Equity

A. Equity share capital

| Particulars | (₹ In Lakh) | |
|---|-----------------------------|----------|
| | For the year ended 31 March | |
| | 2021 | 2020 |
| At the beginning of the year | 1,142.86 | 1,142.86 |
| Changes in equity share capital during the year | - | - |
| At the end of the year | 1,142.86 | 1,142.86 |

B. Other equity

| Particulars | Note No. | Reserves and surplus | | Other reserves | Total other equity |
|--|----------|----------------------|-------------------|--------------------------|--------------------|
| | | General reserve | Retained earnings | FVOCI-Equity Instruments | |
| | | (₹ In Lakh) | | | |
| Balance as at 31 March 2019 | 12 | 26,556.10 | 9,469.01 | 1,095,153.57 | 1,131,178.68 |
| Profit for the year | | - | 17,994.27 | - | 17,994.27 |
| Other comprehensive income (net of tax) | | - | (22.09) | (317,780.74) | (317,802.83) |
| Total comprehensive income for the year ended 31 March 2020 | | - | 17,972.18 | (317,780.74) | (299,808.56) |
| Final dividend, declared and paid during the year | | - | (3,771.43) | - | (3,771.43) |
| Tax on final dividend | | - | (775.23) | - | (775.23) |
| Interim dividend, declared and paid during the year | | - | (5,714.28) | - | (5,714.28) |
| Tax on Interim dividend | | - | (1,174.59) | - | (1,174.59) |
| Balance as at 31 March 2020 | 12 | 26,556.10 | 16,005.66 | 777,372.83 | 819,934.59 |
| Profit for the year | | - | 881.22 | - | 881.22 |
| Other comprehensive income (net of tax) | | - | 11.99 | 802,386.03 | 802,398.02 |
| Total comprehensive income for the year ended 31 March 2021 | | - | 893.21 | 802,386.03 | 803,279.24 |
| Final dividend, declared and paid during the year | | - | - | - | - |
| Balance as at 31 March 2021 | 12 | 26,556.10 | 16,898.87 | 1,579,758.86 | 1,623,213.83 |
| Summary of significant accounting policies followed by the Company | 1 | | | | |

The accompanying notes are an integral part of the financial statements

In terms of our report of even date

For Kirtane & Pandit LLP
Chartered Accountants
Firm Registration Number: 105215W/W100057

Suhas Deshpande
Partner
Membership Number: 31787

Pune: 28 April 2021

On behalf of the Board of Directors

Anant Marathe
Chief Financial Officer

Sriram Subbramianiam
Company Secretary

Sanjiv Bajaj
Chairman

V. Rajagopalan
Director

Statement of Cash Flows

(₹ In Lakh)

| Particulars | For the year ended 31 March | |
|--|-----------------------------|-----------------|
| | 2021 | 2020 |
| A. Operating activities: | | |
| Profit before tax | 904.48 | 19,179.96 |
| Adjustments | | |
| Add: | | |
| i) Depreciation and amortisation expense | 193.40 | 181.55 |
| ii) Loss on assets sold, demolished or discarded | 2.46 | 1.49 |
| | 195.86 | 183.04 |
| | 1,100.34 | 19,363.00 |
| Less: | | |
| i) Investment income included in above | | |
| Interest on fixed deposits | 236.20 | 10.76 |
| Interest on fixed income securities | 896.07 | 1,079.01 |
| Profit on sale of investments, net | 432.61 | 519.87 |
| Gain on valuation of Mutual funds | (15.99) | 16.21 |
| Dividend on long-term investments | - | 17,964.31 |
| Add: Amortisation of premium / discount on acquisition of fixed income securities, net | (35.96) | (28.26) |
| | 1,512.93 | 19,561.90 |
| ii) Surplus on sale of assets | 9.93 | 0.16 |
| | 1,522.86 | 19,562.06 |
| | (422.52) | (199.06) |
| Change in assets and liabilities | | |
| i) Inventories | (24.78) | (184.65) |
| ii) Trade receivables | (213.34) | (96.90) |
| iii) Loans and other assets | 280.97 | (111.26) |
| iv) Liabilities and provisions | (89.83) | (182.97) |
| | (46.98) | (575.78) |
| Net cash from operating activities before income tax | (469.50) | (774.84) |
| Income tax paid (refund) for earlier years | - | 385.79 |
| Income tax paid | (98.16) | (312.31) |
| Net cash from operating activities | (567.66) | (701.36) |

Statement of Cash Flows (Contd.)

| Particulars | (₹ In Lakh) | |
|--|-----------------------------|--------------------|
| | For the year ended 31 March | |
| | 2021 | 2020 |
| B. Investing activities: | | |
| i) Sale /redemption of investments | 10,500.00 | 15,398.53 |
| ii) Purchase of investments | (22,395.96) | (10,776.25) |
| iii) (Purchase)/sale of money market mutual funds, etc, net | 4,418.85 | (3,812.98) |
| iv) Purchase of fixed assets | (96.30) | (250.96) |
| v) Sale of fixed assets | 15.14 | 4.32 |
| | (7,558.27) | 562.66 |
| vi) Investment income | | |
| Interest on fixed income securities | 896.07 | 1,079.01 |
| Interest on fixed deposits | 236.20 | 10.76 |
| Dividend income on investments | - | 17,964.31 |
| | 1,132.27 | 19,054.08 |
| vii) (Increase)/decrease in interest receivable | (346.47) | (147.44) |
| Net cash from investing activities | (6,772.47) | 19,469.30 |
| C. Financing activities: | | |
| i) Dividend paid | (115.86) | (9,341.85) |
| ii) Dividend distribution tax paid | - | (1,949.82) |
| Net cash from financing activities | (115.86) | (11,291.67) |
| D. Net change in cash & cash equivalents (A+B+C) | (7,455.99) | 7,476.27 |
| E. Cash & cash equivalents at the beginning of the year | 7,515.96 | 39.69 |
| F. Cash & cash equivalents at the year end (See Note 9) | 59.97 | 7,515.96 |

Summary of significant accounting policies followed by the Company 1

The accompanying notes are an integral part of the financial statements

In terms of our report of even date

For Kirtane & Pandit LLP
Chartered Accountants

Firm Registration Number: 105215W/W100057

Suhas Deshpande
Partner
Membership Number: 31787

Pune: 28 April 2021

On behalf of the Board of Directors

Anant Marathe
Chief Financial Officer

Sanjiv Bajaj
Chairman

Sriram Subbramaniam
Company Secretary

V. Rajagopalan
Director

Notes to financial statements for the year ended 31 March 2021

Background

Maharashtra Scooters Ltd. (the Company) is a company limited by shares, incorporated and domiciled in India. The Company is engaged in the business manufacturing dies, jigs, fixtures and die casting components primarily for automobiles industry etc. The Company sells its products in India. The registered office of the Company is located at Bajaj Auto Ltd. Mumbai-Pune Road, Akurdi, Pune 411035.

Under the Master Circular – Core Investment Companies (Reserve Bank) Directions, 2016, the Company is termed as an unregistered Core Investment Company (CIC) as per Reserve Bank of India Guidelines dated 13 August 2020. As an unregistered CIC, the Company must invest at least 90% of its net assets in Group companies, of which at least 60% must be through equity investments.

1. Summary of significant accounting policies followed by the Company

Basis of preparation

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) read together with the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time and other relevant provisions of the Act, on an accrual basis.

The financial statements have been prepared on a historical cost basis, except for certain financial assets and financial liabilities that are measured at fair value or amortised book value.

These financial statements are presented in INR, which is the company's functional currency and all value are rounded to the nearest Lakhs, except otherwise indicated.

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

Significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

1) Use of estimates, judgments and assumptions

Estimates and assumptions used in the preparation of these financial statements and disclosures made therein 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. The following are items, which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about basis of calculation for each affected line item in the financial statements.

- a) Provision for employee benefits
- b) Provision for tax expenses
- c) Residual value and useful life of property, plant and equipment

2) Revenue from contract with customer

Revenue is recognised when control of goods and services have been transferred to the customer; at an amount that reflects the consideration which the Company expects to be entitled in exchange for those goods or services. The timing of when the company transfers the goods or provide services may differ from the timing of the customer's payment. Amounts disclosed as revenue are net of goods and service tax (GST).

Notes to financial statements for the year ended 31 March 2021 (Contd.)

1. Summary of significant accounting policies followed by the Company (Contd.)

The disclosures of significant accounting judgments, estimates and assumptions relating to revenue from contracts with customers are provided below.

a) Sales of Goods

Revenue is measured at the fair value of the consideration received or receivable from customers. Amounts disclosed as revenue are inclusive of excise duty and net of value added taxes, goods & services taxes (GST), returns, discounts, rebates and incentives. The Company recognises revenue when the amount of revenue can be reliably measured and it is probable that future economic benefits will flow to the Company.

Sales are accounted for on dispatch from the point of sale corresponding to transfer of significant risks and rewards of ownership to the buyer.

The nature of contracts of the Company are such that no material part performance obligations would remain unfulfilled at the end of any accounting period.

b) Interest income

Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider expected losses.

c) Dividends

Dividends are recognised in the Statement of Profit and Loss only when right to receive payment is established, and it is probable that the economic benefits associated with the dividend will flow to the Company and that amount of the dividend can be measured reliably.

d) Other income

The Company recognises income (including rent etc.) on accrual basis. However, where the ultimate collection of the same lacks reasonable certainty, revenue recognition is postponed to the extent revenue is reasonably certain and can be reliably measured.

3) Property, plant and equipment and depreciation / amortisation

A. Property, plant and equipment

- i) Capital work in progress, property, plant and equipment except land are carried at historical cost of acquisition, construction or manufacturing cost, as the case may be, less accumulated depreciation and amortisation. Freehold land is carried at cost of acquisition.
- ii) Cost represents all expenses directly attributable to bringing the asset to its working condition capable of operating in the manner intended. Such costs incurred to manufacture property, plant and equipment and intangible are reduced from the total expense under the head 'Expenses, included in above items, capitalised' in the Statement of Profit and Loss.
- iii) Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.
- iv) An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds

Notes to financial statements for the year ended 31 March 2021 (Contd.)

1. Summary of significant accounting policies followed by the Company (Contd.)

and the carrying amount of the asset) is included in the Statement of Profit and Loss when the asset is derecognised.

- v) The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at regular intervals and adjusted prospectively, if appropriate.

B. Depreciation and amortisation

a) On Leasehold land

Premium on leasehold land is amortised over the period of lease.

b) On other tangible assets

Depreciation is provided on a pro-rata basis on the straight-line method over the useful lives of the assets as prescribed by Schedule II of the Companies Act, 2013.

1. Where a significant component (in terms of cost) of an asset has an economic useful life shorter than that of its corresponding asset, the component is depreciated over its shorter life.
2. Depreciation on additions is being provided on pro-rata basis from the month of such additions.
3. Depreciation on assets sold, discarded or demolished during the year is being provided up to the previous month in which such assets are sold, discarded or demolished.

c) Impairment of assets

An assessment is done at each Balance Sheet date as to whether there are any indications that an asset may be impaired. If any such indication exists, an estimate of the recoverable amount of the asset / Cash Generating Unit (CGU) is made. If the carrying amount of the fixed assets exceeds the recoverable amount on the reporting date, the carrying amount is reduced to the recoverable amount. The recoverable amount is measured at the higher of the net selling price and value in use, determined by the present value of estimated future cash flows.

4) Investments and financial assets

(i) Classification

The Company classifies its financial assets in the following measurement categories:

- a) those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- b) those measured at amortised cost.

The classification is done depending upon the Company's business model for managing the financial assets and the contractual terms of the cash flows.

For assets classified as 'measured at fair value', gains and losses will either be recorded in profit or loss or other comprehensive income, as elected. For assets classified as 'measured at amortised cost', this will depend on the business model and contractual terms of the cash flows.

(ii) Measurement

Initial Measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (FVOCI), or fair value through profit or loss (FVPL). The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them.

Notes to financial statements for the year ended 31 March 2021 (Contd.)

1. Summary of significant accounting policies followed by the Company (Contd.)

At initial recognition, the Company measures a financial asset at its fair value including, in the case of 'a financial asset not at fair value through profit or loss', transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at 'fair value through profit or loss' are expensed in the Statement of Profit or Loss, when incurred.

For a financial asset to be classified and subsequently measured at amortised cost or FVOCI (excluding equity instruments which are measured at FVOCI), it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Company's business model for managing financial assets refers to how it manages its financial assets to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Subsequent Measurement

Subsequent measurement of financial assets depends on the Company's business model for managing the financial asset and the cash flow characteristics of the financial asset. There are three measurement categories into which the Company classifies its financial instruments:

Subsequent measurement at amortised cost:

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

Financial assets that are held for collection of contractual cash flows where those cash flows represent SPPI are measured at amortised cost e.g. Debentures, Bonds, trade receivables etc.

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. Interest income from trade receivables is included in Other operating revenue in the Statement of Profit and Loss; whilst interest income from the remaining financial assets is included in Other income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss. A gain or loss on a financial asset that is subsequently measured at amortised cost is recognised in the Statement of Profit and Loss when the asset is derecognised or impaired.

Subsequently measured at FVOCI:

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading, if any, are classified as at FVPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

Equity instruments included within the FVOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). If the Company decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to Statement

Notes to financial statements for the year ended 31 March 2021 (Contd.)

1. Summary of significant accounting policies followed by the Company (Contd.)

of Profit and Loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Subsequently measured at FVPL:

Financial assets that do not meet the criteria for amortised cost and FVOCI are measured at fair value through profit or loss e.g. investments in mutual funds. A gain or loss on a financial asset that is subsequently measured at fair value through profit or loss is recognised in profit or loss and presented net in the Statement of Profit and Loss within other gains/(losses) in the period in which it arises.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortised cost or FVOCI criteria, as at FVPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Company has designated investments in mutual funds as at FVPL. Debt instruments included within the FVPL category are measured at fair value with all changes recognised in the profit and loss.

(iii) Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its financial assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk and if so, assess the need to provide for the same in the Statement of Profit and Loss.

(iv) Derecognition of financial assets

A financial asset is derecognised only when Company has transferred the rights to receive cash flows from the financial asset or the right to receive cash flow from financial asset have expired. Where the entity has transferred a financial asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised.

(v) Reclassification of financial assets

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

5) Inventories

Cost of inventories have been computed to include all costs of purchases (including materials), cost of conversion and other costs incurred, as the case may be, in bringing the inventories to their present location and condition.

- i) Finished stocks and stocks of work-in-progress are valued at cost of manufacturing or net realisable value whichever is lower. Cost is calculated on a weighted average basis.
- ii) Stores, packing material and tools are valued at cost arrived at on weighted average basis or net realisable value, whichever is lower.
- iii) Raw materials and components are valued at cost arrived at on weighted average basis or net realisable value, whichever is lower, as circumstances demand.

Notes to financial statements for the year ended 31 March 2021 (Contd.)

1. Summary of significant accounting policies followed by the Company (Contd.)

- iv) Inventory of machinery spares and maintenance materials not being material are expensed in the year of purchase.
- v) Goods in transit are stated at actual cost incurred upto the date of Balance Sheet.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

6) Employee benefits

a) 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, subject to terms and conditions of the scheme, the liability is recognised on the basis of an independent actuarial valuation.

They are therefore measured at the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in the Statement of Profit and Loss.

b) Gratuity

Payment for present liability of future payment of gratuity is being made to approved gratuity fund, which fully covers the same under Cash Accumulation Policy of the Life Insurance Corporation of India (LIC). However, any deficit / surplus in plan assets managed by LIC as compared to the liability on the basis of an independent actuarial valuation is recognised as a liability / asset.

The liability or asset recognised in the Balance Sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method in conformity with the principles and manner of computation specified in Ind AS 19.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefits expense in the Statement of Profit and Loss.

c) Superannuation

Defined contribution to superannuation fund is being made as per the scheme of the Company.

d) Provident fund contributions

are made to Company's Provident Fund Trust. The contributions are recognised as employee benefits expense as and when they are due.

e) Defined contribution to Employees Pension Scheme 1995

is made to Government Provident Fund Authority and recognised as employee benefits expense as and when due.

Notes to financial statements for the year ended 31 March 2021 (Contd.)

1. Summary of significant accounting policies followed by the Company (Contd.)

7) Taxation

- a) Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, in accordance with the Income Tax Act, 1961 and the Income computation and Disclosure standards prescribed therein. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.
- b) Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.
- c) Minimum Alternate Tax (MAT) in respect of a year is charged to the Statement of Profit and Loss as current tax for the year. The deferred tax asset is recognised for MAT credit available only to the extent that it is probable that the Company will pay normal income tax and thereby utilising MAT credit during the specified period, i.e., the period for which MAT credit is allowed to be carried forward and utilised. In the year in which the Company recognises MAT credit as an asset, it is created by way of credit to the Statement of Profit and Loss and shown as part of deferred tax asset. The Company reviews the 'MAT credit entitlement' asset at each reporting date and writes down the asset to the extent that it is no longer probable that it will pay normal tax during the specified period.
- d) Deferred tax is provided using the asset-liability method on temporary differences arising between the tax base of assets and liabilities and their carrying amounts in the financial statements. Deferred tax is determined using tax rates that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.
- e) Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences.
- f) The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.
- g) Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.
- h) Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

8) Provisions and contingent liabilities

The Company creates a provision when there is present obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation 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 the likelihood of outflow of resources is remote, no provision or disclosure is made.

Notes to financial statements for the year ended 31 March 2021 (Contd.)

1. Summary of significant accounting policies followed by the Company (Contd.)

9) Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

10) Cash and cash equivalents

For presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

11) Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity members by the weighted average number of equity shares outstanding during the period.

Earnings considered in ascertaining the Company's earnings per share is the net profit for the period. The weighted average number of equity shares outstanding during the period and all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources.

For calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

12) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Management which includes the Chairman/Director. The Management examines performance of the identified two operative reportable segments from which significant risks and rewards are derived viz. Manufacturing business and Investments.

Notes to financial statements for the year ended 31 March 2021 (Contd.)

2 Property, plant and equipment**Current year**

(₹ In Lakh)

| Particulars | Gross block (a) | | | Depreciation | | | Net block | | |
|---------------------------|--------------------------|-----------|------------|---------------------------|--------------------------|-----------------|------------|---------------------------|---------------------------|
| | As at 1 April 2020 | Additions | Deductions | As at 31 March 2021 | As at 1 April 2020 | For the year | Deductions | As at 31 March 2021 | As at 31 March 2021 |
| Land freehold | 0.02 | - | - | 0.02 | - | - | - | - | 0.02 |
| Land leasehold | 3.18 | - | 0.06 | 3.12 | - | - | - | - | 3.12 |
| Buildings | 570.02 | - | - | 570.02 | 532.71 | 0.59 | - | 533.30 | 36.72 |
| Plant and machinery | 2,745.56 | 84.20 | 31.58 | 2,798.18 | 1,268.75 | 189.79 | 30.46 | 1,428.08 | 1,370.10 |
| Furniture and fixtures | 28.76 | 1.05 | - | 29.81 | 21.82 | 1.75 | - | 23.57 | 6.24 |
| Office equipments | 4.47 | - | - | 4.47 | 4.22 | 0.01 | - | 4.23 | 0.24 |
| Vehicles | 22.39 | 11.05 | 17.23 | 16.21 | 13.86 | 1.20 | 10.68 | 4.38 | 11.83 |
| Total tangible assets | 3,374.40 | 96.30 | 48.87 | 3,421.83 | 1,841.36 | 193.34 | 41.14 | 1,993.56 | 1,428.27 |
| Capital work-in- progress | - | - | - | - | - | - | - | - | - |

Previous Year

(₹ In Lakh)

| Particulars | Gross block (a) | | | Depreciation | | | Net block | | |
|---------------------------|--------------------------|-----------|------------|---------------------------|--------------------------|-----------------|------------|---------------------------|---------------------------|
| | As at 1 April 2019 | Additions | Deductions | As At 31 March 2020 | As at 1 April 2019 | For the year | Deductions | As At 31 March 2020 | As At 31 March 2020 |
| Land freehold | 0.02 | - | - | 0.02 | - | - | - | - | 0.02 |
| Land leasehold | 3.24 | - | 0.06 | 3.18 | - | - | - | - | 3.18 |
| Buildings | 570.02 | - | - | 570.02 | 532.12 | 0.59 | - | 532.71 | 37.31 |
| Plant and machinery | 2,495.81 | 250.96 | 1.21 | 2,745.56 | 1,091.59 | 177.29 | 0.13 | 1,268.75 | 1,476.81 |
| Furniture and fixtures | 28.76 | - | - | 28.76 | 20.18 | 1.64 | - | 21.82 | 6.94 |
| Office equipments | 4.47 | - | - | 4.47 | 4.21 | 0.01 | - | 4.22 | 0.25 |
| Vehicles | 31.34 | - | 8.95 | 22.39 | 16.28 | 1.96 | 4.38 | 13.86 | 8.53 |
| Total tangible assets | 3,133.66 | 250.96 | 10.22 | 3,374.40 | 1,664.38 | 181.49 | 4.51 | 1,841.36 | 1,533.04 |
| Capital work-in- progress | - | - | - | - | - | - | - | - | - |

(a) At cost, except leasehold land which is at cost, less amounts written off.

(b) No borrowing costs have been capitalised during the year.

Notes to financial statements for the year ended 31 March 2021 (Contd.)

3 Investments

| | | (₹ In Lakh) | |
|--------------------------------------|---|----------------|------------|
| | | As at 31 March | |
| Particulars | | 2021 | 2020 |
| (A) Non-Current Investments : | | | |
| In Fully Paid Equity Shares: | | | |
| Quoted: | | | |
| 6,774,072 | Shares of ₹ 10 each of Bajaj Auto Ltd. | 248,649.09 | 136,995.45 |
| 18,974,660 | Shares of ₹ 2 each of Bajaj Finance Ltd. | 977,166.53 | 420,440.52 |
| 3,725,740 | Shares of ₹ 5 each of Bajaj Finserv Ltd. | 360,226.90 | 171,056.17 |
| 3,387,036 | Shares of ₹ 10 each of Bajaj Holdings & Investment Ltd. | 111,536.79 | 60,917.54 |
| | Fair Value as at 31 March | 1,697,579.31 | 789,409.68 |
| Other Investments: | | | |
| In Fully paid Debentures: | | | |
| Quoted: | | | |
| 350 | 9.224% Non-Convertible Debentures of ₹ 1,000,000 each of Bajaj Finance Ltd. - 05 May 2022 | 3,527.04 | 3,549.94 |
| 100 | 8.5383% Non-Convertible Debentures of ₹ 1,000,000 each of Bajaj Finance Ltd. - 07 Jun 2022 | 1,010.47 | 1,018.98 |
| 100 | 8.113% Non-Convertible Debentures of ₹ 1,000,000 each of Bajaj Finance Ltd. - 08 July 2022 | 1,009.27 | 1,010.94 |
| 300 | 7.35 % Non-Convertible Debentures of ₹ 1,000,000 each of Bajaj Finance Ltd. - 08 July 2022 | 2,988.57 | 2,981.02 |
| 500 | (-) 5.70 % Non-Convertible Debentures of ₹ 1,000,000 each of Bajaj Finance Ltd. - 11 Aug 2023 | 4,998.74 | - |
| 250 | (-) 6 % Non-Convertible Debentures of ₹ 1,000,000 each of Bajaj Housing Finance Ltd. - 12 Mar 2024 | 2,499.70 | - |
| 250 | (-) 5.90 % Non-Convertible Debentures of ₹ 1,000,000 each of Bajaj Finance Ltd. - 12 Mar 2024 | 2,499.69 | - |
| | Amortised cost as at 31 March | 18,533.48 | 8,560.88 |
| | Total (A) | 1,716,112.79 | 797,970.56 |
| (B) Current Investments : | | | |
| In Fully paid Debentures: | | | |
| Quoted: | | | |
| - | (50) 7.62% Non-Convertible Debentures of ₹ 1,000,000 each of Bajaj Finance Ltd. -15 Jun 2020 | - | 498.74 |
| | Amortised cost as at 31 March | - | 498.74 |

Notes to financial statements for the year ended 31 March 2021 (Contd.)

3 Investments (Contd.)

| | | (₹ In Lakh) | |
|-----------------------------------|--|----------------|------------|
| | | As at 31 March | |
| Particulars | | 2021 | 2020 |
| In Certificate of Deposit: | | | |
| Unquoted: | | | |
| | - (2,500) Certificate of Deposit of ₹ 100,000 each of Axis Bank Limited CD 7 Aug 20 | - | 2,446.55 |
| | - (2,500) Certificate of Deposit of ₹ 100,000 each of SIDBI CD 24 Jun 20 | - | 2,453.42 |
| 2,500 | (-) Certificate of Deposit of ₹ 100,000 each of Bank Of Baroda CD 01 Jun 21 | 2,483.43 | - |
| | Amortised cost as at 31 March | 2,483.43 | 4,899.97 |
| In Mutual Fund Units: | | | |
| Quoted: | | | |
| | - (1,960,087) Units of ICICI Prudential Overnight Fund Plan - (Growth) of ₹ 100 each | - | 2,111.97 |
| 11,914 | (104,381) Units of IDFC Cash Fund Direct Plan - (Growth) of ₹ 1000 each | 296.17 | 2,507.07 |
| 2,125 | (-) Units of IDFC Overnight Fund Direct Plan - (Growth) of ₹ 1000 each | 23.33 | - |
| | Fair Value as at 31 March | 319.50 | 4,619.04 |
| | Total (B) | 2,802.93 | 10,017.75 |
| | Total (A+B) | 1,718,915.72 | 807,988.31 |

| | Book Value as at 31 March | | Market Value as at 31 March | |
|----------|---------------------------|------------|-----------------------------|------------|
| | 2021 | 2020 | 2021 | 2020 |
| Quoted | 1,716,432.29 | 803,088.34 | 1,716,984.21 | 803,285.77 |
| Unquoted | 2,483.43 | 4,899.97 | NA | NA |
| Total | 1,718,915.72 | 807,988.31 | | |

Notes to Investments

Investments made by the Company other than those with a maturity of less than one year, are intended to be held for long-term. On an assessment of the expected credit loss due to significant changes in risk profile, no material provisions are required to be made.

Mutual funds, though unlisted, are quoted on recognised stock exchanges at their previous day NAVs which is the quote for the day.

Notes to financial statements for the year ended 31 March 2021 (Contd.)

4 Loans

| Particulars | (₹ In Lakh) | | | |
|-----------------------|----------------|------|---------|------|
| | Non-current | | Current | |
| | As at 31 March | | | |
| | 2021 | 2020 | 2021 | 2020 |
| Loans to Ex-employees | - | - | - | 1.33 |
| | - | - | - | 1.33 |

5 Other financial assets

| Particulars | (₹ In Lakh) | | | |
|---|----------------|-------|---------|--------|
| | Non-current | | Current | |
| | As at 31 March | | | |
| | 2021 | 2020 | 2021 | 2020 |
| Prepaid Gratuity (See note 33) | - | - | 25.14 | 17.82 |
| Interest receivable on investments | - | - | 889.98 | 543.51 |
| Interest receivable on loans, deposits etc. | - | - | 0.97 | 0.92 |
| Security deposits | 10.86 | 11.00 | - | - |
| | 10.86 | 11.00 | 916.09 | 562.25 |

6 Other assets

| Particulars | (₹ In Lakh) | | | |
|---|----------------|-------|---------|-------|
| | Non-current | | Current | |
| | As at 31 March | | | |
| | 2021 | 2020 | 2021 | 2020 |
| (Unsecured, good, unless stated otherwise) | | | | |
| Advances recoverable in cash or kind | | | | |
| Unsecured considered good | - | - | 20.00 | 8.37 |
| | - | - | 20.00 | 8.37 |
| Other loans and advances | | | | |
| VAT refund receivable | 30.12 | 30.12 | - | - |
| VAT paid under protest | 0.19 | - | - | - |
| GST credit receivable | - | - | - | 71.34 |
| | 30.31 | 30.12 | - | 71.34 |
| | 30.31 | 30.12 | 20.00 | 79.71 |

Notes to financial statements for the year ended 31 March 2021 (Contd.)

7 Inventories

| Particulars | (₹ In Lakh) | |
|------------------------------|----------------|---------------|
| | As at 31 March | |
| | 2021 | 2020 |
| Raw materials and components | 52.66 | 57.31 |
| Work-in-progress | 302.61 | 274.38 |
| Stores | 3.51 | 3.43 |
| Loose tools | 1.64 | 0.52 |
| | 360.42 | 335.64 |

8 Trade receivables

| Particulars | (₹ In Lakh) | |
|---|----------------|---------------|
| | As at 31 March | |
| | 2021 | 2020 |
| (Unsecured, considered good unless stated otherwise) | | |
| Good | 683.29 | 469.95 |
| Significant increase in credit risk / impaired | - | - |
| | 683.29 | 469.95 |

9 Cash and cash equivalents

| Particulars | (₹ In Lakh) | |
|--|----------------|-----------------|
| | As at 31 March | |
| | 2021 | 2020 |
| Balances with banks | 59.88 | 215.93 |
| Deposits with original maturity for less than 3 months | - | 7,300.00 |
| Cash on hand | 0.09 | 0.03 |
| | 59.97 | 7,515.96 |

10 Other bank balances

| Particulars | (₹ In Lakh) | |
|--|-----------------|---------------|
| | As at 31 March | |
| | 2021 | 2020 |
| Unclaimed dividend accounts | 464.80 | 580.66 |
| Deposits with original maturity for more than 3 months but less than 12 months | 5,100.00 | 95.00 |
| | 5,564.80 | 675.66 |

Notes to financial statements for the year ended 31 March 2021 (Contd.)

11 Equity share capital

| Particulars | (₹ In Lakh) | |
|--|-----------------|-----------------|
| | As at 31 March | |
| | 2021 | 2020 |
| 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 |
| | <u>1,200.00</u> | <u>1,200.00</u> |
| Issued, subscribed and Fully paid-up shares: | | |
| 11,428,568 Equity shares of ₹ 10 each | 1,142.86 | 1,142.86 |
| | <u>1,142.86</u> | <u>1,142.86</u> |

a Reconciliation of the shares outstanding at the beginning and at the end of the year

| Particulars | As at 31 March 2021 | | As at 31 March 2020 | |
|------------------------------------|---------------------|-----------------|---------------------|-----------------|
| | Nos. | ₹ In Lakh | Nos. | ₹ In Lakh |
| Equity shares | | | | |
| At the beginning of the year | 11,428,568 | 1,142.86 | 11,428,568 | 1,142.86 |
| Issued during the year | - | - | - | - |
| Outstanding at the end of the year | <u>11,428,568</u> | <u>1,142.86</u> | <u>11,428,568</u> | <u>1,142.86</u> |

b 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 interim dividend declared by the Board of Directors and 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 amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c Details of shareholders holding more than 5% shares in the Company

| Particulars | (₹ In Lakh) | | | |
|--|---------------------|-----------|---------------------|-----------|
| | As at 31 March 2021 | | As at 31 March 2020 | |
| | Nos. | % Holding | Nos. | % Holding |
| Equity shares of ₹ 10 each fully paid | | | | |
| Bajaj Holdings & Investment Ltd. | 5,828,560 | 51.00% | 5,828,560 | 51.00% |
| CD Equifinance Pvt. Ltd. | 589,414 | 5.16% | 589,414 | 5.16% |

Notes to financial statements for the year ended 31 March 2021 (Contd.)

12 Other equity

| Particulars | (₹ In Lakh) | |
|--|----------------|--------------|
| | As at 31 March | |
| | 2021 | 2020 |
| Reserves and surplus | | |
| General Reserve | | |
| Balance as at the beginning of the year | 26,556.10 | 26,556.10 |
| Add: Transferred from retained earnings | - | - |
| Balance as at the end of the year | 26,556.10 | 26,556.10 |
| Retained earnings | | |
| Balance as at the beginning of the year | 16,005.66 | 9,469.01 |
| Profit for the year | 881.22 | 17,994.27 |
| Items of other comprehensive income recognised directly in retained earnings | | |
| Actuarial gains/losses of defined benefit plans | 11.99 | (22.09) |
| Less: Appropriations | | |
| Final dividend, declared and paid during the year | - | 3,771.43 |
| Tax on final dividend | - | 775.23 |
| Interim dividend paid | - | 5,714.28 |
| Tax on interim dividend | - | 1,174.59 |
| Total appropriations | - | 11,435.53 |
| Balance as at the end of the year | 16,898.87 | 16,005.66 |
| Other - reserves | | |
| Equity instruments through other comprehensive income | | |
| Opening Balance | 777,372.83 | 1,095,153.57 |
| Add: During the year | 802,386.03 | (317,780.74) |
| Balance as at the end of the year | 1,579,758.86 | 777,372.83 |
| | 1,623,213.83 | 819,934.59 |

Nature and purpose of reserve

General reserve : General Reserve comprises of transfer of profits from retained earnings for appropriation purposes. The reserve can be distributed / utilised by the Company in accordance with the Companies Act, 2013.

Equity instruments through other comprehensive income : The company has elected to recognise changes in the fair value of certain investment in equity securities in other comprehensive income. These changes are accumulated in FVTOCI reserve within equity. The company transfers amounts from this reserve to retained earnings when relevant equity securities are derecognised

Notes to financial statements for the year ended 31 March 2021 (Contd.)

13 Provisions

| Particulars | (₹ In Lakh) | | | |
|--|----------------|-------|---------|-------|
| | Non-current | | Current | |
| | As at 31 March | | | |
| | 2021 | 2020 | 2021 | 2020 |
| Provision for employee benefits | | | | |
| Provision for compensated absences (See note 33) | - | - | 81.67 | 88.30 |
| | - | - | 81.67 | 88.30 |
| Other provisions | | | | |
| Provision for tax (net of tax paid in advance) | 44.71 | 76.87 | - | - |
| | 44.71 | 76.87 | - | - |
| | 44.71 | 76.87 | 81.67 | 88.30 |

14 Deferred tax liabilities (net)

| Particulars | (₹ In Lakh) | |
|---|----------------|------------|
| | As at 31 March | |
| | 2021 | 2020 |
| Deferred tax liabilities | | |
| On account of timing difference in net block as per books & as per Income tax | 113.45 | 151.10 |
| Defined benefit plan - OCI | 1.92 | (2.58) |
| Financial instruments : | | |
| Fair valuation of Mutual Funds | 0.25 | 4.94 |
| Fair valuation of Equity Instruments | 102,354.84 | - |
| | 102,355.09 | 4.94 |
| Gross deferred tax liabilities | 102,470.46 | 153.46 |
| Deferred tax assets | | |
| On account of timing difference in Retiral and other benefits : | | |
| Uncovered liability towards gratuity | 0.51 | 1.95 |
| Bonus provisions | 8.66 | 10.19 |
| Provision for privilege leave | 20.55 | 25.71 |
| | 29.72 | 37.85 |
| Financial instruments : | | |
| Amortisation of premium / discount on acquisition of fixed income securities | 12.39 | 3.86 |
| Fair valuation of Equity Instruments | - | 3,428.76 |
| | 12.39 | 3,432.62 |
| Gross deferred tax assets/(liability) | 42.11 | 3,470.47 |
| | 102,428.35 | (3,317.01) |

Notes to financial statements for the year ended 31 March 2021 (Contd.)

14 Deferred tax liabilities (net) (Contd.)

Movement in deferred tax liabilities :

| (₹ In Lakh) | | | | | |
|-------------------------------|-------------------------------------|--------------------------|---------------------------------|---------------------------|-------------|
| Particulars | Property, plant and equipment | Financial instruments | Retial and other benefits | MAT credit entitlement | Total |
| At 31 March 2019 | 141.21 | 38,468.59 | (35.03) | (900.00) | 37,674.77 |
| Charged/(credited) | | | | | |
| to profit and loss | 9.89 | (1.24) | 1.52 | 900.00 | 910.17 |
| to other comprehensive income | | (41,895.03) | (6.92) | - | (41,901.95) |
| At 31 March 2020 | 151.10 | (3,427.68) | (40.43) | - | (3,317.01) |
| Charged/(credited) | | | | | |
| to profit and loss | (37.65) | (13.22) | 8.13 | - | (42.74) |
| to other comprehensive income | | 105,783.60 | 4.50 | - | 105,788.10 |
| At 31 March 2021 | 113.45 | 102,342.70 | (27.80) | - | 102,428.35 |

On an assessment of its ability to utilise the available MAT credit, the management had determined MAT credit of ₹ Nil (previous year ₹ 900 lakh) may be unlikely to be set off / adjusted in the future periods due to significant changes in the Income Tax Act, 1961. Hence the MAT credit of a similar amount was provided for in the Statement of Profit and Loss.

15 Other non-current liabilities

| (₹ In Lakh) | | |
|---------------------------------|----------------|--------|
| Particulars | As at 31 March | |
| | 2021 | 2020 |
| Annuity payable to Ex-employees | 31.18 | 146.59 |
| | 31.18 | 146.59 |

16 Other financial liabilities

| (₹ In Lakh) | | | | |
|----------------------------|----------------|------|---------|--------|
| Particulars | Non-current | | Current | |
| | As at 31 March | | | |
| | 2021 | 2020 | 2021 | 2020 |
| Security deposits | - | - | 0.25 | 0.25 |
| Unclaimed dividend | - | - | 464.80 | 580.66 |
| Employees benefits payable | 11.10 | 7.80 | 106.19 | 113.01 |
| Payable for capital goods | - | - | 57.20 | - |
| | 11.10 | 7.80 | 628.44 | 693.92 |

Notes to financial statements for the year ended 31 March 2021 (Contd.)

17 Other current liabilities

| Particulars | (₹ In Lakh) | |
|---------------------------------|----------------|---------------|
| | As at 31 March | |
| | 2021 | 2020 |
| Annuity payable to Ex-employees | 132.16 | 275.91 |
| Advance received from customers | 26.67 | 25.58 |
| Taxes and duties payable | 5.45 | 6.47 |
| GST payable | 2.64 | - |
| Other payables | 22.56 | 14.71 |
| | 189.48 | 322.67 |

18 Revenue from operations

| Particulars | (₹ In Lakh) | |
|--|-----------------------------|-----------------|
| | For the year ended 31 March | |
| | 2021 | 2020 |
| Revenue from operations | | |
| Sale of product | 1,515.36 | 1,523.06 |
| Other operating revenue | | |
| Scrap sale | 12.58 | 14.49 |
| Revenue from operations (gross) | 1,527.94 | 1,537.55 |

19 Other income

| Particulars | (₹ In Lakh) | |
|---|-----------------------------|------------------|
| | For the year ended 31 March | |
| | 2021 | 2020 |
| Investment income: | | |
| Interest income from bank fixed deposits | 236.20 | 10.76 |
| Interest income from fixed income securities | 1,185.07 | 1,375.14 |
| Amortisation of (premium)/discount on acquisition of fixed income securities, net | (35.96) | (28.26) |
| | 1,385.31 | 1,357.64 |
| Dividend income on investments | - | 17,964.31 |
| Profit / (loss) on sale of investments, net | 8.31 | 49.24 |
| Gain on valuation / Surplus on redemption of mutual fund, net | 119.31 | 190.71 |
| | 1,512.93 | 19,561.90 |
| Others: | | |
| Interest - others | 1.12 | 259.63 |
| Surplus on sale of assets | 9.93 | 0.16 |
| Provision no longer required | 5.38 | 16.56 |
| Miscellaneous receipts | 14.16 | 7.20 |
| | 30.59 | 283.55 |
| | 1,543.52 | 19,845.45 |

Notes to financial statements for the year ended 31 March 2021 (Contd.)

20 Cost of raw material and components consumed

| Particulars | (₹ In Lakh) | |
|-----------------------------------|-----------------------------|--------|
| | For the year ended 31 March | |
| | 2021 | 2020 |
| Raw materials and boughtout Items | 839.73 | 938.95 |
| | 839.73 | 938.95 |

21 (Increase)/decrease in inventories

| Particulars | (₹ In Lakh) | | |
|---|-----------------------------|----------|-----------------------|
| | For the year ended 31 March | | |
| | 2021 | 2020 | (Increase) / decrease |
| Inventories at the end of the year | | | |
| Work-in-progress | 302.61 | 274.38 | (28.23) |
| | 302.61 | 274.38 | (28.23) |
| Inventories at the beginning of the year | | | |
| Work-in-progress | 274.38 | 101.32 | (173.06) |
| | 274.38 | 101.32 | (173.06) |
| | (28.23) | (173.06) | |

22 Employee benefits expenses

| Particulars | (₹ In Lakh) | |
|---|-----------------------------|--------|
| | For the year ended 31 March | |
| | 2021 | 2020 |
| Salaries, wages and bonus to employees | 710.49 | 707.19 |
| Contribution to provident and other funds | 77.12 | 73.12 |
| Staff welfare expenses | 11.90 | 84.21 |
| | 799.51 | 864.52 |

23 Depreciation and amortisation expense

| Particulars | (₹ In Lakh) | |
|---|-----------------------------|--------|
| | For the year ended 31 March | |
| | 2021 | 2020 |
| Depreciation on property, plant and equipment | 193.34 | 181.49 |
| Amount written off against leasehold land | 0.06 | 0.06 |
| | 193.40 | 181.55 |

Notes to financial statements for the year ended 31 March 2021 (Contd.)

24 Other expenses

| Particulars | (₹ In Lakh) | |
|---|-----------------------------|---------------|
| | For the year ended 31 March | |
| | 2021 | 2020 |
| Stores and tools consumed | 65.45 | 63.08 |
| Power, fuel and water | 108.57 | 115.79 |
| Repairs to buildings | 1.08 | 0.25 |
| Repairs to machinery | 21.48 | 23.32 |
| Others repairs | 15.94 | 24.96 |
| Insurance | 6.24 | 5.77 |
| Rates and taxes | 4.33 | 4.33 |
| Payment to auditor | 9.49 | 9.74 |
| Directors' fees and travelling expenses | 25.00 | 22.89 |
| Legal and Professional charges | 27.59 | 36.32 |
| Expenditure towards Corporate Social Responsibility (CSR) activities | 20.00 | 16.10 |
| Miscellaneous expenses | 54.94 | 67.04 |
| Loss on assets sold,demolished,discarded and scrapped | 2.46 | 1.49 |
| | 362.57 | 391.08 |
| Payment to auditor | | |
| As auditor: | | |
| Audit fee | 7.50 | 7.50 |
| Limited review | 1.25 | 1.25 |
| In other capacity: | | |
| GST Audit | 0.50 | 0.50 |
| Other services - certification fees | 0.20 | 0.20 |
| Reimbursement of expenses | 0.04 | 0.29 |
| | 9.49 | 9.74 |
| Expenditure towards Corporate Social Responsibility (CSR) activities | | |
| Gross amount required to be spent by the Company during the year | 19.81 | 16.01 |
| a) Amount spent is cash during the year : | | |
| i) On construction/acquisition of any asset | - | - |
| ii) On purposes other than (i) above | 20.00 | 16.10 |
| | 20.00 | 16.10 |

Notes to financial statements for the year ended 31 March 2021 (Contd.)

25 Tax expense

| Particulars | (₹ In Lakh) | |
|---|-----------------------------|------------|
| | For the year ended 31 March | |
| | 2021 | 2020 |
| (a) Tax expense | | |
| Current tax | | |
| Current tax on profits for the year | 66.00 | 254.00 |
| Adjustments for current tax of prior periods | - | 21.52 |
| Total current tax expense | 66.00 | 275.52 |
| Deferred tax | | |
| Decrease/(increase) in deferred tax assets | 8.13 | 3.79 |
| (Decrease)/increase in deferred tax liabilities | (50.87) | 6.38 |
| Total deferred tax expenses/(benefit) | (42.74) | 10.17 |
| Provision for possible non-utilisation of MAT credit | - | 900.00 |
| Tax expense | 23.26 | 1,185.69 |
| (b) Reconciliation of tax expense and the accounting profit multiplied by statutory tax rate | | |
| Profit before tax | 904.48 | 19,179.96 |
| Tax at the Indian tax rate of 25.17% (Previous year : 21.55%) | 228.00 | 4,134.00 |
| Tax effect of amounts which are not deductible (taxable) in calculating taxable income: | | |
| - Rate difference on Defined benefit plan-Gratuity | - | (9.00) |
| - Adjustments for current tax and deferred tax of prior periods | (21.26) | 21.52 |
| - Others MAT credit (entitlement) / Provision | - | 900.00 |
| Tax effect of amounts which are deductible (non taxable) in calculating taxable income: | | |
| - Tax-free dividend on equity shares | - | (3,871.00) |
| - Carry forward losses | (189.00) | - |
| On account of timing difference | 5.52 | 7.90 |
| Long term capital loss | - | 2.27 |
| Tax expense | 23.26 | 1,185.69 |

Company has opted for reduced corporate tax rate of 25.17% as per section 115BAA of the Income Tax Act, 1961 from the income tax return filing for the year ended 31 March 2020.

Notes to financial statements for the year ended 31 March 2021 (Contd.)

26 Earnings 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 :

| Particulars | (₹ In Lakh) | |
|---|-----------------------------|------------|
| | For the year ended 31 March | |
| | 2021 | 2020 |
| a Profit for the year after taxation (₹ In Lakh) | 881.22 | 17,994.27 |
| Weighted average number of shares outstanding during the year (nos) | 11,428,568 | 11,428,568 |
| b Earnings per share (Basic and Diluted) in ₹ | 7.71 | 157.45 |
| Face value per share in ₹ | 10.00 | 10.00 |

27 Fair value measurement

i) Financial instruments by category

| Particulars | As at 31 March 2021 | | | As at 31 March 2020 | | |
|------------------------------|---------------------|--------------|----------------|---------------------|------------|----------------|
| | FVPL | FVOCI | Amortised Cost | FVPL | FVOCI | Amortised Cost |
| | | | | | | |
| Financial assets | | | | | | |
| Investments | | | | | | |
| - Equity Shares | - | 1,697,579.31 | - | - | 789,409.68 | - |
| - Bonds and debentures | - | - | 18,533.48 | - | - | 9,059.62 |
| - Liquid mutual funds | 319.50 | - | - | 4,619.04 | - | - |
| - Certificate of Deposit | - | - | 2,483.43 | - | - | 4,899.97 |
| Trade receivables | - | - | 683.29 | - | - | 469.95 |
| Loans | - | - | - | - | - | 1.33 |
| Other financial assets | - | - | 926.95 | - | - | 573.25 |
| Cash and cash equivalents | - | - | 59.97 | - | - | 7,515.96 |
| Other bank balances | - | - | 5,564.80 | - | - | 675.66 |
| Total financial assets | 319.50 | 1,697,579.31 | 28,251.92 | 4,619.04 | 789,409.68 | 23,195.74 |
| Financial liabilities | | | | | | |
| Trade payables | - | - | 218.11 | - | - | 106.38 |
| Other financial liabilities | - | - | 639.54 | - | - | 701.72 |
| Total financial liabilities | - | - | 857.65 | - | - | 808.10 |

Notes to financial statements for the year ended 31 March 2021 (Contd.)

ii) Fair value hierarchy

This section explains the judgments and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

Financial assets measured at fair value - recurring fair value measurements at 31 March 2021

| (₹ In Lakh) | | | | | |
|---------------------------------------|-------|---------------------|----------|----------|---------------------|
| Financial assets | Notes | Level 1 | Level 2 | Level 3 | Total |
| Financial Investments at FVOCI | | | | | |
| Equity Shares | 3 | 1,697,579.31 | - | - | 1,697,579.31 |
| Financial Investments at FVPL | | | | | |
| Liquid mutual funds | 3 | 319.50 | - | - | 319.50 |
| Financial Investments at FVOCI | | | | | |
| | | - | - | - | - |
| Total financial assets | | 1,697,898.81 | - | - | 1,697,898.81 |

Financial assets which are measured at amortised cost for which fair values are disclosed at 31 March 2021

| (₹ In Lakh) | | | | | |
|-------------------------------|-------|------------------|----------|----------|------------------|
| Financial assets | Notes | Level 1 | Level 2 | Level 3 | Total |
| Bonds and debentures | 3 | 18,533.48 | - | - | 18,533.48 |
| Certificate of deposit | 3 | 2,483.43 | - | - | 2,483.43 |
| Commercial Papers | 3 | - | - | - | - |
| Total financial assets | | 21,016.91 | - | - | 21,016.91 |

Financial assets measured at fair value - recurring fair value measurements at 31 March 2020

| (₹ In Lakh) | | | | | |
|---------------------------------------|-------|-------------------|----------|----------|-------------------|
| Financial assets | Notes | Level 1 | Level 2 | Level 3 | Total |
| Financial Investments at FVOCI | | | | | |
| Equity Shares | 3 | 789,409.68 | - | - | 789,409.68 |
| Financial Investments at FVPL | | | | | |
| Liquid mutual funds | 3 | 4,619.04 | - | - | 4,619.04 |
| Financial Investments at FVOCI | | | | | |
| | | - | - | - | - |
| Total financial assets | | 794,028.72 | - | - | 794,028.72 |

Notes to financial statements for the year ended 31 March 2021 (Contd.)

27 Fair value measurement (Contd.)

Financial assets which are measured at amortised cost for which fair values are disclosed at 31 March 2020

| Financial assets | Notes | (₹ In Lakh) | | | |
|-------------------------------|-------|------------------|----------|----------|------------------|
| | | Level 1 | Level 2 | Level 3 | Total |
| Bonds and debentures | 3 | 9,059.62 | - | - | 9,059.62 |
| Certificate of Deposit | 3 | 4,899.97 | - | - | 4,899.97 |
| Commercial Papers | 3 | - | - | - | - |
| Total financial assets | | 13,959.59 | - | - | 13,959.59 |

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices in active markets. Quotes would include rates/values/valuation references published periodically by BSE, NSE etc. basis which trades take place in a linked or unlinked active market. This includes traded bonds and mutual funds, as the case may be, that have quoted price/rate/value.

Level 2: The fair value of financial instruments that are not traded in an active market are determined using valuation techniques which maximise the use of observable market data (either directly as prices or indirectly derived from prices) and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

Valuation Techniques used to determine fair value

Valuation Techniques used to determine fair value include

- Liquid mutual funds and certain bonds and debentures at NAV's/rates declared and/or quoted
- For other bonds and debentures values with references to prevailing yields to maturity matching tenures, quoted on sites of credible organisation such as ICRA (Investment information and credit rating agency)
- Commercial papers and certificate of deposits, being short term maturity papers, amortised cost is assumed to be the fair value

iii) Fair value of financial assets and liabilities measured at amortised cost

| Particulars | (₹ In Lakh) | | | |
|-------------------------------|---------------------|------------------|---------------------|------------------|
| | As at 31 March 2021 | | As at 31 March 2020 | |
| | Carrying amount | Fair value | Carrying amount | Fair value |
| Financial assets | | | | |
| Investments | | | | |
| Bonds and debentures | 18,533.48 | 19,085.41 | 9,059.62 | 9,257.06 |
| Certificate of Deposit | 2,483.43 | 2,483.43 | 4,899.97 | 4,899.97 |
| Total financial assets | 21,016.91 | 21,568.84 | 13,959.59 | 14,157.03 |

The carrying amounts of commercial papers, certificate of deposits, trade receivables, trade payables, other financial assets/liabilities, loans and cash and cash equivalents are considered to be the same as their fair values, due to their short-term nature.

Notes to financial statements for the year ended 31 March 2021 (Contd.)

28 Financial risk management

The Company's activities expose it to liquidity risk and credit risk.

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk in the financial statements

The Board provides guiding principles for overall risk management, as well as policies covering specific areas, such as credit risk and investment of surplus liquidity. The Company's risk management is carried out by finance department as per the policies approved by the board of directors.

Credit risk

Credit risk arises from cash and cash equivalents, financial assets measured at amortised cost and fair value through profit or loss and trade receivables.

Credit Risk Management

For financial assets the Company has an investment policy which allows the company to invest only with counterparties having credit rating equal to or above AA+ and P1+. The Company reviews the creditworthiness of these counterparties on an on-going basis. Another source of credit risk at the reporting date is from trade receivables as these are typically unsecured. This credit risk has always been managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to whom credit is extended in the normal course of business. The Company estimates the expected credit loss on the basis of past data and experience. Expected credit losses of financial assets receivable in the next 12 months are estimated on the basis of historical data provided the Company has reasonable and supportable data. On such an assessment the expected losses are nil or negligible, as evidenced in the table below, and hence no further provision than that already made is considered necessary.

Review of outstanding trade receivables and financial assets are carried out by Management at every month end. Company has a practice to provide for doubtful debts on a case to case basis after considering inter-alia customer's credibility etc. Provision is made in the books generally, for all outstanding trade receivables which are outstanding for more than 180 days from their due date, if they are considered to be doubtful.

Liquidity Risk

The Company's principal source of liquidity are 'cash and cash equivalents, investments in money market instruments' and cash flows that are generated from operations. The Company has no outstanding term borrowings. The Company believes that its working capital is sufficient to meet its current requirements. Additionally, the Company has sizeable surplus funds invested in fixed income securities or instruments of similar profile ensuring safety of capital and availability of liquidity if and when required. Hence the Company does not perceive any liquidity risk.

| Particulars | (₹ In Lakh) | |
|---|----------------|-----------|
| | As at 31 March | |
| | 2021 | 2020 |
| The Company had net working capital funds | 9,289.80 | 18,446.98 |
| Which includes; | | |
| i) Cash and cash equivalents | 59.97 | 7,515.96 |
| ii) Current investments | 2,802.93 | 10,017.75 |

Notes to financial statements for the year ended 31 March 2021 (Contd.)

28 Financial risk management (Contd.)

Contractual maturities of significant financial liabilities as on 31 March 2021 and 31 March 2020 are as follows:

Maturities of financial liabilities

| Particulars | (₹ In Lakh) | | |
|------------------------------------|------------------------------------|---------------------|---------------|
| | Less than or equal to 1 year | More than 1 year | Total |
| As on 31 March 2021 | | | |
| Trade payables | 218.11 | - | 218.11 |
| Other financial liabilities | 628.44 | 11.10 | 639.54 |
| Total financial liabilities | 846.55 | 11.10 | 857.65 |
| As on 31 March 2020 | | | |
| Trade payables | 106.38 | - | 106.38 |
| Other financial liabilities | 693.92 | 7.80 | 701.72 |
| Total financial liabilities | 800.30 | 7.80 | 808.10 |

29 Capital management

a) Risk management

The Company is cash surplus and has no capital other than Equity. The Company is not exposed to any regulatory imposed capital requirements.

The cash surpluses are currently invested in income generating debt instruments (including through mutual funds) and money market instruments depending on economic conditions in line with the guidelines set out by the Management. Safety of capital is of prime importance to ensure availability of capital for operations. Investment objective is to provide safety and adequate return on the surplus funds.

The Company does not have any borrowings and does not borrow funds unless circumstances require.

| Particulars | (₹ In Lakh) | |
|--|---------------------|-------------------|
| | As at 31 March | |
| | 2021 | 2020 |
| Equity | 1,624,356.69 | 821,077.45 |
| Less: Tangible and other assets | 1,382.45 | 1,342.90 |
| Deferred tax assets/(liabilities) | (102,428.35) | 3,317.01 |
| Net current assets excluding investments | 6,486.87 | 8,429.23 |
| Investments in debt and similar investments | 1,718,915.72 | 807,988.31 |

Notes to financial statements for the year ended 31 March 2021 (Contd.)

29 Capital management (Contd.)

b) Dividends

| Particulars | (₹ In Lakh) | |
|---|----------------|----------|
| | As at 31 March | |
| | 2021 | 2020 |
| Dividends recognised in the financial statements | | |
| Final dividend for the year ended 31 March 2020 of ₹ Nil (31 March 2019 - ₹ 33.00) per equity share, declared and paid | - | 3,771.43 |
| Interim dividend for the year ended 31 March 2021 of ₹ Nil (31 March 2020 - ₹ 50) per equity share, declared and paid | - | 5,714.28 |
| Dividends not recognised at the end of the reporting period | | |
| In addition to the above dividends, since year end the directors have recommended the payment of a final dividend of ₹ 50 per equity share for the year ended 31 March 2021 (31 March 2020 - ₹ Nil). This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting. | 5,714.28 | - |

30 Contingent liabilities

| Particulars | (₹ In Lakh) | |
|---|----------------|--------|
| | As at 31 March | |
| | 2021 | 2020 |
| a Claims against the Company not acknowledged as debts | 4.55 | 4.55 |
| 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 & VAT matters under dispute * | 421.41 | 428.34 |
| d Income-Tax matters under dispute | | |
| i) Appeal by Company * | - | - |
| ii) Appeal by Department | 39.84 | 39.84 |
| | 39.84 | 39.84 |

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

It is not practicable for the Company to estimate the timings of the cash flows, if any, in respect of the above pending resolution of the respective proceedings.

31 Capital and other commitments

| Particulars | (₹ In Lakh) | |
|--|----------------|------|
| | As at 31 March | |
| | 2021 | 2020 |
| Capital commitments, net of capital advances | - | - |

Notes to financial statements for the year ended 31 March 2021 (Contd.)

32 Segment information

Segment wise revenue, results and capital employed for the year ended 31 March 2021

The Company's Management has identified two reportable operative business segments. The performance of which reviewed by the Management on periodic basis and hence considered as individual operative segments as under;

- i. Manufacturing
- ii. Investments

| Particulars | (₹ In Lakh) | | |
|--|---------------|--------------|--------------|
| | Manufacturing | Investments | Total |
| Revenue | | | |
| Sales and other income | 1,558.53 | 1,512.93 | 3,071.46 |
| Unallocable | - | - | - |
| Total revenue | 1,558.53 | 1,512.93 | 3,071.46 |
| Segment result | (608.45) | 1,512.93 | 904.48 |
| Unallocable | - | - | - |
| Finance costs | - | - | - |
| Tax expense | - | - | 23.26 |
| Profit for the year | (608.45) | 1,512.93 | 881.22 |
| Segment assets | 3,084.03 | 1,724,905.70 | 1,727,989.73 |
| Unallocated corporate assets | - | - | - |
| Total assets | 3,084.03 | 1,724,905.70 | 1,727,989.73 |
| Segment liabilities | 1,159.98 | - | 1,159.98 |
| Unallocated corporate liabilities | - | - | 102,473.06 |
| Total liabilities | 1,159.98 | - | 103,633.04 |
| Segment capital employed | 1,924.05 | 1,724,905.70 | 1,726,829.75 |
| Unallocated corporate assets /(liabilities) | - | - | (102,473.06) |
| Capital employed | 1,924.05 | 1,724,905.70 | 1,624,356.69 |
| Capital expenditure | 96.30 | - | 96.30 |
| Depreciation and write downs | 193.40 | - | 193.40 |
| Non cash expenses other than depreciation | - | - | - |

Notes to financial statements for the year ended 31 March 2021 (Contd.)

32 Segment information (Contd.)

Segment wise revenue, results and capital employed for the year ended 31 March 2020

The Company's Management has identified two reportable operative business segments. The performance of which reviewed by the Management on periodic basis and hence considered as individual operative segments as under;

- i. Manufacturing
- ii. Investments

| Particulars | (₹ In Lakh) | | |
|--|---------------|-------------|------------|
| | Manufacturing | Investments | Total |
| Revenue | | | |
| Sales and other income | 1,562.92 | 19,561.90 | 21,124.82 |
| Unallocable | - | - | 258.18 |
| Total revenue | 1,562.92 | 19,561.90 | 21,383.00 |
| Segment result | (639.12) | 19,560.90 | 18,921.78 |
| Unallocable | - | - | 258.18 |
| Tax expense | - | - | 1,185.69 |
| Profit for the year | (639.12) | 19,560.90 | 17,994.27 |
| Segment assets | 3,276.32 | 815,926.65 | 819,202.97 |
| Unallocated corporate assets | - | - | 3,317.01 |
| Total assets | 3,276.32 | 815,926.65 | 822,519.98 |
| Segment liabilities | 1,365.66 | - | 1,365.66 |
| Unallocated corporate liabilities | - | - | 76.87 |
| Total liabilities | 1,365.66 | - | 1,442.53 |
| Segment capital employed | 1,910.66 | 815,926.65 | 817,837.31 |
| Unallocated corporate assets /(liabilities) | - | - | 3,240.14 |
| Capital employed | 1,910.66 | 815,926.65 | 821,077.45 |
| Capital expenditure | 250.96 | - | 250.96 |
| Depreciation and write downs | 181.55 | - | 181.55 |
| Non cash expenses other than depreciation | - | - | - |

Notes to financial statements for the year ended 31 March 2021 (Contd.)

33 Employee benefits

Liability for employee benefits has been determined by an actuary, appointed for the purpose, in conformity with the principles set out in the Ind AS 19 the details of which are as hereunder.

Funded schemes

Gratuity :

The Company provides for gratuity payments to employees. The gratuity benefit payable to the employees of the Company is greater of the provisions of the Payment of Gratuity Act, 1972 and the Company's gratuity scheme. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The gratuity plan is a funded plan and the Company makes contributions to approved gratuity fund.

| Particulars | (₹ In Lakh) | |
|--|----------------|----------------|
| | As at 31 March | |
| | 2021 | 2020 |
| Amount recognised in Balance Sheet | | |
| Present value of funded defined benefit obligation | 368.39 | 411.68 |
| Fair value of plan assets | (393.53) | (429.50) |
| Net funded obligation | (25.14) | (17.82) |
| Expense recognised in the Statement of Profit and Loss | | |
| Current service cost | 15.80 | 14.46 |
| Interest on net defined benefit liability / (asset) | (1.31) | (4.01) |
| Total expense charged to Statement of Profit and Loss | 14.49 | 10.45 |
| Amount recorded as Other Comprehensive Income | | |
| Opening amount recognised in OCI outside statements of Profit and Loss | 72.04 | 43.03 |
| Remeasurements during the period due to | | |
| Changes in financial assumptions | (2.94) | (6.99) |
| Experience adjustments | (15.63) | 36.86 |
| Actual return on plan assets less interest on plan assets | 2.08 | (0.87) |
| Closing amount recognised in OCI outside statement of Profit and Loss | 55.55 | 72.04 |
| Reconciliation of net liability / (asset) | | |
| Opening net defined benefit liability / (asset) | (17.82) | (48.28) |
| Expense charged to Statement of Profit and Loss | 14.50 | 10.45 |
| Amount recognized outside Statement of Profit and Loss | (16.49) | 29.01 |
| Employer contributions | (5.32) | (9.00) |
| Closing net defined benefit liability / (asset) | (25.14) | (17.82) |

Notes to financial statements for the year ended 31 March 2021 (Contd.)

33 Employee benefits (Contd.)

| Particulars | (₹ In Lakh) | |
|--|----------------|---------------|
| | As at 31 March | |
| | 2021 | 2020 |
| Movement in benefit obligation | | |
| Opening of defined benefit obligation | 411.68 | 422.07 |
| Current service cost | 15.80 | 14.46 |
| Interest on defined benefit obligation | 24.27 | 28.90 |
| Remeasurements due to: | - | - |
| Actuarial loss / (gain) arising from change in financial assumptions | (2.94) | (6.99) |
| Actuarial loss / (gain) arising on account of experience changes | (15.63) | 36.86 |
| Benefits paid | (64.80) | (83.62) |
| Closing of defined benefit obligation | 368.39 | 411.68 |

| Particulars | (₹ In Lakh) | |
|---|----------------|---------------|
| | As at 31 March | |
| | 2021 | 2020 |
| Movement in plan assets | | |
| Opening fair value of plan assets | 429.50 | 470.35 |
| Employer contributions | 5.32 | 9.00 |
| Interest on plan assets | 25.58 | 32.91 |
| Remeasurements due to: | - | - |
| Actual return on plan assets less interest on plan assets | (2.08) | 0.87 |
| Benefits paid | (64.80) | (83.62) |
| Closing fair value of plan assets | 393.53 | 429.50 |

| Particulars | As at 31 March | |
|------------------------|---------------------------------|-------------|
| | 2021 | 2020 |
| | Disaggregation of assets | |
| Insurer managed funds. | 100% | 100% |
| Others | - | - |
| Grand Total | 100% | 100% |

Notes to financial statements for the year ended 31 March 2021 (Contd.)

33 Employee benefits (Contd.)

Sensitivity Analysis

Gratuity is a lump sum plan and the cost of providing these benefits is typically less sensitive to small changes in demographic assumptions. The key actuarial assumptions to which the benefit obligation results are particularly sensitive to are discount rate and future salary escalation rate. The following table summarises defined benefit obligation at the end of the reporting period arising on account of an increase or decrease in the reported assumption by 100 basis points.

| Particulars | As at 31 March 2021 | | As at 31 March 2020 | |
|--------------------------------------|---------------------|------------------------|---------------------|------------------------|
| | Discount rate | Salary escalation rate | Discount rate | Salary escalation rate |
| Impact of increase in 100 bps on DBO | 386 | 415 | 396 | 425 |
| Impact of decrease in 100 bps on DBO | 419 | 389 | 429 | 399 |

These sensitivities have been calculated to show the movement in defined benefit obligation in isolation and assuming there are no other changes in market conditions at the accounting date. There have been no changes from the previous periods in the methods and assumptions used in preparing the sensitivity analysis.

Funding arrangement and policy

The money contributed by the Company to the fund to finance the liabilities of the plan has to be invested. The trustees of the plan have outsourced the investment management of the fund to insurance companies. The insurance companies in turn manage these funds as per the mandate provided to them by the trustees and the asset allocation which is within the permissible limits prescribed in the insurance regulations.

There is no compulsion on the part of the Company to fully pre fund the liability of the Plan. The Company's philosophy is to fund the benefits based on its own liquidity and tax position as well as level of under funding of the plan.

The expected contribution payable to the fund under the plan next year is ₹ 13.00 lakh

Projected plan cash flow

The table below shows the expected cash flow profile of the benefits to be paid to the current membership of the plan:

| | Less than a year | Between 1 - 2 years | Between 2 -5 years | Over 5 years | Total |
|---------------|------------------|---------------------|--------------------|--------------|--------|
| 31 March 2021 | 98.90 | 94.46 | 151.09 | 96.76 | 441.21 |
| 31 March 2020 | 94.80 | 80.04 | 206.78 | 128.60 | 510.22 |

| Particulars | As at 31 March | |
|--|----------------|------|
| | 2021 | 2020 |
| Weighted average duration of defined benefit obligation (in years) | 6.06 | 6.46 |

Notes to financial statements for the year ended 31 March 2021 (Contd.)

33 Employee benefits (Contd.)

| Particulars | As at 31 March | |
|---|----------------|-------|
| | 2021 | 2020 |
| Principal Actuarial Assumptions (Expressed as Weighted Averages) | | |
| Discount rate (p.a.) | 6.60% | 6.40% |
| Salary escalation rate (p.a.) | 6.00% | 6.00% |

The estimates of future salary increases, considered in actuarial valuation, takes into account, inflation, seniority, promotions and other relevant factors, such as demand and supply in the employment market.

Compensated absences :

| Particulars | As at 31 March | |
|--|----------------|-------|
| | 2021 | 2020 |
| (₹ In Lakh) | | |
| Present value of unfunded obligations | 81.67 | 88.30 |
| Expense recognised in the Statement of Profit and Loss | 15.52 | 14.79 |
| Amount recorded as Other Comprehensive Income | - | - |
| Discount rate (p.a.) | 6.60% | 6.40% |
| Salary escalation rate (p.a.) | 6.00% | 6.00% |

The compensated absences cover the Company's liability for earned leave.

Entire amount of the provision is presented as current, since the Company does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, the Company does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months. The following amounts reflect leave that is not expected to be taken or paid within the next 12 months.

| Particulars | As at 31 March | |
|---|----------------|-------|
| | 2021 | 2020 |
| (₹ In Lakh) | | |
| Compensated absences expected to be settled after 12 months | 66.15 | 73.51 |

Notes to financial statements for the year ended 31 March 2021 (Contd.)

34 Disclosure of transactions with related parties as required by the Ind AS -24:

| | | (₹ In Lakh) | | | |
|--|---|-------------------|--|-------------------|--|
| Name of related party and Nature of relationship | Nature of transaction | 2020-21 | | 2019-20 | |
| | | Transaction value | Outstanding amounts carried in the Balance Sheet | Transaction value | Outstanding amounts carried in the Balance Sheet |
| A Holding company, subsidiaries and fellow subsidiary: | | | | | |
| Bajaj Holdings and Investment Ltd. (Holds 51% shares of Maharashtra Scooters Ltd.) | Contribution to equity (3,387,036 shares of ₹ 10 each) | - | 4,665.36 | - | 4,665.36 |
| | Purchase of shares by BHIL (5,828,560 shares of ₹10 each) | - | (582.86) | - | (582.86) |
| | Dividend received | - | - | 2,455.60 | - |
| | Dividend paid | - | - | 4,837.70 | - |
| B Associates, joint ventures and investing parties: | | | | | |
| Bajaj Auto Ltd. | Contribution to equity (6,774,072 shares of ₹ 10 each) | - | 1,824.86 | - | 1,824.86 |
| | Dividend received | - | - | 12,193.33 | - |
| | Purchases | 4.68 | - | 2.72 | - |
| | Sales | 305.54 | 142.26 | 235.42 | 50.69 |
| | Services received | 9.48 | (3.69) | 10.29 | (1.99) |
| | Revenue expenses reimbursed | 14.00 | - | 7.00 | - |
| Bajaj Finserv Ltd. | Contribution to equity (3,725,740 shares of ₹ 5 each) | - | 3,968.63 | - | 3,968.63 |
| | Dividend received | - | - | 279.43 | - |
| Bajaj Finance Ltd. | Contribution to equity (18,974,660 shares of ₹ 2 each) | - | 5,006.76 | - | 5,006.76 |
| | Investment in non-convertible debentures | - | 16,000.00 | - | 9,000.00 |
| | Redemption received | 500.00 | - | 11,000.00 | - |
| | Dividend received | - | - | 3,035.95 | - |
| | Interest received | 751.26 | 684.35 | 1,110.72 | 539.35 |
| | Services received | 16.39 | - | 14.03 | - |
| Bajaj Housing Finance Ltd. | Investment in non-convertible debentures | - | 2,500.00 | - | - |
| | Interest received | - | 6.16 | - | - |
| C Key management personnel and their relatives: | | | | | |
| Madhur Bajaj | Sitting fees | - | - | 0.20 | - |
| Sanjiv Bajaj | Sitting fees | 2.50 | - | 3.10 | - |
| Shrinivas Pathak - CEO | Remuneration | 35.96 | - | 32.57 | - |
| D Other entities/persons: | | | | | |
| Bajaj Allianz General Insurance Co. Ltd. | Insurance premiums paid | 6.40 | 8.97 | 6.08 | 6.77 |
| Yogesh J Shah | Sitting fee | 6.00 | - | 5.40 | - |
| Nareshkumar Patni | Sitting fee & travelling expenses | 5.00 | - | 5.04 | - |
| Lila Poonawalla | Sitting fee | 5.50 | - | 2.50 | - |
| Anish P Amin | Sitting fee | 3.50 | - | 2.50 | - |
| V. Rajagopalan | Sitting fee | 2.50 | - | 2.00 | - |
| Sadashiv S Survase | Sitting fee & travelling expenses | - | - | 0.48 | - |
| Vrushali Agashe | Sitting fee & travelling expenses | - | - | 0.48 | - |
| Abhinandan More | Sitting fee & travelling expenses | - | - | 0.56 | - |
| Vishwanath L Rajale | Sitting fee | - | - | 0.40 | - |
| Sanjay Deogankar | Sitting fee & travelling expenses | - | - | 0.23 | - |

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

Related parties as defined under clause 9 of the Ind As 24 'Related Party Disclosures' have been identified based on representations made by key managerial personnel and information available with the Company.

All above transactions are in ordinary course of business and on arms' length basis. All outstanding balances are unsecured and are repayable in cash.

Notes to financial statements for the year ended 31 March 2021 (Contd.)

35 According to the records available with the Company, dues payable to entities that are classified as the Micro and Small Enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 during the year is ₹ 11.13 lakh (Previous Year: ₹ 34.35 lakh) . Further, no interest has been paid or was payable to such parties under the said Act during the year. Dues to micro, small and medium enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Company.

36 Previous year figures

Previous year figures have been regrouped wherever necessary.

The accompanying notes are an integral part of the financial statements

In terms of our report of even date

For Kirtane & Pandit LLP
Chartered Accountants
Firm Registration Number: 105215W/W100057

Suhas Deshpande
Partner
Membership Number: 31787

Pune: 28 April 2021

On behalf of the Board of Directors

Anant Marathe
Chief Financial Officer

Sriram Subbramaniam
Company Secretary

Sanjiv Bajaj
Chairman

V. Rajagopalan
Director

5 years' highlights of Maharashtra Scooters Ltd.

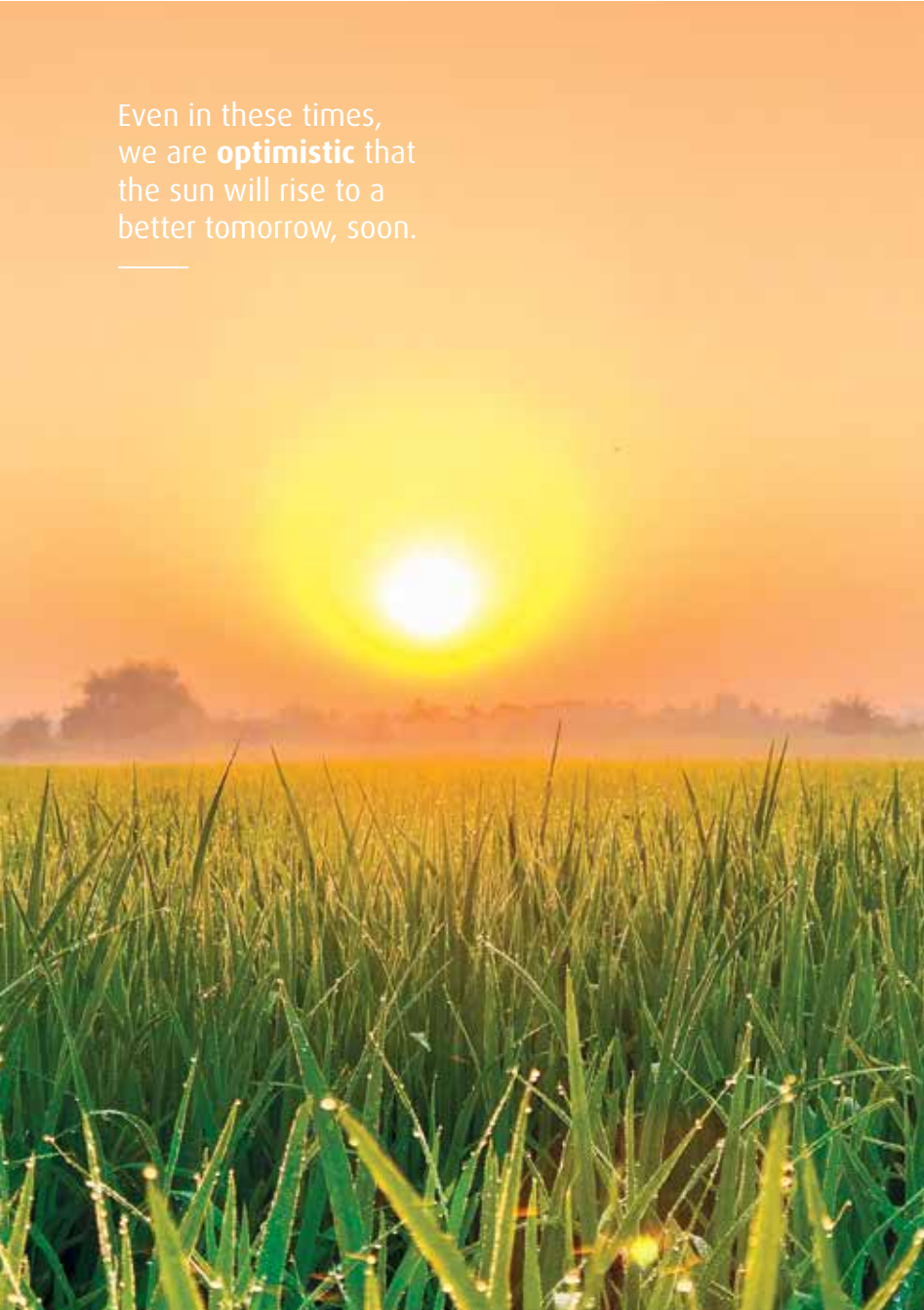
| Particulars | (₹ In Lakh) | | | | |
|--|-------------------|-------------------|-------------------|-------------------|---------------------|
| | 2020-21 Ind AS | 2019-20 Ind AS | 2018-19 Ind AS | 2017-18 Ind AS | 2016-17 Ind GAAP |
| SALES & EARNINGS: | | | | | |
| Net sales & other income excl excise | 3,071 | 21,383 | 9,593 | 8,212 | 2,924 |
| Gross profit before interest, depreciation and exceptional items | 1,098 | 19,362 | 7,595 | 6,209 | 1,425 |
| Profit after tax # | 881 | 17,994 | 7,280 | 6,076 | 1,256 |
| Total Comprehensive Income * | 803,279 | (299,809) | 314,341 | 171,405 | - |
| ASSETS EMPLOYED: | | | | | |
| Net fixed assets | 1,428 | 1,533 | 1,469 | 1,253 | 705 |
| Investments at cost | - | - | - | - | 28,328 |
| Investments at fair value | 1,718,916 | 807,989 | 1,167,966 | 819,611 | - |
| Other assets (net) | 6,441 | 8,239 | 562 | 1,711 | 3,422 |
| Capital Employed | 1,726,785 | 817,761 | 1,169,997 | 822,575 | 32,455 |
| FINANCED BY: | | | | | |
| Shareholders' funds: | | | | | |
| i) Shareholders' investment | 100 | 100 | 100 | 100 | 100 |
| ii) Bonus shares | 1,043 | 1,043 | 1,043 | 1,043 | 1,043 |
| iii) Reserves and surplus | 43,455 | 42,562 | 36,025 | 33,286 | 31,312 |
| iv) Other reserves FVOCI-Equity instruments | 1,579,759 | 777,373 | 1,095,154 | 788,098 | - |
| Net Worth | 1,624,357 | 821,078 | 1,132,322 | 822,527 | 32,455 |
| Deferred tax (asset)/liability | 102,428 | (3,317) | 37,675 | 48 | - |
| | 1,726,785 | 817,761 | 1,169,997 | 822,575 | 32,455 |
| EQUITY SHARE DATA: | | | | | |
| Earning per equity share ₹ | 7.71 | 157.45 | 63.70 | 53.16 | 10.99 |
| Net worth per equity share ₹ | 14,213 | 7,184 | 9,908 | 7,197 | 284 |
| Dividend including interim dividend % | 500 | 500 | 330 | 330 | 300 |
| Dividend including tax ₹ | 5,714 | 6,889 | 4,547 | 4,547 | 4,127 |
| OTHERS: | | | | | |
| Employees | 102 | 106 | 108 | 114 | 106 |
| Employees' cost | 800 | 865 | 811 | 821 | 813 |

Profit after tax for FY 2019-20 includes interim dividend of ₹ 11,567 lakh.

* Total Comprehensive Income includes Mark to Market (MTM) gain/loss on equity instruments.



Even in these times,
we are **optimistic** that
the sun will rise to a
better tomorrow, soon.



Togetherness



Adaptability



Gratitude



Hope



Kindness



Conscientiousness



MAHARASHTRA SCOOTERS LTD.

MAHARASHTRA SCOOTERS LIMITED

C/o. Bajaj Auto Ltd.
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