



## MAHARASHTRA SCOOTERS LTD.

CIN-L35912MH1975PLC018376

Regd. Office : C/o Bajaj Auto Limited,  
Mumbai-Pune Road, Akurdi, Pune 411 035 (India)  
Phone : 020-27472851, Fax : 020-27472764  
Website : www.mahascoters.com

MSL/SH/SE/

17 July 2018

Corporate Relations Department  
BSE Limited  
Phiroze Jeejeebhoy Towers  
Dalal Street, Fort  
**MUMBAI-400 001.**

Scrip Code: 500266

Email: [corp.relations@bseindia.com](mailto:corp.relations@bseindia.com)

Corporate Relations Department  
National Stock Exchange of India Ltd.  
Exchange Plaza, 5th Floor  
Plot No.C/1, G Block  
Bandra-Kurla Complex, Bandra (E)  
**MUMBAI-400 051**  
Scrip Symbol: MAHSCOOTER

Email: [cmist@nse.co.in](mailto:cmist@nse.co.in)

Sub: **Submission of Annual Report pursuant to Regulation 30(1) of Listing Regulations, 2015**

Dear Sir,

Pursuant to the provisions of Regulation 30(1) of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, we submit herewith a soft copy of our Annual Report for the financial year 2017-18, approved and adopted by the Members of the Company in their 43<sup>rd</sup> General Meeting held on Monday, 16 July 2018.

Kindly take the above on your records.

Thanking you,

Yours truly,  
For Maharashtra Scooters Limited

  
N.S. Kulkarni  
Company Secretary & Compliance Officer

Enc: As above



**MAHARASHTRA SCOOTERS LTD.**

**43rd**  
**ANNUAL REPORT**  
**2017-2018**



# MAHARASHTRA SCOOTERS LTD.

43rd ANNUAL REPORT 2017-18

## CONTENTS

Board of Directors	1
Notice of Annual General Meeting	2
Directors' Report	11
Corporate Governance	24
Management Discussion and Analysis	37
Independent Auditors' Report	39
Balance Sheet	44
Profit & Loss Account	45
Cash Flow Statement	47
Notes to Financial Statement	49
Five Years' Highlights	84
Route Map of venue of 43rd Annual General Meeting	Inside back cover

43rd Annual General Meeting:

Monday, 16 July 2018 at 12.15 p.m. at the Registered Office

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

**Board of Directors**

**Madhur Bajaj**, *Chairman*  
**Naresh Patni**  
**Sadashiv S. Survase** (from 16 May 2018)  
**Sanjay S. Degaonkar**  
**Sanjiv Bajaj**  
**Vishwanath L. Rajale** (from 18 July 2017)  
**Ms. Vrushali Agashe** (from 16 May 2018)  
**Yogesh J. Shah**

**Audit Committee**

**Yogesh J. Shah**, *Chairman*  
**Naresh Patni**  
**Sanjay S. Degaonkar**

**Stakeholders Relationship Committee**

**Yogesh J. Shah**, *Chairman*  
**Sanjiv Bajaj**  
**Sadashiv S. Survase**

**Nomination & Remuneration Committee**

**Yogesh J. Shah**, *Chairman*  
**Naresh Patni**  
**Sanjay S. Degaonkar**

**Corporate Social Responsibility Committee**

**Yogesh J. Shah**, *Chairman*  
**Sanjiv Bajaj**  
**Vishwanath L. Rajale**

**Key Managerial Personnel**

**Rajeev D. Haware**  
*Chief Executive Officer*

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

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

**Statutory Auditors**

**Kirtane & Pandit LLP**, Pune (from 18 July 2017)  
Chartered Accountants

**Secretarial Auditor**

**Shyamprasad D. Limaye**  
Practicing Company Secretary

**Internal Auditor**

**Jayesh Kulkarni**

**Registered Office**

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

**Registrar and Share Transfer Agent**

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

**Works**

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

**Corporate Identification No. (CIN)**

L35912MH1975PLC018376

**Website**

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

**E-mail**

investors\_msl@bajajauto.co.in



CIN: L35912MH1975PLC018376

**Registered office:**

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

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

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

## NOTICE

**NOTICE** is hereby given that the forty-third (43rd) Annual General Meeting of the shareholders of **MAHARASHTRA SCOOTERS LTD.** will be held on **Monday, 16 July 2018 at 12.15 p.m.** at the Registered Office of the Company at C/o. Bajaj Auto Ltd., Mumbai-Pune Road, Akurdi, Pune-411 035, to transact the following business:-

### ORDINARY BUSINESS:

#### Item No.1

To consider and adopt the standalone financial statements of the Company for the year ended 31 March 2018, together with the reports of the Board of Directors and Auditors thereon.

#### Item No.2

To declare a dividend on equity shares.

#### Item No.3

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

#### Item No.4

To fix the remuneration of M/s. Kirtane & Pandit LLP, Chartered Accountants, statutory auditors of the Company and in this context, to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:-

**"RESOLVED** that pursuant to the provisions of section 139,142 and all other applicable provisions of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and pursuant to the resolution passed by the shareholders of the Company at the 42nd Annual General Meeting held on 18 July 2017 in respect of the appointment of M/s. Kirtane & Pandit LLP, Chartered Accountants, Pune (ICAI Firm Registration No.105215W / W100057) till the conclusion of the 47th Annual General Meeting, the Board of Directors be and are hereby authorised to fix the remuneration of Statutory Auditors for the period commencing from the financial year 2018-19 until the conclusion of 47th Annual General Meeting scheduled in the financial year 2022-23."

### SPECIAL BUSINESS:

#### Item No.5

Appointment of V.L. Rajale (DIN 0640260) as a Director:

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

**"RESOLVED** that pursuant to the provisions of section 152,161 and other applicable provisions of the Companies Act, 2013, and Rules framed thereunder, as applicable, V.L. Rajale (DIN 0640260), who was appointed by the Board of Directors as an Additional Director of the Company, being a Nominee Director representing Western Maharashtra Development Corporation Ltd., with effect from 18 July 2017 and in respect of whom the Company has received a notice in writing in the manner prescribed pursuant to the provisions of section 160 of the Companies Act, 2013, as amended, be and is hereby appointed as a Director of the Company, liable to retire by rotation.

**"RESOLVED** further that pursuant to the provisions of section 197 and other applicable provisions of the Companies Act, 2013 and the Rules framed thereunder, V. L. Rajale be paid such fees and remuneration as the Board may approve from time to time and subject to such limits, prescribed or as may be prescribed from time to time."

#### Item No.6

To appoint Ms. Vrushali Agashe (DIN 06966630) as an Independent Director:

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

**"RESOLVED** that pursuant to section 149 and other applicable provisions of the Companies Act, 2013, read with the Rules made thereunder, approval be and is hereby accorded to the appointment of Ms. Vrushali Agashe (DIN 06966630), in respect of whom a notice in writing pursuant to section 160 of the Companies Act,

2013, as amended, has been received in the prescribed manner, as an Independent Director on the Board of the Company for a consecutive period of five years, effective 16 May 2018 up to 15 May 2023."

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

#### Item No. 7

Appointment of Sadashiv S. Survase (DIN 01541589) as an Independent Director:

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

**"RESOLVED** that pursuant to section 149 and other applicable provisions of the Companies Act, 2013, read with the Rules made thereunder, approval be and is hereby accorded to the appointment of Sadashiv S. Survase (DIN 01541589) in respect of whom a notice in writing pursuant to section 160 of the Companies Act, 2013, as amended, has been received in the prescribed manner, as an Independent Director on the Board of the Company for a consecutive period of five years, effective 16 May 2018 up to 15 May 2023."

**"RESOLVED** further that pursuant to the provisions of section 149, 197 and other applicable provisions of the Companies Act, 2013 and the Rules framed thereunder, Sadashiv S. Survase be paid such fees and remuneration as the Board may approve from time to time and subject to such limits, prescribed or as may be prescribed from time to time.

#### Item No.8

Appointment of Shriniwas Pathak as "Manager", designated as "Chief Executive Officer" of the Company:

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

**"RESOLVED** that pursuant to the provisions of section 196, 197, 203 and other provisions, if any, of the Companies Act, 2013, Rules made thereunder and Schedule V thereto (including any amendment(s) thereto or re-enactments thereof for the time being in force), approval be and is hereby given to the appointment of Shriniwas Pathak as the "Manager", for a term of five (5) years commencing from 1 July 2018 till 30 June 2023, on the terms and conditions, including remuneration and minimum remuneration in the event of absence or inadequacy of profits as set out in the explanatory statement relating to this resolution, with liberty to the Board of Directors, to alter or vary the terms and conditions and remuneration including the minimum remuneration, in such manner as the Board may deem fit and is acceptable to Shriniwas Pathak."

**"FURTHER RESOLVED** that Shriniwas Pathak be and is hereby designated as Chief Executive Officer of the Company for the purpose of section 203 of the Companies Act, 2013 and provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as applicable."

**"FURTHER RESOLVED** that in the event of any statutory amendments, modifications or relaxations by the Central Govt. to Schedule V to the Companies Act, 2013, the Board of Directors be and is hereby authorised to vary or increase the remuneration, including salary, perquisites and allowances etc., within such prescribed limit without any further reference to the shareholders of the Company in the general meeting."

**"AND FURTHER RESOLVED** that the Board of Directors of the Company be and is hereby authorised to take such steps as may be necessary to give effect to this resolution."

By Order of the Board  
for MAHARASHTRA SCOOTERS LTD.



**N.S. Kulkarni**  
Company Secretary

Pune, 16 May 2018.



## NOTES:

1. **Explanatory Statement:** Explanatory Statement pursuant to section 102 of the Companies Act, 2013 with respect to the Special Business set out in item No.5 to 8 is annexed.
2. **Profile of Directors:** As required by regulation 36(3) of the Listing Regulations, brief resume of the Directors seeking appointment / re-appointment is annexed hereto.
3. **Proxy:** A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF AND THE PROXY NEED NOT BE A MEMBER. A PERSON CAN ACT AS PROXY ON BEHALF OF MEMBERS UPTO AND NOT EXCEEDING FIFTY AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY. FURTHER, A MEMBER HOLDING MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS PROXY FOR ANY OTHER PERSON OR MEMBER. THE INSTRUMENT APPOINTING PROXY MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME OF HOLDING THE MEETING.

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

4. **Notification by members:** Members holding shares in physical form are requested to notify change of address, if any, to the share transfer agent (STA) of the Company, Karvy Computershare Private Ltd., Karvy Selenium Tower B, Plot No.31 & 32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad – 500 008, immediately.

Beneficial owners holding shares in electronic form are requested to notify any change in address, bank particulars, NECS particulars etc., to their respective depository participants. Bank details as furnished by the respective depository participants to the Company would be used for the purpose of distribution of dividend either through payment instrument or NECS. The Company would not entertain any request from such members for change / deletion of such bank details.

5. **Dividend:** Subject to the provisions of section 126 of the Companies Act, 2013, if dividend on equity shares as recommended by the Directors is approved at the meeting, payment of such dividend will be made from **23 July 2018 to 24 July 2018**, to those shareholders, whose names appear (a) as beneficial owners as at the end of the business hours of Friday, 6 July 2018 as per the list to be furnished by National Securities Depository Ltd. and Central Depository Services (I) Ltd., in respect of shares held in electronic form and (b) as members in the Register of Members of the Company, after giving effect to all valid share transfers lodged with Karvy Computershare P.Ltd., Hyderabad, the share transfer agent (STA) of the Company on or before 6 July 2018.

**To avoid any fraudulent encashments and ensure timely credit of dividend through the approved electronic mechanism or dividend warrants/payment instruments, as prescribed by SEBI, members are requested to update PAN details and notify change of address, or particulars of their bank account, if changed, along with the 9 digit MICR/relevant details, to the respective depository participant in case of shares held in demat mode or the share transfer agent of the Company in case of shares held in physical mode, on or before 6 July 2018.**

6. **Unclaimed Dividend:** Pursuant to the provisions of section 124(5) of the Companies Act, 2013, the amount of dividend for the financial year 2010-11 remaining unpaid for a period of seven (7) years shall become due for transfer to the Investor Education and Protection Fund (IEPF) established by the Central Government, in August 2018.
7. **Unclaimed shares transferred to IEPF Authority:** Pursuant to the provisions of section 124(6) of the Companies Act 2013 and Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules 2016, as amended, in case of such shareholders whose dividends had remained unpaid for a **continuous period of 7 years**, after due compliance of the procedure prescribed thereunder, the underlying shares were transferred to the IEPF Authority.

Shareholders who have not claimed dividend for the financial years from 2010-11 onwards are requested to approach the Company / STA for claiming the same at their earliest.

Shareholders in respect of whom the shares are transferred to IEPF Authority are requested to write to M/s. Karvy Computershare P. Ltd., Hyderabad, the share transfer agent (STA), who would guide them on the procedure to be followed for claiming the shares so transferred.

8. **Book Closure:** Pursuant to the provisions of section 91 of the Companies Act, 2013, Register of Members and Share Transfer Books of the Company will remain closed from **Saturday, 7 July 2018 to Monday, 16 July 2018**, both days inclusive, for the purpose of Annual General Meeting and payment of dividend.

9. **Inspection of Records:** Register of Contracts or arrangement in which Directors are interested as stipulated under section 189 of the Companies Act, 2013 and Register of Directors and Key Managerial Personnel and their shareholding maintained under section 170 of the Companies Act, 2013 are open for inspection by members and others at the registered office of the Company on all working days during business hours. The said Registers shall also be produced at the commencement of annual general meeting and shall remain open and accessible during the continuance of the meeting to a person having the right to attend the meeting.
10. **Green initiative in Corporate Governance:** In terms of provisions of section 101 and 136 of the Companies Act, 2013 and Rules made thereunder, Members who have opted to receive the Notice convening the general meetings, Financial Statements, Directors' Report, Auditors' Report etc. in electronic form, by registering their e-mail addresses with the Company or whose e-mail addresses are made available to the Company by the Depositories, are being sent with such documents in the electronic form. These documents are also made available on the website of the Company viz., [www.mahascooters.com](http://www.mahascooters.com)  
**As a shareholder of the Company, you are entitled to be furnished, free of cost, with the copies of such documents upon receipt of requisition from you to that effect.**  
**To receive shareholders' communications through electronic means, including annual reports and notices, members are requested to kindly register/update their email address with their respective depository participant, where shares are held in electronic form. If, however, shares are held in physical form, members are advised to register their e-mail address with Karvy Computershare Pvt. Ltd. by writing at [mohsin.mohd@karvy.com](mailto:mohsin.mohd@karvy.com)**
11. **Corporate Members:** Corporate Members are requested to send in advance, duly certified copy of the Board Resolution / Power of Attorney authorising their representative to attend the Annual General Meeting.
12. **Nomination:** Pursuant to section 72 of the Companies Act, 2013, members holding shares in physical form are advised to submit the nomination in the prescribed Form SH-13, available for download on the website of the Company, to the Company's share transfer agent. In respect of shares held in electronic / demat form, the members are requested to contact their respective depository participant.
13. **Remote E-Voting:** In terms of the provisions of section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended, and regulation 44 of Listing Regulations, the Company is providing facility to exercise votes on the items of business given in the Notice through electronic voting system to such investors who are the members as on **Monday, 9 July, 2018**, being the "cut-off date" fixed for determining voting rights of members reckoned on the equity shares held by them as on that day, entitled to participate in the e-voting process. The Company has entered into an arrangement with M/s. Karvy Computershare P.Ltd., the share transfer agent of the Company (Karvy) for facilitating e-voting, through their e-voting platform: <https://evoting.karvy.com>
14. Route map of venue of the meeting is provided at the inside of the back cover page of the Annual Report.

#### INSTRUCTIONS FOR E-VOTING:

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

- i. Use the following URL for e-voting:  
<https://evoting.karvy.com>
- ii. Enter the login credentials i.e. User-ID & Password mentioned in your e-mail. Your Folio No./DP ID Client ID will be your user ID. However, if you are already registered with Karvy for e-voting, you can use your existing User ID and Password for casting your votes.
- iii. After entering the details appropriately, click on LOGIN.
- iv. You will reach the Password change menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character. The system will prompt you to change your password. **It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.**
- v. You need to login again with the new credentials.
- vi. On successful login, the system will prompt you to select the EVENT i.e., **Maharashtra Scooters Ltd.**
- vii. On the voting page, the number of shares (which represents the number of votes) as held by the shareholder as on the cut-off date will appear. If you desire to cast all the votes assenting/dissenting to the Resolution then enter all shares and click "FOR" / "AGAINST", as the case may be or partially in "FOR" and partially in "AGAINST". However, the total number in "FOR" / "AGAINST" taken together should not exceed your total shareholding as





on the cut-off date. You may also choose the option "ABSTAIN", in which case the shares held will not be counted under either head.

- viii. Members holding multiple folios / demat account shall choose the voting process separately for each folios / demat account.
- ix. Cast your votes by selecting an appropriate option and click on SUBMIT. A confirmation box will be displayed. Click OK to confirm else CANCEL to modify. During the voting period, you can login any number of times till you confirm having voted on the resolution.
- x. Corporate / Institutional members (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/Authority Letter etc. together with attested specimen signature of the duly authorised signatory(ies) who are authorised to vote, to the Scrutinizer through e-mail [cssdlimaye@gmail.com](mailto:cssdlimaye@gmail.com). They may also upload the same in the e-voting module in their login. The scanned images of the above documents should be in the naming format "Corporate Name EVENT NO."
- xi. **Once you have cast your vote on a resolution, you will not be allowed to modify it subsequently.**
- xii. The Portal will remain open for voting from **Friday, 13 July 2018 (9.00 a.m.) till Sunday, 15 July 2018 (5.00 p.m.) and at the end of Remote e-voting period, the facility shall forthwith be blocked.**
- xiii. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for members and e-voting User Manual for members available at the download section of <https://evoting.karvy.com> or contact Karvy Computershare Pvt. Ltd., on 1800 345 4001 (toll free).

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

Members holding shares either in demat or physical mode who are in receipt of Notice in physical form, may cast their votes using the e-voting facility for which the User ID and initial password are provided on the attendance slip. Please follow steps from Sl. No. (i) to (xii) under heading A above to vote through e-voting platform.

**C. VOTING AT THE MEETING:**

Members who have not cast their vote by Remote E-Voting can exercise their voting rights at the annual general meeting. The Company will make necessary arrangements by way of electronic voting for exercising the options of voting by the members of the Company.

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

**D. GENERAL INSTRUCTIONS:**

The Board of Directors has appointed Shyamprasad D. Limaye, Practising Company Secretary (FCS No. 1587 CP No.572) as the scrutinizer to the e-voting process and voting at the venue of the annual general meeting in a fair and transparent manner.

The scrutinizer shall, immediately after the conclusion of voting at the general meeting, first count the votes cast at the meeting, thereafter unlock the votes through e-voting in the presence of at least two (2) witnesses, not in the employment of the Company and make, not later than three (3) days from the conclusion of the meeting, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman of the Company, who shall countersign the same.

The scrutinizer shall submit his report to the Chairman, who shall declare the result of the voting. The results declared along with the scrutinizer's report shall be placed on the Company's website: [www.mahascooters.com](http://www.mahascooters.com) and on the website of Karvy: <https://evoting.karvy.com>, and shall also be communicated to the stock exchanges. The resolution shall be deemed to be passed at the annual general meeting of the Company scheduled to be held on Monday, **16 July 2018.**

## Annexure to Notice

### **Brief resume of Directors seeking appointment at the annual general meeting pursuant to Regulation 36(3) of Listing Regulations and explanatory statement under section 102 of the Companies Act, 2013**

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

##### **Re-appointment of Sanjiv Bajaj (DIN 00014615) as a Director**

Pursuant to the provisions of section 152 of the Companies Act, 2013, Sanjiv Bajaj retires by rotation and being eligible, offers himself for re-appointment.

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

Details as required under Regulation 36(3) of Listing Regulations, 2015 with respect to the appointment of Sanjiv Bajaj are annexed to the Notice.

Except Sanjiv Bajaj, none of the Directors, Manager and other Key Managerial Personnel of the Company or their relatives are concerned or interested in the resolution.

The Board recommends the resolution for the approval of shareholders.

#### **Item No. 5**

##### **Re-appointment of V.L. Rajale as a Director**

At the Board meeting of the Company held on 18 July 2017, V.L. Rajale was appointed as an Additional Director, being Nominee Director of Western Maharashtra Development Corporation Ltd., in place of Sadashiv S. Survase. Pursuant to the provisions of section 161 of the Companies Act, 2013, V.L. Rajale vacates the office at the ensuing Annual General Meeting and is to be appointed as a Director by the shareholders.

As stipulated under section 160 of the Companies Act, 2013, as amended, a notice is received by the Company from V.L. Rajale signifying his candidature as a Nominee Director.

Pursuant to the provisions of section 164 of the Companies Act, 2013, V.L. Rajale is not disqualified from being appointed as a Director.

Details as required under Regulation 36(3) of the Listing Regulations, 2015 with respect to the appointment of V.L. Rajale are annexed to the Notice.

Except V.L. Rajale, none of the Directors or other Key Managerial Personnel of the Company or their relatives are concerned or interested in the proposed resolution.

The Board recommends the resolution for the approval of shareholders.

#### **Item No.6**

##### **Appointment of Ms. Vrushali Agashe as an Independent Director**

In the vacancy caused by the resignation of Mrs. Richa Bagla, an Independent Woman Director, the Board of Directors at its meeting held on 16 May 2018 appointed Ms. Vrushali Agashe (DIN 06966630) as an Independent Director for a period of five (5) years, effective 16 May 2018 until 15 May 2023, subject to the approval of the shareholders at the ensuing Annual General Meeting.

Ms. Vrushali Agashe has furnished a declaration to the Company under section 149(7) of the Companies Act, 2013, confirming that she meets the criteria prescribed for Independent Directors pursuant to the provisions of section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the Listing Regulations and is not disqualified for being appointed as a Director pursuant to section 164 of the Companies Act, 2013.

In view of the provisions of section 149(10), read with the provisions of section 150(2) of the Companies Act, 2013, it is proposed to seek the approval of the shareholders by way of special resolution for the appointment of Ms. Vrushali Agashe as Independent Director of the Company for a period of five consecutive years with effect from 16 May 2018 until 15 May 2023 as set out at item No.6 of the Notice.

As stipulated under section 160 of the Companies Act, 2013, as amended, a notice is received from Ms. Vrushali Agashe, signifying her candidature as a Woman Independent Director.

The terms and conditions of appointment of independent directors shall be open for inspection at the registered office of the Company by any member during normal business hours and the same shall also be available at the Company's website.



The Board is of the opinion that Ms. Vrushali Agashe possesses requisite skills, experience and knowledge relevant to the Company's business and it would be in the interest of the Company to have her association with the Company as an Independent Director.

Further, in the opinion of the Board, the proposed appointment of Ms. Vrushali Agashe fulfills the conditions specified in the Act and Rules made thereunder and that her proposed appointment is independent of the management.

Details as required under Regulation 36(3) of Listing Regulations, 2015 with respect to the appointment of Ms. Vrushali Agashe are annexed to the Notice.

Except Ms. Vrushali Agashe, none of the Directors / Manager / Key Managerial Personnel or their relatives are concerned or interested in the above resolution.

The Board recommends the resolution set forth under item No.6 of the Notice for the approval of the shareholders.

### **Item No.7**

#### **Appointment of Sadashiv S. Survase as an Independent Director**

The Board of Directors at its meeting held on 16 May 2018 appointed Sadashiv S. Survase (DIN 01541589) as an Independent Director for a period of five (5) years, effective 16 May 2018 until 15 May 2023, subject to the approval of the shareholders at the ensuing Annual General Meeting.

Sadashiv S. Survase has furnished a declaration to the Company under section 149(7) of the Companies Act, 2013, confirming that he meets the criteria prescribed for Independent Directors pursuant to the provisions of section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the Listing Regulations and is not disqualified for being appointed as a Director pursuant to section 164 of the Companies Act, 2013.

As required pursuant to the provisions of section 150(2) of the Companies Act, 2013, it is proposed to seek the approval of the shareholders to the appointment of Sadashiv S. Survase as Independent Director of the Company for a period of five consecutive years with effect from 16 May 2018 until 15 May 2023 as set out at item No.7 of the Notice. As stipulated under section 160 of the Companies Act, 2013, as amended, a notice is received by the Company from Sadashiv S. Survase signifying his candidature as an Independent Director.

The terms and conditions of appointment of independent directors shall be open for inspection at the registered office of the Company by any member during normal business hours and the same shall also be available at the Company's website.

The Board is of the opinion that Sadashiv S. Survase possesses requisite skills, experience and knowledge relevant to the Company's business and it would be in the interest of the Company to have his association with the Company as an Independent Director.

Further, in the opinion of the Board, the proposed appointment of Sadashiv S. Survase fulfills the conditions specified in the Act and Rules made thereunder and that his proposed appointment is independent of the management.

Details as required under Regulation 36(3) of Listing Regulations, 2015 with respect to the appointment of Sadashiv S. Survase are annexed to the Notice.

Except Sadashiv S. Survase, none of the Directors / Manager / Key Managerial Personnel or their relatives are concerned or interested in the above resolution.

The Board recommends the resolution set forth under item No.7 of the Notice for the approval of the shareholders .

### **Item No.8**

#### **Appointment of Shriniwas Pathak as "Manager", designated as "Chief Executive Officer" of the Company**

Pursuant to the provisions of section 196, 197, 203, read with schedule V of the Companies Act, 2013, the Board of Directors at its meeting held on 16 May 2018, appointed Shriniwas Pathak as "Manager" under section 196 of the Companies Act, 2013, designated as Chief Executive Officer pursuant to section 203 of the Companies Act, 2013, and Listing Regulations, 2015, in place of Rajeev D. Haware, the outgoing Chief Executive Officer, who had tendered his resignation to pursue personal commitments.

Shriniwas Pathak, aged 44 years, having Diploma / Degree in production technology / business management and management science, and having varied experience of over 22 years in manufacturing / production engineering / design & development, had joined this Company as DGM (Tool Room).

The terms and conditions of appointment of Shriniwas Pathak are as under:-

1. Salary & Allowances: ₹ 30 lakh per annum (inclusive of all perquisites and allowances) & Performance-based Variable Remuneration: ₹ 10 lakh per annum with such annual increments / increases as may be decided by the Board of Directors from time to time, during the tenure of office.
2. Subject to any statutory ceiling/s, the Manager may be given any other allowances, perquisites, benefits and facilities as the Board of Directors from time to time may decide.
3. Perquisites / Allowances shall be valued as per Income-tax Rules, wherever applicable, and in the absence of any such rules, shall be valued at actual cost and will be as per Schedule V to the Companies Act, 2013.
4. The appointment shall be for a period of five (5) years beginning from 1 July 2018 and the same may be terminated by either party by giving three months' notice in writing of such termination or as may be mutually agreed to between the parties.
5. The Manager shall perform duties as may be entrusted to him from time to time by the Board of Directors, subject to the superintendence, guidance and control of the Board of Directors.
6. If Shriniwas Pathak separates from the Company for any reason (including resignation, termination, but excluding death & retirement), during the tenure of the Long Term Incentive Plan (LTIP), he shall not be eligible to get any benefit under the plan and all accrued amounts shall get forfeited.
7. In the event of any change taking place in the relevant laws, rules, schedules, regulations or guidelines or in the event of their being withdrawn, repealed, substituted or differently interpreted at any time hereafter, the Board of Directors of the Company, including Committee of the Board, if necessary, may revise the terms of remuneration (including minimum remuneration) and perquisites as set out hereinabove and add to, change or delete any of the said terms, if agreed to by the Chairman.

Shriniwas Pathak does not hold any shares of the Company and is not related to any Director or Key Managerial Personnel of the Company.

None of the Directors, Key Managerial Personnel or their relatives, except Shriniwas Pathak to whom this resolution pertains, is directly or indirectly interested or concerned, financially or otherwise in the said resolution, except to the extent of remuneration as may be received by him.

The Directors recommends the resolution set forth in Item No.8 of the Notice for the approval of the shareholders.

for MAHARASHTRA SCOOTERS LTD.

**N.S. Kulkarni**

Company Secretary

Pune, 16 May 2018.



## Annexure to the Notice of Annual General Meeting

Brief resume of Directors seeking appointment / re-appointment at the Annual General Meeting pursuant to Regulation 36(3) of Listing Regulations

Name of Director	V.L. Rajale	Ms. Vrushali Agashe	Sadashiv S. Survase	Sanjiv Bajaj
DIN	00640260	06966630	01541589	00014615
Type	Nominee Director	Independent Director	Independent Director	Nominee Director
Date of Birth	1 November 1962	24 June 1981	5 January 1968	2 November 1969
Date of Appointment	18 July 2017	16 May 2018	16 May 2018	18 October 2006
Educational Qualification	M.E. (Mech)	B.Tech (Chemicals)	M.E.(Design Eng) MBA	B.E. Mechanical, M.Sc. Manufacturing System Engg. MBA (Harvard Business School)
Directorship held in other Public Limited Companies	Western Maharashtra Development Corporation Ltd. - M D Auto Cluster Development and Research Institute	Development Corp. of Kokan Ltd. Pancham Acquaculture Farms Ltd.	Satara Mega Food Park Private Ltd.	Bajaj Auto Ltd. Bajaj Holdings and Investment LLtd. Bajaj Finserv Ltd. Bajaj Finance Ltd. Bajaj Auto Holdings Ltd. Bajaj Allianz General Insurance Co.Ltd. Bajaj Allianz Life Insurance Co. Ltd. Bajaj Housing Finance Ltd. Jeewan Ltd.
Committee Positions held in other Companies	Nil	NIL	Nil	<b>Audit Committee:</b> Bajaj Allianz General Insurance Co.Ltd. Bajaj Allianz Life Insurance Co.Ltd. Bajaj Housing Finance Ltd. Bajaj Finance Ltd. <b>Stakeholders' Relationship Committee:</b> Bajaj Finserv Ltd. Bajaj Finance Ltd. Maharashtra Scooters Ltd.
No. of shares held	Nil	Nil	Nil	Nil
Experience / expertise in functional areas	General Administration, Industrial Development and joint venture	General Administration, Industrial Development and joint venture	General Administration, Industrial Development and joint venture	Business strategy and development, Leadership development, General management, Finance, Investments
Relationship with other Directors, inter-se	None	None	None	None

## DIRECTORS' REPORT

### INTRODUCTION:

The Directors present their forty-third (43rd) Annual Report and Audited Financial Statements for the year ended 31 March 2018.

### REVIEW OF OPERATIONS:

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

The turnover of the Company during the year under review was ₹ 82.43 crore as against ₹ 30.29 crore. The income for the year 2016-17 is strictly not comparable, since the dividend income received during the year 2016-17 was lower on account of the Company having received interim dividend in the year 2015-16 from the investee companies.

### CONTINUED CLASSIFICATION AS A CORE INVESTMENT COMPANY:

Pursuant to the provisions of section 45-IA of RBI Act, 1934, the Company continued to meet the conditions for being classified as a Core Investment Company, exempted from registration with Reserve Bank of India. This, however, had no significant impact on the operations / finances of the Company.

### FINANCIAL HIGHLIGHTS:

(₹ in Lakh)

Particulars	2017-18	2016-17
Gross sales and other income	8242.99	3028.57
Gross profit before depreciation	6208.98	1489.28
Depreciation	74.64	55.38
Profit before tax	6134.34	1433.90
Tax expenses	58.57	127.16
Profit after tax	6075.77	1306.74
Earnings per share	53.16	11.43

### RECOMMENDATION ON DIVIDEND:

For the financial year ended 31 March 2018, the Directors are pleased to recommend for consideration of the shareholders at the ensuing Annual General Meeting, payment of dividend @ ₹ 33 per share (330%) on 11,428,568 equity shares of ₹10 each. For the financial year ended on 31 March 2017, the Company had paid a dividend @ ₹ 30 per share (300%).

The amount of dividend inclusive of tax thereon for the financial year 2017-18 amounts to ₹ 4546.66 lakh. As against this, dividend of ₹ 4126.55 was paid during the previous year.

### SHARE CAPITAL:

The paid up equity share capital as on 31 March 2018 was ₹ 11.42 crore. 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.

### PRESENTATION OF FINANCIAL STATEMENTS:

The financial statements of the Company for the year ended 31 March 2018 have been disclosed as per Division II of Schedule III to the Companies Act, 2013.

### CASH FLOW STATEMENT:

A Cash Flow Statement for the year 2017-18 is included in the annexed Statement of Accounts.

### EXTRACT OF ANNUAL RETURN:

Pursuant to the provisions of section 92(3) of the Companies Act, 2013 and Rules framed thereunder, an extract of Annual Return as on 31 March 2018 in the prescribed Form No. MGT-9 is annexed to this Report (Annexure-I).

### NUMBER OF MEETINGS OF THE BOARD:

Four (4) meetings of the Board were held during the year. Detailed information is given in the annexed Corporate Governance Report.

### DIRECTORS' RESPONSIBILITY STATEMENT:

As required pursuant to clause (c) of sub-section (3) of section 134 of the Companies Act, 2013, the directors, to the best of their knowledge and belief, state that -

- in the preparation of the annual accounts, the applicable Accounting Standards had been followed along with proper explanation relating to material departure;
- the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;
- that the directors 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;
- the directors had prepared the annual accounts on a going concern basis;
- the directors had 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) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## DETAILS IN RESPECT OF FRAUDS, IF ANY, REPORTED BY THE AUDITORS:

No offence involving fraud committed against the Company by officers or employees of the Company was reported by the Auditors to the Audit Committee or the Board pursuant to section 143(12) of the Companies Act, 2013.

## STATEMENT ON DECLARATION GIVEN BY INDEPENDENT DIRECTORS:

All the independent directors have submitted declarations to the Company to the effect that they meet the criteria of independence as provided in sub-section (7) of section 149 of the Companies Act, 2013.

## DIRECTORS' REMUNERATION POLICY AND CRITERIA FOR MATTERS UNDER SECTION 178:

Information regarding Directors' Remuneration Policy and criteria for determining the qualification, positive attributes, independence of a director and other matters provided under sub-section (3) of section 178 of the Companies Act, 2013 are contained in the Corporate Governance Report.

## PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS:

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

## PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

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

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

During the year under review, pursuant to the provisions of section 177 of the Companies Act, 2013 and regulation 23 of the SEBI Listing Regulations, all Related Party Transactions were placed before the Audit Committee for its prior / omnibus approval.

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

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

Conservation of energy	The Company continued to maintain power factor to unity throughout the year, resulting in getting maximum rebate in electricity bills. Company has initiated steps to introduce energy saving LED lamps in a phased manner all over the factory premises.
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 ₹ 473.22 lakh.

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

Pursuant to provisions of the Companies Act, 2013 and regulation 25(4) of the Listing Regulations, the Board has carried out an annual performance evaluation of its own performance, the directors individually, as well as the evaluation of the working of its Committees. The manner in which formal annual evaluation was made is provided in the annexed Corporate Governance Report.

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

### Change in Directors:

During the year under review, R.K. Nikharge, an Independent Director resigned from the Board effective 30 May 2017 on account of personal reasons. Further, Western Maharashtra Development Corporation Ltd. (WMDC), one of the two Promoters of the Company, withdrew the nomination of Sadashiv S. Survase as their nominee Director effective 7 June 2017.

The Board placed on record its sincere appreciation of the valuable services rendered by them during their tenure on the Board.

As nominated by WMDC, the Board appointed V.L. Rajale as a nominee Director representing WMDC in place of Sadashiv S. Survase, w.e.f. 18 July 2017. Pursuant to the provisions under the Companies Act, 2013 and the Rules made thereunder, the

same is now put up for approval of shareholders at the ensuing annual general meeting. Necessary details have been annexed to the notice of the meeting in terms of section 102(1) of the Companies Act, 2013 and regulation 36(3) of the SEBI Listing Regulations, 2015.

Subsequent to the year end, the following are the developments:-

Mrs. Richa Bagla, a Woman Independent Director resigned from the Board effective 5 April 2018 on account of her professional commitments.

WMDC withdrew the nomination of Vikram Kumar as their nominee Director effective 5 May 2018.

On the recommendations of Nomination and Remuneration Committee, the Board at its meeting held on 16 May 2018 appointed Ms. Vrushali Agashe and Sadashiv S. Survase as Independent Directors on the Board.

As required under the said Act and the Rules made thereunder, the proposals for appointment of Ms. Vrushali Agashe, as an Independent Woman Director and Sadashiv S. Survase are now put up for approval of shareholders at the ensuing annual general meeting. Necessary details have been annexed to the notice of the meeting in terms of section 102(1) of the Companies Act, 2013 and regulation 36(3) of the SEBI Listing Regulations, 2015.

Ms. Vrushali Agashe and Sadashiv S. Survase have submitted the declaration of independence, as required pursuant to section 149(7) of the Companies Act, 2013 stating that they respectively meet the criteria of independence as provided in section 149(6) and Regulation 16(1)(b) of the SEBI Listing Regulations, 2015.

In due compliance of provisions of the Companies Act, 2013, Sanjiv Bajaj retires by rotation as a Director and being eligible, offers himself for re-appointment. The information as required to be disclosed under regulation 36(3) of the SEBI Listing Regulations, 2015 in case of re-appointment of the director is provided in the notice of the ensuing annual general meeting.

#### **Changes in KMP:**

R.D. Haware, who was appointed as Chief Executive Officer of the Company w.e.f. 13 October 2014 upto 12 October 2019, has tendered his resignation owing to personal reasons, w.e.f. 30 June 2018. In the vacancy so caused, the Board at its meeting held on 16 May 2018 approved the appointment of Shriniwas Pathak as "Manager", designated as Chief Executive Officer" of the Company, subject to the approval of members at the ensuing annual general meeting.

Proposal for appointment of Shriniwas Pathak as "Manager" / Chief Executive Officer" of the Company is now put up for approval of shareholders at the ensuing annual general meeting.

Apart from above, there was no change in the Directors and Key Managerial Personnel during the year under review.

Detailed information on the directors is provided in the Corporate Governance Report.

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

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

#### **DETAILS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS:**

The Company has documented its internal financial controls considering the essential components of various critical processes, physical and operational. This includes its design, implementation and maintenance, along with periodical internal review of operational effectiveness and sustenance, which are commensurate with the nature of its business and the size and complexity of its operations.

This ensures orderly and efficient conduct of its business, including adherence to Company's policies, safeguarding of its assets, prevention of errors, accuracy and completeness of the accounting records and the timely preparation of reliable financial information.

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

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

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

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

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

#### **CORPORATE GOVERNANCE:**

In terms of regulation 34 of Listing Regulations, a Report on Corporate Governance together with the Auditors Certificate thereon, Management Discussion and Analysis Report & Corporate Social Responsibility Report forms integral part of Corporate Governance Report.

#### **BUSINESS RESPONSIBILITY REPORT:**

Pursuant to regulation 34(2) of the SEBI Listing Regulations, 2015, top 500 listed companies by market capitalisation, calculated as on March 31 of every financial year, are required to include in their annual report a Business Responsibility Report, describing therein the initiatives taken by them from





environmental, social and governance perceptive, in the format prescribed by SEBI.

For the financial year ended 31 March 2017, your Company was listed in the top 500 companies by market capitalisation and consequently, as part of the Annual Report for the financial year 2017-18, the Company has presented its Business Responsibility Report.

In its quest of green initiative, the Company has hosted the Business Responsibility Report on its website viz., [www.mahascooters.com](http://www.mahascooters.com). On request, a physical copy of said Report would be made available to any shareholder, free of cost.

## SECRETARIAL AUDIT REPORT:

Pursuant to the provisions of section 204 of the Companies Act, 2013, the Company had appointed Shyamprasad D. Limaye, a Fellow Member of the Institute of Company Secretaries of India and a Company Secretary in Practice (FCS No.1587, Certificate of Practice No.572), to conduct the secretarial audit and give a secretarial audit report for the year 2017-18 to be annexed to the report of Board of Directors.

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

## SECRETARIAL STANDARDS OF ICSI:

Pursuant to the approval given on 10 April 2015 by Central Govt. to the Secretarial Standards specified by the Institute of Company Secretaries of India, the Secretarial Standard on Meetings of the Board of Directors (SS-1) and General Meetings (SS-2) came into effect from 1 July 2015. These Secretarial Standards were subsequently revised and made effective from 1 October 2017. The Company is in compliance with the said Standards.

## STATUTORY AUDITORS:

Pursuant to the provisions of section 139 of the Companies Act, 2013, 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 one term of five consecutive years, subject to ratification by the members at

each intervening Annual General Meeting.

In view of the amendment to the said section 139 through the Companies (Amendment) Act, 2017 notified on 7 May 2018, ratification of auditors' appointment is no longer required. However, as required under section 142 of the Companies Act, 2013, a proposal is put up for approval of members for authorising the Board of Directors of the Company to fix Auditors' remuneration for the year 2018-19 and thereafter. The members are requested to approve the same.

## AUDITORS' REPORT:

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

## INDUSTRIAL RELATIONS:

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

## DETAILS OF DIRECTORS AND EMPLOYEES REMUNERATION:

Details as required under the provisions of section 197(12) of the Companies Act, 2013, read with rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are annexed to this Report (Annexure-III).

During the year under review, none of the employees of the Company was in receipt of remuneration as referred to in section 197(12) of the Companies Act, 2013 read with rule 5(2) and (3) of the Rules aforesaid.

## CORPORATE SOCIAL RESPONSIBILITY (CSR) REPORTING:

Detailed information on Corporate Social Responsibility Policy developed and implemented by the Company on CSR initiatives taken during the year pursuant to section 135 of the Companies Act, 2013 is given in the annual report on CSR activities annexed to this report (Annexure-IV).

On behalf of the Board of Directors

**Madhur Bajaj**  
Chairman

Pune, 16 May 2018.

**Annexure - I to Directors' Report****FORM NO. MGT 9****Extract of Annual Return for the financial year ended 31 March 2018**

Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Company (Management &amp; Administration) Rules, 2014

**I. REGISTRATION & OTHER DETAILS:**

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

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:**

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

Sr. No.	Name and Description of main products / services	NIC Code of the Product / service	% to total turnover of the company
1	Investment Activity	6430	84
2	Manufacture of Die Casting Dies and Fixtures etc.	2822	15

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:**

The Company has no holding, subsidiary and associate companies.



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

### (i) Category-wise Shareholding

Category of Shareholders		No. of Shares held at the beginning of the year (1 April 2017)				No. of Shares held at the end of the year (31 March 2018)				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A.</b>	<b>Promoters</b>									
	<b>1 Indian</b>									
	a) Individual/ HUF	0	0	0	0	0	0	0	0	0
	b) Central Govt.	0	0	0	0	0	0	0	0	0
	c) State Govt(s)	0	0	0	0	0	0	0	0	0
	d) Bodies Corporates	0	5,828,560	5,828,560	51.00	0	5,828,560	5,828,560	51.00	0
	e) Banks / FI	0	0	0	0	0	0	0	0	0
	f) Any other	0	0	0	0	0	0	0	0	0
	<b>Sub-total (A)(1)</b>	<b>0</b>	<b>5,828,560</b>	<b>5,828,560</b>	<b>51.00</b>	<b>0</b>	<b>5,828,560</b>	<b>5,828,560</b>	<b>51.00</b>	<b>0</b>
	<b>2 Foreign</b>									
	a) NRIs-Individuals	0	0	0	0	0	0	0	0	0
	b) Other-Individuals	0	0	0	0	0	0	0	0	0
	c) Bodies Corporates	0	0	0	0	0	0	0	0	0
	d) Banks / FI	0	0	0	0	0	0	0	0	0
	e) Any other	0	0	0	0	0	0	0	0	0
	<b>Sub-total (A)(2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
	<b>Total shareholding of Promoter (A)</b>	<b>0</b>	<b>5,828,560</b>	<b>5,828,560</b>	<b>51.00</b>	<b>0</b>	<b>5,828,560</b>	<b>5,828,560</b>	<b>51.00</b>	<b>0</b>
<b>B.</b>	<b>Public Shareholding</b>									
	<b>1 Institutions</b>									
	a) Mutual Funds	107,472	1,950	109,422	0.96	102,472	1,150	103,622	0.91	(0.05)
	b) Banks / FI	4,540	1,118	5,658	0.05	5,314	568	5,882	0.05	0.00
	c) Central Govt.	0	0	0	0	0	0	0	0	0
	d) State Govt(s)	0	0	0	0	0	0	0	0	0
	e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
	f) Insurance Companies	352,202	0	352,202	3.08	352,202	0	352,202	3.08	0
	g) Foreign Portfolio Investors	577,945	0	577,945	5.06	538,199	0	538,199	4.71	(0.35)
	h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
	i) Others (specify)	0	0	0	0	0	0	0	0	0
	<b>Sub-total (B)(1)</b>	<b>1,042,159</b>	<b>3,068</b>	<b>1,045,227</b>	<b>9.15</b>	<b>998,187</b>	<b>1,718</b>	<b>999,905</b>	<b>8.75</b>	<b>(0.40)</b>
	<b>2 Non-Institutions</b>									
	<b>a) Bodies Corporates</b>									
	i) Indian	1,077,507	2,141	1,079,648	9.45	1,107,543	1,369	1,108,912	9.70	0.26
	ii) NBFC Registered with RBI	50	0	50	0	550	0	550	0.00	0.00
	iii) Overseas	0	0	0	0	0	0	0	0	0
	<b>b) Individuals</b>									
	i) Individual shareholders holding nominal share capital upto ₹ 2 lakh	2,064,512	636,484	2,700,996	23.63	2,030,584	477,883	2,508,467	21.95	(1.68)
	ii) Individual shareholders holding nominal share capital in excess of ₹ 2 lakh	711,605	0	711,605	6.23	671,229	0	671,229	5.87	(0.35)
	<b>c) Others (specify)</b>									
	i) Non Resident Indians	49,266	2,334	51,600	0.45	146,059	550	146,609	1.28	0.83
	ii) Overseas Corporate Bodies	0	0	0	0	0	0	0	0	0
	iii) Foreign Nationals	0	0	0	0	0	0	0	0	0
	iv) Clearing Members	8,371	0	8,371	0.07	14,933	0	14,933	0.13	0.06
	v) Trusts	2,511	0	2,511	0.02	3,099	0	3,099	0.03	0
	vi) Investor Education and Protection Fund Authority	0	0	0	0	146,304	0	146,304	1.28	0
	vii) Foreign Bodies - D R	0	0	0	0	0	0	0	0	0
	<b>Sub-total (B)(2)</b>	<b>3,913,822</b>	<b>640,959</b>	<b>4,554,781</b>	<b>39.85</b>	<b>4,120,301</b>	<b>479,802</b>	<b>4,600,103</b>	<b>40.25</b>	<b>0.40</b>
	<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>4,955,981</b>	<b>644,027</b>	<b>5,600,008</b>	<b>49.00</b>	<b>5,118,488</b>	<b>481,520</b>	<b>5,600,008</b>	<b>49.00</b>	<b>0</b>
<b>C.</b>	<b>Shares held by Custodian for GDRs &amp; ADRs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
	<b>Grand Total (A+B+C)</b>	<b>4,955,981</b>	<b>6,472,587</b>	<b>11,428,568</b>	<b>100.00</b>	<b>5,118,488</b>	<b>6,310,080</b>	<b>11,428,568</b>	<b>100.00</b>	<b>0</b>

Note: Percentage in bracket represents negative percentage

**(ii) Shareholding of Promoters:**

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year (1 April 2017)			Shareholding at the end of the year (31 March 2018)			% change in shareholding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1	Bajaj Holdings & Investment Ltd.	2,742,848	24.00	0	2,742,848	24.00	0	0
2	Western Maharashtra Development Corporation Ltd.	3,085,712	27.00	0	3,085,712	27.00	0	0

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

There is no change in promoters' shareholding during the Financial Year 2017-18.

**(iv) Shareholding Pattern of top ten Shareholders:**

(Other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. No.	Name of the shareholders	Shareholding at the beginning of the year (1 April 2017)		Change in shareholding during the year		Shareholding at the end of the year (31 March 2018)	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	CD Equifinance Private Ltd.	617,349	5.40	25,962	0.23	643,311	5.63
2	General Insurance Corporation of India	352,202	3.08	0	0	352,202	3.08
3	Acacia Partners, Lp	175,978	1.54	0	0	175,978	1.54
4	Raamdeo Ramgopal Agrawal	167,741	1.47	0	0	167,741	1.47
5	Acacia Institutional Partners, Lp	166,036	1.45	0	0	166,036	1.45
6	Investor Education and Protection Fund Authority	0	0	146,304	0	146,304	1.28
7	Motilal Gopilal Oswal	139,615	1.22	0	0	139,615	1.22
8	Desai Brothers Ltd.	106,041	0.93	17,461	0.15	123,502	1.08
9	PPFAS Mutual Fund-Parag Parikh Long Term Equity Fund	0	0	102,222	0.89	102,222	0.89
10	Chetan Sehgal	88,192	0.77	2,691	0.02	90,883	0.80



# MAHARASHTRA SCOOTERS LTD.

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

Sr. No.	Name of the director/ Key Managerial Personnel	Shareholding at the beginning of the year (1 April 2017)		Change in shareholding during the year		Shareholding at the end of the year (31 March 2018)	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
Directors							
1	Madhur Bajaj	0	0	0	0	0	0
2	Naresh Patni	0	0	0	0	0	0
3	Mrs. Richa Bagla	0	0	0	0	0	0
4	Ramesh K. Nikharge	0	0	0	0	0	0
5	Sadashiv S. Survase	0	0	0	0	0	0
6	Sanjay S. Degaonkar	0	0	0	0	0	0
7	Sanjiv Bajaj	0	0	0	0	0	0
8	Vikram Kumar	0	0	0	0	0	0
9	Yogesh J. Shah	2,914	0.03	0	0	2,914	0.03
Key Managerial Personnel							
10	Rajeev D. Haware	100	0	0	0	100	0
11	R.B. Laddha	6,835	0.06	0	0	6,835	0.06
12	N.S. Kulkarni	1	0	0	0	1	0

## V. INDEBTEDNESS:

Company was not having any secured loans/unsecured loans and deposits during the financial year 2017-18.

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

### A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Name of Manager & CEO: Rajeev D. Haware			
Sr.No.	Particulars of Remuneration		₹ in Lakh
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961		47.26
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961		0.39
	(c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961		0
2	Stock Option		0
3	Sweat Equity		0
4	Commission		
	- as % of profit		0
	- others, specify...		0
5	Others, please specify		0
	<b>Total (A)</b>		47.65
	Ceiling as per the Act		306.17

**B. Remuneration to other directors**

Sr. No.	Particulars of Remuneration	Name of Non-Executive Directors					₹ in Lakh
		Naresh Patni	Ramesh K Nikharge	Richa Bagla	Sanjay S. Degaonkar	Yogesh J. Shah	
1	<b>Independent Directors</b>						
	Fee for attending Board and committee meetings	2.20	0.20	0.80	1.60	2.60	7.40
	Commission	0	0	0	0	0	0
	Others, please specify	0	0	0	0	0	0
	<b>Total (1)</b>	<b>2.20</b>	<b>0.20</b>	<b>0.80</b>	<b>1.60</b>	<b>2.60</b>	<b>7.40</b>
2	<b>Other Non-Executive Directors</b>						
	Fee for attending Board and committee meetings	0.80	1.20	0.20	0.20	0.80	3.20
	Commission	0	0	0	0	0	0
	Others, please specify	0	0	0	0	0	0
	<b>Total (2)</b>	<b>0.80</b>	<b>1.20</b>	<b>0.20</b>	<b>0.20</b>	<b>0.80</b>	<b>3.20</b>
	<b>Total (B)=(1+2)</b>						<b>10.60</b>
	<b>Total Managerial Remuneration</b>						<b>58.25</b>
	Overall Ceiling as per the Act						673.58

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

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		Total (₹ in Lakh)
		Chief Financial Officer (CFO)	Company Secretary (CS)	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	42.72	24.50	67.22
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	0.39	0.37	0.76
	(c) Profits in lieu of salary u/s 17(3) of the Income-tax Act, 1961	0	0	0
2	Stock Option	0	0	0
3	Sweat Equity	0	0	0
4	Commission			
	- as % of profit	0	0	0
	- others, specify...	0	0	0
5	Others, please specify	0	0	0
	<b>Total</b>	<b>43.11</b>	<b>24.87</b>	<b>67.98</b>

Note: Overall ceiling as per Act is not applicable to sitting fees paid to non-executive directors.

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

There were no penalties / punishment / compounding of offences during the financial year 2017-18.



## Annexure – II to Directors' Report

### FORM NO. MR-3

#### Secretarial Audit Report for the financial year ended 31 March 2018

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

To the Members

#### **Maharashtra Scooters Ltd.**

(CIN : L35912MH1975PLC018376)

Mumbai-Pune Road,

Akurdi, Pune - 411 035.

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

Based on my verification of the 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 authorised representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31 March 2018, 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 2018, according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the Rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') 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;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (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
  - (i) The Securities and Exchange Board of India (Listing Obligations And Disclosure Requirements) Regulations, 2015;
- (vi) 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 executive, non-executive and independent directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

Pune, 16 May 2018

Shyamprasad D. Limaye  
FCS No.1587 CP No.572

## Annexure-III to Directors' Report

### Remuneration details under Rule 5(1) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 (as amended) for the year ended 31 March 2018

Sr.No.	Name of Director / KMP	% increase in the financial year
(A)	Whole-time directors / Managerial Personnel <sup>1</sup>	NA
(B)	Non-Executive directors <sup>1</sup>	NA
(C)	Key Managerial Personnel	
	Chief Executive Officer	12.17
	Chief Financial Officer	8.00
	Company Secretary	9.71
(D)	Remuneration of Median Employee (other than whole-time directors)	2.22
(E)	Permanent employees as on 31 March 2018 (Nos.) <sup>2</sup>	105

<sup>1</sup> The Company has no whole-time Director on the Board. Further, no remuneration is paid to any of the Directors, except sitting fees paid for attending the Board / Committee Meetings and therefore, the question of giving ratio of remuneration of director to median remuneration of employee does not arise.

<sup>2</sup> Permanent Employees' does not include trainees, probationers and contract employees.

#### Note under Rule 5(1):

The remuneration paid as above was as per the Remuneration Policy of the Company.





## Annexure - IV to Directors' Report

### Annual Report on CSR Activities

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

#### Introduction

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

#### Guiding Principles

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

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

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

#### CSR Policy

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

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

Full text of the CSR Policy is placed on <https://www.bajajauto.com/MSL-html/html/images/pdf/Corporate-Social-Responsibility-Policy.pdf>

2. **Composition of CSR Committee:**

The Corporate Social Responsibility Committee of the Board of Directors of the Company consists of following members:

Yogesh J. Shah - Chairman	Independent Director
Sanjiv Bajaj - Member	Non-Independent Director
Vishwanath L. Rajale – Member*	Non-Independent Director

\*V.L. Rajale was appointed as a member of the Committee, w.e.f. 18 July 2017, in place of Sadashiv S. Survase, who had resigned from the Board w.e.f. 7 June 2017.

During the year under review, the Committee met once on 29 January 2018.

3. Average Net Profits of the Company for the last three financial years, preceding 2017-18 : ₹ **638.00 lakh**
4. Prescribed CSR expenditure (2% of the amount as in item 3 above) : ₹ **12.76 lakh**
5. Details of CSR amount spent during the financial year:
  - (a) Total amount spent during the financial year : ₹ **12.00 lakh**
  - (b) Amount paid after confirmation of installation process by implementing agency on 15 May 2018 : ₹ **1.00 lakh**

(c) Manner in which the amount spent during the financial year is detailed below:-

Sr. No.	Name/ Details of the implementing agency	CSR Project/ Activity identified	Sector in which the project is covered	Location of Project/ programme (Local area or State/District)	Amount outlay/ approved (₹ in Lakh)	Amount spent direct/ overheads (₹ in Lakh)	Cumulative Expenditure upto 2017-18 (₹ in Lakh)
1.	M/s. Maharshi Karve Stree Shikshan Sanstha, Satara	Digital Classroom for Kanyashala, Satara	Education	Satara	13.00	12.00	12.00

Notes:

1. The amount mentioned above as spent relate to amount spent through implementing agency.
2. Amount paid after confirmation of installation process by implementing agency on 15 May 2018 : ₹ 1.00 lakh
3. There is no expenditure on overheads in the above.

**6. In case the Company fails to spend the 2% of the Average Net Profit (INR) of the last 3 financial years, the reasons for not spending the amount shall be stated in the Board report**

As per the Company's CSR policy, CSR expenditure is given on project basis and payments are made at appropriate intervals, after confirming the progress of implementation.

The shortfall of ₹ 0.76 lakh during the year arose as the project for which CSR expenditure was made, was still ongoing as on 31 March 2018. This shortfall has been more than made good subsequently in May 2018 by a contribution of ₹ 1 lakh to Maharshi Karve Stree Shikshan Sanstha, Satara. The mandatory CSR expenditure for 2018-19 is proposed to be kept over and above the said amount of ₹ 1 lakh made after 31 March 2018, for the year 2017-18.

**7. Responsibility statement of the CSR Committee that the implementation and monitoring of the CSR policy is in compliance with the CSR objectives and policy of the Company.**

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

Sd/-  
R.D. Haware  
Chief Executive Officer

Sd/-  
Yogesh J. Shah  
Chairman of CSR Committee



## CORPORATE GOVERNANCE

This Report is in conformity with the provisions of the Companies Act, 2013, regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and schedule V appended thereto.

### PHILOSOPHY:

Maharashtra Scooters Ltd. (here-in-after referred to as "Company") believes in and has always worked towards building trust with shareholders, employees, customers, suppliers and other stakeholders on the four key elements of corporate governance – transparency, fairness, disclosure and accountability. In addition to compliance with regulatory requirements, the Company endeavors to ensure that highest standards of ethical and responsible conduct are met throughout the Company.

### BOARD OF DIRECTORS:

The Company's policy is to have an appropriate blend of non-executive and independent directors, to maintain the independence of the Board and to separate the Board functions of governance and management.

### COMPOSITION OF THE BOARD:

The composition of the Board of Directors is fully compliant with the provisions of the Companies Act, 2013 and regulation 17 of the Listing Regulations, including the appointment of requisite number of independent directors and woman director. As on 31 March 2018, the Board comprised four (4) non-executive independent directors and four (4) non-executive non-independent directors. Woman director is a non-executive independent director. The Board has no institutional nominee director. The Company has a non-executive Chairman.

According to regulation 17(1)(b) of SEBI Listing Regulations, 2015, if the Chairman of the Company is a promoter or related to promoters, as defined therein, at least one half of the Board of the Company should consist of independent directors. The Company is in compliance with this requirement as shown in Table 1 below.

### NUMBER OF MEETINGS OF THE BOARD:

During the financial year ended 31 March 2018, the Board of Directors met four (4) times viz., on 16 May 2017, 18 July 2017, 14 October 2017 and 29 January 2018. The intervening gap between any two consecutive meetings was less than one hundred and twenty days.

### ATTENDANCE RECORD OF DIRECTORS:

Attendance record of directors at the Board meetings held during the financial year ended 31 March 2018 and at the last AGM:

Name of director (in alphabetical order)	Category	Number of Board meetings		Attendance at the last AGM held on 18 July 2017
		Held	Attended	
Madhur Bajaj	Non-executive, Chairman, nominee	4	4	Yes
Naresh Patni	Non-executive, independent	4	4	Yes
Ramesh Nikharge <sup>1</sup>	Non-executive, independent	1	1	Not applicable
Richa Bagla (Mrs.)	Non-executive, independent	4	4	Yes
Sadashiv S. Survase <sup>2</sup>	Non-executive, nominee	1	1	Not applicable
Sanjay S. Degaonkar	Non-executive, independent	4	3	Yes
Sanjiv Bajaj	Non-executive, nominee	4	4	Yes
Vikram Kumar	Non-executive, nominee	4	1	No
Vishwanath L. Rajale <sup>3</sup>	Non-executive, nominee	3	3	Not applicable
Yogesh J. Shah	Non-executive, independent	4	4	Yes

<sup>1</sup> Ceased to be an independent director w.e.f. 30 May 2017.

<sup>2</sup> Ceased to be a nominee director w.e.f. 7 June 2017.

<sup>3</sup> Appointed as nominee director w.e.f. 18 July 2017.

Composition of the Board of Directors and the number of directorships and committee positions held by the directors as on 31 March 2018 is as under:-

Name of director (in alphabetical order)	DIN	Directorships			Committee positions in listed and unlisted public limited companies	
		In Listed Companies	In Unlisted Public Limited Companies	In Private Limited Companies	As Chairman	As Member
Madhur Bajaj	00014593	6	-	3	-	-
Naresh Patni	00045532	1	-	3	-	1
Richa Bagla (Mrs.)	06654149	1	3	-	-	-
Sanjay S. Degaonkar	06957783	1	3	-	-	1
Sanjiv Bajaj	00014615	6	4	7	-	7
Vikram Kumar	03627339	1	4	2	-	1
Vishwanath L. Rajale	00640260	1	1	1	-	-
Yogesh J. Shah	00137526	1	-	4	2	-

**Notes:** None of the directors holds 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 an independent director in more than seven listed companies. Further, the whole-time director in the Company does not serve as an independent director in more than three listed companies.

None of the directors was a member in more than ten committees, nor a Chairman 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 Companies Act, 2013 have been excluded. Only audit committee and stakeholders' relationship committee are considered for the purpose of reckoning committee positions.

#### MAXIMUM TENURE OF INDEPENDENT DIRECTORS:

The maximum tenure of independent directors is in accordance with section 149(10) of the Companies Act, 2013 and regulation 25 of the Listing Regulations.

#### REVIEW OF LEGAL COMPLIANCE REPORTS:

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

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

The Company issues a formal letter of appointment to independent directors in the manner as provided in section 149(8) of the Companies Act, 2013. As per regulation 46(2) of the SEBI Listing Regulations, 2015, the terms and conditions of appointment of independent directors are placed on the Company's website: [www.mahascooters.com](http://www.mahascooters.com)

#### SEPARATE MEETING OF INDEPENDENT DIRECTORS:

In compliance with schedule IV to the Companies Act, 2013 and regulation 25(3) of SEBI Listing Regulations, 2015, the independent directors held their separate meeting on 29 January 2018, without the attendance of non-independent directors and members of Management, to inter alia:

- review the performance of non-independent directors and the Board as a whole;
- review the performance of the Chairperson of the Company, taking into account the views of non-executive directors;
- assess 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 except Sanjay Degaonkar were present at the meeting.

The independent directors present elected Yogesh J. Shah as Chairman for the meeting, deliberated on the above and expressed their satisfaction on each of the matters.

## PERFORMANCE EVALUATION:

Pursuant to the provisions of the Companies Act, 2013 and SEBI Listing Regulations, 2015, the Board has carried out an annual evaluation of its own performance, and that of its Committees, Chairperson and individual directors. The manner in which such formal annual evaluation was made by the Board during the year 2017-18 is given below:

- Performance evaluation criteria for Board, Committees of the Board, Chairperson and Directors as approved by the Board at its meeting held on 13 October 2014, were revised on 16 March 2017 suitably in line with the Guidance Note of Board Evaluation by SEBI issued on 5 January 2017. The revised criteria are placed on the Company's website: [www.mahascooters.com](http://www.mahascooters.com)
- Based on the said revised criteria, rating sheets were filled by each of the directors towards the end of the year with regard to evaluation of the performance of the Board, its Committees, Chairperson and Directors (except for the director being evaluated) for the year under review.
- A consolidated summary of the ratings given by each of the director was then prepared, based on which a report of performance evaluation was prepared by the Chairman in respect of the performance of the Board, its Committees, Chairperson and Directors during the year under review.
- The report of performance evaluation so arrived at was then noted and discussed by the Nomination and Remuneration Committee and the Board at their meetings held on 29 January 2018.
- Under the law, as per the report of performance evaluation, the Board shall determine, inter alia, whether to continue the term of appointment of the independent director. During the year under review, there was no occasion to decide on the continuance of the term of appointment of any of the independent directors and hence, the question of taking a decision on their re-appointment did not arise.
- Details on the evaluation of Board, non-independent Directors and Chairperson of the Company as carried out by the independent directors at their meeting held on 29 January 2018 have been furnished in a separate para elsewhere in this Report.

## INFORMATION PLACED BEFORE THE BOARD:

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

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

## CODE OF CONDUCT:

Regulation 17(5) of SEBI Listing Regulations, 2015 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 Companies Act, 2013.

The Board has laid down a Code of Conduct for all Board members, including independent Directors and Senior Management of the Company. As mandated, the Code of Conduct is also posted on the website of the Company viz., [www.mahascooters.com](http://www.mahascooters.com) As on 31 March 2018, all Board members / independent Directors and Senior Management personnel have affirmed compliance with the code. A declaration to this effect signed by the Manager (CEO) is given in this Annual Report.

## ORDERLY SUCCESSION TO BOARD AND SENIOR MANAGEMENT:

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

## FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS:

With a view to familiarising the independent directors with the Company's operations, as required under regulation 25 of the Listing Regulations, the Company has held various familiarisation programs for the independent directors throughout the year.

With a view, inter-alia, to familiarise the independent directors on the operations of the Company's plant, a meeting of the Board of Directors was held at the Company's plant at Satara, on 14 October 2017.

The newly appointed independent director was provided with a copy of latest annual report of the Company, the Code of Conduct for Directors & Code of Conduct for Prevention of Insider Trading. The Key Managerial personnel of the Company also apprised the new independent Directors on the functioning of the Board and the nature of operation of the Company's business activities. Independent directors were also provided with a handbook on independent directors published by the Institute of Company Secretaries of India, New Delhi, which lucidly explains their role, duties and responsibilities.

Directors in particular were informed about their roles, responsibilities and duties under the new SEBI Listing Regulations through Board papers and appointment letter given to them.

Directors, who were not members of the committees of directors, were also invited and encouraged to attend the meetings of the Audit Committee, Nomination & Remuneration Committee and Stakeholders Relationship Committee held from time to time.

The details of familiarisation programmes are placed on [https://www.bajajauto.com/MSL-html/html/images/pdf/Familiarization\\_Program\\_for\\_Independent\\_Directors.pdf](https://www.bajajauto.com/MSL-html/html/images/pdf/Familiarization_Program_for_Independent_Directors.pdf)

#### **BOARD DIVERSITY POLICY:**

In compliance with provisions of regulation 19(4) of Listing Regulations, the Board through its Nomination and Remuneration Committee has devised a Policy on Board Diversity. The objective of the Policy is to ensure that the Board is comprised of adequate number of members with diverse experience and skills, such that it best serves the governance and strategic needs of the Company.

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

#### **VIGIL MECHANISM:**

The Board at its meeting held on 13 May 2014 adopted a vigil mechanism as required pursuant to section 177(9) of the Companies Act, 2013 and erstwhile Listing Agreement, now under regulation 22 of Listing Regulations.

The Vigil Mechanism provides for the director/employee to report violations, without fear of victimisation any unethical behavior, suspected or actual fraud, violation of the Code of Conduct etc., which are detrimental to the organisation's interest. The mechanism protects whistle blower from any kind of discrimination, harassment, victimisation or any other unfair employment practice. The Company affirms that no employee has been denied access to the Audit Committee.

The directors in all cases and employees in appropriate or exceptional cases will have direct access with the Chairman of the Audit Committee. The Vigil Mechanism is placed on <https://www.bajajauto.com/MSL-html/html/images/pdf/vigil-mechanism.pdf>

#### **DIVIDEND DISTRIBUTION POLICY**

As mandated under Regulation 43A of SEBI Listing Regulations 2015, being one of the top 500 companies as on 31 March 2016 by market capitalisation, the Board of Directors of the Company at its meeting held on 26 October 2016 adopted a Dividend Distribution Policy for the Company. The Policy sets out the parameters and circumstances that will be taken into account by the Board in determining the distribution of dividend to the shareholders.

As a green initiative, the Dividend Distribution Policy is hosted on [https://www.bajajauto.com/MSL-html/html/images/pdf/mahascooter\\_dividend\\_distribution\\_policy.pdf](https://www.bajajauto.com/MSL-html/html/images/pdf/mahascooter_dividend_distribution_policy.pdf)

A physical copy of the said policy will be made available to any shareholder on request.

#### **RISK MANAGEMENT:**

Pursuant to provisions of regulation 21 of Listing Regulations, top 100 listed companies by market capitalisation as at the end of immediate preceding financial year are required to constitute a Risk Management Committee. The Company was not covered under the said regulation as on 31 March 2018.

However, as required by regulation 17(9) of Listing Regulations, the Company has laid down a procedure to inform Board members about the risk assessment and minimisation procedures, to facilitate the Board to implement and monitor the risk management framework of the Company.

#### **RELATED PARTY TRANSACTIONS:**

All the related Party transactions (RPTs) which were entered into during the financial year were on arms' length basis and in the ordinary course of business. These RPTs did not attract provisions of section 188 of the Companies Act, 2013 and were also not 'material' in nature as envisaged under regulation 23(4) of Listing Regulations.



During the financial year 2017-18, all RPTs were placed before Audit Committee for prior approval.

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

A statement showing the disclosure of transactions with related parties as required under Indian Accounting Standard 24 is set out separately in this Annual Report.

The Company has formulated a policy on materiality of related party transactions and on dealing with such related party transactions. The said policy is available on <https://www.bajajauto.com/MSL-html/html/images/pdf/policy-on-materiality-of-related-party-transactions.pdf>

Details of 'material' transactions, if any, with related parties are disclosed with the Compliance Report on Corporate Governance filed with the Stock Exchange/s.

There were no material transactions entered into with related parties, during the period under review, which may have had any potential conflict with the interest of the Company.

## AUDIT COMMITTEE:

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

Sr.No.	Name of Director	Status	No. of meetings attended
1.	Yogesh J. Shah	Chairman – Independent Director	4/4
2.	Naresh Patni	Member – Independent Director	4/4
3.	Sanjay S. Degaonkar	Member – Independent Director	3/4

The terms of reference of Audit Committee as approved by Board comply with the extant provisions of the Companies Act, 2013 and Listing Regulations, as applicable and are available on the Company's website: [www.mahascooters.com](http://www.mahascooters.com)

The Board has been reviewing the working of the Committee from time to time to bring about greater effectiveness in order to comply with the various requirements under the Companies Act, 2013 and applicable Listing Regulations.

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

The committee met four times during the year on 16 May 2017, 18 July 2017, 14 October 2017 and 29 January 2018. The time gap between two meetings was not more than one hundred and twenty days.

Apart from members of the committee, other directors also attended the meetings by invitation.

Yogesh J. Shah, Chairman of the Audit Committee was present at the 42nd Annual General Meeting of the Company held on 18 July 2017 to answer shareholders queries.

The Audit Committee, inter-alia, reviews:

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

## NOMINATION AND REMUNERATION COMMITTEE:

The Board constituted the Nomination and Remuneration Committee of the Board at its meeting held on 13 October 2014 and the terms of reference for this committee were also approved by the Board in the said meeting in compliance with regulation 19 of Listing Regulations and section 178 of the Companies Act, 2013. The terms of reference of the Committee were amended by the Board at its meeting held on 29 January 2018, to give effect to the amendment proposed to section 178 under the Companies (Amendment) Act, 2017 and the updated terms of reference of the committee are placed on the Company's website: [www.mahascooters.com](http://www.mahascooters.com)



**Composition of the Nomination and Remuneration Committee and attendance record:**

Sr.No.	Name of Director	Status	No. of meetings attended
1.	Yogesh J. Shah	Chairman – Independent Director	3/3
2.	Naresh Patni	Member – Independent Director	3/3
3.	Sanjay S. Degaonkar	Member – Independent Director	2/3

Apart from the members of the Committee, other directors also attended the meetings by invitation.

On the recommendation of Nomination and Remuneration Committee, the Board has adopted the policy on appointment of directors / independent directors and key managerial personnel and remuneration payable to them. The Policy is directed towards a compensation philosophy and structure that will reward and retain talent and provides for a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

The policy is placed on <https://www.bajajauto.com/MSL-html/html/images/pdf/remuneration-policy.pdf>

**DUPLICATE SHARE CERTIFICATES ISSUANCE COMMITTEE:**

To meet the timeline stipulated under section 46 of the Companies Act, 2013, read with rule 6 of the Companies (Share Capital and Debentures) Rules, 2014 and regulation 39 of SEBI Listing Regulations, 2015, 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.

Composition of Duplicate Share Certificate Issuance Committee:

Name of director	Status
Madhur Bajaj	Chairman
Sanjiv Bajaj	Member
Yogesh J. Shah	Member

During the year under review, the Committee met once on 29 January 2018, attended by all the members, to approve the resolutions including circular resolutions passed by the members approving the issue of duplicate share certificates.

**STAKEHOLDERS RELATIONSHIP COMMITTEE:**

In compliance with the provisions of section 178 of Companies Act, 2013 and regulation 20 of the Listing Regulations, the Board had constituted a Stakeholders Relationship Committee on 13 May 2014 with the following members:-

Sr.No.	Name of director	Status
1.	Yogesh J. Shah	Chairman – Independent Director
2.	Sanjiv Bajaj	Member – Nominee Director
3.	Vikram Kumar*	Member – Nominee Director
4.	Sadashiv S. Survase**	Member – Independent Director

\*Vikram Kumar resigned from the Committee w.e.f. 9 May 2018, in view of the withdrawal of his nomination from the Board by WMDC.

\*\*Sadashiv S. Survase was appointed as a member of the Committee, w.e.f. 16 May 2018, in place of Vikram Kumar.

N.S. Kulkarni, Company Secretary of the Company acts as Compliance Officer for the purpose of shareholders' matters.

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

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





The committee met once during the year on 29 January 2018, which was attended by all the members except Vikram Kumar. Other directors also attended the meeting by invitation. Shyamprasad D. Limaye, Secretarial Auditor and the Company Secretary, who acts as Compliance Officer, was also present at the meeting.

The Committee expressed its satisfaction on the overall status of compliance and actions taken on various investor related matters.

## Complaints attended and resolved during the year 2017-18:

Investors Complaints	Attended/Resolved during 2017-18
Pending at the beginning of the year	Nil
Received during the year	18
Disposed of during the year	18
Remaining unresolved at the end of the year	Nil

## SUBSIDIARY AND ASSOCIATE COMPANIES:

The Company has no subsidiaries and no associates.

## PROHIBITION OF INSIDER TRADING:

As required under the SEBI (Prohibition of Insider Trading) Regulations, 2015, the Board at its meeting held on 12 May 2015 approved and adopted -

- Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information; and
- Code of Conduct to Regulate, Monitor and Report Trading by its employees and other connected persons.

The said codes are being adhered to with effect from 15 May 2015.

The Code referred to in (a) above is placed on the Company's website: [www.mahascooters.com](http://www.mahascooters.com)

## REMUNERATION OF DIRECTORS:

The Company has no stock option plans for the directors and hence, it does not form a part of the remuneration package payable to any non-executive director. During the year under review, none of the directors was paid any performance-linked incentive.

In 2017-18, the Company did not advance any loans to any of the non-executive directors, and/or Manager. Details of remuneration paid/payable to directors during 2017-18 are provided in an annexure to the Directors' Report in section VI of Form MGT-9, i.e. extract of the Annual Return.

## SHAREHOLDING OF DIRECTORS:

Information on shares held by directors in the Company as on 31 March 2018 is provided in the annexure to the Directors' Report in section IV(v) of Form MGT-9, i.e. extract of the Annual Return.

## MANAGEMENT:

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

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

## GENERAL BODY MEETINGS:

Location and time where last three AGMs were held:

AGM Number	Date & Time	Venue
40th	21 July 2015 at 12.00 noon	Registered Office at C/o. Bajaj Auto Ltd., Akurdi, Pune-411 035
41st	25 July 2016 at 12.15 p.m.	-do-
42nd	18 July 2017 at 12.15 p.m.	-do-

No special resolution was passed at the general meetings held during the years 2015, 2016 and 2017. During the year under review, the Company has not adopted postal ballot mode for passing any resolution by the shareholders.

#### **MEANS OF COMMUNICATION:**

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

The Company has its own website, [www.mahascooters.com](http://www.mahascooters.com) which contains all important public domain information including the information mandated to be provided pursuant to the provisions of the Companies Act, 2013 and regulation 46 of Listing Regulations.

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

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.

#### **CEO/CFO CERTIFICATION:**

The Chief Executive Officer and Chief Financial Officer of the Company have given to the Board a Compliance Certificate pursuant to regulation 17(8) of Listing Regulations and schedule thereto.

#### **REPORT ON CORPORATE GOVERNANCE:**

This chapter, read together with the information given in the Directors' Report and the chapters on Management Discussion and Analysis and General Shareholder Information, constitute the compliance report on Corporate Governance during 2017-18. The Company has complied with the requirements specified in regulations 17 to 27 and clauses (b) to (i) of the regulation 46(2) of the SEBI Listing Regulations, 2015. The Company has been regularly forwarding the quarterly compliance report to the Stock exchanges as required under regulation 27(2) of the SEBI Listing Regulations, 2015.

#### **COMPLIANCE:**

##### **Auditors Certificate:**

The Company has obtained a certificate from the auditors of the Company regarding compliance with the provisions relating to corporate governance laid down in regulation 34 read with schedule V to the Listing Regulation, 2015 with the stock exchanges. This report is annexed to the Directors' Report for the year 2017-18 and will be sent to the stock exchanges along with the annual report.

#### **COMPLIANCE OF MANDATORY AND DISCRETIONARY REQUIREMENT:**

##### **MANDATORY**

The Company has complied with all the mandatory requirements of the SEBI Listing Regulations 2015.

##### **DISCRETIONARY**

The Company has also complied with the following discretionary requirements as stipulated in the SEBI Listing Regulations 2015:-

(a) **Modified opinion(s) in audit report**

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

(b) **Separate posts of Chairperson and Chief Executive Officer**

The Company has appointed separate persons to the post of Chairman and Chief Executive Officer.

(c) **Reporting of Internal Auditor**

The Internal Auditor reports directly to the Audit Committee.



## GENERAL SHAREHOLDER INFORMATION:

### 43rd Annual General Meeting

Date	16 July 2018
Time	12.15 p.m.
Venue	C/o. Bajaj Auto Ltd., Mumbai Pune Road, Akurdi, Pune - 411035

### Financial calendar

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

### Dividend

The Board of Directors has recommended a dividend @ ₹ 33 per equity share (330%) for the financial year 2017-18, subject to approval by the shareholders at the ensuing annual general meeting. Dividend paid in the previous year was ₹ 30 per equity share of ₹10 each (300%).

### Book Closure

The Register of Members and Share Transfer Books of the Company shall remain closed from Saturday, 7 July 2018 to Monday, 16 July 2018, both days inclusive.

### Dates for payment of dividend

Dividend on equity shares, if declared at the annual general meeting, will be credited/dispatched between **23 July 2018 to 24 July 2018-**

- to all those beneficial owners holding shares in electronic form, as per the beneficial ownership data made available to the Company by National Securities Depository Ltd. (NSDL) and the Central Depository Services (India) Ltd. (CDSL) as at the close of business hours on Friday, 6 July 2018; and
- to all those shareholders holding shares in physical form, after giving effect to all the valid share transfers lodged with the Company on or before the close of business hours on Friday, 6 July 2018.

### Payment of dividend

As per the new SEBI Listing Regulations, 2015, the Company shall use any electronic mode of payment approved by the Reserve Bank of India for making payment to the members. Where dividend payments are made through electronic mode, intimations regarding such remittance would be sent separately to the members. Where the dividend cannot be paid through electronic mode, the same will be paid by warrants with bank account details printed thereon. In case of non-availability of bank account details, address of the members will be printed on the warrants.

For enabling the payment of dividend through electronic mode, members holding shares in physical form are requested to furnish, updated particulars of their bank account, to the share transfer agent of the Company i.e. Karvy 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 make sure that changes, if any are recorded by them correctly. The request for updation of particulars of bank account should be signed as per the specimen signature registered with Karvy/depository participants, as the case may be.

### Unclaimed dividends

Unclaimed dividends upto 1994-95 have been transferred to the general revenue account of the Central Government. Those who have not encashed their dividend warrants for the period prior to and including 1994-95 are requested to claim the amount from Registrar of Companies, Maharashtra, Pune, situated at PCNTDA Green Building, Block A, 1st & 2nd Floor, Near Akurdi Railway Station, Akurdi, Pune – 411044.

As per the erstwhile section 205-C of the Companies Act, 1956, 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 (Fund) set up by the Central Government. Accordingly, the unpaid/unclaimed dividends for the years 1995-96 to 2008-09 were transferred by the Company to the said Fund in the respective years 2003 to 2016.

The Ministry of Corporate Affairs (MCA) notified 7 September 2016 as the commencement date for section 124 and few sub-sections of section 125 of the Companies Act, 2013 and also notified the new Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('IEPF Rules, 2016'), outlining the detailed procedure for implementation regarding the Fund and Authority under the Companies Act, 2013. Accordingly, the unpaid/unclaimed dividend for the year 2009-10 was transferred to the Fund in September 2017.

As previously provided under the IEPF (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012 and now under the IEPF Rules, 2016, the Company filed the necessary particulars of all the unclaimed amounts through e-form IEPF-2 with MCA on 15 September 2017 for the financial year ended 31 March 2017 and the details of unpaid and unclaimed dividends for the financial years 2009-10 to 2016-17 were uploaded on the Company's website: [www.mahascooters.com](http://www.mahascooters.com)

Unpaid/unclaimed dividend for 2010-11 shall become due for transfer to the Fund in August 2018. Members are requested to verify their records and send their claim, if any, for the financial year 2010-11, before the amount becomes due for transfer to the Fund.

#### **Unclaimed shares transferred to IEPF Authority**

As informed in the previous year, under section 124(6) of the Companies Act, 2013, as amended, there has been a further provision that 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 in the name of IEPF.

Accordingly, in due compliance of the provisions of Rule 6(3) of aforesaid IEPF Rules, the Company sent individual letters through Speed Post to such shareholders, in respect of whom the dividend for a consecutive period of seven years had remained unpaid, requesting them to claim the amount of unpaid dividend.

Further, as mandated by the Rules aforesaid, Public Notices were released in the newspapers on 10 December 2016 and 25 April 2017 and the particulars of shares liable to be transferred to IEPF Suspense Account, were made available on the website of the Company viz. [www.mahascooters.com](http://www.mahascooters.com)

MCA vide its notification dated 28 February 2017 amended the IEPF Rules 2016 titled as the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Amendment Rules 2017, prescribing certain modified procedure for the activities under the IEPF Rules, 2016. Further, after a series of other changes, MCA by circular dated 13 October 2017, fixed a fresh due date for transfer of shares whose dividend has remained unpaid or unclaimed for seven consecutive years or more as 31 October 2017.

In view of the same, during the year under review, the Company transferred 146,304 equity shares of ₹10/- each in respect of 793 shareholders to the Demat Account of the IEPF Authority held with NSDL and filed necessary e-Form IEPF-4 with MCA on 25 December 2017. Details of such shareholders, whose shares are transferred to IEPF and their unpaid dividends for the subsequent years are available to the concerned shareholders on the Company website.

As provided under these Rules, the shareholder shall be allowed to claim such unpaid dividends and shares transferred to the funds by following the required procedure under the said IEPF Rules, 2016 and IEPF Amendment Rules, 2017, which are available on the Company's website [www.mahascooters.com](http://www.mahascooters.com)

Shareholders whose unclaimed shares are transferred to IEPF Authority are requested to get in touch with the Share Transfer Agent (STA)/ Compliance Officer of the Company.

#### **Share transfer agent (STA)**

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

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

#### **Share transfer system**

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



## Break-up of shares in physical & electronic mode

Mode	No. of shareholders		% to Total shareholders		No. of shares		% to Total shares	
	2016-17	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17	2017-18
Physical	3,098	2,314	27.24	18.81	6,472,587	6,310,080	56.64	55.21*
Electronic	8,277	9,985	72.76	81.19	4,955,981	5,118,488	43.36	44.79
<b>Total</b>	<b>11,375</b>	<b>12,299</b>	<b>100.00</b>	<b>100.00</b>	<b>11,428,568</b>	<b>11,428,568</b>	<b>100.00</b>	<b>100.00</b>

\* Promoters have not dematerialised their 51% shareholding on account of a pending Special Leave Petition before the Hon'ble Supreme Court of India.

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

Pursuant to the SEBI Listing Regulations, 2015, the Company has entered into an Uniform Listing Agreement with BSE and NSE.

The listing fees payable for the financial year 2017-18 to each of the above stock exchanges have been paid in full by the Company.

## Market price data

High, Low during each month in the financial year 2017-18

(₹)

Month & Year		BSE Ltd.		National Stock Exchange of India Ltd.	
		High	Low	High	Low
April	2017	2,078.40	1,880.10	2,083.55	1,883.30
May	2017	2,089.20	1,914.35	2,088.80	1,922.30
June	2017	1,938.95	1,856.10	1,939.00	1,860.10
July	2017	2,156.35	1,887.85	2,174.05	1,893.45
August	2017	2,502.70	2,098.50	2,499.65	2,094.80
September	2017	3,259.95	2,461.90	3,253.25	2,466.00
October	2017	2,867.85	2,674.95	2,845.05	2,678.15
November	2017	2,809.60	2,649.15	2,808.25	2,638.75
December	2017	2,867.70	2,668.25	2,869.75	2,677.70
January	2018	2,872.80	2,669.95	2,883.15	2,665.30
February	2018	2,703.20	2,371.40	2,719.40	2,375.80
March	2018	2,428.50	2,124.45	2,412.85	2,129.30

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

## Share Price comparison

Performance in comparison to broad-based indices such as S&P BSE Sensex and S&P CNX Nifty during 2017-18	MSL Share	Up by	21.50% on BSE
		Up by	21.66% on NSE
	S&P BSE Sensex	Up by	11.30% on BSE
	S&P CNX Nifty	Up by	10.25% on NSE

**Distribution of shareholding as on 31 March 2018**

Distribution of shareholding across categories

Sr. No.	Category	No. of Shareholders	No. of Shares held	% to Total Shares
1.	Promoters [Western Maharashtra Development Corporation Ltd.] [Bajaj Holdings & Investment Ltd.]	2	5,828,560 [3,085,712] [2,742,848]	51.00 [27.00] [24.00]
2.	Public Financial Institutions & Mutual Funds	7	455,824	3.99
3.	Banks	10	5,882	0.05
4.	Bodies Corporate	332	1,108,912	9.70
5.	Non-Resident Individuals & FIIs	273	684,808	5.99
6.	Resident Individuals	11,675	3,344,582	29.27
	<b>Total</b>	<b>12,299</b>	<b>11,428,568</b>	<b>100.00</b>

**Distribution of shareholding according to size class as on 31 March 2018**

No. of shares	No. of shares held	% to Total shares	No. of Shareholders	% to Total shareholders
1 to 5000	1,326,480	11.61	11,430	92.93
5001 to 10000	338,641	2.96	480	3.90
10001 to 20000	249,414	2.18	171	1.39
20001 to 30000	186,014	1.62	76	0.62
30001 to 40000	74,989	0.66	21	0.17
40001 to 50000	109,490	0.96	24	0.20
50001 to 100000	314,033	2.75	45	0.37
100001 and above	8,829,507	77.26	52	0.42
	<b>11,428,568</b>	<b>100.00</b>	<b>12,299</b>	<b>100.00</b>

**Shareholders' and investors' grievances**

The Board of Directors of the Company currently has a Stakeholders Relationship Committee consisting of three non-executive directors to specifically look into and resolve grievances of security-holders on various matters. Routine queries/complaints received from shareholders 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. There were no pending issues to be addressed or resolved.

During the year, letters were received from Investors / SEBI (SCORES) concerning 18 complaints filed by the shareholders on various matters. In respect of each of these complaints, replies were sent to Investors / Action Taken Report uploaded on SCORES and no complaint remained pending to be attended to / resolved.

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

In accordance with the provisions contained in clause 5A of the erstwhile Listing Agreement as amended by SEBI vide circular dated 17 December 2010, the Company, during the year 2011-12, had sent three reminders to such shareholders, whose shares were lying 'Undelivered/ Unclaimed' with the Company, followed by opening of the unclaimed share suspense demat account with HDFC Bank Ltd.

Pursuant to regulation 39(4) of Listing Regulations, the Company, in due compliance of the prescribed procedure, had transferred 33,156 No. of unclaimed shares in respect of 238 shareholders to the Unclaimed Suspense Account opened with HDFC Bank Ltd. Voting rights on such shares are to remain frozen till the rightful owner claims the shares.

The Company, acting as a trustee in respect of the unclaimed shares, follows the modalities for the operation of the said account in the manner set out in regulation 33(3) and schedule V(F) to the Listing Regulations.



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

Sr. No.	Particulars	No. of shareholders	No. of shares
1.	Aggregate No. of shareholders and the outstanding shares lying in the Unclaimed Suspense Account at the beginning of the year i.e. 1 April 2017	231	31,806
2.	No. of shareholders who approached the Company for transfer of shares from the Unclaimed Suspense Account during the year 2017-18	3	350
3.	No. of shareholders to whom shares were transferred from the Unclaimed Suspense Account during the year 2017-18	3	350
4.	Transferred to Investor Education and Protection Fund Authority	157	24,002
5.	Aggregate No. of shareholders and the outstanding shares lying in the Unclaimed Suspense Account at the end of the year i.e. 31 March 2018	71	7,454

## Nomination

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

## Voting through electronic means

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

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

The shareholders would therefore be able to exercise their voting rights on the items put up in the notice of annual general meeting, through such e-voting method. The Company would also make arrangements to provide for voting facility at the venue of the annual general meeting.

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

Cut-off date for determining voting rights of members shall be **9 July 2018** and the remote E-voting shall be open from **13 July 2018 (9.00 a.m.) till 15 July 2018 (5.00 p.m.)**. The Board has appointed Shyamprasad Limaye, Practising Company Secretary as scrutinizer for the e-voting process.

Detailed procedure for remote e-voting is given in the notice of the 43rd annual general meeting and also placed on the website of the Company.

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

## Address for correspondence

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

### Karvy Computershare Pvt. Ltd.

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

### Contact Persons

Mr. M.S. Madhusudan / Mr. Mohd. Mohsinuddin  
Telephone No.: (040) 6716 1500  
Fax No.: (040) 2300 1153  
Direct No. **040 6716 1562**  
E-mail: [enward.ris@karvy.com](mailto:enward.ris@karvy.com)  
Website: [www.karvy.com](http://www.karvy.com)

### Maharashtra Scooters Ltd.

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



## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### a) **Industry structure and developments**

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

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

The Company ceased to manufacture geared scooters since 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 components for automobiles industry. During the year, the Company continued taking steps to enhance its manufacturing capabilities.

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

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

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

The Company has strong internal control systems which have been found adequate by the Management of the Company. The Audit Committee reviews the internal control system / procedure periodically to ensure its adequacy and effectiveness.

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

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

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

As at the end of 31 March 2018, the Company had 52 permanent workmen and 53 permanent staff on its roll.

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

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





## Auditors' Certificate on Compliance of Regulations of Corporate Governance

To the Members of

**MAHARASHTRA SCOOTERS LTD.**

### Background

We have been requested by Maharashtra Scooters Ltd. ('the Company') to issue a certificate on compliance of regulations of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Listing Regulations').

### Audit Procedures:

#### Management Responsibility

The compliance of 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.

#### Auditors' Responsibility

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.

We have examined the books of account 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.

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.

We have examined the compliance of the regulations of Corporate Governance by the Company for the year ended 31 March, 2018, as stipulated in the Listing Regulations.

#### Opinion

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the regulations of Corporate Governance as stipulated in the above mentioned Listing Regulations.

#### Disclaimer

We have not performed an audit, the objective of which would be the expression of an opinion on the financial statements, specified elements, accounts or items thereof, for the purpose of this certificate. Accordingly, we do not express such opinion.

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.

#### Restriction on use

The certificate is addressed to the members of the Company and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

**For Kirtane & Pandit LLP**

*Chartered Accountants*

Firm Registration No.105215W/ W100057

**Suhas Deshpande**

*Partner*

Membership No.31787

Pune, 15 May 2018

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## DECLARATION ON CODE OF CONDUCT

As required by Regulation 34(3) of Listing Regulations, it is hereby affirmed that all the Board Members and Senior Management Personnel have complied with the Code of Conduct laid down for them as approved by the Board at its meeting held on 13 October, 2014.

2 May 2018

**RAJEEV D. HAWARE**

*Chief Executive Officer*

## INDEPENDENT AUDITORS' REPORT

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

### **Report on the Financial Statements**

We have audited the accompanying Ind AS financial statements of **MAHARASHTRA SCOOTERS LTD.** ("the Company"), which comprise the Balance Sheet as at 31 March 2018 and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flow and the Statement of Changes in Equity for the year then ended and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Ind AS financial statements").

### **Management's Responsibility for the Ind AS Financial Statement**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

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

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2018 and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

### **Other Matter**

The financial statements of the Company for the year ended 31 March 2017 were audited by other auditor, who expressed an unmodified opinion on these statements on 16 May 2017.

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the **"Annexure A"**, a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143(3) of the Act, based on our audit we report, to the extent applicable 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, the Statement of Cash Flow and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.
- d. In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.
- e. On the basis of the written representations received from the directors as on 31 March 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2018 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 B**". 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 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 Ind AS financial statements - Refer Note 30 to Ind AS 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.

**For Kirtane & Pandit LLP**

Chartered Accountants

Firm Reg. No. 105215W / W100057

**Suhas Deshpande**

Partner

Membership No.: 31787

Pune, 16 May 2018

## ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (i)
  - (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 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 discrepancies noticed during such physical verification were not material. The discrepancies noticed on physical verification of inventory as compared to the book records have been properly dealt with the Books of Account.
- (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 185 and 186 of the Companies Act, 2013 in respect of loans given and investments made. Further the Company has not given any guarantee or security in connection with a loan to any other body corporate or person.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public under section 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under.
- (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 and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Income Tax, Sales Tax, Value Added Tax, Duty of Customs, Duty of Excise, Service Tax, Goods & Service Tax, Employees' State Insurance, Cess and any other material statutory dues have been regularly deposited during the year by the Company with appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of statutory dues were in arrears as at 31 March 2018 for a period of more than six months from the date they became payable.

Details of dues of Income-tax, Service Tax, Customs Duty, Excise Duty, and Value Added Tax which have not been deposited as on 31 March 2018 on account of disputes are given below:-

Sl. No.	Name of the statute	Nature of the dues	Amount unpaid (₹)	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	38,808,687	2001-02 and 2002-03	Maharashtra Sales Tax Tribunal, Mumbai
2	Maharashtra Value Added Tax Act, 2002	Value Added Tax	71,825,295	2005-06	Dy. Commissioner of Sales Tax (Appeals), Satara
3	Maharashtra Value Added Tax Act, 2002	Value Added Tax	864,747	2006-07	Jt. Commissioner of Sales Tax (Appeals), Kolhapur
4	Maharashtra Value Added Tax Act, 2002	Value Added ax	140,102	2012-13	Jt. Commissioner of Sales Tax (Appeals), Kolhapur
5	Income Tax Act, 1961	Income Tax	3,984,285	1997-98 and 1998-99	Mumbai High Court
6	Income Tax Act, 1961	Income Tax	2,850,745	2012-13 and 2013-14	Income tax Appellate Tribunal, Pune
7	Income Tax Act, 1961	Income Tax	1,549,388	2014-15	Commissioner of Income Tax, Pune
8	Central Excise Act, 1944	Excise Duty	319,085	1985-86 to 1991-92	Customs, Excise and Service Tax Appellate Tribunal, Mumbai
9	Central Excise Act, 1944	Excise Duty	1,214,840	1985-86 to 1995-96	Mumbai High Court
10	Central Excise Act, 1944	Excise Duty	465,868	1994-95 and 1995-96	Assistant Commissioner, Satara
11	Central Excise Act, 1944	Excise Duty	28,754	1987-88	Assistant Commissioner, Satara



- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of 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.
- (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 Companies Act, 2013.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (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 Ind AS 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.
- (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 - Refer Note 33 to Ind AS financial statements.

**For Kirtane & Pandit LLP**

Chartered Accountants

Firm Registration No. 105215W/W100057

**Suhas Deshpande**

Partner

Membership No. 31787

Pune, 16 May 2018

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## ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report 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 2018 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

### **Management's Responsibility for Internal Financial Controls**

The Company's management 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 (the "Guidance Note") 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 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 Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

### 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.

### Inherent 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 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 internal financial controls with reference to financial statements over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2018 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 issued by the Institute of Chartered Accountants of India.

**For Kirtane & Pandit LLP**

Chartered Accountants

Firm Registration No. 105215W/W100057

**Suhas Deshpande**

Partner

Membership No. 31787

Pune, 16 May 2018



# MAHARASHTRA SCOOTERS LTD.

## Balance Sheet as at 31 March 2018

Particulars	Note No.	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
(₹ in lakhs)				
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	2	1,252.61	704.96	717.52
Capital work-in-progress	2	-	-	-
Financial assets				
Investments	3	811,557.86	646,242.35	415,852.62
Loans	4	12.30	17.22	84.39
Other financial assets	5	-	867.00	2,686.00
Income tax assets (net)	6	1,038.37	933.11	920.38
Other non-current assets	6	30.22	28.80	28.79
		<b>813,891.36</b>	<b>648,793.44</b>	<b>420,289.70</b>
<b>Current assets</b>				
Inventories	7	120.27	118.36	53.31
Financial assets				
Investments	3	8,053.51	4,866.33	4,572.81
Trade receivables	8	344.68	220.78	244.31
Cash and cash equivalents	9	45.09	21.11	1.81
Other bank balances	10	1,287.34	2,739.03	615.06
Loans	4	4.92	4.92	15.79
Other financial assets	5	291.10	298.41	299.42
Income tax assets (net)	6	143.27	131.98	1.59
Other current assets	6	129.02	37.23	68.28
		<b>10,419.20</b>	<b>8,438.15</b>	<b>5,872.38</b>
<b>Total</b>		<b>824,310.56</b>	<b>657,231.59</b>	<b>426,162.08</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity share capital	11	1,142.86	1,142.86	1,142.86
Other Equity	12	821,384.13	654,106.06	422,458.61
		<b>822,526.99</b>	<b>655,248.92</b>	<b>423,601.47</b>
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
Financial liabilities				
Deferred tax liabilities (net)	14	48.10	26.21	25.93
Other non-current liabilities	15	716.91	1,044.86	1,391.86
		<b>765.01</b>	<b>1,071.07</b>	<b>1,417.79</b>
<b>Current liabilities</b>				
Financial liabilities				
Trade payables				
Total outstanding dues of micro enterprises and small enterprises		-	-	4.61
Total outstanding dues of creditors other than micro enterprises and small enterprises		84.16	41.85	42.71
Other financial liabilities	16	477.25	404.54	616.89
Other current liabilities	17	376.36	387.97	411.39
Provisions	13	80.79	77.24	67.22
		<b>1,018.56</b>	<b>911.60</b>	<b>1,142.82</b>
<b>Total</b>		<b>824,310.56</b>	<b>657,231.59</b>	<b>426,162.08</b>
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 Regn. No. 105215W/W100057

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

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

**Madhur Bajaj**  
Chairman

**Yogesh Shah**  
Chairman - Audit Committee

**Suhas Deshpande**  
Partner  
Membership No. 31787

**N. S. Kulkarni**  
Company Secretary

**Naresh Patni**  
**Sanjay S. Degaonkar**  
**Sanjiv Bajaj**  
**Vishwanath L. Rajale**  
**Yogesh J. Shah**  
Directors

Pune, 16 May 2018



## Statement of Profit and Loss for the year ended 31 March 2018

Particulars	Note No.	(₹ in lakhs)	
		Year ended 31 March 2018	Year ended 31 March 2017
Sales	18	1,253.41	947.06
Other operating revenue		10.63	6.59
Revenue from operations		1,264.04	953.65
Other income	19	6,978.95	2,074.92
<b>Total income</b>		<b>8,242.99</b>	<b>3,028.57</b>
<b>Expenses</b>			
Cost of raw material and components consumed	20	753.62	457.70
Changes in inventories of finished goods and work-in-progress	21	10.36	(70.07)
Excise duty paid		31.35	104.09
Employee benefits expense	22	820.78	750.25
Finance costs		-	-
Depreciation and amortisation expense	23	74.64	55.38
Other expenses	24	417.90	297.32
<b>Total expenses</b>		<b>2,108.65</b>	<b>1,594.67</b>
<b>Profit before tax</b>		<b>6,134.34</b>	<b>1,433.90</b>
Tax expense			
Current tax		146.00	148.00
MAT credit entitlement		(95.00)	(34.00)
Deferred tax		17.82	13.16
Tax debits / (credits) pertaining to earlier years		(10.25)	-
Total tax expense		58.57	127.16
<b>Profit after tax</b>		<b>6,075.77</b>	<b>1,306.74</b>
<b>Other comprehensive income</b>			
Items that will not be reclassified to profit or loss			
Actuarial gains/losses of defined benefit plans		14.63	(63.17)
Tax impacts on above		(4.07)	12.88
Changes in fair value of FVOCI equity instruments		165,318.29	230,391.00
Tax impacts on fair value of FVOCI equity instruments		-	-
<b>Other comprehensive income for the year (net of tax)</b>		<b>165,328.85</b>	<b>230,340.71</b>
<b>Total comprehensive income for the year</b>		<b>171,404.62</b>	<b>231,647.45</b>
Basic and diluted Earnings per share (in ₹)	26	53.16	11.43
(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

For **Kirtane & Pandit LLP**  
Chartered Accountants  
Firm Regn. No. 105215W/W100057

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

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

**Madhur Bajaj**  
Chairman

**Yogesh Shah**  
Chairman - Audit Committee

**Suhas Deshpande**  
Partner  
Membership No. 31787

**N. S. Kulkarni**  
Company Secretary

**Naresh Patni**  
**Sanjay S. Degaonkar**  
**Sanjiv Bajaj**  
**Vishwanath L. Rajale**  
**Yogesh J. Shah**  
Directors

Pune, 16 May 2018



## Statement of changes in equity for the year ended 31 March 2018

### A. Equity share capital

(₹ in Lakhs)

Particulars	Note No.	Year ended 31 March 2018	Year ended 31 March 2017
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	11	1,142.86	1,142.86

### B. Other equity

(₹ in Lakhs)

Particulars	Note No.	Reserves and surplus		Other reserves	Total other equity
		General reserve	Retained earnings	FVOCI-Equity Instruments	
<b>Balance as at 1 April 2016</b>	<b>12</b>	<b>25,093.10</b>	<b>4,977.18</b>	<b>392,388.33</b>	<b>422,458.61</b>
Profit for the year		-	1,306.74	-	1,306.74
Other comprehensive income (net of tax)		-	(50.29)	230,391.00	230,340.71
Total comprehensive income for the year ended 31 March 2017		-	1,256.45	230,391.00	231,647.45
<b>Transactions with owners in their capacity as owners</b>					
Transfer from Retained earnings to General reserve		126.00	(126.00)	-	-
<b>Balance as at 31 March 2017</b>	<b>12</b>	<b>25,219.10</b>	<b>6,107.63</b>	<b>622,779.33</b>	<b>654,106.06</b>
Profit for the year		-	6,075.77	-	6,075.77
Other comprehensive income (net of tax)		-	10.56	165,318.29	165,328.85
Total comprehensive income for the year ended 31 March 2018		-	6,086.33	165,318.29	171,404.62
<b>Transactions with owners in their capacity as owners</b>					
Transfer from Retained earnings to General reserve		608.00	(608.00)	-	-
Final dividend, declared and paid during the year		-	(3,428.57)	-	(3,428.57)
Tax on final dividend		-	(697.98)	-	(697.98)
<b>Balance as at 31 March 2018</b>	<b>12</b>	<b>25,827.10</b>	<b>7,459.41</b>	<b>788,097.62</b>	<b>821,384.13</b>

Summary of significant accounting policies followed by the Company  
The accompanying notes are an integral part of the financial statements  
In terms of our report of even date

1

For Kirtane & Pandit LLP  
Chartered Accountants  
Firm Regn. No. 105215W/W100057

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Directors

Pune, 16 May, 2018

## Cash Flow Statement for the year ended 31 March 2018

Particulars	(₹ in lakhs)	Current Year (₹ in lakhs)	Previous Year (₹ in lakhs)
<b>A. Operating activities:</b>			
1. Profit before tax		6,134.34	1,433.90
2. Adjustments			
<b>Add:</b>			
i) Depreciation & Amortisation	74.64		55.38
ii) Loss on assets sold, demolished or discarded	4.45		1.15
iii) Reduction in employee cost - Gratuity	-		(63.17)
iv) Interest paid	-		-
		79.09	(6.64)
		6,213.43	1,427.26
<b>Less:</b>			
i) Investment income included in above			
Interest income on fixed deposits	204.97		256.95
Interest income on fixed income securities	745.67		719.95
Profit on sale of investments, net	379.92		350.10
Gain on valuation of Mutual funds	0.18		0.85
Dividend on long-term investments	5,574.81		725.55
Add: Amortisation of premium / discount on acquisition of fixed income securities, net	(2.78)		(1.27)
	6,902.77		2,052.13
ii) Surplus on sale of assets	69.04		0.76
		6,971.81	2,052.89
		(758.38)	(625.63)
3. Change in assets and liabilities			
i) Inventories	1.91		65.05
ii) Trade receivables	123.90		(23.53)
iii) Loans and other assets	(1,374.50)		2,014.81
iv) Liabilities and provisions	291.30		412.19
		(957.39)	2,468.52
4. Net cash from operating activities before income tax		199.01	(3,094.15)
5. Income Tax paid (refund) for earlier years		-	-
6. Income tax paid		131.57	230.42
7. Net cash from operating activities		67.44	(3,324.57)


**Cash Flow Statement for the year ended 31 March 2018 (Contd.)**

Particulars	(₹ in lakhs)	Current Year (₹ in lakhs)	Previous Year (₹ in lakhs)
<b>B. Investing activities:</b>			
i) Sale investments	9,418.67		4,500.00
ii) Purchase of investments	(16,300.85)		-
iii) (Purchase)/sale of money market mutual funds, etc, net	4,075.09		(4,442.57)
iv) (Increase)/decrease in other bank balances	867.00		1,819.00
v) Purchase of fixed assets	(661.47)		(45.34)
vi) Sale of fixed assets	103.77		2.13
	(2,497.79)		1,833.22
vii) Investment income			
Interest on fixed income securities	745.67		719.95
Interest on fixed deposits	204.97		256.95
Dividend income on investments	5,574.81		725.55
	6,525.45		1,702.45
viii) (Increase)/decrease in interest receivable	(14.88)		(25.77)
Net cash from investing activities		4,012.78	3,509.90
<b>C. Financing activities:</b>			
1. Increase/(Decrease) in Bank Cash Credit Balances		-	-
2. Interest paid		-	-
3. Dividend paid		(3,358.26)	(166.03)
4. Dividend distribution tax paid		(697.98)	-
Net cash from financing activities		(4,056.24)	(166.03)
<b>D. Net change in cash &amp; cash equivalents (A+B+C)</b>		23.98	19.30
<b>E. Cash &amp; cash equivalents at the beginning of the year</b>		21.11	1.81
<b>F. Cash &amp; cash equivalents at the year end</b>		45.09	21.11

In terms of our report of even date

For Kirtane & Pandit LLP  
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Yogesh J. Shah  
Directors

Pune, 16 May 2018

## Notes to financial statements for the year ended 31 March 2018

### 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 and fixtures primarily for automobiles vehicles etc. The Company sells its products in India.

### 1. First time adoption and summary of significant accounting policies followed by the Company

#### 1A. Basis of preparation

These financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

The financial statements up to year ended 31 March 2017 were prepared in accordance with the accounting standards notified under Companies (Accounting Standard) Rules, 2006 (as amended) and other relevant provisions of the Act.

These financial statements are the first financial statements of the Company under Ind AS. Refer note 1B for an explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows.

All 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 Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

#### 1B. First-time adoption of Ind AS

##### Transition to Ind AS

These are the company's first standalone financial statements prepared in accordance with Ind AS.

The accounting policies set out in note 1C have been applied in preparing the financial statements for the year ended 31 March 2018, the comparative information presented in these financial statements for the year ended 31 March 2017 and in the preparation of an opening Ind AS balance sheet at 1 April 2016 (the Company's date of transition). In preparing its opening Ind AS balance sheet, the Company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP). An explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is set out in the following tables and notes.

##### A. Exemptions and exceptions availed

Set out below are the applicable Ind AS 101 mandatory exceptions applied in the transition from previous GAAP to Ind AS, which are considered to be material or significant by the Company.

##### A.1 Ind AS mandatory exceptions

##### A.1.1 Estimates

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at 1 April 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Company made estimates for following item in accordance with Ind AS at the date of transition as this was not required under previous GAAP:

- Investment in mutual funds carried at Fair value through profit or loss

##### A.1.2 Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets (investment in debt instruments) on the basis of the facts and circumstances that exist at the date of transition to Ind AS.



## Notes to financial statements for the year ended 31 March 2018 (Contd.)

### B. Reconciliations between previous GAAP and Ind AS

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS.

#### Reconciliation of equity as at date of transition (1 April 2016)

	Notes to first-time adoption	Previous GAAP ₹ In Lakhs	Adjustments ₹ In Lakhs	Ind AS ₹ In Lakhs
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment		717.52	-	717.52
Capital work-in-progress		-	-	-
Financial assets				
Investments	1, 2	23,464.29	392,388.33	415,852.62
Loans		84.39	-	84.39
Other financial assets		2,686.00	-	2,686.00
Income tax assets (net)		920.38	-	920.38
Other non-current assets		28.79	-	28.79
		<b>27,901.37</b>	<b>392,388.33</b>	<b>420,289.70</b>
<b>Current assets</b>				
Inventories		53.31	-	53.31
Financial assets				
Investments	1, 2	4,572.33	0.48	4,572.81
Trade receivables		244.31	-	244.31
Cash and cash equivalents		1.81	-	1.81
Other bank balances		615.06	-	615.06
Loans		15.79	-	15.79
Other financial assets	3	260.12	39.30	299.42
Income tax assets (net)		1.59	-	1.59
Other current assets		68.28	-	68.28
		<b>5,832.60</b>	<b>39.78</b>	<b>5,872.38</b>
<b>Total</b>		<b>33,733.97</b>	<b>392,428.11</b>	<b>426,162.08</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity share capital		1,142.86	-	1,142.86
Other Equity	1, 2, 3	30,056.43	392,402.18	422,458.61
		<b>31,199.29</b>	<b>392,402.18</b>	<b>423,601.47</b>
<b>Non-current liabilities</b>				
Financial liabilities				
Deferred tax liabilities (net)	1, 2, 3	-	25.93	25.93
Other non-current liabilities		1,391.86	-	1,391.86
		<b>1,391.86</b>	<b>25.93</b>	<b>1,417.79</b>
<b>Current liabilities</b>				
Financial liabilities				
Total outstanding dues of micro enterprises and small enterprises		4.61	-	4.61
Total outstanding dues of creditors other than micro enterprises and small enterprises		42.71	-	42.71
Other financial liabilities		616.89	-	616.89
Other current liabilities		411.39	-	411.39
Provisions		67.22	-	67.22
		<b>1,142.82</b>	<b>-</b>	<b>1,142.82</b>
<b>Total</b>		<b>33,733.97</b>	<b>392,428.11</b>	<b>426,162.08</b>

The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

## Notes to financial statements for the year ended 31 March 2018 (Contd.)

## Reconciliation of equity as at 31 March 2017

	Notes to first-time adoption	Previous GAAP ₹ In Lakhs	Adjustments ₹ In Lakhs	Ind AS ₹ In Lakhs
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment		704.96	-	704.96
Capital work-in-progress		-	-	-
Financial assets				
Investments	1, 2	23,463.02	622,779.33	646,242.35
Loans		17.22	-	17.22
Other financial assets		867.00	-	867.00
Income tax assets (net)		933.11	-	933.11
Other non-current assets		28.80	-	28.80
		<b>26,014.11</b>	<b>622,779.33</b>	<b>648,793.44</b>
<b>Current assets</b>				
Inventories		118.36	-	118.36
Financial assets				
Investments	1, 2	4,865.00	1.33	4,866.33
Trade receivables		220.78	-	220.78
Cash and cash equivalents		21.11	-	21.11
Other bank balances		2,739.03	-	2,739.03
Loans		4.92	-	4.92
Other financial assets	3	259.11	39.30	298.41
Income tax assets (net)		131.98	-	131.98
Other current assets		37.23	-	37.23
		<b>8,397.52</b>	<b>40.63</b>	<b>8,438.15</b>
<b>Total</b>		<b>34,411.63</b>	<b>622,819.96</b>	<b>657,231.59</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity share capital		1,142.86	-	1,142.86
Other Equity	1, 2, 3	31,312.31	622,793.75	654,106.06
		<b>32,455.17</b>	<b>622,793.75</b>	<b>655,248.92</b>
<b>Non-current liabilities</b>				
Financial liabilities				
Deferred tax liabilities (net)	1, 2, 3	-	26.21	26.21
Other non-current liabilities		1,044.86	-	1,044.86
		<b>1,044.86</b>	<b>26.21</b>	<b>1,071.07</b>
<b>Current liabilities</b>				
Financial liabilities				
Total outstanding dues of micro enterprises and small enterprises		-	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		41.85	-	41.85
Other financial liabilities		404.54	-	404.54
Other current liabilities		387.97	-	387.97
Provisions		77.24	-	77.24
		<b>911.60</b>	<b>-</b>	<b>911.60</b>
<b>Total</b>		<b>34,411.63</b>	<b>622,819.96</b>	<b>657,231.59</b>





## Notes to financial statements for the year ended 31 March 2018 (Contd.)

### Reconciliation of total comprehensive income for the year ended 31 March 2017

	Notes to first-time adoption	Previous GAAP ₹ In Lakhs	Adjustments ₹ In Lakhs	Ind AS ₹ In Lakhs
Sales	4	842.97	104.09	947.06
Other operating revenue		6.59	-	6.59
Revenue from operations		849.56	104.09	953.65
Other income	1, 3	2,074.07	0.85	2,074.92
<b>Total income</b>		<b>2,923.63</b>	<b>104.94</b>	<b>3,028.57</b>
<b>Expenses</b>				
Cost of raw material and components consumed		457.70	-	457.70
Changes in inventories of finished goods and work-in-progress		(70.07)	-	(70.07)
Excise duty	4	-	104.09	104.09
Employee benefits expense	5	813.42	(63.17)	750.25
Finance costs		-	-	-
Depreciation and amortisation expense		55.38	-	55.38
Other expenses		297.32	-	297.32
<b>Total expenses</b>		<b>1,553.75</b>	<b>40.92</b>	<b>1,594.67</b>
<b>Profit before tax</b>		<b>1,369.88</b>	<b>64.02</b>	<b>1,433.90</b>
<b>Tax expense</b>				
Current tax		148.00	-	148.00
MAT credit entitlement		(34.00)	-	(34.00)
Deferred tax	1, 2, 3, 5	-	13.16	13.16
Total tax expense		114.00	13.16	127.16
<b>Profit for the year</b>		<b>1,255.88</b>	<b>50.86</b>	<b>1,306.74</b>
Other comprehensive income for the year (net of tax)	2, 5, 6	-	230,340.71	230,340.71
<b>Total comprehensive income for the year</b>		<b>1,255.88</b>	<b>230,391.57</b>	<b>231,647.45</b>

### Reconciliation of total equity as at 31 March 2017 and 1 April 2016

	Notes to first-time adoption	31-Mar-2017 ₹ In Lakhs	1-Apr-2016 ₹ In Lakhs
Total equity (shareholder's funds) as reported under previous GAAP		32,455.17	31,199.29
Ind-AS adjustments increasing/(decreasing) equity as reported under previous GAAP :			
Fair valuation of mutual fund plans held	1	1.33	0.48
Actuarial gains/losses of defined benefit plans	5	39.30	39.30
Tax impacts on above	6	(26.21)	(25.93)
Changes in fair value of FVOCI equity instruments	2	622,779.33	392,388.33
Total adjustments		622,793.75	392,402.18
Total equity as per Ind AS		655,248.92	423,601.47

## Notes to financial statements for the year ended 31 March 2018 (Contd.)

### Reconciliation of total comprehensive income for the year ended 31 March 2017

	Notes to first-time adoption	31-Mar-2017 ₹ In Lakhs
Net profit after tax as reported under previous GAAP		1,255.88
Ind-AS adjustments increasing/(decreasing) net profit as reported under previous GAAP :		
Other adjustments (net of tax)		50.86
Total adjustments		50.86
Net profit after tax as per Ind AS		1,306.74
Other comprehensive income, net of tax	2	230,340.71
Total comprehensive income as per Ind AS		231,647.45

### Impact of Ind AS adoption on the Statement of Cash Flow for the year ended 31 March 2017

There are no material adjustment of transition to the Statement of Cash flows to conform to Ind AS presentation for the year ended 31 March 2017.

#### C. Notes to first-time adoption

##### Note 1 : Fair valuation of investments - mutual fund

Under the previous GAAP, investments in mutual funds were classified as current investments based on the intended holding period and realisability. Current investments were carried at lower of cost and fair value. Under Ind AS, these investments are required to be measured at fair value. The resulting fair value changes of these investments have been recognised in retained earnings (net of related deferred taxes) as at the date of transition and subsequently in the statement of profit and loss for the year ended 31 March 2017.

##### Note 2 : Fair valuation of investments - equity shares

Under the previous GAAP, investments in equity shares were classified as non-current investments based on the intended holding period and realisability. Non-current investments were carried at cost. Under Ind AS, these investments are required to be measured at fair value. The resulting fair value changes of these investments have been recognised in separate reserve (net of related deferred taxes) as at the date of transition and subsequently are not recognised in profit or loss but are shown in the statement of profit and loss as 'other comprehensive income' for the year ended 31 March 2017.

##### Note 3 : Measurement change for some financial assets at amortised cost

Under previous GAAP, certain debt instruments were measured at cost. This had impacted amortisation of premium/discount on those investments. Under Ind AS, these investments have been remeasured at cost excluding pre-acquisition interest and amortisation has been accordingly reworked. The change in carrying cost of such investments at the date of transition has been recognised in retained earnings. Subsequent amortisation changes have been recognized in the statement of profit and loss.

##### Note 4 : Excise duty

Under the previous GAAP, revenue from sale of products was presented exclusive of excise duty. Under Ind AS, revenue from sale of goods is presented inclusive of excise duty. The excise duty paid is presented on the face of the statement of profit and loss as part of expenses. There is no impact on the total equity and profit.

##### Note 5 : Remeasurements of post-employment benefit obligations

Under Ind AS, remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of profit or loss. Under the previous GAAP, these remeasurements were forming part of the statement of profit and loss for the year. There is no impact on the total equity.



## Notes to financial statements for the year ended 31 March 2018 (Contd.)

### Note 6 : Other comprehensive income

Under Ind AS, all items of income and expense recognised in a period should be included in the statement of profit and loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss as 'other comprehensive income' includes remeasurements of defined benefit plans. The concept of other comprehensive income did not exist under previous GAAP.

### 1C. Summary of significant accounting policies followed by the Company

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. System of accounting

- i) The Company follows the mercantile system of accounting and recognises income and expenditure on an accrual basis except in case of significant uncertainties.
- ii) Financial statements are prepared under the historical cost convention, except for certain financial assets and liabilities that are measured at fair value. These costs are not adjusted to reflect the impact of changing value in the purchasing power of money.
- iii) 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 statement
  - a) Valuation of employee benefits
  - b) Estimation of fair value of contingent liabilities and judgement on their probability of devolving on the Company
  - c) Provision for tax expenses

#### 2. Revenue recognition

##### a) Sales

- i) Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are inclusive of excise duty and net of value added taxes, 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.
- ii) sales are accounted for on dispatch from the point of sale corresponding to transfer of significant risks and rewards of ownership to the buyer.

##### b) 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 of uncertainty.

#### 3. Property, plant and equipment and depreciation / amortisation

##### A. Property, plant and equipment

- i) 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. Cost represents all expenses directly attributable to bringing the asset to its working condition capable of operating in the manner intended.
- ii) Costs incurred to manufacture property, plant and equipment and intangible are reduced from the total

## Notes to financial statements for the year ended 31 March 2018 (Contd.)

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.

### B. Transition to Ind AS

On Transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1 April 2016 measured as per previous GAAP which in case of the Company, corresponds with carrying costs measured in accordance with Ind AS 16 Property, plant and equipment.

### C. 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 at the rates upto the previous month in which such assets are sold, discarded or demolished.

- c) **Impairment of assets**

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

## 4. Investments and financial assets

### (i) Classification

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

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- 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 measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income, as elected. For investments in debt instruments, this will depend on the business model in which the investment is held.

The company reclassifies debt investments when and only when its business model for managing those assets changes.

### (ii) Measurement

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 profit or loss.



## Notes to financial statements for the year ended 31 March 2018 (Contd.)

### Debt instruments

Subsequent measurement of debt instruments depends on the company's business model for managing the asset and the cash flow characteristics of the asset. There are two measurement categories into which the company classifies its debt instruments:

**Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost e.g. Debentures, Bonds etc. A gain or loss on a debt investment that is subsequently measured at amortised cost is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in investment income using the effective interest rate method.

**Fair value through profit or loss:** Assets that do not meet the criteria for amortised cost, are measured at fair value through profit or loss e.g. investments in mutual funds. A gain or loss on a debt investment 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.

### (iii) Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its 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. Where the entity has transferred an 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) Income recognition

#### Interest income

Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that 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 the expected credit losses.

#### Dividends

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

## 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. However, obsolete and slow moving items are valued at cost or estimated realisable value whichever is lower.

## Notes to financial statements for the year ended 31 March 2018 (Contd.)

- iv) Inventory of machinery spares and maintenance materials not being material are expensed in the year of purchase. However, machinery spares forming key components specific to a machinery and held as insurance spares are capitalised along with the cost of the asset.
  - v) Goods in transit are stated at actual cost incurred upto the date of Balance Sheet.
- 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 at higher of the actual accumulated obligation or actuarially determined valuation.
  - 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.  
  
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 benefit 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 benefit expense when they are due.
  - e) **Defined contribution to Employees Pension Scheme 1995** is made to Government Provident Fund Authority.
- 7. Taxation**
- a) Provision for tax is made for the current accounting period (reporting period) on the basis of the taxable profits computed in accordance with the Income-tax Act, 1961 and the Income Computation and Disclosure Standards prescribed therein. Excess/short provisions and interest thereon are recognised only on completion of assessment and where adjustments made by the Assessing Officer are disputed, on receiving the 'Order Giving Effect' to the tax determined by the CIT (Appeals) and thereafter on final settlement of further disputes.
  - b) **Deferred tax** is provided in full, using the liability method, on temporary differences arising between the tax bases 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.  
  
Deferred taxes 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.  
  
Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.



## Notes to financial statements for the year ended 31 March 2018 (Contd.)

### 8. Provisions and contingent liabilities

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

### 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 the purpose of 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 shareholders 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 the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of share 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 2018 (Contd.)

### 2 PROPERTY, PLANT AND EQUIPMENT

Current year

(₹ in Lakhs)

PARTICULARS	GROSS BLOCK (a)				DEPRECIATION				NET BLOCK
	As At 1-Apr-17	Additions	Deductions	As At 31-Mar-18	Upto 1-Apr-17	For the period	Deductions	Upto 31-Mar-18	As At 31-Mar-18
Land freehold	0.02	-	-	0.02	-	-	-	-	0.02
Land leasehold	3.36	-	0.06	3.30	-	-	-	-	3.30
Buildings	570.02	-	-	570.02	530.88	0.62	-	531.50	38.52
Plant & machinery	2,437.87	653.10	658.34	2,432.63	1,806.03	69.60	625.19	1,250.44	1,182.19
Furniture & fixtures	24.47	0.69	0.14	25.02	20.95	0.59	0.13	21.41	3.61
Office equipments	4.80	-	0.33	4.47	4.50	0.01	0.31	4.20	0.27
Vehicles	42.28	7.68	10.94	39.02	15.50	3.76	4.94	14.32	24.70
Total tangible assets	3,082.82	661.47	669.81	3,074.48	2,377.86	74.58	630.57	1,821.87	1,252.61
Capital Work in Process	-	-	-	-	-	-	-	-	-

- (a) At cost, except leasehold land which is at cost, less amounts written off.
- (b) On transition to Ind AS, the company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1 April 2016, measured as per previous GAAP, which in case of the company, corresponds with carrying cost measured in accordance with Ind AS 16 property, plant and equipment. As on 1 April 2016 gross block and accumulated depreciation was ₹ 3054.80 Lakhs and ₹ 2337.28 Lakhs respectively.

Previous year

(₹ in Lakhs)

PARTICULARS	GROSS BLOCK (a)				DEPRECIATION				NET BLOCK
	As At 1-Apr-16	Additions	Deductions	As At 31-Mar-17	Upto 1-Apr-16	For the period	Deductions	Upto 31-Mar-17	As At 31-Mar-17
Land freehold	0.02	-	-	0.02	-	-	-	-	0.02
Land leasehold	3.42	-	0.06	3.36	-	-	-	-	3.36
Buildings	570.02	-	-	570.02	530.25	0.63	-	530.88	39.14
Plant & machinery	2,416.52	32.78	11.43	2,437.87	1,766.75	50.41	11.13	1,806.03	631.84
Furniture & fixtures	24.95	0.34	0.82	24.47	21.22	0.53	0.80	20.95	3.52
Office equipments	5.04	0.08	0.32	4.80	4.42	0.38	0.30	4.50	0.30
Vehicles	34.83	12.14	4.69	42.28	14.64	3.38	2.52	15.50	26.78
Total tangible assets	3,054.80	45.34	17.32	3,082.82	2,337.28	55.33	14.75	2,377.86	704.96
Capital Work in Process	-	-	-	-	-	-	-	-	-

- (a) At cost, except leasehold land which is at cost, less amounts written off.
- (b) On transition to Ind AS, the company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1 April 2016, measured as per previous GAAP, which in case of the company, corresponds with carrying cost measured in accordance with Ind AS 16 property, plant and equipment. As on 1 April 2016 gross block and accumulated depreciation was ₹ 3054.80 Lakhs and ₹ 2337.28 Lakhs respectively.



## Notes to financial statements for the year ended 31 March 2018 (Contd.)

### 3 INVESTMENTS

		31-Mar-2018 (₹ in Lakhs)	31-Mar-2017 (₹ in Lakhs)	1-Apr-2016 (₹ in Lakhs)
(A)	<b>Non-Current Investments :</b>			
	<b>In Fully Paid Equity Shares:</b>			
	<b>Quoted:</b>			
	6,774,072 Shares of ₹ 10 each of Bajaj Auto Ltd.	185,927.95	190,043.20	162,980.79
	18,974,660 Shares of ₹ 2 each of Bajaj Finance Ltd.	335,386.60	222,212.24	131,383.39
	3,725,740 Shares of ₹ 5 each of Bajaj Finserv Ltd.	192,678.51	152,695.73	63,751.14
	3,387,036 Shares of ₹ 10 each of Bajaj Holdings & Investment Ltd.	89,570.17	73,293.77	49,738.62
	<b>Fair Value as at 31 March</b>	<b>803,563.23</b>	<b>638,244.94</b>	<b>407,853.94</b>
	<b>Other Investments:</b>			
	<b>In Fully paid Debentures:</b>			
	<b>Unquoted:</b>			
	50 9.25% Non-Convertible Debentures of ₹ 1,000,000 each of Bajaj Finance Ltd. -2018	499.93	500.79	501.44
	750 9.00% Non-Convertible Debentures of ₹ 1,000,000 each of Bajaj Finance Ltd. -2019	7,494.70	7,496.62	7,497.24
	<b>Amortised cost as at 31 March</b>	<b>7,994.63</b>	<b>7,997.41</b>	<b>7,998.68</b>
	<b>Total (A)</b>	<b>811,557.86</b>	<b>646,242.35</b>	<b>415,852.62</b>
(B)	<b>Current Investments :</b>			
	<b>In Certificate of Deposit:</b>			
	<b>Unquoted:</b>			
	2,500 (-)/(-) Certificate of Deposit of ₹ 100,000 each of HDFC Bank 25-01-2019	2,357.27	-	-
	2,500 (-)/(-) Certificate of Deposit of ₹ 100,000 each of ICICI Bank 29-01-2019	2,353.90	-	-
	1,500 (-)/(-) Certificate of Deposit of ₹ 100,000 each of SIDBI 08-02-2019	1,410.59	-	-
	- (-)/(2,500) Certificate of Deposit of ₹ 100,000 each of Canara Bank 07-03-2017	-	-	2,327.78
	- (-)/(2,000) Certificate of Deposit of ₹ 100,000 each of NABARD 15-02-2017	-	-	1,870.10
	<b>Amortised cost as at 31 March</b>	<b>6,121.76</b>	<b>-</b>	<b>4,197.88</b>

## Notes to financial statements for the year ended 31 March 2018 (Contd.)

		31-Mar-2018 (₹ in Lakhs)	31-Mar-2017 (₹ in Lakhs)	1-Apr-2016 (₹ in Lakhs)
<b>In Commercial papers:</b>				
<b>Unquoted:</b>				
200	(-)/(-) Commercial papers of ₹ 500,000 each of Kotak Mahindra Investment Ltd 364 days 20-07-2018	980.24	-	-
	<b>Amortised cost as at 31 March</b>	<b>980.24</b>	<b>-</b>	<b>-</b>
<b>In Mutual Fund Units:</b>				
<b>Quoted:</b>				
145,790	(1080196)/(68,901) Units of ICICI Prudential Money Market Fund Plan-Direct-(Growth) of ₹ 100 each	350.57	2,430.69	144.39
10,973	(95,029)/(9,656) Units of Tata Money Market Fund - Direct- (Growth) of ₹ 1000 each	300.48	2,435.64	230.54
15,410	(-)/(-) Units of UTI Money Market Fund - Direct- (Growth) of ₹ 1000 each	300.46	-	-
	<b>Fair Value as at 31 March</b>	<b>951.51</b>	<b>4,866.33</b>	<b>374.93</b>
	<b>Total (B)</b>	<b>8,053.51</b>	<b>4,866.33</b>	<b>4,572.81</b>
	<b>Total (A+B)</b>	<b>819,611.37</b>	<b>651,108.68</b>	<b>420,425.43</b>

	Book Value as at				Market Value as at		
	31-Mar-2018	31-Mar-2017	1-Apr-2016		31-Mar-2018	31-Mar-2017	1-Apr-2016
Quoted	804,514.74	643,111.27	408,228.87		804,514.74	643,111.27	408,228.87
Unquoted	15,096.63	7,997.41	12,196.56				
Total	819,611.37	651,108.68	420,425.43				

**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.

Refer note 1C (4) for accounting policy & valuation principles for investments.



## Notes to financial statements for the year ended 31 March 2018 (Contd.)

4	LOANS	Non-current			Current	
		31-Mar-2018 (₹ in Lakhs)	31-Mar-2017 (₹ in Lakhs)	1-Apr-2016 (₹ in Lakhs)	31-Mar-2017 (₹ in Lakhs)	1-Apr-2016 (₹ in Lakhs)
	Security deposits	6.35	6.35	6.35	-	-
	Loans to Ex-employees	5.95	10.87	78.04	4.92	15.79
	<b>Total</b>	<b>12.30</b>	<b>17.22</b>	<b>84.39</b>	<b>4.92</b>	<b>15.79</b>

## 5 OTHER FINANCIAL ASSETS

Non-current bank balances (see note 10)	-	867.00	2,686.00	-	-	-
Prepaid Gratuity (See note 35)	-	-	-	42.83	39.30	39.30
Interest receivable on investments	-	-	-	247.88	258.72	259.65
Interest receivable on loans, deposits etc.	-	-	-	0.39	0.39	0.47
<b>Total</b>	<b>-</b>	<b>867.00</b>	<b>2,686.00</b>	<b>291.10</b>	<b>298.41</b>	<b>299.42</b>

## 6 OTHER ASSETS

(Unsecured, good, unless stated otherwise)

<b>Capital advances</b>	-	-	-	-	-	-
<b>Advances recoverable in cash or kind</b>						
Secured considered good	-	-	-	-	-	-
Unsecured considered good	-	-	-	7.39	12.41	10.76
<b>Other loans and advances</b>						
VAT refund receivable	30.22	28.80	28.79	-	-	-
Advance income-tax (net of provision for tax)	1,038.37	933.11	920.38	143.27	131.98	1.59
Balances with GST/Central Excise Department	-	-	-	121.63	24.82	57.52
	<b>1,068.59</b>	<b>961.91</b>	<b>949.17</b>	<b>264.90</b>	<b>156.80</b>	<b>59.11</b>
<b>Total</b>	<b>1,068.59</b>	<b>961.91</b>	<b>949.17</b>	<b>272.29</b>	<b>169.21</b>	<b>69.87</b>

## Notes to financial statements for the year ended 31 March 2018 (Contd.)

7	INVENTORIES	Non-current			Current		
		31-Mar-2018 (₹ in Lakhs)	31-Mar-2017 (₹ in Lakhs)	1-Apr-2016 (₹ in Lakhs)	31-Mar-2018 (₹ in Lakhs)	31-Mar-2017 (₹ in Lakhs)	1-Apr-2016 (₹ in Lakhs)
	Raw materials and components				23.81	14.18	19.85
	Work-in-progress				90.05	100.41	30.34
	Finished goods				-	-	-
	Stores				5.68	3.64	3.05
	Loose tools				0.73	0.13	0.07
					<u>120.27</u>	<u>118.36</u>	<u>53.31</u>
8	TRADE RECEIVABLE						
	(Unsecured, considered good unless stated otherwise)						
	Good				344.68	220.78	244.31
	Doubtful				-	-	-
					<u>344.68</u>	<u>220.78</u>	<u>244.31</u>
9	CASH AND CASH EQUIVALENTS						
	Balances with banks:						
	In current accounts				44.99	20.87	1.65
	Cash on hand				0.10	0.24	0.16
					<u>45.09</u>	<u>21.11</u>	<u>1.81</u>
10	OTHER BANK BALANCES						
	Unclaimed dividend accounts	-	-	-	420.34	350.03	516.06
	Deposits with residual maturity for Less than 12 months	-	-	-	867.00	2,389.00	99.00
	Deposits with residual maturity for more than 12 months	-	867.00	2,686.00	-	-	-
		-	867.00	2,686.00	<u>1,287.34</u>	<u>2,739.03</u>	<u>615.06</u>
	Amount disclosed under other financial assets(see note 5)	-	(867.00)	(2,686.00)	-	-	-
		-	-	-	<u>1,287.34</u>	<u>2,739.03</u>	<u>615.06</u>



## Notes to financial statements for the year ended 31 March 2018 (Contd.)

### 11 EQUITY SHARE CAPITAL

	31-Mar-2018 (₹ in Lakhs)	31-Mar-2017 (₹ in Lakhs)	1-Apr-2016 (₹ in Lakhs)
<b>Authorised:</b>			
11,500,000 Equity shares of ₹ 10 each	1,150.00	1,150.00	1,150.00
50,000 Redeemable cumulative preference shares of ₹ 100 each	50.00	50.00	50.00
	<u>1,200.00</u>	<u>1,200.00</u>	<u>1,200.00</u>
<b>Issued, subscribed and Fully paid-up shares:</b>			
11,428,568 Equity shares of ₹ 10 each	1,142.86	1,142.86	1,142.86
	<u>1,142.86</u>	<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

	31-Mar-2018		31-Mar-2017	
	Nos.	Amount (Rs. in Lakhs)	Nos.	Amount (Rs. in Lakhs)
<b>Equity share</b>				
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

	31-Mar-2018		31-Mar-2017		1-Apr-2016	
	Nos.	% Holding	Nos.	% Holding	Nos.	% Holding
<b>Equity shares of ₹ 10 each fully paid</b>						
Western Maharashtra Development Corporation Ltd.	3,085,712	27.00%	3,085,712	27.00%	3,085,712	27.00%
Bajaj Holdings & Investment Ltd.	2,742,848	24.00%	2,742,848	24.00%	2,742,848	24.00%
CD Equifinance Pvt. Ltd.	643,311	5.63%	617,349	5.40%	631,452	5.53%

**Notes to financial statements for the year ended 31 March 2018 (Contd.)****12 OTHER EQUITY****Reserves and surplus****General Reserve**

Balance as at the beginning of the year

25,219.10

25,093.10

Add: Transferred from retained earning

608.00

126.00

Closing balance

25,827.10

25,219.10

25,093.10

**Retained earnings**

Balance as at the beginning of the year

6,107.63

4,977.18

Profit for the year

6,075.77

1,306.74

Items of other comprehensive income recognised directly in retained earnings

Actuarial gains/losses of defined benefit plans

10.56

(50.29)

Less: Appropriations

Transfer to General reserve

608.00

126.00

Final dividend, declared and paid during the year

3,428.57

-

Tax on final dividend

697.98

-

Total appropriations

4,734.55

126.00

Balance in retained earnings

7,459.41

6,107.63

4,977.18

**Reserves**

FVOCI-Equity instruments

Opening Balance

622,779.33

392,388.33

392,388.33

Add: During the year

165,318.29

230,391.00

-

Closing balance reserves

788,097.62

622,779.33

392,388.33

**Total reserves and surplus**

821,384.13

654,106.06

422,458.61

**13 PROVISIONS****Current****Provision for employee benefits**

Provision for compensated absences

80.79

77.24

67.22

80.79

77.24

67.22

**Other provisions**

-

-

-

-

-

-

80.79

77.24

67.22





## Notes to financial statements for the year ended 31 March 2018 (Contd.)

### 14 DEFERRED TAX LIABILITIES (NET)

#### Deferred tax liabilities

On account of timing difference in

Net block as per books & as per Income tax

Defined benefit plan

Financial instruments :

Fair valuation of Mutual Funds

#### Gross deferred tax liabilities

#### Deferred tax assets

On account of timing difference in retiral and other benefits :

Uncovered liability towards gratuity

Bonus provisions

Provision for privilege leave

Financial instruments :

Amortisation of premium paid on bonds

Other items :

Inventory valuation (section 145A of the Income-tax Act ,1961)

4.50

#### Gross deferred tax assets/liability

	31-Mar-2018 (₹ in Lakhs)	31-Mar-2017 (₹ in Lakhs)	1-Apr-2016 (₹ in Lakhs)
Deferred tax liabilities			
On account of timing difference in			
Net block as per books & as per Income tax	83.79	75.42	75.42
Defined benefit plan	4.07	-	-
Financial instruments :			
Fair valuation of Mutual Funds	0.42	0.44	0.16
	0.42	0.44	0.16
Gross deferred tax liabilities	88.28	75.86	75.58
Deferred tax assets			
On account of timing difference in retiral and other benefits :			
Uncovered liability towards gratuity	6.47	7.69	7.69
Bonus provisions	8.87	10.03	10.03
Provision for privilege leave	22.48	25.54	25.54
	37.82	43.26	43.26
Financial instruments :			
Amortisation of premium paid on bonds	2.36	1.89	1.89
	2.36	1.89	1.89
Other items :			
Inventory valuation (section 145A of the Income-tax Act ,1961)		-	4.50
4.50			
	-	4.50	4.50
Gross deferred tax assets/liability	40.18	49.65	49.65
	48.10	26.21	25.93

### 15 OTHER NON- CURRENT LIABILITIES

Annuity payable to Ex-employees

	716.91	1,044.86	1,391.86
	716.91	1,044.86	1,391.86

### 16 OTHER FINANCIAL LIABILITIES

Security deposits

Unclaimed dividend

Bank credit balance as per books

Employees benefits payable

	0.20	0.30	0.20
	420.34	350.03	516.06
	-	-	51.92
	56.71	54.21	48.71
	477.25	404.54	616.89

**Notes to financial statements for the year ended 31 March 2018 (Contd.)****17 OTHER CURRENT LIABILITIES**

	<b>31-Mar-2018</b> <b>(₹ in Lakhs)</b>	<b>31-Mar-2017</b> <b>(₹ in Lakhs)</b>	<b>1-Apr-2016</b> <b>(₹ in Lakhs)</b>
Annuity payable to Ex-employees	327.96	349.04	375.66
Advance received from customers	28.57	18.60	9.50
Taxes and duties payable	5.53	9.09	10.92
Other payables	14.30	11.24	15.31
	<u>376.36</u>	<u>387.97</u>	<u>411.39</u>

**18 REVENUE FROM OPERATIONS**

	<b>31-Mar-2018</b> <b>(₹ in Lakhs)</b>	<b>31-Mar-2017</b> <b>(₹ in Lakhs)</b>
<b>Revenue from operations</b>		
Sale of product including excise duty	1,253.41	947.06
<b>Other operating revenue</b>		
Scrap sale including excise duty	10.63	6.59
<b>Revenue from operations (gross)</b>	<u>1,264.04</u>	<u>953.65</u>

**19 OTHER INCOME****Investment income:**

Interest income from bank fixed deposits	204.97	256.95
Interest income from fixed income securities	967.57	1,022.07
Amortisation of (premium)/discount on acquisition of fixed income securities, net	(2.78)	(1.27)
	<u>1,169.76</u>	<u>1,277.75</u>
Dividend income on investments	5,574.81	725.55
Profit / (loss) on sale of investments, net	(2.07)	-
Gain on valuation/ Surplus on redemption of mutual fund, net	<u>160.27</u>	<u>48.83</u>
	<u>6,902.77</u>	<u>2,052.13</u>

**Others:**

Interest - others	1.67	11.94
Miscellaneous receipts	5.11	10.08
Surplus on sale of assets	69.04	0.76
Sundry credit balances appropriated	-	0.01
Provision no longer required	<u>0.36</u>	<u>-</u>
	<u>76.18</u>	<u>22.79</u>
	<u>6,978.95</u>	<u>2,074.92</u>

**20 COST OF RAW MATERIAL AND COMPONENTS CONSUMED**

Raw materials & bought out Items	753.62	457.70
	<u>753.62</u>	<u>457.70</u>



## Notes to financial statements for the year ended 31 March 2018 (Contd.)

21 (INCREASE)/DECREASE IN INVENTORIES	for the year ended		(Increase)/ decrease (₹ in Lakhs)
	31-Mar-2018 (₹ in Lakhs)	31-Mar-2017 (₹ in Lakhs)	
<b>Inventories at the end of the year</b>			
Work-in-progress	90.05	100.41	10.36
Finished goods	-	-	-
	<u>90.05</u>	<u>100.41</u>	<u>10.36</u>
<b>Inventories at the beginning of the year</b>			
Work-in-progress	100.41	30.34	(70.07)
Finished goods	-	-	-
	<u>100.41</u>	<u>30.34</u>	<u>(70.07)</u>
	<u>10.36</u>	<u>(70.07)</u>	
22 EMPLOYEE BENEFITS EXPENSE	31-Mar-2018 (₹ in Lakhs)	31-Mar-2017 (₹ in Lakhs)	
Salaries, wages and bonus to employees	661.62	629.42	
Contribution to provident and other funds	82.53	55.36	
Staff welfare expenses	76.63	65.47	
	<u>820.78</u>	<u>750.25</u>	
23 DEPRECIATION & AMORTISATION EXPENSES			
Depreciation on property, plant and equipment	74.58	55.32	
Amount written off against leasehold land	0.06	0.06	
	<u>74.64</u>	<u>55.38</u>	

**Notes to financial statements for the year ended 31 March 2018 (Contd.)****24 OTHER EXPENSES**

	<b>31-Mar-2018</b> <b>(₹ in Lakhs)</b>	<b>31-Mar-2017</b> <b>(₹ in Lakhs)</b>
Stores and tools consumed	47.84	42.15
Power, fuel and water	69.90	61.06
Repairs to buildings	107.37	17.54
Repairs to machinery	33.88	35.18
Others repairs	47.00	37.54
Insurance	6.43	6.45
Rates and taxes	4.33	4.33
Payment to auditor	7.12	11.61
Directors' fees and travelling expenses	12.98	11.24
Legal & Professional charges	18.19	12.55
Expenditure towards Corporate Social Responsibility (CSR) activities	12.00	12.00
Miscellaneous expenses	46.41	44.52
Loss on assets sold, demolished, discarded and scrapped	4.45	1.15
	<b>417.90</b>	<b>297.32</b>

**Payment to auditor**

As auditor:

Audit fee	6.00	6.06
Tax audit fee	-	1.01
Limited review	1.00	1.01

In other capacity:

Income-Tax matters	-	2.53
Other services (including certification fees)	-	0.75

Reimbursement of expenses

0.12	0.25
<b>7.12</b>	<b>11.61</b>

**Expenditure towards Corporate Social Responsibility (CSR) activities**

Gross amount required to be spent by the Company during the year	12.76	12.00
--	-------	-------

a) Amount spent is cash during the year :

i) On construction/acquisition of any asset	-	-
ii) On purposes other than (i) above	12.00	12.00

b) Amount spent during the period from end of financial year to the date of approval of accounts.

1.00

13.00	12.00
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## Notes to financial statements for the year ended 31 March 2018 (Contd.)

### 25 TAX EXPENSES

	For the year ended	
	31-Mar-2018 (₹ in Lakhs)	31-Mar-2017 (₹ in Lakhs)
<b>(a) Tax expense</b>		
<b>Current tax</b>		
Current tax on profits for the year	146.00	148.00
Less: MAT credit entitlement	(95.00)	(34.00)
Adjustments for current tax of prior periods	(10.25)	-
Total current tax expense	40.75	114.00
<b>Deferred tax</b>		
Decrease/(increase) in deferred tax assets	9.47	-
(Decrease)/increase in deferred tax liabilities	8.35	13.16
Total deferred tax expenses/(benefit)	17.82	13.16
<b>Tax expenses</b>	<b>58.57</b>	<b>127.16</b>
<b>(b) Reconciliation of tax expenses and the accounting profit multiplied by India's tax rate</b>		
Profit before tax	6,134.34	1,433.90
Tax at the Indian tax rate of 20.3889% (Previous year - 20.3889%)	1,251.00	293.00
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
- Corporate social responsibility expenditure	-	-
- Rate difference on account of short term gain	-	-
- Disallowance of estimated expenditure to earn tax exempt income	32.00	16.00
- Disallowance of expenditure incurred on rented property (net)	-	-
- Rate difference in amortisation of fixed income securities	-	-
- Rate difference on account of fair value of mutual funds	(0.02)	0.16
- Adjustments for current tax of prior periods	(10.25)	-
- Others - MAT Credit entitlement	(95.00)	(34.00)
Tax effect of amounts which are deductible (non taxable) in calculating taxable income:		
- Tax-free dividend on Equity shares	(1,137.00)	(148.00)
- Tax-impact on defined benefit plan	-	-
- Income from fair valuation of mutual funds	-	-
On account of timing difference in net block as per books & as per Income tax	8.37	-
Defined benefit plan	-	-
Uncovered liability towards gratuity	1.22	-
Bonus provisions	1.16	-
Provision for privilege leave	3.06	-
Amortisation of premium paid on bonds	(0.47)	-
Inventory valuation (section 145A of the Income-tax Act, 1961)	4.50	-
<b>Tax expense</b>	<b>58.57</b>	<b>127.16</b>

## Notes to financial statements for the year ended 31 March 2018 (Contd.)

### 26 EARNING PER SHARE (EPS)

31-Mar-2018 (₹ in Lakhs)	31-Mar-2017 (₹ in Lakhs)
-----------------------------	-----------------------------

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

a) Profit for the year after taxation (₹ in Lakhs)	6,075.77	1,306.74
Weighted average number of shares outstanding during the year (nos)	11,428,568	11,428,568
b) Earnings per share (Basic and Diluted) in ₹	53.16	11.43
Face value per share in ₹	10.00	10.00

### 27 FAIR VALUE MEASUREMENT

#### i) Financial instruments by category

(₹ in Lakhs)

	31-Mar-18			31-Mar-17			1-Apr-16		
	FVPL	FVOCI	Amortised Cost	FVPL	FVOCI	Amortised Cost	FVPL	FVOCI	Amortised Cost
<b>Financial assets</b>									
<b>Investments</b>									
- Equity Shares	-	803,563.23	-	-	638,244.94	-	-	407,853.94	-
- Bonds and debentures	-	-	7,994.63	-	-	7,997.41	-	-	7,998.68
- Liquid mutual funds	951.51	-	-	4,866.33	-	-	374.93	-	-
- Certificate of Deposit	-	-	6,121.76	-	-	-	-	-	4,197.88
- Commercial Papers	-	-	980.24	-	-	-	-	-	-
Trade receivables	-	-	344.68	-	-	220.78	-	-	244.31
Loans	-	-	17.22	-	-	22.14	-	-	100.18
Other financial assets	-	-	291.10	-	-	298.41	-	-	299.42
Cash and cash equivalents	-	-	45.09	-	-	21.11	-	-	1.81
Other bank balances	-	-	1,287.34	-	-	2,739.03	-	-	615.06
<b>Total financial assets</b>	<b>951.51</b>	<b>803,563.23</b>	<b>17,082.06</b>	<b>4,866.33</b>	<b>638,244.94</b>	<b>11,298.88</b>	<b>374.93</b>	<b>407,853.94</b>	<b>13,457.34</b>
<b>Financial liabilities</b>									
Trade payables	-	-	84.16	-	-	41.85	-	-	47.32
Other financial liabilities	-	-	477.25	-	-	404.54	-	-	616.89
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>561.41</b>	<b>-</b>	<b>-</b>	<b>446.39</b>	<b>-</b>	<b>-</b>	<b>664.21</b>



## Notes to financial statements for the year ended 31 March 2018 (Contd.)

### ii) Fair value hierarchy

This section explains the judgements 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.

(₹ in Lakhs)

Financial assets measured at fair value - recurring fair value measurements at 31 March 2018					
Financial assets	Notes	Level 1	Level 2	Level 3	Total
<b>Financial Investments at FVOCI</b>					
Equity Shares	3	803,563.23	-	-	803,563.23
<b>Financial Investments at FVPL</b>					
Liquid mutual funds	3	951.51	-	-	951.51
<b>Total financial assets</b>		951.51	-	-	951.51
Financial Assets which are measured at amortised cost for which fair values are disclosed at 31 March 2018					
Financial assets	Notes	Level 1	Level 2	Level 3	Total
Bonds and debentures	3	7994.63	-	-	7,994.63
Certificate of deposit	3	6,121.76	-	-	6,121.76
Commercial Papers	3	980.24	-	-	980.24
<b>Total financial assets</b>		15,096.63	-	-	15,096.63

(₹ in Lakhs)

Financial assets measured at fair value - recurring fair value measurements at 31 March 2017					
Financial assets	Notes	Level 1	Level 2	Level 3	Total
<b>Financial Investments at FVOCI</b>					
Equity Shares	3	638,244.94	-	-	638,244.94
<b>Financial Investments at FVPL</b>					
Liquid mutual funds	3	4,866.33	-	-	4,866.33
<b>Total financial assets</b>		4,866.33	-	-	4,866.33
Financial Assets which are measured at amortised cost for which fair values are disclosed at 31 March 2017					
Financial assets	Notes	Level 1	Level 2	Level 3	Total
Bonds and debentures	3	7,997.41	-	-	7,997.41
Certificate of Deposit	3	-	-	-	-
Commercial Papers	3	-	-	-	-
<b>Total financial assets</b>		7,997.41	-	-	7,997.41



## Notes to financial statements for the year ended 31 March 2018 (Contd.)

(₹ in Lakhs)

Financial assets measured at fair value - recurring fair value measurements at 1 April 2016					
Financial assets	Notes	Level 1	Level 2	Level 3	Total
<b>Financial Investments at FVOCI</b>					
Equity Shares	3	407,853.94	-	-	407,853.94
<b>Financial Investments at FVPL</b>					
Liquid mutual funds	3	374.93	-	-	374.93
<b>Total financial assets</b>		374.93	-	-	374.93
Financial Assets which are measured at amortised cost for which fair values are disclosed at 1 April 2016					
Financial assets	Notes	Level 1	Level 2	Level 3	Total
Bonds and debentures	3	7,998.68	-	-	7,998.68
Certificate of Deposit	3	4,197.88	-	-	4,197.88
Commercial Papers	3	-	-	-	-
<b>Total financial assets</b>		12,196.56	-	-	12,196.56

**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 FIMMDA (Fixed Income Money Market and Derivative Association of India)
- 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**

(₹ in Lakhs)

	31-Mar-18		31-Mar-17		1-Apr-16	
	Carrying Amount	Fair value	Carrying Amount	Fair value	Carrying Amount	Fair value
<b>Financial assets</b>						
<b>Investments</b>						
Bonds and debentures	7,994.63	7,994.63	7,997.41	7,997.41	7,998.68	7,998.68
Certificate of Deposit	6,121.76	6,121.76	-	-	4,197.88	4,197.88
Commercial Papers	980.24	980.24	-	-	-	-
<b>Total financial assets</b>	15,096.63	15,096.63	7,997.41	7,997.41	12,196.56	12,196.56

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 2018 (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

Risk	Exposure arising from	Measurement	Management
Credit Risk	Cash and cash equivalents, financial assets and trade receivables	Credit ratings, Ageing analysis	Diversification of counterparties, investment limits, check on counterparties basis credit rating and no. of overdue days
Liquidity Risk	Other liabilities	Maturity analysis	Maintaining sufficient cash/cash equivalents and marketable securities

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.

#### A) 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" 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	As at	
	31-Mar-2018 (₹ in Lakhs)	31-Mar-2017 (₹ in Lakhs)
<b>The Company had net working capital funds</b>	<b>9,400.64</b>	<b>7,526.55</b>
Which includes;		
i) Cash and cash equivalents	45.09	21.11
ii) Current investments	8,053.51	4,866.33

## Notes to financial statements for the year ended 31 March 2018 (Contd.)

Contractual maturities of significant financial Liabilities as on 31 March 2018, 31 March 2017 and 1 April 2016 are as follows:

### Maturities of financial liabilities

Particulars	₹ in Lakh	
	Less than or equal to 1 year	More than 1 year
<b>As on 31 March 2018</b>		
Non-derivatives		
Trade payables	84.16	-
Other financial liabilities	477.25	-
<b>Total non-derivative liabilities</b>	<b>561.41</b>	<b>-</b>
<b>As on 31 March 2017</b>		
Non-derivatives		
Trade payables	41.85	-
Other financial liabilities	404.54	-
<b>Total non-derivative liabilities</b>	<b>446.39</b>	<b>-</b>
<b>As on 1 April 2016</b>		
Non-derivatives		
Trade payables	47.32	-
Other financial liabilities	616.89	-
<b>Total non-derivative liabilities</b>	<b>664.21</b>	<b>-</b>

## 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.

	31-Mar-2018 (₹ in Lakhs)	31-Mar-2017 (₹ in Lakhs)
Equity	822,526.99	655,248.92
Less: Tangible and other assets	1,568.49	1,480.02
Working capital	1,347.13	2,660.22
<b>Investments in debt and similar investments</b>	<b>819,611.37</b>	<b>651,108.68</b>



## Notes to financial statements for the year ended 31 March 2018 (Contd.)

b) Dividends	31-Mar-2018 (₹ in Lakhs)	31-Mar-2017 (₹ in Lakhs)
<b>Dividends recognised in the financial statements</b>		
Final dividend for the year ended 31 March 2017 of ₹ 30 (31 March 2016 - Nil) per equity share	3,428.57	-
<b>Dividends not recognised at the end of the reporting period</b>		
In addition to the above dividends, since year end the directors have recommended the payment of a final dividend of ₹ 33 per equity share (31 March 2017 – ₹ 30). This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.	3,771.43	3,428.57

## 30 CONTINGENT LIABILITIES

	31-Mar-2018 (₹ in Lakhs)	31-Mar-2017 (₹ in Lakhs)
a Claims against the Company not acknowledged as debts	4.36	4.26
b Excise and Customs demand - matters under dispute and claims for refund of Excise Duty, if any, against Excise Duty refund received in the earlier year	20.29	20.29
c Sales Tax matters under dispute *	1,116.39	1,049.00
d Income-Tax matters under dispute		
i) Appeal by Company *	44.00	59.77
ii) Appeal by Department	39.84	39.84
	83.84	99.61

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

## 31 CAPITAL AND OTHER COMMITMENTS

Capital commitments, net of capital advances	2.40	23.68
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## Notes to financial statements for the year ended 31 March 2018 (Contd.)

### 32 SEGMENT INFORMATION

Segment information based on standalone financial statements.

#### Segment wise revenue, results and capital employed for the year ended 31 March 2018

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
<b>Revenue</b>			
Sales and other income	1,340.22	6,902.77	8,242.99
<b>Total revenue</b>	1,340.22	6,902.77	8,242.99
<b>Segment result</b>	(766.43)	6,900.77	6,134.34
Finance costs	-	-	-
Tax expense			58.57
<b>Profit for the year</b>	(766.43)	6,900.77	6,075.77
Segment assets	2,402.67	820,726.25	823,128.92
Unallocated corporate assets	-	-	1,181.64
<b>Total assets</b>	2,402.67	820,726.25	824,310.56
Segment liabilities	1,735.47	-	1,735.47
Unallocated corporate liabilities	-	-	-
<b>Total liabilities</b>	1,735.47	-	1,735.47
<b>Capital employed</b>	667.20	820,726.25	822,575.09
<b>Reconciliation of segment liabilities</b>			
Total segment liabilities as above			1,735.47
Add : Considered as part of capital employed			
Deferred tax liabilities			48.10
<b>Total liabilities as per balance sheet</b>			1,783.57
<b>Capital expenditure</b>	661.47	-	661.47
<b>Depreciation and write downs</b>	74.64	-	74.64
<b>Non cash expenses other than depreciation</b>	-	-	-

Segment information based on standalone financial statements.



## Notes to financial statements for the year ended 31 March 2018 (Contd.)

### Segment wise revenue, results and capital employed for the year ended 31 March 2017

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
<b>Revenue</b>			
Sales and other income	976.44	2,052.13	3,028.57
<b>Total revenue</b>	976.44	2,052.13	3,028.57
<b>Segment result</b>	(617.23)	2,051.13	1,433.90
Finance costs	-	-	-
Tax expense			127.16
<b>Profit for the year</b>	(617.23)	2,051.13	1,306.74
Segment assets	1,543.10	654,623.40	656,166.50
Unallocated corporate assets	-	-	1,065.09
<b>Total assets</b>	1,543.10	654,623.40	657,231.59
Segment liabilities	1,956.46	-	1,956.46
Unallocated corporate liabilities	-	-	-
<b>Total liabilities</b>	1,956.46	-	1,956.46
<b>Capital employed</b>	(413.36)	654,623.40	655,275.13
<b>Reconciliation of segment liabilities</b>			
Total segment liabilities as above			1,956.46
Add : Considered as part of capital employed			
Deferred tax liabilities			26.21
<b>Total liabilities as per balance sheet</b>			1,982.67
<b>Capital expenditure</b>	45.34	-	45.34
<b>Depreciation and write downs</b>	55.38	-	55.38
<b>Non cash expenses other than depreciation</b>	-	-	-

**33** The company has been classified as a Core Investment Company, not requiring registration with RBI pursuant to the provisions of Section 45-IA of the RBI Act, 1934, and thus is exempted from the requirement of registration with Reserve Bank of India under Section 45 -IA of the Reserve Bank of India Act, 1934.

**34** Amount of borrowing costs capitalised as per Ind AS 23 during the year was **Nil**.

## Notes to financial statements for the year ended 31 March 2018 (Contd.)

### 35 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.

₹ in Lakhs

Amount recognized in Balance Sheet	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Present value of funded defined benefit obligation	490.98	503.33	423.05
Fair value of plan assets	(533.81)	(542.63)	(462.35)
<b>Net funded obligation</b>	<b>(42.83)</b>	<b>(39.30)</b>	<b>(39.30)</b>

Expense recognized in the Statement of P&L			
Current service cost	18.08	11.94	-
Interest on net defined benefit liability / (asset)	(2.98)	(6.73)	-
<b>Total expense charged to profit and loss account</b>	<b>15.10</b>	<b>5.21</b>	<b>-</b>

Amount recorded as Other Comprehensive Income			
Opening amount recognized in OCI outside profit and loss account	63.17	-	-
Remeasurements during the period due to			
Changes in financial assumptions	(9.72)	13.59	-
Experience adjustments	(4.08)	48.41	-
Actual return on plan assets less interest on plan assets	(0.83)	1.17	-
<b>Closing amount recognized in OCI outside profit and loss account</b>	<b>48.54</b>	<b>63.17</b>	<b>-</b>

Reconciliation of net liability / (asset)	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Opening net defined benefit liability / (asset)	(39.30)	39.30	-
Expense charged to profit & loss account	15.10	5.21	-
Amount recognized outside profit & loss account	(14.63)	63.17	-
Employer contributions	(4.00)	(68.38)	-
<b>Closing net defined benefit liability / (asset)</b>	<b>(42.83)</b>	<b>(39.30)</b>	<b>(39.30)</b>




**Notes to financial statements for the year ended 31 March 2018 (Contd.)**

<b>Movement in benefit obligation</b>	<b>As at 31 March 2018</b>	<b>As at 31 March 2017</b>	<b>As at 1 April 2016</b>
Opening of defined benefit obligation	503.33	423.05	-
Current service cost	18.08	11.94	-
Interest on defined benefit obligation	34.40	32.80	-
Remeasurements due to:			
Actuarial loss / (gain) arising from change in financial assumptions	(9.72)	13.59	-
Actuarial loss / (gain) arising on account of experience changes	(4.08)	48.41	-
Benefits paid	(51.03)	(26.46)	-
Closing of defined benefit obligation	490.98	503.33	423.05

<b>Movement in plan assets</b>	<b>As at 31 March 2018</b>	<b>As at 31 March 2017</b>	<b>As at 1 April 2016</b>
Opening fair value of plan assets	542.63	462.35	-
Employer contributions	4.00	68.38	-
Interest on plan assets	37.37	39.52	-
Remeasurements due to:			
Actual return on plan assets less interest on plan assets	0.84	(1.17)	-
Benefits paid	(51.03)	(26.45)	-
Closing fair value of plan assets	533.81	542.63	462.35

<b>Disaggregation of assets</b>	<b>As at 31 March 2018</b>	<b>As at 31 March 2017</b>	<b>As at 1 April 2016</b>
Insurer managed funds.	100%	100%	100%
Others	-	-	-
<b>Grand Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

**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 summarizes the impact in percentage terms on the reported 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.

	<b>As at 31 March 2018</b>		<b>As at 31 March 2017</b>	
	<b>Discount rate</b>	<b>Salary escalation rate</b>	<b>Discount rate</b>	<b>Salary escalation rate</b>
Impact of increase in 100 bps on DBO	508	478	522	489
Impact of decrease in 100 bps on DBO	476	505	486	519

## Notes to financial statements for the year ended 31 March 2018 (Contd.)

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 analyses.

### 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 plan next year is ₹ 14.02 Lakhs

### 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
<b>31 March 2018</b>	236.52	29.73	166.74	210.76	643.75
<b>31 March 2017</b>	246.43	19.87	124.96	261.97	653.23
				<b>As at 31 March 2018</b>	<b>As at 31 March 2017</b>
<b>Weighted average duration of defined benefit obligation (in years)</b>				-	-

Principal Actuarial Assumptions (Expressed as Weighted Averages)	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Discount rate (p.a.)	7.80%	7.20%	8.00%
Salary escalation rate (p.a.)	8.00%	8.00%	8.00%

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.



## Notes to financial statements for the year ended 31 March 2018 (Contd.)

### 36 DISCLOSURE OF TRANSACTIONS WITH RELATED PARTIES AS REQUIRED BY THE IND AS-24:

			2017-18		2016-17		
	Name of related party and Nature of relationship	Nature of transaction	Transaction Value	Outstanding amounts carried in the Balance Sheet	Transaction value	Outstanding amounts carried in the Balance Sheet	
			(₹ in Lakhs)	(₹ in Lakhs)	(₹ in Lakhs)	(₹ in Lakhs)	
A	Holding company, subsidiaries and fellow subsidiary:						
	Bajaj Holdings and Investment Ltd.(Investing party- holds 24% shares of Maharashtra Scooters Ltd.)	Purchase of shares by BHIL (27,42,848 shares of ₹10 each)	-	24.00	-	24.00	
		Dividend received	1,100.79	-	254.03	-	
		Dividend paid	822.85	-	-	-	
	Western Maharashtra Development Corporation Ltd..(Investing party- holds 27% shares of Maharashtra Scooters Ltd.)	Purchase of shares by WMDC (30,85,712 shares of ₹10 each)	-	27.00	-	27.00	
		Dividend paid	925.71	-	-	-	
B	Associates, joint ventures and investing parties:						
	Bajaj Auto Ltd.	Dividend received	3,725.74	-	338.70	-	
		Purchases	32.96	-	-	-	
		Sales	30.25	17.84	63.75	-	
		Services received	10.11	(4.70)	11.08	(4.30)	
		Revenue expenses reimbursed	5.02	-	10.16	-	
	Bajaj Finserv Ltd.	Dividend received	65.20	-	-	-	
	Bajaj Finance Ltd.	Investment in non-convertible debentures	-	8,000.00	-	8,000.00	
		Dividend received	683.09	-	132.82	-	
		Interest received	719.40	-	719.53	-	
		Services received	11.57	-	10.15	2.91	
	C	Individuals controlling voting power / exercising significant influence and their relatives:					
		Madhur Bajaj	Sitting fees	0.80	-	0.80	-
Sanjiv Bajaj		Sitting fees	1.20	-	1.20	-	
D	Key management personnel and their relatives:	Included in 'C' above					
E	Enterprises over which anyone in (c) exercises significant influence:						
	Bajaj Allianz General Insurance Co. Ltd.	Insurance premiums paid	6.58	(6.60)	7.10	(5.62)	

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 2018 (Contd.)

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

### **38 Previous year figures**

Previous year figures have been regrouped wherever necessary.

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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 Regn. No. 105215W/W100057

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

**Madhur Bajaj**  
*Chairman*

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

**Yogesh Shah**  
*Chairman - Audit Committee*

**Suhas Deshpande**  
*Partner*  
Membership No. 31787

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

**Naresh Patni**  
**Sanjay S. Degaonkar**  
**Sanjiv Bajaj**  
**Vishwanath L. Rajale**  
**Yogesh J. Shah**  
*Directors*

Pune, 16 May 2018


**5 YEARS' HIGHLIGHTS**

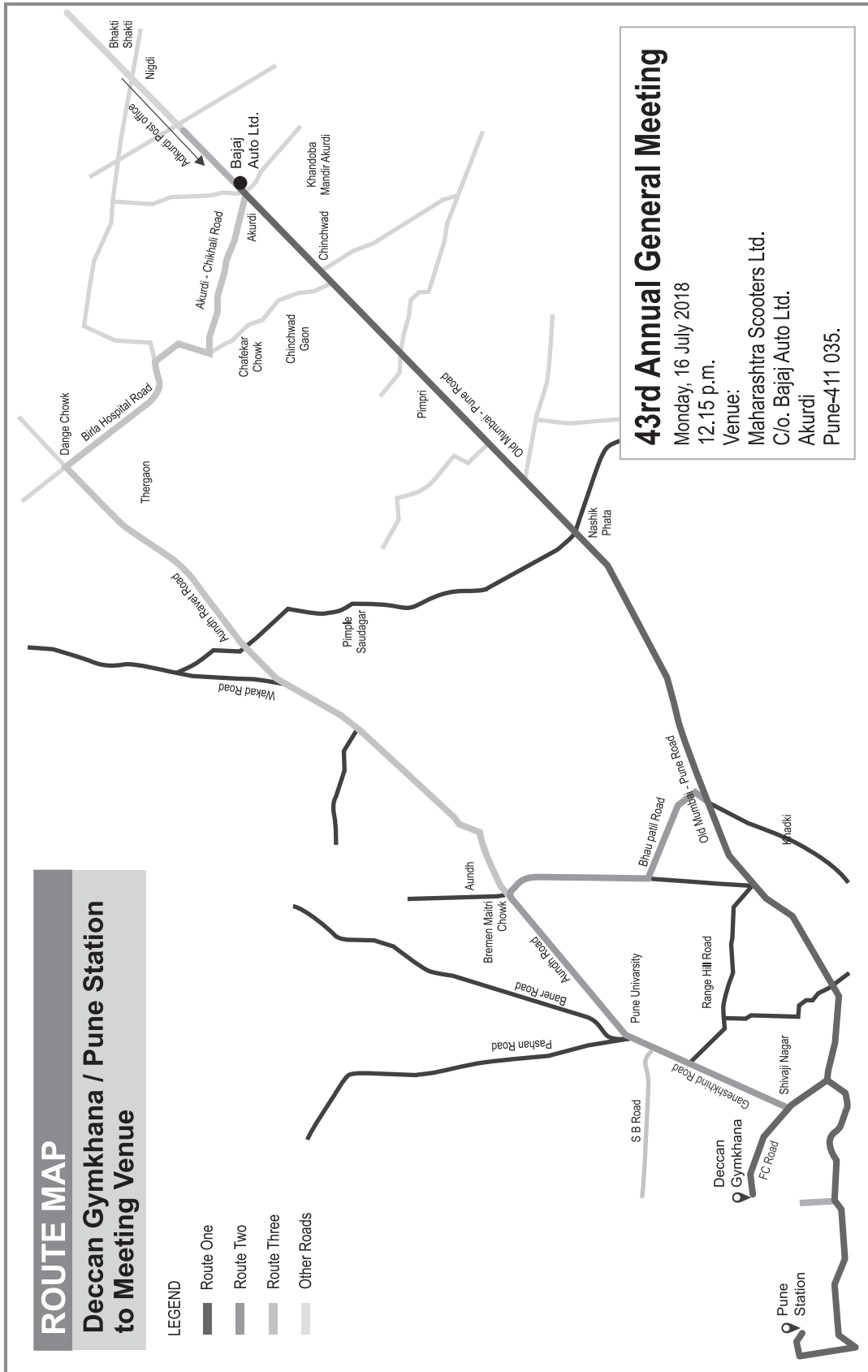
₹ in Lakhs

		2017-18 *	2016-17	2015-16	2014-15	2013-14
<b>SALES &amp; EARNINGS:</b>						
Net sales & other income		8,212	2,924	11,715	6,986	5,753
Gross profit before interest, depreciation and exceptional items		6,209	1,425	10,173	5,792	4,850
Profit after tax		6,076	1,256	10,100	5,476	4,760
Total Comprehensive Income		171,405				
<b>ASSETS EMPLOYED:</b>						
Net fixed assets		1,253	705	718	438	736
Investments at cost			28,328	28,037	27,114	26,042
Investments at fair value		819,611				
Net Working Capital		1,711	3,422	2,445	(2,326)	(2,901)
Capital Employed	Total	822,575	32,455	31,199	25,226	23,877
<b>FINANCED BY:</b>						
Shareholders' funds:						
i) Shareholders' investment		100	100	100	100	100
ii) Bonus shares		1,043	1,043	1,043	1,043	1,043
iii) General Reserve & surplus		33,286	31,312	30,056	24,083	22,734
iv) Reserves-FVOCI-Equity instruments		788,098				
Net Worth	Total	822,527	32,455	31,199	25,226	23,877
<b>EQUITY SHARE DATA:</b>						
Earning per equity share	₹	53.16	10.99	88.37	47.91	41.65
Net worth per equity share	₹	7,197	284	273	221	209
Dividend including interim dividend	%	330	300	300	300	250
Proposed Dividends including tax	₹	4,547	4,127	4,127	4,127	3,343
<b>OTHERS:</b>						
Employees	Nos.	114	106	102	114	117
Employees' cost		821	813	802	585	537

\* As per Ind AS



# MAHARASHTRA SCOOTERS LTD.



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## Business Responsibility Report

Section A	General Information about the Company	
1	Corporate Identification Number	L35912MH1975PLC018376
2	Name of the Company	Maharashtra Scooters Ltd.
3	Registered Address	C/o Bajaj Auto Ltd., Mumbai-Pune Road, Akurdi, Pune 411035
4	Website	<a href="http://www.mahascooters.com">www.mahascooters.com</a>
5	Email Address	<a href="mailto:rbladdha@bajajauto.co.in">rbladdha@bajajauto.co.in</a>
6	Financial year reported	1 April 2017 – 31 March 2018
7	Sector(s) that the Company is engagement in	Investment (65996), Manufacture of Die Casting Dies, Fixtures (29295)
8	3 key products/services manufactured/provided by the Company	Manufacture of 2 wheelers and die casting dies, fixtures
9	Total number of locations where business activity is undertaken by the Company	2
10	Markets served by the Company	India
Section B	Financial details of the Company	
1	Paid up capital (INR)	Rs.11.43 Cr
2	Total turnover (INR)	Rs.82.43 Cr
3	Total profit after tax (INR)	Rs.60.76 Cr
4	Total spending on CSR as percentage of PAT (%)	Rs. 0.12 Cr. 2% Net profit as per CSR Rules, Companies Act 2013.
5	List of the activities in which expenditure in 4 above has been incurred	Education
Section C	Other details	
1	Does the Company have any Subsidiary Company/Companies?	The Company does not have any subsidiaries
2	Do the Subsidiary Company/ Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)	Not applicable
3	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]	Not applicable



Section D	BR information	
1	Details of Director(s) responsible for BR	
(a)	Details of the Director/Director responsible for implementation of the BR policy/policies:	
1	DIN Number	00014615
2	Name	Sanjiv Bajaj
3	Designation	Director
(b)	Details of the BR head:	
1	DIN Number (if applicable)	NA
2	Name	R.B. Laddha
3	Designation	CFO
4	Telephone number	020-27406434
5	E-mail ID	<a href="mailto:rbladdha@bajajauto.co.in">rbladdha@bajajauto.co.in</a>
6.	Principle-wise BR policy/policies	Refer main report
7.	Governance related to BR	Refer main report
Section E	Principle-wise performance	
1	Principle-wise performance	Refer main report

## Preface

As mandated by Securities and Exchange Board of India (SEBI), India's top 500 listed entities based on market capitalisation on the BSE and NSE, are required to submit a 'Business Responsibility Report' (BRR) along with their Annual Report for FY 2017-18. This report is required to be in line with 'National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business' (NVGs), as released by the Ministry of Corporate Affairs in July 2011.

Maharashtra Scooters Ltd. (MSL), to whom the said requirement became applicable for the first time in the Financial Year 2017-18, presents its first BRR in line with the NVGs and the BRR requirement of SEBI. This BRR provides information on key initiatives undertaken by the Company. The business responsibility performance of the Company is assessed annually by MSL's Board of Directors.

Incorporated on 11 June 1975, the Company manufactured motorised geared scooters having brand name of "Priya", "Bajaj Super" & "Bajaj Chetak". With the gradual shift in consumer preferences from geared scooters to the motorcycles, the Company discontinued production of geared scooters effective 1 April 2006. The manufacturing activity of the Company is currently restricted to the manufacture of pressure die casting dies, jigs and fixtures, primarily meant for two and three - wheeler industry. The Company has been classified as Core Investment Company (CIC) exempted from registration with Reserve Bank of India pursuant to Section 45-IA of RBI Act, 1934.

***Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability***

MSL adheres to all applicable guidelines and strives to adopt high standards of corporate governance. MSL updated its Code of Conduct for the Company's Directors and Senior Management on 13 October 2014. The said Code of Conduct is hosted on the website of the Company viz [www.mahascooters.com](http://www.mahascooters.com). It stipulates that "Directors and Senior Managers shall observe the highest standards of ethical conduct and integrity and shall work to the best of their ability and judgment". A declaration of the Directors and Senior Management's affirmation to this Code of Conduct is communicated to all stakeholders by the Chief Executive Officer in the Annual Report.

MSL has established a Vigil Mechanism which provides a mechanism for an individual to report violations without fear of victimisation. These may be violation of the Code of Conduct, suspected or actual fraud, unethical behaviour, etc. The Director / employee can address the complaint to any member of the Enforcement Committee along with the available details and evidence. Adequate measures are in place to ensure safeguards against victimisation for employees who report any unethical behaviour. The Directors in all cases and employees in appropriate or exceptional cases will have direct access to the Chairman of the Audit Committee.

No stakeholder complaints linked to the Code of Conduct adherence were received during the reporting year.

***Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle***

MSL is committed to providing goods that are safe and contribute to sustainability throughout their life cycle. This is reflected in the Company policies that guide the actions of the Company at every step.

The Environment Policy underlines the commitment of the Company to eco-friendly operations, conservation of natural resources and reduction of waste.

The Safety & Health Policy of MSL highlights the Company's belief that creation of safe and healthy working conditions in its establishment is as important as improving quality, volumes and cost effectiveness. Suitable education and training is provided to employees at each level with an aim to improve the physical, mental and social well-being of each employee.

***Principle 3: Businesses should promote the well-being of all employees***

As of 31 March 2018, MSL had a total employee strength of 132, consisting of 62 permanent staff, 52 permanent workmen and 18 trainees and contractual employees. The Company did not have any women employees or employees with disabilities. MSL has a recognized Workmen Union and 100% of the daily rated employees are its members. The Company is committed to employee welfare as it believes that employees are its greatest operational strength. MSL invests in the growth and development of all its employees through relevant trainings and engages with them on a regular basis.



The Company also has a Policy for Prevention of HIV/AIDS which aims to create awareness about HIV/AIDS at various levels, while preventing discrimination against employees with HIV/AIDS.

The Company did not receive any complaint relating to child labour, forced labour, involuntary labour or sexual harassment in FY 2017-18 and none are pending as of 31 March 2018.

***Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.***

MSL is an equal opportunity employer. Remuneration practices are based on merit without regard to the person's ethnic background or gender and are periodically updated based on market benchmarks. The Company practices affirmative action and ensures there is no discrimination of any type against socially disadvantaged sections in the work place.

***Principle 5: Businesses should respect and promote human rights***

MSL is dedicated to upholding the human rights of all its employees, and it strictly ensures compliance with all applicable laws of the land pertaining to human rights. The Company did not receive any complaint relating to violation of human rights in FY 2017-18.

***Principle 6: Business should respect, protect, and make efforts to restore the environment***

MSL is committed to conduct its business in a manner that protects the natural environment. It has identified and assessed the potential environment risks that it faces. To mitigate these risk the Company, along with an Environment Policy, has an Energy Policy that aims to ensure optimum and effective utilization of natural resources in MSL's operations. Utilisation of solar energy for canteen operations, production of biogas and vermi-compost from waste are some examples of the initiatives taken at the Company's Satara plant.

MSL's facilities operate as per the 'Consent-to-Operate' provided by the State Pollution Control Board (SPCB), and are within permissible limits with regards to the emissions and waste generated. No show causes notice was received from the Central Pollution Control Board or the SCPB in the reporting year.

***Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.***

MSL is a founding member of the Manufacturers Association of Satara. As a member of the association, MSL proactively participates in the relevant industry discussions.

***Principle 8: Businesses should support inclusive growth and equitable development***

MSL has adopted a Corporate Social Responsibility Policy (CSR Policy) which outlines the Company's responsibility as a corporate citizen and lays down the guidelines and mechanism for undertaking activities for welfare & sustainable development of the community at large.

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

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

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

During the financial year 2017-18 the Company was required, under section 135 of the Companies Act 2013, to spend a sum of Rs.12 lakhs, being 2% of its average net profit during the last three (3) financial years.

During the reporting year the Company has provided financial support to Maharshi Karve Stree Shikshan Sanstha, which runs an educational institute for girl students. The school was established during the year 2006. The financial support was to set up a Computer Lab, Science Lab and Library for their Vision English Medium School at Wai in Satara District.

For more information, refer to the Report on CSR activities as contained in the Annual Report 2017-18.

***Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner***

MSL has a Quality Policy which underlines its commitment to provide excellent quality of its products and services. Its aim is "Maximum Customer Satisfaction" through continuous improvement in quality. The Company manufactures dies and fixtures as per specific customer requirements and hence relevant product details are provided to customers over and above the requirements.

There are no pending customer complaints or pending cases regarding unfair trade practices, irresponsible advertising and /or anti-competitive behaviour pending as of 31 March 2018.

■