

**44th**  
**ANNUAL**  
**REPORT**  
**2018-2019**



**MAHARASHTRA SCOOTERS LTD.**



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44th Annual General Meeting:

Wednesday, 24 July 2019 at 12.15 p.m. at the Registered Office

The Company is arranging local transport for shareholders / proxies attending the meeting. Shareholders interested in availing this facility are requested to contact Share Department on Phone No.020/66106564 / 66106834

**Board of Directors**

**Madhur Bajaj**, *Chairman*  
**Abhinandan More** (from 22 October 2018)  
**Naresh Patni**  
**Ms. Vrushali Agashe**  
**Sadashiv S. Survase**  
**Sanjay S. Degaonkar**  
**Sanjiv Bajaj**  
**Vishwanath L. Rajale**  
**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**

**Risk Management Committee**

**Sanjiv Bajaj**, *Chairman*  
**Yogesh J. Shah**  
**Shriniwas Pathak**

**Key Managerial Personnel**

**Shriniwas Pathak**  
*Chief Executive Officer*

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

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

**Statutory Auditors**

**Kirtane & Pandit LLP**, Pune  
Chartered Accountants

**Secretarial Auditor**

**Shyamprasad D. Limaye**  
Practicing Company Secretary

**Internal Auditor**

**Jayesh Kulkarni**

**Registered Office**

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

**Registrar and Share Transfer Agent**

M/s. Karvy Fintech 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-fourth (44th) Annual General Meeting of the shareholders of **MAHARASHTRA SCOOTERS LTD.** will be held on **Wednesday, 24 July 2019 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 2019 together with 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 Vishwanath L. Rajale (DIN 0640260) who retires by rotation and being eligible, offers himself for re-appointment.

### **Special Business:**

#### **Item No.4**

#### **Appointment of Abhinandan More (DIN 07417210) as a Director, liable to retire by rotation:**

To consider and, if thought fit, to pass 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, Abhinandan More (DIN 07417210), 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 22 October 2018 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, Abhinandan More 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."

By Order of the Board  
for MAHARASHTRA SCOOTERS LTD.

**N.S. Kulkarni**  
Company Secretary

Pune, 15 May 2019.

**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.4 is annexed.
2. **Profile of Directors:** As required by regulation 36(3) of the Listing Regulations and Secretarial Standards issued by the Institute of Company Secretaries of India, 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 Fintech 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. **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, 13 July 2019 to Wednesday 24 July 2019**, both days inclusive, for the purpose of Annual General Meeting and payment of dividend.
6. **Dividend:** Subject to the provisions of section 125 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 **Monday, 29 July 2019 and Tuesday, 30 July 2019** to those shareholders, whose names appear as beneficial owners as at the end of the business hours of **Friday, 12 July 2019** as per the list to be furnished by National Securities Depository Ltd. and Central Depository Services (I) Ltd. as of the close of business hours on **Friday, 12 July 2019**;

As per SEBI Listing Regulations, the Company shall use any electronic mode of payment approved by RBI for payment of dividend to the members and accordingly, dividend, if declared, will be paid through electronic mode, where the bank account details of the members required for the purpose are registered and intimation regarding such remittance will be sent to them separately. In cases where the dividend cannot be remitted through electronic transfer mode, the same will be paid by account payee / not negotiable instrument / warrants, with bank account details printed thereon and where such bank account details are not available, the address of the members will be printed on such instrument.

**To facilitate remittance of proceeds of dividend to the credit of their bank account/s, the members holding shares in physical mode are requested to furnish, on or before Friday, 12 July 2019, updated details of their bank account to Karvy, accompanied with a copy of cancelled cheque bearing their name thereon and self-attested copy of their PAN / Aadhar Card in proof of their identity. Shareholders holding shares in demat form are requested to update their bank details with their respective Depository Participant and ensure that such changes are recorded correctly before Friday, 12 July 2019.**



7. **Updation of PAN:** SEBI has mandated submission of PAN by every person dealing in the securities market and therefore, members holding shares in physical mode are requested to update their PAN details with Karvy.
8. **Unclaimed Dividend:** Pursuant to the provisions of section 124(5) of the Companies Act, 2013, the amount of dividend for the financial year 2011-12 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 2019.  

Shareholders who have not claimed dividend for the financial year 2011-12 onwards are requested to approach the Company / STA for claiming the same at the earliest.

**In the above context, the attention of shareholders is invited to SEBI Circular of 20 April 2018, which mandates release of proceeds of unpaid dividend by way of electronic bank transfer to their bank accounts and therefore, it is in the interest of shareholders to update their PAN/ Bank / Contact details with the Company / Karvy.**
9. **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 to be transferred to the IEPF Authority.  

Shareholders who have not claimed dividend for the financial years from 2011-12 onwards are requested to approach the Company / STA for claiming the same at the earliest.

Shareholders in respect of whom the shares are transferred to IEPF Authority are requested to write to M/s. Karvy Fintech P. Ltd., Hyderabad, the share transfer agent (STA), who would guide them on the procedure to be followed for claiming the shares so transferred.
10. **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.
11. **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.**
12. **Updation of E-mail address:** To facilitate dispatch of shareholder communication through electronic means, including Annual Reports, Notice(s) etc., shareholders holding shares in physical mode, are requested to update their e-mail address with Karvy. Members holding shares in electronic mode are requested to approach their respective Depository Participant for updation of their e-mail address.
13. **Format for updation of PAN / Bank / Contact details:** Format for updation of PAN / Bank / E-mail / contact details can be requisitioned from the Company / Karvy and is also available for download on the website of the Company: [www.mahascooters.com](http://www.mahascooters.com)
14. **SEBI mandate for demat of shares:** Effective 1 April 2019, SEBI has mandated transfer of securities, except transmission or transposition of shares, shall not be processed unless the securities are held in dematerialised form and as stipulated, the company had sent three (3) communications to the shareholders holding shares in physical mode to proceed with demat of their shareholding. Members who continue to hold shares in physical mode are advised to immediately proceed with demat of their shares.

15. **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.
16. **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.
17. **Remote E-Voting:** In terms of the provisions of section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and 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 **Friday, 19 July 2019**, 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 Fintech P. Ltd., the share transfer agent of the Company (Karvy) for facilitating e-voting, through their e-voting platform: <https://evoting.karvy.com>
18. Route map of venue of the meeting is provided at the inside back cover 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 **Sunday, 21 July 2019 (9.00 a.m.) till Tuesday, 23 July 2019 (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 Fintech 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 Wednesday, 24 July 2019.

## 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 Vishwanath L. Rajale (DIN 0640260) as a Director**

Pursuant to the provisions of section 152 of the Companies Act, 2013, Vishwanath L. Rajale retires by rotation and being eligible, offers himself for re-appointment. Vishwanath L. Rajale 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 Vishwanath L. Rajale are annexed to the Notice.

Except Vishwanath L. Rajale, 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. 4****Re-appointment of Abhinandan More (DIN 07417210) as a Director**

At the Board meeting of the Company held on 22 October 2018, Abhinandan More was appointed as an Additional Director, being Nominee Director of Western Maharashtra Development Corporation Ltd., in place of Vikram Kumar. Pursuant to the provisions of section 161 of the Companies Act, 2013, Abhinandan More vacates the office at the ensuing Annual General Meeting and is to be appointed as a Director by the shareholders.

Pursuant to the provisions of section 164 of the Companies Act, 2013, Abhinandan More 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 Abhinandan More are annexed to the Notice.

Except Abhinandan More, 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.

for MAHARASHTRA SCOOTERS LTD.

**N.S. Kulkarni**  
Company Secretary

Pune, 15 May 2019

**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

<b>Name of Director</b>	<b>Vishwanath L. Rajale</b>	<b>Abhinandan More</b>
DIN	00640260	07417210
<b>Type</b>	<b>Nominee Director</b>	<b>Nominee Director</b>
Date of Birth	1 November 1962	25 October 1965
Date of Appointment	18 July 2017	22 October 2018
Educational Qualification	M.E. (Mech)	Master Degree (Arts)
Directorship held in other Public Limited Companies	Western Maharashtra Development Corporation Ltd. - Managing Director Auto Cluster Development and Research Institute	Western Maharashtra Development Corporation Ltd. Konkan Development Corporation Ltd. Marathwada Development Corporation Ltd. Maharashtra State Small Scale Industries Ltd. Maharashtra Petrochemical Corporation Ltd.
Committee Positions held in other Companies	Nil	Nil
No. of shares held	Nil	Nil
Experience / expertise in functional areas	General Administration, Industrial Development and joint venture	General Administration, Industrial Development, joint venture
Relationship with other Directors, inter-se	None	None



## DIRECTORS' REPORT

### Introduction:

The Directors present their forty-fourth (44th) Annual Report and Audited Financial Statements for the year ended 31 March 2019.

### Review of operations:

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

The turnover of the Company during the year under review was ₹ 95.93 crore, as against ₹ 82.43 crore during the previous year. The major portion of turnover was represented by income from investments amounting to ₹ 77.29 crore, which during the previous year was ₹ 69.03 crore.

### Continued classification as a Core Investment Company:

The company continued to meet the conditions for being classified as a Core Investment Company exempted from registration with Reserve Bank of India, pursuant to the provisions of section 45-1A of the RBI Act, 1934.

### Financial Highlights:

Particulars	(₹ in lakh)	
	FY 2019	FY 2018
Gross sales and other income	9592.52	8242.99
Gross profit before depreciation	7595.07	6208.98
Depreciation	155.21	74.64
Profit before tax	7439.86	6134.34
Tax expenses	159.84	58.57
Profit after tax	7280.02	6075.77
Earnings per share (₹)	63.70	53.16

### Dividend:

For the financial year ended 31 March 2019, 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 2018, the Company had paid a dividend @ ₹ 33 per share (330%).

The amount of dividend inclusive of tax thereon for the financial year 2018-19 amounts to ₹ 4546.66 lakh, same as paid during the previous year.

### Share capital:

The paid up equity share capital as on 31 March 2019 was ₹ 11.43 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 2019 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 2018-19 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 2019 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
- 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.

**Statements 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 and Regulation 16 of the SEBI Listing Regulations, as amended. After undertaking due assessment of the veracity of the declarations submitted by the Independent Directors, the Board took the same on records.

**Director's remuneration policy and criteria for matters under section 178 of the Companies Act, 2013:**

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. The said policy is also hosted on the website of the Company: [www.mahascooters.com](http://www.mahascooters.com)

**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 and 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 approval.

Pursuant to Regulation 23 of SEBI Listing Regulations, 2015, the Board, at its meeting held on 15 May 2019, has revised the policy on materiality of related party transactions and on dealing with related party transactions including

clear threshold limits for various transactions with related parties. The said policy is hosted on the website of the company: [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 availing maximum rebate in electricity bills. Replacement of LED lamps / tubes all over the factory has also contributed to saving in electricity
Technology absorption	No expenditure was incurred by the Company attributable to technology absorption during the year.
Expenditure on Research & Development	No expenditure was incurred by the Company attributable to Research & Development during the year.
Foreign exchange earnings and Outgo	The Company did not earn any foreign exchange, while the outgo was ₹ 151.18 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 and Key Managerial Personnel who were appointed or resigned during the year:****Change in Directors:**

- (i) **Additional Director**  
During the year under review, at the board meeting of the company held on 22 October 2018, Abhinandan More (DIN 07417210) was appointed as an Additional Director, in the capacity as a non-executive / non-independent director representing Western Maharashtra Development Corporation Ltd., valid till the ensuing annual general meeting and is to be appointed by the shareholders at their said meeting.
- (ii) **Director liable to retire by rotation**  
In due compliance of the provisions of the Companies Act, 2013, Vishwanath L. Rajale 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 directors is provided in the notice of the ensuing annual general meeting.

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

#### Changes in KMP:

There has been no change in Key Managerial Personnel during the year under review.

#### 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.

#### Updates on litigation involving promoters:

With respect to the litigation between the promoters, i.e. Bajaj Holdings & Investment Ltd. (BHIL) and Western Maharashtra Development Corporation Ltd. (WMDC) in connection with the sale of 27% shareholding in our company i.e. 3,085,712 equity shares by WMDC to BHIL, pending since 2003, the updates/ developments during the year under review are as follows:-

- The Hon'ble Supreme Court of India passed an Order dated 9 January 2019, directing WMDC to transfer 3,085,712 shares of the company to BHIL upon payment to WMDC an amount of ₹ 232 per Share (in place of ₹ 151.63 per share) along with interest @ 18% p.a. from the date of the Arbitral Award.
- Further developments are awaited.

#### 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 perspective, in the format prescribed by SEBI.

In due compliance of Regulations aforesaid, as part of the Annual Report for the financial year 2018-19, the Company has presented its Business Responsibility Report. However, in its quest of green initiative, the Company has hosted the Business Responsibility Report on its website: [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 2018-19 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.

Further, as stipulated pursuant to SEBI Circular dated 8 February 2019, annual secretarial compliance report of Shyamprasad D Limaye, confirming

compliance by company of all applicable SEBI Regulations / Circulars / Guidelines during the financial year ended 31 March 2019, is being submitted to stock exchanges. There are no observations, reservations or qualifications in the said report.

#### 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, 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,

At the 43rd Annual General Meeting of the company held on 16 July 2018, the shareholders had also authorized the Board of directors to fix the remuneration of Statutory Auditors for the financial year 2018-19 and thereafter.

During the year under review, the total fees paid by the company to the Statutory Auditors, including its affiliated network entities, if any, was ₹ 10.54 lakh

#### 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 the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, are annexed to this Report (Annexure-III).

Details as required under the provisions of section 197(12) of the Companies Act, 2013 read with rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, which form part of the Directors' Report, will be made available to any member on request, as per provisions of section 136(1) of the said Act.

#### Internal complaints committee:

The Company has a policy on prevention of sexual harassment at the workplace. The Company has complied with the provisions relating to the constitution of Internal Complaints Committee under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. There was no case reported during the year under review under the said Policy.

#### 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

**Sanjiv Bajaj**

Chairman of Meeting

Pune, 15 May 2019.

**Annexure - I to Directors' Report****FORM NO. MGT 9****Extract of Annual Return for the financial year ended 31 March 2019**

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

**I. REGISTRATION & OTHER DETAILS:**

i) CIN	L35912MH1975PLC018376
ii) Registration Date	11 June, 1975
iii) Name of the Company	Maharashtra Scooters 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: <a href="mailto:kulkarnins@bajajauto.co.in">kulkarnins@bajajauto.co.in</a> <a href="mailto:investors_msl@bajajauto.co.in">investors_msl@bajajauto.co.in</a>
vi) Whether listed company	Yes
vii) Name, address & contact details of the Registrar & Transfer Agent, if any.	Karvy Fintech Pvt. Ltd. Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032 Phone: 040 67161562 E-mail: <a href="mailto:einward.ris@karvy.com">einward.ris@karvy.com</a>

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

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

Sr. No.	Name and Description of main products / services	NIC Code of the Product / service	% to total turnover of the Company
1	Investment activity	6430	80.57
2	Manufacture of Die Casting Dies and Fixtures etc	2822	11.96

**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 2018)				No. of Shares held at the end of the year (31 March 2019)				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>										
1	<b>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	5,828,560	0	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>0</b>	<b>5,828,560</b>	<b>51.00</b>	<b>0</b>
2	<b>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>5,828,560</b>	<b>0</b>	<b>5,828,560</b>	<b>51.00</b>	<b>0</b>
<b>B. Public Shareholding</b>										
1	<b>Institutions</b>									
	a) Mutual Funds	102,472	1,150	103,622	0.91	57,475	1,150	58,625	0.51	(0.39)
	b) Banks / FI	5,314	568	5,882	0.05	64,113	568	64,681	0.57	0.51
	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	538,199	0	538,199	4.71	555,529	0	555,529	4.86	0.15
	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>998,187</b>	<b>1,718</b>	<b>999,905</b>	<b>8.75</b>	<b>1,029,319</b>	<b>1,718</b>	<b>1,031,037</b>	<b>9.02</b>	<b>0.27</b>
2	<b>Non-Institutions</b>									
	<b>a) Bodies Corporates</b>									
	i) Indian	1,107,543	1,369	1,108,912	9.70	1,080,264	1,419	1,081,683	9.46	(0.24)
	ii) NBFC Registered with RBI	550	0	550	0	50	0	50	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	2,030,584	477,883	2,508,467	21.95	2,173,623	369,451	2,543,074	22.25	0.30
	ii) Individual shareholders holding nominal share capital in excess of ₹ 2 lakh	671,229	0	671,229	5.87	634,458	0	634,458	5.55	(0.32)
	<b>c) Others (specify)</b>									
	i) Non Resident Indians	146,059	550	146,609	1.28	143,837	350	144,187	1.26	(0.02)
	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	14,933	0	14,933	0.13	2,802	0	2,802	0.02	(0.11)
	v) Trusts	3,099	0	3,099	0.03	3,011	0	3,011	0.03	0
	vi) Investor Education and Protection Fund Authority	146,304	0	146,304	1.28	159,706	0	159,706	1.40	0
	vii) Foreign Bodies - D R	0	0	0	0	0	0	0	0	0
	<b>Sub-total (B)(2)</b>	<b>4,120,301</b>	<b>479,802</b>	<b>4,600,103</b>	<b>40.25</b>	<b>4,197,751</b>	<b>371,220</b>	<b>4,568,971</b>	<b>39.98</b>	<b>(0.27)</b>
	<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>5,118,488</b>	<b>481,520</b>	<b>5,600,008</b>	<b>49.00</b>	<b>5,227,070</b>	<b>372,938</b>	<b>5,600,008</b>	<b>49.00</b>	<b>0</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>										
		0	0	0	0	0	0	0	0	0
	<b>Grand Total (A+B+C)</b>	<b>5,118,488</b>	<b>6,310,080</b>	<b>11,428,568</b>	<b>100.00</b>	<b>11,055,630</b>	<b>372,938</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 2018)			Shareholding at the end of the year (31 March 2019)			% 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 2018-19.

**(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 2018)		Change in shareholding during the year		Shareholding at the end of the year (31 March 2019)	
		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.	643,311	5.63	(15,260)	(0.13)	628,051	5.50
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	146,304	1.28	13,402	0	159,706	1.40
7	Motilal Gopilal Oswal	139,615	1.22	0	0	139,615	1.22
8	Desai Brothers Ltd.	123,502	1.08	3,271	0.03	126,773	1.11
9	Chetan Sehgal	90,883	0.80	(3,637)	(0.03)	87,246	0.76
10	Axis Bank Limited	0	0	61,043	0.53	61,043	0.53

**Note:** Percentage in bracket represents negative percentage



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

Sr. No.	Name of the director/Key Managerial Personnel	Shareholding at the beginning of the year (1 April 2018)		Change in shareholding during the year		Shareholding at the end of the year (31 March 2019)	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
<b>Directors</b>							
1	Madhur Bajaj	0	0	0	0	0	0
2	Abhinandan More	0	0	0	0	0	0
3	Naresh Patni	0	0	0	0	0	0
4	Mrs. Richa Bagla	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	Mrs. Vrushali Agashe	0	0	0	0	0	0
10	Yogesh J. Shah	2,914	0.03	0	0	2,914	0.03
<b>Key Managerial Personnel</b>							
11	Rajeev D. Haware	100	0	0	0	0	0
12	Shriniwas Pathak	0	0	0	0	0	0
13	R.B. Laddha	6,835	0.06	0	0	6,835	0.06
14	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 2018-19.


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

Name of Manager & CEO:					
Sr. No.	Particulars of Remuneration		R.D. Haware (Apr 2018- June 2018) (₹ in Lakh)	S.V. Pathak (Jul 2018- Mar 2019) (₹ in Lakh)	Total (Apr 2018- Mar 2019) (₹ in Lakh)
1	Gross salary				
	(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	11.82	28.27	40.09
	(b)	Value of perquisites u/s 17(2) of Income-tax Act, 1961	0.10	0.31	0.41
	(c)	Profits in lieu of salary under section 17(3) of Income-tax Act, 1961	0	0	0
2	Stock Option		0	0	0
3	Sweat Equity		0	0	0
4	Commission				
	- as % of profit		0	0	0
	- others, specify...		0	0	0
5	Others, please specify		0	0	0
	<b>Total (A)</b>		11.92	28.58	40.50
	Ceiling as per the Act				366.03

**B. Remuneration to other directors**

Sr. No.	Particulars of Remuneration	Name of Non-Executive Directors					(₹ in Lakh)
		Naresh Patni	Sadashiv S. Survase	Sanjay S. Degaonkar	Vrushali Agashe	Yogesh J. Shah	
1	<b>Independent Directors</b>						
	Fee for attending Board committee meetings	2.20	0.80	2.20	0.60	2.60	8.40
	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>0.80</b>	<b>2.20</b>	<b>0.60</b>	<b>2.60</b>	<b>8.40</b>
2	<b>Other Non-Executive Directors</b>						
	Fee for attending Board committee meetings		0.20	0.80	1.20	1.00	3.20
	Commission		0	0	0	0	0
	Others, please specify		0	0	0	0	0
	<b>Total (2)</b>		<b>0.20</b>	<b>0.80</b>	<b>1.20</b>	<b>1.00</b>	<b>3.20</b>
	<b>Total (B)=(1+2)</b>						<b>11.60</b>
	<b>Total Managerial Remuneration</b>						<b>52.10</b>
	Overall Ceiling as per the Act						805.26

**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	42.99	24.69	67.68
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	0.39	0.38	0.77
	(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>43.38</b>	<b>25.07</b>	<b>68.45</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 2018-19.



**Annexure - II to Directors Report**

**Form No. MR-3**

**Secretarial Audit Report For the financial year ended 31 March 2019.**

[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 Limited,  
(CIN: L35912MH1975PLC018376)  
Mumbai-Pune Road, Akurdi, Pune - 411035.

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

Based on my verification of the Company's books, registers, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March, 2019, 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 31st March, 2019, according to the provisions of:

- 1) The Companies Act, 2013 (the Act) and the rules made thereunder;
- 2) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- 3) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- 4) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- 5) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent applicable: -
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 and The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018; and
  - (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
- 6) Regulatory framework / Directions issued by the Reserve Bank of India, as are applicable to a 'Core Investment Company', not required to obtain Certificate of Registration (COR) from RBI under Section 45IA of the RBI Act, 1934, which are specifically applicable to the Company.

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

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

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 directors, non-executive directors and independent directors including one woman director. 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.

Place: Pune

Date: 15th day of May, 2019

Shyamprasad D Limaye

FCS No. 1587 C P No. 572

**Certificate**

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

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

On the basis of examination of the books, minute books, forms and returns filed and other records maintained by the Company and declarations made by the directors and explanations given by the Company, I certify that the following persons are Director of the Company (during 01/04/2018 to 31/03/2019) and none of them have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority.

<b>Sr. No.</b>	<b>Name of Director</b>	<b>DIN</b>	<b>Designation</b>
1	Madhurkumar Ramkrishnaji Bajaj	00014593	Director
2	Sanjivnayan Rahulkumar Bajaj	00014615	Nominee Director
3	Nareshkumar Bansilal Patni	00045532	Director
4	Yogesh Jayant Shah	00137526	Director
5	Vishwanath Laxmanrao Rajale	00640260	Nominee Director
6	Sadashiv Santaram Survase	01541589	Director
7	Sanjay Shamkant Degaonkar	06957783	Director
8	Vrushali Dhananjay Agashe	06966630	Director
9	Abhinandan Namdev More	07417210	Additional Director

Given on this 15th day of May, 2019

**Shyamprasad D. Limaye**

FCS. 1587 C.P. No 572

## Annexure - III to Directors Report

**Remuneration Details under Rule 5 (1) of Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 (as amended) for the year ended 31 March 2019.**

Sr. No.	Name of Director/KMP	Ratio of Remuneration of director / KMP to Median Remuneration of employees	% increase in the financial Year
<b>(A)</b>	<b>Whole-time directors/Managerial Personnel</b>	-	-
<b>(B)</b>	<b>Non-executive directors</b>		
	Madhur Bajaj	0.20	0.00
	Naresh Patni	0.55	0.00
	Sadashiv Survase <sup>2</sup>	0.20	NA
	Sanjay Degaonkar	0.55	37.50
	Sanjiv Bajaj	0.30	0.00
	Vishwanath L. Rajale	0.25	25.00
	Yogesh J. Shah	0.65	0.00
	Vrushali Agashe <sup>3</sup>	0.15	NA
	Abhinandan More <sup>4</sup>	0.05	NA
<b>(C)</b>	<b>Key Managerial Personnel</b>		
	S.V. Phatak, CEO <sup>5</sup>	8.48	NA
	R.B. Laddha, CFO	10.70	0.62
	N.S. Kulkarni, Company Secretary	6.14	0.67
<b>(D)</b>	<b>Remuneration of Median Employee (other than whole-time directors)</b>		1.51
<b>(E)</b>	<b>Permanent employees as on 31 March 2019 <sup>6</sup> : 108</b>		

1. Remuneration payable to Non-executive directors is based on the number of meetings of the Board and its Committees attended by them as members during the year.
2. Sadashiv Survase was appointed w.e.f. 16 May 2018. Figures in his case are therefore not comparable.
3. Vrushali Agashe was appointed w.e.f. 16 May 2018. Figures in her case are therefore not comparable.
4. Abhinandan More was appointed w.e.f. 22 October 2018. Figures in his case are therefore not comparable.
5. S.V. Pathak was appointed as CEO w.e.f. 1 July 2018. Figures in his case are therefore not comparable.
6. The term 'Permanent Employees' does not include trainees, probationers and contract employees.

### Notes on Disclosures under Rule 5

1. In 2018-19, the remuneration of median employee other than whole-time Directors increased by 1.51% over the previous year.
2. The remuneration paid as above was as per the Remuneration Policy of the Company.



**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 the website of the Company viz. [www.mahascooters.com](http://www.mahascooters.com)

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

During the year under review, the Committee met once on 28 January 2019.

3. Average Net Profits of the Company for the last three financial years, preceding 2018-19 : ₹ **590.00 lakh**
4. Prescribed CSR expenditure (2% of the amount as in item 3 above) : ₹ **12.00 lakh**
5. Details of CSR amount spent during the financial year:
- (a) Total amount to be spent during the financial year : ₹ **12.00 lakh**
- (b) Amount unspent, if any, : **Nil**



(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 2018-19 (in Lakh)
1.	Bramendraswami High School	Construction of a new high school building	Education	Satara	12.00	12.00	12.00

**Notes:**

1. The amount mentioned above as spent relate to amount spent through implementing agency.
  2. 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 : **Not Applicable**
  7. Responsibility statement of the CSR Committee that the implementation and monitoring of CSR policy is in compliance with CSR objectives and policy of the Company duly signed by Director and Chairperson of the CSR Committee. : **The CSR Committee confirms that the implementation and monitoring of CSR Policy is in compliance with CSR objectives and policy of the Company.**

Sd/-  
Shriniwas Pathak  
Chief Executive Officer

Sd/-  
Yogesh J. Shah  
Chairman of CSR Committee



## CORPORATE GOVERNANCE

In accordance with the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and amendments thereto (hereinafter referred to as “**SEBI Listing Regulations**”), the policies and practices followed by Maharashtra Scooters Limited (hereinafter referred to as Company) during the financial year 2018-19 are summarised herein below:-

This Report is in conformity with the provisions of the Companies Act, 2013, regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as **SEBI Listing Regulations**) and schedule IV appended thereto, as applicable to the Company.

### **Kotak Committee on Corporate Governance:**

With the aim of improving standards of Corporate Governance of listed companies in India, SEBI had formed a Committee on Corporate Governance on 2 June 2019 under the Chairmanship of Shri Uday Kotak. Based on the report of the Kotak Committee on Corporate Governance, the Securities and Exchange Board of India on 9 May 2018 amended the “SEBI Listing Regulations”, some of which became applicable from 1 October 2018 and many from 1 April 2019. The Company is in compliance with these provisions.

### **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 SEBI Listing Regulations, including the appointment of requisite number of independent directors and woman director. As on 31 March 2019, the Board comprised five (5) 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. Pursuant to Regulation 17(1) (c) of SEBI Listing Regulations, the board of the top 1000 listed entities, effective 1 April 2019, shall comprise of not less than six directors and the Company is fully compliant thereof.

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 2019, the Board of Directors met four (4) times viz., on 16 May 2018, 16 July 2018, 22 October 2018 and 28 January 2019. 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 2019 and at the last AGM:

Table 1:

Name of director (in alphabetical order)	Category	Number of Board meetings		Attendance at the last AGM held on 16 July 2018
		Held	Attended	
Madhur Bajaj	Non-executive, Chairman, nominee	4	4	Yes
Abhinandan More <sup>1</sup>	Non-executive, nominee	2	1	Not applicable
Naresh Patni	Non-executive, independent	4	4	Yes
Sadashiv S. Survase <sup>2</sup>	Non-executive, independent	4	3	Yes
Sanjay S. Degaonkar	Non-executive, independent	4	4	Yes
Sanjiv Bajaj	Non-executive, nominee	4	4	Yes
Vishwanath L. Rajale	Non-executive, nominee	4	4	Yes
Vrushali Agashe (Mrs.) <sup>2</sup>	Non-executive, independent	4	3	Yes
Yogesh J. Shah	Non-executive, independent	4	4	Yes

1 Appointed as nominee director w.e.f. 22 October 2018.

2 Appointed as independent director w.e.f. 16 May 2018.

Composition of the Board of Directors and the number of directorships and committee positions held by the directors as on 31 March 2019 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	-	-
Abhinandan More	07417210	1	2	-	-	-
Naresh Patni	00045532	1	1	2	-	1
Sadashiv S. Survase	01541589	1	-	1	-	-
Sanjay S. Degaonkar	06957783	1	2	-	-	1
Sanjiv Bajaj	00014615	5	5	7	-	7
Vrushali Agashe (Mrs.)	06966630	1	2	-	-	-
Vishwanath L. Rajale	00640260	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 equity 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.

**Names of equity listed companies in which the Directors of the Company held directorships including the category of directorship is given herein below:-**

<b>Name of Director</b>	<b>Name of listed entities</b>	<b>Category</b>
Madhur Bajaj	1. Bajaj Auto Limited	Vice-Chairman & Non-Executive Director
	2. Bajaj Finserv Limited	Non-executive Director
	3. Bajaj Finance Limited	Non-executive Director
	4. Bajaj Holdings & Investment Limited	Non-executive Director
	5. Bajaj Electricals Limited	Non-Executive Director
	6. Maharashtra Scooters Limited	Non-Executive Director Chairman – Nominee Director
Sanjiv Bajaj	1. Bajaj Auto Limited	Non-Executive Director
	2. Bajaj Finserv Limited	Vice-Chairman and Managing Director & CEO
	3. Bajaj Finance Limited	Vice-Chairman & Non-Executive Director
	4. Bajaj Holdings & Investment Limited	Managing Director & CEO
	5. Maharashtra Scooters Limited	Non-Executive Director – Nominee Director
Vishwanath L. Rajale	Maharashtra Scooters Limited	Non-Executive Director – Nominee Director
Sadashiv Survase	Maharashtra Scooters Limited	Non-Executive Director – Independent Director
Naresh Patni	Maharashtra Scooters Limited	Non-Executive Director – Independent Director
Abhinandan More	Maharashtra Scooters Limited	Non-Executive Director – Nominee Director
Mrs.Vrushali Agashe	Maharashtra Scooters Limited	Non-Executive Director – Independent Director
Sanjay Degaonkar	Maharashtra Scooters Limited	Non-Executive Director – Independent Director
Yogesh J.Shah	Maharashtra Scooters Limited	Non-Executive Director – Independent Director

Shyamprasad D. Limaye, Practising Company Secretary has certified to the effect that none of the directors on the board of the company has been debarred or disqualified from being appointed or continuing as a director of the company by the Ministry of Corporate Affairs or any other statutory authority.

**Core Skills/Expertise/Competencies:**

Matrix, setting out the skills/expertise/competence of the board of directors as required in the context of the business and sector for it to function effectively and those actually available with the Board have been identified by the Board as under:-

<b>Sr. No.</b>	<b>Core Skill / Expertise / Competencies</b>
1.	Management & Strategy
2.	Information Technology, Systems & Computers
3.	Human Resources & Industrial Relations
4.	Finance & Taxation
5.	Banking, Investment & Treasury and Forex Management
6.	Audit & Risk Management
7.	Law
8.	Corporate Governance & Ethics
9.	Regulatory, Government & Security matters
10.	CSR, Sustainability & NGO matters

**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(2) of the SEBI 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 Appointments 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 meetings 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 28 January 2019, without the attendance of non-independent directors and members of Management, to inter alia:

- i) review the performance of non-independent directors and the Board as a whole;
- ii) review the performance of the Chairperson of the Company, taking into account the views of non-executive directors;
- iii) 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 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:**

In terms of Regulation 19(4), read with Section A (2) of Part D of Schedule I to SEBI Listing Regulations, the Company has framed a policy stipulating the criteria for evaluation of directors and the board. In light of SEBI's Guidance Note dated 5 January 2017 on Board Evaluation, the Nomination and Remuneration Committee and Board of Directors at their meeting held on 29 January 2018 revised the Policy containing criteria for performance evaluation.

In line with the amendment to Section 178(2) of the Companies Act, 2013, the Board of Directors of the Company at its meeting held on 29 January 2018 approved the evaluation of performance of the Board, its Committees and individual directors to be carried out by the Board only and not to be duplicated by the Nomination and Remuneration Committee, with the Committee only reviewing its implementation and compliance.

The performance evaluation process followed by the Company for the financial year 2018-19 was as under:-

- 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 period with regard to evaluation of the performance of the Board, its Committees, Chairperson and Directors (except for the director being evaluated) for the period 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 period 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 28 January 2019.
- 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 period 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 28 January 2019 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 SEBI Listing Regulations and pursuant to the provisions of the Companies Act, 2013 and other enactments as applicable. Directors have separate and independent access to the officers of the company.

The agenda items for the Board /Committees are finalized by the Company Secretary in due consultation with the Chairman. The detailed agenda, meeting out the business to be transacted at the meetings, supported with relevant documents, are sent to each director at least seven (7) days before the date of meetings.

As stated elsewhere in this Report, the Independent Directors of the Company at their meeting held on 28 January 2019 have expressed their satisfaction on the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the board to effectively and reasonably perform their duties.

### Legal Compliance Report:

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 2019, all Board members / independent Directors and Senior Management personnel have affirmed compliance with the code. A declaration to this effect signed by the CEO is given in this Annual Report.

### Orderly succession to Board and Senior Management:

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

**Familiarization program for Independent Directors:**

With a view to familiarizing the independent directors with the Company's operations, as required under regulation 25 of the SEBI Listing Regulations, the Company has held various familiarization programs for the independent directors throughout the year on ongoing and continuous basis.

The newly appointed independent directors were provided with a copy of latest annual report of the Company, the Code of Conduct for Directors and 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.

The details of familiarisation programmes are placed at [www.mahascooters.com](http://www.mahascooters.com)

**Board diversity Policy:**

In compliance with provisions of regulation 19(4) of SEBI 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. The present composition of the board broadly meets with the above objective.

**Whistle Blower Policy / Vigil Mechanism:**

Pursuant to section 177(9) of Companies Act, 2013, Regulation 22 of the SEBI Listing Regulations and SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended, the Board at its meeting held on 15 May 2019 amended the existing Whistle Blower Policy.

The Whistle Blower Policy/Vigil Mechanism provides a mechanism for the director/employee to report without fear of victimisation, any unethical behaviour, suspected or actual fraud, violation of the Code of Conduct etc violations and now instances of leak of Unpublished Price Sensitive Information, 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 to the Chairman of the Audit Committee. The said Policy is placed on the Company's website i.e. [www.mahascooters.com](http://www.mahascooters.com)

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

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 SEBI 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. Effective 1 April 2019, top 500 listed companies by market capitalization are required to



constitute a Risk Management Committee and since the Company is listed in the top 500 listed companies by market capitalization, at its meeting held on 15 May 2019, the Board has approved the constitution of a Risk Management Committee.

As required by regulation 17(9) of SEBI 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.

#### Commodity market risks:

During the year under review, the Company had no exposure to commodity market / foreign exchange / hedging risks.

#### Related party transactions:

All the related Party transactions (RPTs) which were entered into during the financial year on arms' length basis and were 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 SEBI Listing Regulations.

During the financial year 2018-19, 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 revised policy on materiality of RPT's stipulating therein the threshold limits and also on dealing with RPT's was approved by the Board at its meeting held on 15 May 2019. The said policy is available at [www.mahascooters.com](http://www.mahascooters.com)

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:

Pursuant to the provisions of Companies Act 2013 and SEBI Listing Regulations as applicable, the Company has constituted an Audit Committee comprising three non-executive directors, all being independent directors, composition of which is as given below.

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	4/4

All members of the Audit Committee are financially literate. Yogesh J. Shah has accounting/related financial management expertise.

The terms of reference of Audit Committee, as revised pursuant to amended SEBI Listing Regulations and approved by Board at its meeting held on 15 May 2019, comply with the extant provisions of the Companies Act, 2013 and SEBI 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 SEBI Listing Regulations.



The meetings of the Audit Committee are attended by its members and the invitee's 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 2018, 16 July 2018, 22 October 2018 and 28 January 2019. The time gap between two meetings was not more than one hundred and twenty days.

Yogesh J. Shah, Chairman of the Audit Committee was present at the 43rd Annual General Meeting of the Company held on 16 July 2018 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 SEBI 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 15 May 2019, to give effect to the amendment to SEBI Listing Regulations and the updated terms of reference of the committee are placed on the website of the Company viz., [www.mahascooters.com](http://www.mahascooters.com)

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

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

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.

As provided under the terms of reference, the members of the Committee, inter-alia deliberated on following matters:-

- i) Noting of resignation of Vikram Kumar and Mrs. Richa Bagla, as Nominee Director / Independent Director respectively and the appointment of Abhinandan More as a Nominee Director.
- ii) Appointment of Sadashiv Survase and Mrs. Vrushali Agashe as Independent Directors effective 16 May 2018.
- iii) Remuneration payable to Shrinivas Pathak as Chief Executive
- iv) Noting of remuneration of R.B. Laddha and N.S. Kulkarni, Chief Financial Officer and Company Secretary of the Company, respectively.

The policy is placed at [www.mahascooters.com](http://www.mahascooters.com)

**Duplicate Share Certificate 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 28 January 2019, 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:**

Pursuant to the Companies Act, 2013 and SEBI Listing Regulations, the Company has constituted a Stakeholders Relationship Committee. The Committee was constituted to specifically look into the shareholders and investors complaints on matters relating to transfer of shares, non-receipt of annual report, non-receipt of dividend, payment of unclaimed dividend etc.

In addition, the Committee also looked into matters that can facilitate better investor services and relations. The Board was kept apprised of all the major developments on investors issues through various reports and statements furnished to the Board from time to time throughout the year.

In compliance with the provisions of the SEBI Listing Regulations as amended, the terms of reference of the Committee were revised by the Board at its meeting held on 15 May 2019. The detailed terms of reference of this Committee are placed at [www.mahascooters.com](http://www.mahascooters.com)

Composition of Stakeholders Relationship Committee and attendance record of members 2018-19:

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

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

The committee met once during the year on 28 January 2019, which was attended by all the members. 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 2018-19:**

Investors Complaints	Attended/Resolved during 2018-19
Pending at the beginning of the year	Nil
Received during the year	24
Disposed of during the year	24
Remaining unresolved at the end of the year	Nil

**Subsidiary and Associate Companies:**

The Company has no subsidiaries and no associates.

**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. Further, there were no pecuniary transactions with any of the directors of the company.

In 2018-19, 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 2018-19 are provided in an annexure to the Directors' Report in section VI of Form MGT-9, i.e. extract of the Annual Return.

**Compliances regarding insider trading:**

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

During the year under review, SEBI has amended SEBI (Prohibition of Insider Trading) Regulations 2015. In view of the amendment to the said Regulations, the Board of Directors, at its meeting held on 15 May 2019 revised the following:-

- a. Revised Code of Conduct to Regulate, Monitor and Report trading by Designated Persons
- b. Revised Code of Practices and Procedures for fair disclosure of Unpublished Price Sensitive Information
- c. Revised Whistle blower policy
- d. Institutional mechanism for prevention of Insider Trading
- e. Amendment to the terms of reference of the Audit Committee
- f. List of designated persons for the Code of Conduct mentioned above

**Shareholding of Directors:**

Information on shares held by directors in the Company as on 31 March 2019 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 Meeting:**

Location and time where last three AGMs were held:

<b>AGM Number</b>	<b>Date &amp; Time</b>	<b>Venue</b>	<b>Details of special resolution(s) passed at the Annual General Meetings, if any</b>
41st	25 July 2016 at 12.15 p.m.	Registered Office at C/o. Bajaj Auto Ltd., Akurdi, Pune-411 035	None
42nd	18 July 2017 at 12.15 p.m.	-do-	None
43rd	16 July 2018 at 12.15 p.m.	-do-	Appointment of Ms. Vrushali Agashe as an Independent Director for the second term a consecutive period of five years

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 SEBI 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 SEBI 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 2018-19. 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 2018-19 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:

##### 44th Annual General Meeting

Date	24 July 2019
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 31 March	May
Mailing of annual reports	June
Annual general meeting	July
Unaudited first quarter financial results	July
Unaudited second quarter financial results	October
Unaudited third quarter financial results	January / February

##### Dividend

The Board of Directors has recommended a dividend @ ₹ 33 per equity share of ₹ 10 each (330%) for the financial year 2018-19, subject to approval by the shareholders at the ensuing annual general meeting. Dividend paid in the previous year was ₹ 33 per equity share of ₹ 10 each (330%).

##### Book Closure

The Register of Members and Share Transfer Books of the Company shall remain closed from Saturday, 13 July 2019 to Wednesday, 24 July 2019, both days inclusive.

##### Dates for payment of dividend

Dividend on equity shares, if declared at the annual general meeting, will be credited/dispatched between 29 July 2019 and 30 July 2019, 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, 12 July 2019.



## **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 2010-11 were transferred by the Company to the said Fund in the respective years 2003 to 2018.

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 2010-11 was transferred to the Fund in August 2018.

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 20 September 2018 for the financial year ended 31 March 2018 and the details of unpaid and unclaimed dividends for the financial years 2010-11 to 2017-18 were uploaded on the Company's website: [www.mahascooters.com](http://www.mahascooters.com)

Unpaid/unclaimed dividend for 2011-12 shall become due for transfer to the Fund in August 2019. Members are requested to verify their records and send their claim, if any, for the financial year 2011-12, 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 29 June 2018 and the particulars of shares liable to be transferred to IEPF Suspense Account, were made available on the website of the Company viz. [www.mahscooters.com](http://www.mahscooters.com)

MCA vide its notification dated 28 February 2017 amended the IEPF Rules 2016 called 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 2017-18, the Company transferred 1,46,304 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.

During the year 2018-19, the Company transferred 13,502 equity shares of ₹ 10/- each in respect of 75 shareholders to the Demat Account of the IEPF Authority held with NSDL and filed necessary e-Form IEPF-4 with MCA on 1 November 2018.

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.mahscooters.com](http://www.mahscooters.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 Fintech Pvt. Ltd. as its Share Transfer Agent (STA) and accordingly, processing of share transfer/dematerialisation / rematerialisation and allied activities was outsourced to Karvy Fintech 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	
	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19
Physical	2,314	1,897	18.81	15.29	6,310,080	372,938	55.21	3.26
Electronic	9,985	10,512	81.19	84.71	5,118,488	11,055,630	44.79	96.74
<b>Total</b>	<b>12,299</b>	<b>12,409</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>

**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 2018-19 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 2018-19

(₹)

Month & Year		BSE Ltd.		National Stock Exchange of India Ltd.	
		High	Low	High	Low
April	2018	2,524.55	2,275.05	2,511.70	2,284.45
May	2018	2,645.35	2,370.25	2,640.10	2,379.75
June	2018	3,229.15	2,455.75	3,219.15	2,464.60
July	2018	3,064.00	2,839.30	3,073.25	2,856.95
August	2018	3,231.10	3,019.95	3,228.95	3,027.55
September	2018	3,067.55	2,461.10	3,099.05	2,452.55
October	2018	2,526.85	2,120.40	2,532.00	2,133.45
November	2018	2,739.50	2,369.25	2,778.50	2,382.55
December	2018	3,160.65	2,758.30	3,175.55	2,761.40
January	2019	3,571.30	3,067.95	3,566.60	3,074.20
February	2019	3,275.35	3,061.25	3,298.65	3,076.95
March	2019	3,520.65	3,124.55	3,548.35	3,125.90

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

**Share Price comparison**

<i>Performance in comparison to broad-based indices such as S&amp;P BSE Sensex and S&amp;P CNX Nifty during 2018-19</i>	MSL Share	Up by	54.38% on BSE
		Up by	55.04% on NSE
	S&P BSE Sensex	Up by	17.30% on BSE
	S&P CNX Nifty	Up by	14.93% on NSE



**Distribution of shareholding as on 31 March 2019**

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.	Mutual Funds	7	58,625	0.51
3.	Foreign Portfolio – Corp	41	555,529	4.86
4.	Resident Individuals	11,364	3,007,920	26.32
5.	Insurance Companies	1	352,202	3.08
6.	Banks	10	64,681	0.57
7.	Non-Resident Indian Non-Repatriable	87	107,022	0.94
8.	Bodies Corporates	357	1,081,683	9.46
9.	I E P F	1	159,706	1.40
10.	H U F	349	169,612	1.48
		<b>12,409</b>	<b>11,428,568</b>	<b>100.00</b>

Distribution of shareholding according to size class as on 31 March 2019

No. of shares	No. of shares held	% to Total shares	No. of Shareholders	% to Total shareholders
1 to 5000	1,282,142	11.22	11,514	92.79
5001 to 10000	339,758	2.97	482	3.88
10001 to 20000	268,710	2.35	184	1.48
20001 to 30000	194,840	1.70	80	0.64
30001 to 40000	66,127	0.58	18	0.15
40001 to 50000	113,033	0.99	25	0.20
50001 to 100000	313,936	2.75	48	0.39
100001 and above	8,850,022	77.44	58	0.47
	<b>11,428,568</b>	<b>100.00</b>	<b>12,409</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 four (4) 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.

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

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

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

**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 SEBI 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 SEBI 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 2018	71	7,454
2.	No. of shareholders who approached the Company for transfer of shares from the Unclaimed Suspense Account during the year 2018-19	5	265
3.	No. of shareholders to whom shares were transferred from the Unclaimed Suspense Account during the year 2018-19	4	250
4.	Transferred to Investor Education and Protection Fund Authority	10	1,028
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 2019	57	6,176

**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 Fintech 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 19 July 2019 and the remote E-voting shall be open from 21 July 2019 (9.00 a.m.) till 23 July 2019 (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 44th annual general meeting and also placed on the website of the Company.

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

#### **Credit Rating:**

Since the company had no borrowings during the year under review, no credit ratings were obtained from any credit rating agencies.

#### **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 Fintech 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, die casting 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 die casting components etc.

**b) Opportunities, Threats, 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 die casting 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 two reportable segments, segment-wise information is given under Note No.32.

**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 2019, the Company had 51 permanent workmen, 57 permanent staff and 61 trainees and contract persons.

**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.

**h) Significant changes in financial ratio's:**

Particulars	Ratio in 2018-19	Ratio in 2017-18	Remarks
Debtors Turnover	3.87	3.64	
Inventory Turnover	5.09	6.35	
Current Ratio	6.82	10.23	Investments maturing within next 1 year form part of Current Assets. Value of such investments as on 31 March 2019 was ₹ 4,893 crore as against ₹ 8,054 crore on 31 March 2018.
Operating Profit Margin (%)	(48.75)	(67.38)	Operating profit margins have improved because of reduction in material cost. This is mainly on account of lower processing charges.
Net Profit Margin (%)	75.89	73.71	
Return on Net Worth (%)	0.64	0.74	Return on net worth shows a decline because of appreciation in investments during the year included in net worth.

## Independent Auditors' Certificate On Corporate Governance

The Members

### Maharashtra Scooters Limited

1. We have examined the compliance of conditions of corporate governance by Maharashtra Scooters Limited ('the Company') for the year ended 31 March, 2019 as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C, D and E of schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Listing Regulations').
2. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure compliance with the conditions of the Corporate Governance stipulated in the Listing Regulations.
3. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
4. We have examined the books of 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.
5. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under section 143(10) of the Companies Act, 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) issued by the ICAI.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.
7. Based on our examination of the relevant records and according to the best of information and explanations provided to us, we certify that the Company has complied with the conditions of regulations of Corporate Governance as stipulated in the above-mentioned Listing Regulations.
8. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.
9. The certificate is issued solely for the purpose of complying with the aforesaid SEBI Listing Regulations and may not be suitable for any other purpose.

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

**Suhas Deshpande**  
Partner  
Membership No.031787  
UDIN No.19031787AAAAAG8799

Pune, 15 May 2019

## DECLARATION ON CODE OF CONDUCT

As required by clause 34(3) of the 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.

15 April 2019

Shriniwas Pathak  
Chief Executive Officer



## **INDEPENDENT AUDITORS' REPORT**

**To the Members of Maharashtra Scooters Limited**

**Report on the Audit of the Financial Statements**

### **Opinion**

We have audited the accompanying financial statements of Maharashtra Scooters Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2019, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

### **Basis for Opinion**

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

### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1.	<p><b>Accuracy of Income from Investments</b></p> <p>Income from Investments is a significant area in terms of the Company's total financial performances</p>	<p>We assessed the Company's business process of 'Investments and investment income'.</p> <p>Our audit approach consisted of review and testing of the design and operating effectiveness of the internal controls of the subject business process as follows:</p> <ul style="list-style-type: none"> <li>• Review &amp; substantive testing of investments &amp; its income related documents / information, Scrutiny of General Ledger, Broker statements/ confirmations</li> <li>• Re-calculation of investment income and verification with amount actually recorded in the books of accounts</li> <li>• Review of statutory compliances with respect to the Companies Act, Income Tax Act, IND-AS &amp; other relevant regulations.</li> </ul>
2.	<p><b>Evaluation of outcome of Direct Tax refunds and Indirect Tax litigations</b></p> <p>The Company has material direct tax refunds receivable and pending Indirect Tax litigations</p>	<ul style="list-style-type: none"> <li>• We carried out detailed review of all direct tax refunds accounted for in the books of accounts in terms of their nature, the correspondence to and from the Assessing Officers, Orders received from IT Authorities, the reasons for non-receipt of refund by the Company, the sustainability of various deductions and exemptions etc. claimed by the Company in its Income Tax Returns and the likelihood of receipt of the same.</li> <li>• We obtained and reviewed pending litigations regarding indirect tax in terms of legal stand/positions taken by the Company and the regulations related to the same.</li> <li>• We also engaged our internal specialist to evaluate these tax matters and legal position.</li> </ul>

#### Information Other than the Financial Statements and Auditor's Report Thereon

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



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

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

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



- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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

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

#### Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
  - d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) On the basis of the written representations received from the directors as on 31 March 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.



- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 30 to the financial statements
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

**For Kirtane & Pandit LLP**

Chartered Accountants

Firm Registration No.105215W / W100057

**Suhas Deshpande**

Partner

Membership No.031787

Pune, 15 May 2019

## ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of **Maharashtra Scooters Limited** 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 LIMITED** (“the Company”) as of 31 March 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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

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

#### **Auditor’s Responsibility**

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

#### **Meaning of Internal Financial Controls Over Financial Reporting**

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company



are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For Kirtane & Pandit LLP**

Chartered Accountants

Firm Registration No.105215W / W100057

**Suhas Deshpande**

Partner

Membership No.031787

Pune, 15 May 2019

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

**(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of MAHARASHTRA SCOOTERS LIMITED of even date)**

- i. In respect of the Company's property, plant and equipment:
  - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
  - (b) According to the information and explanations given to us, Property, plant and equipment were physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of physical verification of Property, plant and equipment is reasonable.
  - (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties 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. Stocks lying with third parties at the year-end have been confirmed. 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. The Company has not accepted deposits during the year and does not have any unclaimed deposits as at 31 March 2019 and therefore, the paragraph 3 (v) of the Order is not applicable to the Company.
- vi. In our opinion and according to the information and explanations given to us, Maintenance of Cost Records, for the Company, has not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013.
- vii. According to the information and explanations given to us, in respect of statutory dues:
  - (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.
  - (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues in arrears as at 31 March 2019 for a period of more than six months from the date they became payable.



- (c) Details of dues of Income Tax, Sales Tax, Service Tax, Excise Duty and Value Added Tax which have not been deposited as at 31 March 2019 on account of dispute 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	Income Tax Act, 1961	Income Tax	3,984,285	1997-98 and 1998-99	Mumbai High Court
5	Central Excise Act, 1944	Excise Duty	319,085	1985-86 to 1991-92	Customs, Excise and Service Tax Appellate Tribunal, Mumbai
6	Central Excise Act, 1944	Excise Duty	1,214,840	1985-86 to 1995-96	Mumbai High Court
7	Central Excise Act, 1944	Excise Duty	465,868	1994-95 and 1995-96	Assistant Commissioner, Satara
8	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 Act.
- xii. The Company is not a Nidhi Company and hence reporting under paragraph 3 (xii) of the Order is not applicable to the Company.
- xiii. In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under paragraph 3(xiv) of the Order is not applicable to the Company.

- 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.031787

Pune, 15 May 2019

**Balance Sheet as at 31 March 2019**

(₹ in Lakhs)

Particulars	Note No.	As at 31 March 2019	As at 31 March 2018
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	2	1,469.28	1,252.61
Capital work-in-progress	2	-	-
<b>Financial assets</b>			
Investments	3	<b>1,163,072.56</b>	<b>811,557.86</b>
Trade receivables	8	-	-
Loans	4	9.15	12.30
Other financial assets	5	-	-
Income tax assets (net)	6	1,014.87	1,038.37
Other non-current assets	6	30.12	30.22
		<b>1,165,595.98</b>	<b>813,891.36</b>
<b>Current assets</b>			
Inventories	7	150.99	120.27
<b>Financial assets</b>			
Investments	3	4,892.92	8,053.51
Trade receivables	8	373.05	344.68
Cash and cash equivalents	9	39.69	45.09
Other bank balances	10	531.80	1,287.34
Loans	4	4.62	4.92
Other financial assets	5	444.99	291.10
Income tax assets (net)	6	157.26	143.27
Other current assets	6	109.78	129.02
		<b>6,705.10</b>	<b>10,419.20</b>
		<b>1,172,301.08</b>	<b>824,310.56</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	11	1,142.86	1,142.86
Other equity	12	1,131,178.68	821,384.13
		<b>1,132,321.54</b>	<b>822,526.99</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
Provisions	13	-	-
Deferred tax liabilities (net)	14	38,574.77	48.10
Other non-current liabilities	15	422.30	716.91
		<b>38,997.07</b>	<b>765.01</b>
<b>Current liabilities</b>			
<b>Trade payables</b>			
Total outstanding dues of micro enterprises and small enterprises		-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		16.70	84.16
Other financial liabilities	16	501.93	477.25
Other current liabilities	17	384.84	376.36
Provisions	13	79.00	80.79
		<b>982.47</b>	<b>1,018.56</b>
		<b>1,172,301.08</b>	<b>824,310.56</b>
Summary of significant accounting policies followed by the Company	1		

The accompanying notes are an integral part of the financial statements

On behalf of the Board of Directors

In terms of our report of even date

**For Kirtane & Pandit LLP**

Chartered Accountants

Firm Registration Number: 105215W/W100057

**S. V. Pathak**

Chief Executive Officer

**Sanjiv Bajaj**

Director

**R. B. Laddha**

Chief Financial Officer

**Suhas Deshpande**

Partner

Membership Number: 31787

**N.S. Kulkarni**

Company Secretary

**Yogesh J. Shah**

Chairman- Audit Committee

Pune: 15 May 2019



## Statement of Profit and Loss for the year ended 31 March 2019

Particulars	Note No.	(₹ in Lakhs)	
		Year Ended 31 March 2019	Year Ended 31 March 2018
Sales (see note 38)	18	1,442.40	1,253.41
Other operating revenue		7.12	10.63
Revenue from operations		<u>1,449.52</u>	<u>1,264.04</u>
Other income	19	8,143.00	6,978.95
<b>Total income</b>		<u><b>9,592.52</b></u>	<u><b>8,242.99</b></u>
<b>Expenses</b>			
Cost of raw material and components consumed	20	779.47	753.62
Changes in inventories of finished goods and work-in-progress	21	(11.27)	10.36
Excise duty paid (see note 38)		-	31.35
Employee benefits expense	22	821.95	820.78
Finance costs		-	-
Depreciation and amortisation expense	23	155.21	74.64
Other expenses	24	407.30	417.90
<b>Total expenses</b>		<u><b>2,152.66</b></u>	<u><b>2,108.65</b></u>
<b>Profit before tax</b>		<u><b>7,439.86</b></u>	<u><b>6,134.34</b></u>
<b>Tax expense</b>			
Current tax		293.00	146.00
MAT credit entitlement		(260.00)	(95.00)
Deferred tax expenses		60.13	17.82
Debits / (credits) pertaining to earlier years tax		66.71	(10.25)
Total tax expense		<u>159.84</u>	<u>58.57</u>
<b>Profit after tax</b>		<u><b>7,280.02</b></u>	<u><b>6,075.77</b></u>
<b>Other comprehensive income</b>			
Items that will not be reclassified to profit or loss			
Actuarial gains/losses of defined benefit plans		5.51	14.63
Tax impacts on above		(0.27)	(4.07)
Changes in fair value of equity instruments (FVOCI)		345,522.22	165,318.29
Tax impacts on above		(38,466.27)	-
<b>Other comprehensive income for the year (net of tax)</b>		<u><b>307,061.19</b></u>	<u><b>165,328.85</b></u>
<b>Total comprehensive income for the year</b>		<u><b>314,341.21</b></u>	<u><b>171,404.62</b></u>
Basic and diluted Earnings per share (in ₹) (Nominal value per share ₹ 10)	26	63.70	53.16
Summary of significant accounting policies followed by the Company	1		

The accompanying notes are an integral part of the financial statements

On behalf of the Board of Directors

In terms of our report of even date

**For Kirtane & Pandit LLP**

Chartered Accountants

Firm Registration Number: 105215W/W100057

**S. V. Pathak**

Chief Executive Officer

**Sanjiv Bajaj**

Director

**R. B. Laddha**

Chief Financial Officer

**Suhas Deshpande**

Partner

Membership Number: 31787

**N.S. Kulkarni**

Company Secretary

**Yogesh J. Shah**

Chairman- Audit Committee

Pune: 15 May 2019

**Statement of Changes in Equity for the year ended 31 March 2019****A. Equity share capital**

(₹ in Lakhs)

Particulars	Note No.	Year ended 31 March 2019	Year ended 31 March 2018
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 31 March 2017</b>	12	25,219.10	6,107.63	622,779.33	654,106.06
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 2017		-	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>	12	25,827.10	7,459.41	788,097.62	821,384.13
Profit for the year		-	7,280.02	-	7,280.02
Other comprehensive income (net of tax)		-	5.24	307,055.95	307,061.19
Total comprehensive income for the year ended 31 March 2019		-	7,285.26	307,055.95	314,341.21
<b>Transactions with owners in their capacity as owners</b>					
Transfer from Retained earnings to General reserve		729.00	(729.00)	-	-
Final dividend, declared and paid during the year		-	(3,771.43)	-	(3,771.43)
Tax on final dividend		-	(775.23)	-	(775.23)
<b>Balance as at 31 March 2019</b>	12	26,556.10	9,469.01	1,095,153.57	1,131,178.68

Summary of significant accounting policies followed by the Company

1

The accompanying notes are an integral part of the financial statements

On behalf of the Board of Directors

In terms of our report of even date

**For Kirtane & Pandit LLP**

Chartered Accountants

Firm Registration Number: 105215W/W100057

**S. V. Pathak**

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Chairman- Audit Committee

Pune: 15 May 2019

## Cash Flow Statement for the year ended 31 March 2019

Particulars	Current Year		Previous Year	
	(₹ in Lakhs)	(₹ in Lakhs)	(₹ in Lakhs)	(₹ in Lakhs)
<b>A. Operating activities:</b>				
1. Profit before tax		7,439.86		6,134.34
2. Adjustments				
Add:				
i) Depreciation & Amortisation	155.21			74.64
ii) Loss on assets sold, demolished or discarded	0.56			4.45
iii) Interest paid	-			-
		155.77		79.09
		7,595.63		6,213.43
Less:				
i) Investment income included in above				
Interest on fixed deposits	26.42			204.97
Interest on fixed income securities	912.14			745.67
Profit on sale of investments, net	524.09			379.92
Gain on valuation of Mutual funds	(0.75)			0.18
Dividend on long-term investments	6,243.44			5,574.81
Add: Amortisation of premium / discount on acquisition of fixed income securities, net	23.48			(2.78)
	7,728.82			6,902.77
ii) Surplus on sale of assets	88.10			69.04
		7,816.92		6,971.81
		(221.29)		(758.38)
3. Change in assets and liabilities				
i) Inventories	30.72			1.91
ii) Trade receivables	28.37			123.90
iii) Loans and other assets	(763.59)			(1,374.50)
iv) Liabilities and provisions	347.16			291.30
		(357.34)		(957.39)
4. Net cash from operating activities before income tax		136.05		199.01
5. Income Tax paid (refund) for earlier years		(218.41)		-
6. Income tax paid		289.23		131.57
7. Net cash from operating activities		65.23		67.44

**Cash Flow Statement for the year ended 31 March 2019 (Contd.)**

Particulars	Current Year		Previous Year
	(₹ in Lakhs)	(₹ in Lakhs)	(₹ in Lakhs)
<b>B. Investing activities:</b>			
i) Sale investments	7,903.54		9,418.67
ii) Purchase of investments	(10,634.75)		(16,300.85)
iii) (Purchase)/sale of money market mutual funds, etc, net	446.13		4,075.09
iv) (Increase)/decrease in other bank balances	-		867.00
v) Purchase of fixed assets	(393.91)		(661.47)
vi) Sale of fixed assets	109.57		103.77
	<u>(2,569.42)</u>		<u>(2,497.79)</u>
vii) Investment income			
Interest on fixed income securities	912.14		745.67
Interest on fixed deposits	26.42		204.97
Dividend income on investments	6,243.44		5,574.81
	<u>7,182.00</u>		<u>6,525.45</u>
viii) (Increase)/decrease in interest receivable	(153.01)		(14.88)
Net cash from investing activities		<u>4,459.57</u>	<u>4,012.78</u>
<b>C. Financing activities:</b>			
1. Increase/(Decrease) in Bank Cash Credit Balances		-	-
1. Interest paid		-	-
2. Dividend paid		(3,754.97)	(3,358.26)
3. Dividend distribution tax paid		(775.23)	(697.98)
Net cash from financing activities		<u>(4,530.20)</u>	<u>(4,056.24)</u>
<b>D. Net change in cash &amp; cash equivalents (A+B+C)</b>		<u>(5.40)</u>	<u>23.98</u>
<b>E. Cash &amp; cash equivalents at the beginning of the year</b>		<u>45.09</u>	<u>21.11</u>
<b>F. Cash &amp; cash equivalents at the year end</b>		<u>39.69</u>	<u>45.09</u>

In terms of our report of even date

**For Kirtane & Pandit LLP**Chartered Accountants  
Firm Registration Number: 105215W/W100057**Suhas Deshpande**Partner  
Membership Number: 31787

Pune: 15 May 2019

**S. V. Pathak**

Chief Executive Officer

**R. B. Laddha**

Chief Financial Officer

**N.S. Kulkarni**

Company Secretary

**Sanjiv Bajaj**

Director

**Yogesh J. Shah**

Chairman- Audit Committee

## Notes to financial statements for the year ended 31 March 2019

### Background

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

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

#### Basis of preparation

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

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

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

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

#### Significant accounting policies

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

#### 1) Use of estimates, judgements and assumptions

Estimates and assumptions used in the preparation of these financial statements and disclosures made therein are based upon Management's evaluation of the relevant facts and circumstances as of the date of the financial statements, which may differ from the actual results at a subsequent date. The following are items, which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about basis of calculation for each affected line item in the financial statements.

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

#### 2) Revenue from contract with customer

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

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

#### a) Sales of Goods

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

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



## Notes to financial statements for the year ended 31 March 2019 (Contd.)

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

### b) **Interest income**

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

### c) **Dividends**

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

### d) **Other income**

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

## 3) **Property, plant and equipment and depreciation / amortisation**

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

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

### B. **Depreciation and amortisation**

#### a) **On Leasehold land**

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

#### b) **On other tangible assets**

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

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

## Notes to financial statements for the year ended 31 March 2019 (Contd.)

recoverable amount. The recoverable amount is measured at the higher of the net selling price and value in use, determined by the present value of estimated future cash flows.

### 4) Investments and financial assets

#### (i) Classification

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

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

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

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

#### (ii) Measurement

##### Initial Measurement

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

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

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

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

##### Subsequent Measurement

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

##### Subsequent measurement at amortised cost:

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

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

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

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



## Notes to financial statements for the year ended 31 March 2019 (Contd.)

### Subsequently measured at FVOCI:

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

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

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

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

### iii) Impairment of financial assets

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

### (iv) Derecognition of financial assets

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

### (v) Reclassification of financial assets

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

## 5) Inventories

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

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



**Notes to financial statements for the year ended 31 March 2019 (Contd.)**

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

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

**6) Employee benefits****a) Privilege leave entitlements**

Privilege leave entitlements are recognised as a liability, in the calendar year of rendering of service, as per the rules of the Company. As accumulated leave can be availed and/or encashed at any time during the tenure of employment, subject to terms and conditions of the scheme, the liability is recognised on the basis of an independent actuarial valuation.

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

**b) Gratuity**

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

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

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

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee 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 as and when they are due.
- e) Defined contribution to Employees Pension Scheme 1995 is made to Government Provident Fund Authority and recognised as employee benefit expense as and when due.

**7) Taxation**

- a) Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, in accordance with the Income Tax Act, 1961; and the Income Computation and Disclosure Standards prescribed therein. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.
- b) Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.



## Notes to financial statements for the year ended 31 March 2019 (Contd.)

- c) Deferred tax is provided using the liability method on temporary differences arising between the tax base of assets and liabilities and their carrying amounts in the financial statements. Deferred tax is determined using tax rates that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences.

### 8) Provisions and contingent liabilities

The Company creates a provision when there is present obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When the likelihood of outflow of resources is remote, no provision or disclosure is made.

### 9) Dividends

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

### 10) Cash and cash equivalents

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

### 11) Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity 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 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 2019 (Contd.)

## 2 Property, plant and equipment

Current year

(₹ in Lakhs)

PARTICULARS	GROSS BLOCK (a)				DEPRECIATION				NET BLOCK
	As At 01-Apr-18	Additions	Deductions	As At 31-Mar-19	Upto 01-Apr-18	For the period	Deductions	Upto 31-Mar-19	As At 31-Mar-19
Land freehold	0.02	-	-	0.02	-	-	-	-	0.02
Land leasehold	3.30	-	0.06	3.24	-	-	-	-	3.24
Buildings	570.02	-	-	570.02	531.50	0.62	-	532.12	37.90
Plant & machinery	2,432.63	387.14	323.96	2,495.81	1,250.44	150.16	309.01	1,091.59	1,404.22
Furniture & fixtures	25.02	6.77	3.03	28.76	21.41	1.41	2.64	20.18	8.58
Office equipments	4.47	-	-	4.47	4.20	0.01	-	4.21	0.26
Vehicles	39.02	-	7.68	31.34	14.32	2.95	0.99	16.28	15.06
Total tangible assets	3,074.48	393.91	334.73	3,133.66	1,821.87	155.15	312.64	1,664.38	1,469.28
Capital Work in Process	-	-	-	-	-	-	-	-	-

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

Previous year

(₹ in Lakhs)

PARTICULARS	GROSS BLOCK (a)				DEPRECIATION				NET BLOCK
	As At 01-Apr-17	Additions	Deductions	As At 31-Mar-18	Upto 01-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.

**Notes to financial statements for the year ended 31 March 2019 (Contd.)****3 Investments**

		<u>31-Mar-2019</u> (₹ in Lakhs)	<u>31-Mar-2018</u> (₹ in Lakhs)	
<b>(A) 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.	197,200.01	185,927.95
	18,974,660	Shares of ₹ 2 each of Bajaj Finance Ltd.	573,983.47	335,386.60
	3,725,740	Shares of ₹ 5 each of Bajaj Finserv Ltd.	262,182.19	192,678.51
	3,387,036	Shares of ₹ 10 each of Bajaj Holdings & Investment Ltd.	115,719.78	89,570.17
		<b>Fair Value as at 31 March</b>	<u>1,149,085.45</u>	<u>803,563.23</u>
<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. -03 May 2018	-	499.93
	750	9.00% Non-Convertible Debentures of ₹ 1,000,000 each of Bajaj Finance Ltd. -12 Dec 2019	7,494.62	7,494.70
	150	(-) 7.65% Non-Convertible Debentures of ₹ 1,000,000 each of Bajaj Finance Ltd. -10 Jan 2020	1,489.13	-
	200	(-) 7.49% Non-Convertible Debentures of ₹ 1,000,000 each of Bajaj Finance Ltd. -30 Jan 2020	1,981.08	-
	50	(-) 7.62% Non-Convertible Debentures of ₹ 1,000,000 each of Bajaj Finance Ltd. -15 Jun 2020	494.68	-
	250	(-) 9.224% Non-Convertible Debentures of ₹ 1,000,000 each of Bajaj Finance Ltd. -05 May 2022	2,527.60	-
		<b>Amortised cost as at 31 March</b>	<u>13,987.11</u>	<u>7,994.63</u>
		<b>Total (A)</b>	<u>1,163,072.56</u>	<u>811,557.86</u>
<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 Jan 2019	-	2,357.27
	-	(2,500) Certificate of Deposit of ₹ 100,000 each of ICICI Bank 29 Jan 2019	-	2,353.90
	-	(1500) Certificate of Deposit of ₹ 100,000 each of SIDBI 08 Feb 2019	-	1,410.59
	2,500	(-) Certificate of Deposit of ₹ 100,000 each of NABARD 06 Mar 2020	2,332.13	-
		<b>Amortised cost as at 31 March</b>	<u>2,332.13</u>	<u>6,121.76</u>

## Notes to financial statements for the year ended 31 March 2019 (Contd.)

		<u>31-Mar-2019</u> (₹ in Lakhs)	<u>31-Mar-2018</u> (₹ 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 Jul 2018	-	980.24
200	(-) Commercial papers of ₹ 500,000 each of Kotak Mahindra Investment Ltd 364 days 01 Aug 2019	973.81	-
200	(-) Commercial papers of ₹ 500,000 each of Aditya Birla Finance Ltd 364 days 13 Aug 2019	971.63	-
	<b>Amortised cost as at 31 March</b>	<u>1,945.44</u>	<u>980.24</u>
<b>In Mutual Fund Units:</b>			
<b>Quoted:</b>			
7,474	(-) Units of HDFC Liquid Fund Direct Plan - Growth option ₹ 1000 each	274.92	-
123,158	(-) Units of ICICI Prudential Liquid Fund Plan - (Growth) of ₹ 100 each	340.43	-
-	(145790) Units of ICICI Prudential Money Market Fund Plan-Direct-(Growth) of ₹ 100 each	-	350.57
-	(10973) Units of Tata Money Market Fund - Direct- (Growth) of ₹ 1000 each in Tata Mutual Fund	-	300.48
-	(15410) Units of UTI Money Market Fund - Direct- (Growth) of ₹ 1000 each in UTI Mutual Fund	-	300.46
	<b>Fair Value as at 31 March</b>	<u>615.35</u>	<u>951.51</u>
	<b>Total (B)</b>	<u>4,892.92</u>	<u>8,053.51</u>
	<b>Total (A+B)</b>	<u>1,167,965.48</u>	<u>819,611.37</u>

	<b>Book Value as at</b>		<b>Market Value as at</b>	
	<u>31-Mar-2019</u> (₹ in Lakhs)	<u>31-Mar-2018</u> (₹ in Lakhs)	<u>31-Mar-2019</u> (₹ in Lakhs)	<u>31-Mar-2018</u> (₹ in Lakhs)
Quoted	1,149,700.80	804,514.74	1,149,700.80	804,514.74
Unquoted	18,264.68	15,096.63		
<b>Total</b>	<u>1,167,965.48</u>	<u>819,611.37</u>		

**Notes to Investments**

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

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

**Notes to financial statements for the year ended 31 March 2019**

	Non-current		Current	
	31-Mar-2019 (₹ in Lakhs)	31-Mar-2018 (₹ in Lakhs)	31-Mar-2019 (₹ in Lakhs)	31-Mar-2018 (₹ in Lakhs)
<b>4 Loans</b>				
Security deposits	7.82	6.35	-	-
Loans to Ex-employees	1.33	5.95	4.62	4.92
	<u>9.15</u>	<u>12.30</u>	<u>4.62</u>	<u>4.92</u>
<b>5 Other financial assets</b>				
Prepaid Gratuity (See note 35)	-	-	48.28	42.83
Interest receivable on investments	-	-	396.15	247.88
Interest receivable on loans, deposits etc.	-	-	0.56	0.39
	<u>-</u>	<u>-</u>	<u>444.99</u>	<u>291.10</u>
<b>6 Other assets</b> (Unsecured, good, unless stated otherwise)				
Capital advances	-	-	-	-
Advances recoverable in cash or kind				
Secured considered good	-	-	-	-
Unsecured considered good	-	-	7.55	7.39
Other loans and advances				
VAT refund receivable	30.12	30.22	-	-
Advance income-tax (net of provision for tax)	1,014.87	1,038.37	157.26	143.27
GST credit receivable	-	-	102.23	121.63
	<u>1,044.99</u>	<u>1,068.59</u>	<u>259.49</u>	<u>264.90</u>
	<u>1,044.99</u>	<u>1,068.59</u>	<u>267.04</u>	<u>272.29</u>
<b>7 Inventories</b>				
Raw materials and components			46.18	23.81
Work-in-progress			101.32	90.05
Finished goods			-	-
Stores			2.92	5.68
Loose tools			0.57	0.73
			<u>150.99</u>	<u>120.27</u>

## Notes to financial statements for the year ended 31 March 2019 (Contd.)

	Non-current		Current	
	31-Mar-2019 (₹ in Lakhs)	31-Mar-2018 (₹ in Lakhs)	31-Mar-2019 (₹ in Lakhs)	31-Mar-2018 (₹ in Lakhs)
<b>8 Trade receivable</b>				
(Unsecured, considered good unless stated otherwise)				
Good	-	-	373.05	344.68
Significant increase in credit risk / impaired.	-	-	-	-
	<u>-</u>	<u>-</u>	<u>373.05</u>	<u>344.68</u>
<b>9 Cash and cash equivalents</b>				
Balances with banks	-	-	39.60	44.99
Cash on hand	-	-	0.09	0.10
	<u>-</u>	<u>-</u>	<u>39.69</u>	<u>45.09</u>
<b>10 Other bank balances</b>				
Unclaimed dividend accounts	-	-	436.80	420.34
Deposits with residual maturity for Less than 12 months	-	-	95.00	867.00
	<u>-</u>	<u>-</u>	<u>531.80</u>	<u>1,287.34</u>
<b>11 Equity share capital</b>			<u>31-Mar-2019</u>	<u>31-Mar-2018</u>
			<u>(₹ in Lakhs)</u>	<u>(₹ in Lakhs)</u>
<b>Authorised:</b>				
11,500,000 Equity shares of ₹ 10 each			1,150.00	1,150.00
50,000 Redeemable cumulative preference shares of ₹ 100 each			50.00	50.00
			<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
			<u>1,142.86</u>	<u>1,142.86</u>

**Notes to financial statements for the year ended 31 March 2019 (Contd.)****a Reconciliation of the shares outstanding at the beginning and at the end of the year**

	31-Mar-2019		31-Mar-2018	
	Nos.	Amount in Lakhs	Nos.	Amount in Lakhs
Equity shares				
At the beginning of the year	11,428,568	1,142.86	11,428,568	1,142.86
Issued during the year	-	-	-	-
Ousting at the end of the year	11,428,568	1,142.86	11,428,568	1,142.86

**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-2019		31-Mar-2018	
	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%
Bajaj Holdings & Investment Ltd.	2,742,848	24.00%	2,742,848	24.00%
CD Equifinance Pvt. Ltd.	628,051	5.50%	643,311	5.63%



## Notes to financial statements for the year ended 31 March 2019 (Contd.)

12 Other Equity	31-Mar-2019 (₹ in Lakhs)	31-Mar-2018 (₹ in Lakhs)
<b>Reserves and surplus</b>		
<b>General Reserve</b>		
Balance as at the beginning of the year	25,827.10	25,219.10
Add: Transferred from retained earning	729.00	608.00
Balance as at the end of the year	<u>26,556.10</u>	<u>25,827.10</u>
<b>Retained earnings</b>		
Balance as at the beginning of the year	7,459.41	6,107.63
Profit for the year	7,280.02	6,075.77
Items of other comprehensive income recognised directly in retained earnings		
Actuarial gains/losses of defined benefit plans	5.24	10.56
Less: Appropriations		
Transfer to General reserve	729.00	608.00
Final dividend, declared and paid during the year	3,771.43	3,428.57
Tax on final dividend	775.23	697.98
Total appropriations	<u>5,275.66</u>	<u>4,734.55</u>
Balance as at the end of the year	9,469.01	7,459.41
<b>Reserves - Other comprehensive income</b>		
Equity instruments		
Opening balance	788,097.62	622,779.33
Add: During the year	307,055.95	165,318.29
Balance as at the end of the year	<u>1,095,153.57</u>	<u>788,097.62</u>
	<u>1,131,178.68</u>	<u>821,384.13</u>

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

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

	Non-current		Current	
	31-Mar-2019 (₹ in Lakhs)	31-Mar-2018 (₹ in Lakhs)	31-Mar-2019 (₹ in Lakhs)	31-Mar-2018 (₹ in Lakhs)
Provision for employee benefits				
Provision for compensated absences (see note 35)	-	-	79.00	80.79
	-	-	<u>79.00</u>	<u>80.79</u>
Other provisions	-	-	-	-
	-	-	<u>79.00</u>	<u>80.79</u>


**Notes to financial statements for the year ended 31 March 2019 (Contd.)**
**14 Deferred tax liabilities (net)**

	31-Mar-2019 (₹ in Lakhs)	31-Mar-2018 (₹ in Lakhs)
<b>Deferred tax liabilities</b>		
On account of timing difference in net block as per books & as per Income tax	141.21	83.79
Defined benefit plan - OCI	4.34	4.07
<b>Financial instruments :</b>		
Amortisation of premium / discount on acquisition of fixed income securities	4.37	-
Fair valuation of Mutual funds	0.22	0.42
Fair valuation of Equity instruments	38,466.27	-
	<u>38,470.86</u>	<u>0.42</u>
<b>Gross deferred tax liabilities</b>	<u>38,616.41</u>	<u>88.28</u>
<b>Deferred tax assets</b>		
On account of timing difference in retiral and other benefits :		
Uncovered liability towards gratuity	6.78	6.47
Bonus provisions	9.59	8.87
Provision for privilege leave	23.00	22.48
	<u>39.37</u>	<u>37.82</u>
<b>Financial instruments :</b>		
Amortisation of premium / discount on acquisition of fixed income securities	-	2.36
Longterm capital loss on bonds	2.27	-
	<u>2.27</u>	<u>2.36</u>
Gross deferred tax assets/(liability)	<u>41.64</u>	<u>40.18</u>
	<u>38,574.77</u>	<u>48.10</u>

**Movement in deferred tax liabilities :**

	Property, plant and equipment	Financial instruments	Retial and other benefits	Other items	Total
At 1 April 2017	75.42	(1.45)	(43.26)	(4.50)	26.21
Charged/(credited)					
- to profit & loss	8.37	(0.49)	5.44	4.50	17.82
- to other comprehensive income	-	-	4.07	-	4.07
At 31 March 2018	83.79	(1.94)	(33.75)	-	48.10
Charged/(credited)					
- to profit & loss	57.42	4.26	(1.55)	-	60.13
- to other comprehensive income	-	38,466.27	0.27	-	38,466.54
At 31 March 2019	141.21	38,468.59	(35.03)	-	38,574.77

## Notes to financial statements for the year ended 31 March 2019 (Contd.)

	31-Mar-2019 (₹ in Lakhs)	31-Mar-2018 (₹ in Lakhs)
<b>15 Other non- current liabilities</b>		
Annuity payable to Ex-employees	422.30	716.91
	<u>422.30</u>	<u>716.91</u>
<b>16 Other financial liabilities</b>		
Security deposits	0.25	0.20
Unclaimed dividend	436.80	420.34
Employees benefits payable	64.88	56.71
	<u>501.93</u>	<u>477.25</u>
<b>17 Other current liabilities</b>		
Annuity payable to Ex-employees	298.33	327.96
Advance received from customers	64.80	28.57
Taxes and duties payable	5.96	5.53
Other payables	15.75	14.30
	<u>384.84</u>	<u>376.36</u>
<b>18 Revenue from operations</b>		
<b>Revenue from operations</b>		
Sale of product (see note 38)	1,442.40	1,253.41
<b>Other operating revenue</b>		
Scrap sale (see note 38)	7.12	10.63
<b>Revenue from operations (gross)</b>	<u>1,449.52</u>	<u>1,264.04</u>

**Notes to financial statements for the year ended 31 March 2019 (Contd.)**

	<u>31-Mar-2019</u>	<u>31-Mar-2018</u>	
	(₹ in Lakhs)	(₹ in Lakhs)	
<b>19 Other income</b>			
Investment income:			
Interest income from bank fixed deposits	26.42	204.97	
Interest income from fixed income securities	1,327.73	967.57	
Amortisation of (premium)/discount on acquisition of fixed income securities, net	23.48	(2.78)	
	<u>1,377.63</u>	<u>1,169.76</u>	
Dividend income on investments	6,243.44	5,574.81	
Profit / (loss) on sale of investments, net	(2.22)	(2.07)	
Gain on valuation / Surplus on redemption of mutual fund, net	109.97	160.27	
	<u>7,728.82</u>	<u>6,902.77</u>	
<b>Others:</b>			
Interest - others	318.91	1.67	
Miscellaneous receipts	7.17	5.11	
Surplus on sale of assets	88.10	69.04	
Provision no longer required	-	0.36	
	<u>414.18</u>	<u>76.18</u>	
	<u>8,143.00</u>	<u>6,978.95</u>	
<b>20 Cost of raw material and components consumed</b>			
Raw materials & boughtout Items	779.47	753.62	
	<u>779.47</u>	<u>753.62</u>	
<b>21 (Increase)/decrease in inventories</b>	<u>31-Mar-2019</u>	<u>31-Mar-2018</u>	<u>(Increase)/decrease</u>
	(₹ in Lakhs)	(₹ in Lakhs)	(₹ in Lakhs)
<b>Inventories at the end of the year</b>			
Work-in-progress	101.32	90.05	(11.27)
Finished goods	-	-	-
	<u>101.32</u>	<u>90.05</u>	<u>(11.27)</u>
<b>Inventories at the beginning 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>
	<u>(11.27)</u>	<u>10.36</u>	

**Notes to financial statements for the year ended 31 March 2019 (Contd.)**

<b>22 Employee benefits expense</b>	<b>31-Mar-2019</b>	<b>31-Mar-2018</b>
	<b>(₹ in Lakhs)</b>	<b>(₹ in Lakhs)</b>
Salaries, wages and bonus to employees	677.52	661.62
Contribution to provident and other funds	77.98	82.53
Staff welfare expenses	66.45	76.63
	<u>821.95</u>	<u>820.78</u>
	<u>821.95</u>	<u>820.78</u>
	<u>821.95</u>	<u>820.78</u>
<b>23 Depreciation &amp; amortisation expenses</b>	<b>31-Mar-2019</b>	<b>31-Mar-2018</b>
Depreciation on property, plant and equipment	155.15	74.58
Amount written off against leasehold land	0.06	0.06
	<u>155.21</u>	<u>74.64</u>
	<u>155.21</u>	<u>74.64</u>
	<u>155.21</u>	<u>74.64</u>

**Notes to financial statements for the year ended 31 March 2019 (Contd.)****24 Other expenses**

	<u>31-Mar-2019</u> (₹ in Lakhs)	<u>31-Mar-2018</u> (₹ in Lakhs)
Stores and tools consumed	52.83	47.84
Power, fuel and water	121.33	69.90
Repairs to buildings	8.18	107.37
Repairs to machinery	32.02	33.88
Others repairs	29.60	47.00
Insurance	6.52	6.43
Rates and taxes	4.33	4.33
Payment to auditor	10.54	7.12
Directors' fees and travelling expenses	12.81	12.98
Legal & professional charges	18.31	18.19
Expenditure towards Corporate Social Responsibility (CSR) activities	13.00	12.00
Miscellaneous expenses	97.27	46.41
Loss on assets sold,demolished,discarded and scrapped	0.56	4.45
	<u>407.30</u>	<u>417.90</u>
<b>Payment to auditor</b>		
As auditor:		
Audit fee	7.50	6.00
Limited review	1.25	1.00
In other capacity:		
GST audit	1.00	-
VAT audit	0.25	-
Other services - certification fees	0.20	-
Reimbursement of expenses	0.34	0.12
	<u>10.54</u>	<u>7.12</u>
<b>Expenditure towards Corporate Social Responsibility (CSR) activities</b>		
Gross amount required to be spent by the Company during the year	12.00	12.76
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 year in respect of previous year	1.00	-
	<u>13.00</u>	<u>12.00</u>

## Notes to financial statements for the year ended 31 March 2019 (Contd.)

## 25 Tax expenses

	for the year ended	
	31-Mar-2019 (₹ in Lakhs)	31-Mar-2018 (₹ in Lakhs)
<b>(a) Tax expense</b>		
<b>Current tax</b>		
Current tax on profits for the year	293.00	146.00
Less: MAT credit entitlement	(260.00)	(95.00)
Adjustments for current tax of prior periods	66.71	(10.25)
Total current tax expense	99.71	40.75
<b>Deferred tax</b>		
Decrease/(increase) in deferred tax assets	2.91	9.47
(Decrease)/increase in deferred tax liabilities	57.22	8.35
Total deferred tax expenses/(benefit)	60.13	17.82
<b>Tax expenses</b>	<b>159.84</b>	<b>58.57</b>
<b>(b) Reconciliation of tax expenses and the accounting profit multiplied by India's tax rate</b>		
Profit before tax	7,439.86	6,134.34
Tax-MAT at the Indian tax rate of 21.5488% (Prev year : 20.5868%)	1,604.00	1,251.00
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
- Rate difference on Defined benefit plan-Gratuity	2.00	-
- Disallowance of estimated expenditure to earn tax exempt income	33.00	32.00
- Adjustments for current tax of prior periods	66.71	(10.25)
- Others MAT credit entitlement	(260.00)	(95.00)
Tax effect of amounts which are deductible (non taxable) in calculating taxable income:		
- Tax-free dividend on equity shares	(1,346.00)	(1,137.00)
On account of timing difference		
- Net block as per books & as per Income tax	57.42	8.37
- Unrealised gain - mutual funds	(0.20)	(0.02)
- Uncovered liability towards gratuity	(0.31)	1.22
- Bonus provisions	(0.72)	1.16
- Provision for privilege leave	(0.52)	3.06
- Amortisation of premium / discount on acquisition of fixed income securities	6.73	(0.47)
Long term capital loss	(2.27)	-
Inventory valuation (section 145A of the Income-tax Act ,1961)	-	4.50
<b>Tax expense</b>	<b>159.84</b>	<b>58.57</b>

**Notes to financial statements for the year ended 31 March 2019 (Contd.)****26 Earning per share (EPS)**

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

a	Profit for the year after taxation (₹ in Lakhs)	7,280.02	6,075.77
	Weighted average number of shares outstanding during the year (nos)	11,428,568	11,428,568
b	Earnings per share (Basic and Diluted) in ₹	63.70	53.16
	Face value per share in ₹	10.00	10.00

**27 Fair value measurement****i) Financial instruments by category**

(₹ in Lakhs)

	31-Mar-19			31-Mar-18		
	FVPL	FVOCI	Amortised Cost	FVPL	FVOCI	Amortised Cost
<b>Financial assets</b>						
<b>Investments</b>						
- Equity shares	-	1,149,085.45	-	-	803,563.23	-
- Bonds and debentures	-	-	13,987.11	-	-	7,994.63
- Liquid mutual funds	615.35	-	-	951.51	-	-
- Certificate of deposit	-	-	2,332.13	-	-	6,121.76
- Commercial papers	-	-	1,945.44	-	-	980.24
Trade receivables	-	-	373.05	-	-	344.68
Loans	-	-	13.77	-	-	17.22
Other financial assets	-	-	444.99	-	-	291.10
Cash and cash equivalents	-	-	39.69	-	-	45.09
Other bank balances	-	-	531.80	-	-	1,287.34
<b>Total financial assets</b>	<b>615.35</b>	<b>1,149,085.45</b>	<b>19,667.98</b>	<b>951.51</b>	<b>803,563.23</b>	<b>17,082.06</b>
<b>Financial liabilities</b>						
Trade payables	-	-	16.70	-	-	84.16
Other financial liabilities	-	-	501.93	-	-	477.25
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>518.63</b>	<b>-</b>	<b>-</b>	<b>561.41</b>



## Notes to financial statements for the year ended 31 March 2019 (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 2019					
Financial assets	Notes	Level 1	Level 2	Level 3	Total
<b>Financial Investments at FVOCI</b>					
Equity shares	3	1,149,085.45	-	-	1,149,085.45
<b>Financial Investments at FVPL</b>					
Liquid mutual funds	3	615.35	-	-	615.35
<b>Financial Investments at FVOCI</b>					
		-			-
<b>Total financial assets</b>		<b>1,149,700.80</b>	<b>-</b>	<b>-</b>	<b>1,149,700.80</b>

Financial Assets which are measured at amortised cost for which fair values are disclosed at 31 March 2019					
Financial assets	Notes	Level 1	Level 2	Level 3	Total
Bonds and debentures	3	13,987.11	-	-	13,987.11
Certificate of deposit	3	2,332.13	-	-	2,332.13
Commercial papers	3	1,945.44	-	-	1,945.44
<b>Total financial assets</b>		<b>18,264.68</b>	<b>-</b>	<b>-</b>	<b>18,264.68</b>

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>Financial Investments at FVOCI</b>					
<b>Total financial assets</b>		<b>804,514.74</b>	<b>-</b>	<b>-</b>	<b>804,514.74</b>

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	7,994.63	-	-	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>		<b>15,096.63</b>	<b>-</b>	<b>-</b>	<b>15,096.63</b>

**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.

**Notes to financial statements for the year ended 31 March 2019 (Contd.)**

**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-19		31-Mar-18	
	Carrying Amount	Fair value	Carrying Amount	Fair value
<b>Financial assets</b>				
<b>Investments</b>				
Bonds and debentures	13,987.11	13,987.11	7,994.63	7,994.63
Certificate of deposit	2,332.13	2,332.13	6,121.76	6,121.76
Commercial papers	1,945.44	1,945.44	980.24	980.24
<b>Total financial assets</b>	<b>18,264.68</b>	<b>18,264.68</b>	<b>15,096.63</b>	<b>15,096.63</b>

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.

**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.

**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.

**Notes to financial statements for the year ended 31 March 2019 (Contd.)****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-2019 (₹ in Lakhs)	31-Mar-2018 (₹ in Lakhs)
<b>The Company had net working capital funds</b>	5,722.63	9,400.64
Which includes;		
i) Cash and cash equivalents	39.69	45.09
ii) Current investments	4,892.92	8,053.51

Contractual maturities of significant financial Liabilities as on 31 March 2019 and 31 March 2018 are as follows:

**Maturities of financial liabilities**

(₹ in Lakhs)

Particulars	Less than or equal to 1 year	More than 1 year	Total
<b>As on 31 March 2019</b>			
Non-derivatives			
Trade payables	16.70	-	16.70
Other financial liabilities	501.93	-	501.93
<b>Total non-derivative liabilities</b>	<b>518.63</b>	<b>-</b>	<b>518.63</b>
<b>As on 31 March 2018</b>			
Non-derivatives			
Trade payables	84.16	-	84.16
Other financial liabilities	477.25	-	477.25
<b>Total non-derivative liabilities</b>	<b>561.41</b>	<b>-</b>	<b>561.41</b>

**Notes to financial statements for the year ended 31 March 2019 (Contd.)****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.

	<b>31-Mar-2019</b> <b>(₹ in Lakhs)</b>	<b>31-Mar-2018</b> <b>(₹ in Lakhs)</b>
Equity	1,132,321.54	822,526.99
Less: Tangible and other assets	(36,473.65)	1,568.49
Working capital	829.71	1,347.13
<b>Investments in debt and similar investments</b>	<b>1,167,965.48</b>	<b>819,611.37</b>

**b) Dividends****Dividends recognised in the financial statements**

Final dividend for the year ended 31 March 2018 of ₹ 33 (31 March 2017 - ₹ 30) per equity share

**Dividends not recognised at the end of the reporting period**

In addition to the above dividends, since year end the directors have recommended the payment of a final dividend of ₹ 33 per equity share (31 March 2018 – ₹ 33). This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.

	<b>31-Mar-2019</b> <b>(₹ in Lakhs)</b>	<b>31-Mar-2018</b> <b>(₹ in Lakhs)</b>
	<b>3,771.43</b>	<b>3,771.43</b>

**30 Contingent liabilities**

	<b>31-Mar-2019</b> <b>(₹ in Lakhs)</b>	<b>31-Mar-2018</b> <b>(₹ in Lakhs)</b>
a Claims against the Company not acknowledged as debts	4.45	4.36
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 *	1,114.99	1,116.39
d Income-Tax matters under dispute		
i) Appeal by Company *	-	44.00
ii) Appeal by Department	39.84	39.84
	<b>39.84</b>	<b>83.84</b>

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

**Notes to financial statements for the year ended 31 March 2019 (Contd.)****31 Capital and other commitment**

	<b>31-Mar-2019</b> (₹ in Lakhs)	<b>31-Mar-2018</b> (₹ in Lakhs)
Capital commitments, net of capital advances	55.89	2.40

**32 Segment information**

Segment information based on standalone financial statements.

Segment wise revenue, results and capital employed for the year ended 31 March 2019

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

	₹ in Lakhs		
<b>Particulars</b>	<b>Manufacturing</b>	<b>Investments</b>	<b>Total</b>
<b>Revenue</b>			
Sales and other income	1,546.26	7,728.82	9,275.08
Unallocable			317.44
<b>Total revenue</b>	1,546.26	7,728.82	9,592.52
<b>Segment result</b>	(602.40)	7,724.82	7,122.42
Unallocable			317.44
Finance costs			-
Tax expense			159.84
<b>Profit for the year</b>	(602.40)	7,724.82	7,280.02
<b>Segment assets</b>	2,672.32	1,168,456.63	1,171,128.95
Unallocated corporate assets			1,172.13
<b>Total assets</b>	2,672.32	1,168,456.63	1,172,301.08
<b>Segment liabilities</b>	1,404.77	-	1,404.77
Unallocated corporate liabilities Deferred Tax liabilities			38,574.77
<b>Total liabilities</b>	1,404.77	-	39,979.54
<b>Segment liabilities</b>	1,267.55	1,168,456.63	1,169,724.18
Unallocated corporate liabilities Deferred Tax liabilities			(37,402.64)
<b>Capital employed</b>	1,267.55	1,168,456.63	1,132,321.54
<b>Capital expenditure</b>	393.91	-	393.91
<b>Depreciation and write downs</b>	155.21	-	155.21
<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 2019 (Contd.)**

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

₹ in Lakhs

Particulars	Manufacturing	Investments	Total
<b>Revenue</b>			
Sales and other income	1,340.22	6,902.77	8,242.99
Unallocable			-
<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			48.10
<b>Total liabilities</b>	1,735.47	-	1,783.57
Segment liabilities	667.20	820,726.25	821,393.45
Unallocated corporate liabilities Deferred Tax liabilities			1,133.54
<b>Capital employed</b>	667.20	820,726.25	822,526.99
<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>	-	-	-

**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 2019 (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 2019	As at 31 March 2018
Present value of funded defined benefit obligation	422.07	490.98
Fair value of plan assets	(470.35)	(533.81)
<b>Net funded obligation</b>	<b>(48.28)</b>	<b>(42.83)</b>
<b>Expense recognized in the Statement of P&amp;L</b>		
Current service cost	17.36	18.08
Interest on net defined benefit liability / (asset)	(1.73)	(2.98)
<b>Total expense charged to profit and loss account</b>	<b>15.63</b>	<b>15.10</b>
<b>Amount recorded as Other Comprehensive Income</b>		
Opening amount recognized in OCI outside profit and loss account	48.54	63.17
Remeasurements during the period due to		
Changes in financial assumptions	3.07	(9.72)
Experience adjustments	(9.63)	(4.08)
Actual return on plan assets less interest on plan assets	1.05	(0.83)
<b>Closing amount recognized in OCI outside profit and loss account</b>	<b>43.03</b>	<b>48.54</b>
<b>Reconciliation of net liability / (asset)</b>		
Opening net defined benefit liability / (asset)	(42.83)	(39.30)
Expense charged to profit & loss account	15.63	15.10
Amount recognized outside profit & loss account	(5.51)	(14.63)
Employer contributions	(15.57)	(4.00)
Closing net defined benefit liability / (asset)	(48.28)	(42.83)



## Notes to financial statements for the year ended 31 March 2019 (Contd.)

<b>Movement in benefit obligation</b>	<b>As at 31 March 2019</b>	<b>As at 31 March 2018</b>
Opening of defined benefit obligation	490.98	503.33
Current service cost	17.36	18.08
Interest on defined benefit obligation	33.87	34.40
Remeasurements due to:	-	-
Actuarial loss / (gain) arising from change in financial assumptions	3.07	(9.72)
Actuarial loss / (gain) arising on account of experience changes	(9.63)	(4.08)
Benefits paid	(113.58)	(51.03)
Closing of defined benefit obligation	422.07	490.98

<b>Movement in plan assets</b>		
Opening fair value of plan assets	533.81	542.63
Employer contributions	15.57	4.00
Interest on plan assets	35.60	37.37
Remeasurements due to:	-	-
Actual return on plan assets less interest on plan assets	(1.05)	0.84
Benefits paid	(113.58)	(51.03)
Closing fair value of plan assets	470.35	533.81

<b>Disaggregation of assets</b>		
Insurer managed funds.	100%	100%
Others	-	-
<b>Grand Total</b>	<b>100%</b>	<b>100%</b>

<b>Sensitivity Analysis</b>				
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 2019</b>		<b>As at 31 March 2018</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	438	410	508	478
Impact of decrease in 100 bps on DBO	407	435	476	505

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.



## Notes to financial statements for the year ended 31 March 2019 (Contd.)

**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 ₹ 11.00 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
31 March 2019	160.50	20.47	201.70	165.07	547.74
31 March 2018	236.52	29.73	166.74	210.76	643.75
				As at 31 March 2019	As at 31 March 2018
<b>Weighted average duration of defined benefit obligation (in years)</b>				8.74	8.70

**Principal Actuarial Assumptions (Expressed as Weighted Averages)**

	As at 31 March 2019	As at 31 March 2018
Discount rate (p.a.)	7.60%	7.80%
Salary escalation rate (p.a.)	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.

**Compensated absences :**

(₹ in Lakhs)

Particulars	As at 31 March 2019	As at 31 March 2018
Present value of unfunded obligations	79.00	79.09
Expense recognized in the Statement of profit and loss	18.64	23.11
Amount recorded as Other Comprehensive Income	-	-
Discount rate (p.a.)	7.60%	7.80%
Salary escalation rate (p.a.)	8.00%	8.00%

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

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

Compensated absences expected to be settled after 12 months	60.36	55.98
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**Notes to financial statements for the year ended 31 March 2019 (Contd.)**

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

Name of related party and Nature of relationship	Nature of transaction	2018-19		2017-18	
		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)
<b>A Holding company, subsidiaries and fellow subsidiary:</b>					
Bajaj Holdings and Investment Ltd. (Investing party- holds 24% shares of Maharashtra Scooters Ltd.)	Purchase of shares by BHIL (27,42,848 shares of ₹ 10 each)	-	24.00	-	24.00
	Dividend received	1,354.81	-	1,100.79	-
	Dividend paid	905.14	-	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	1,018.28	-	925.71	-
<b>B Associates, joint ventures and investing parties:</b>					
Bajaj Auto Ltd.	Dividend received	4,064.44		3,725.74	-
	Purchases	-		32.96	-
	Sales	16.91	0.56	30.25	17.84
	Services received	12.47	(3.14)	10.11	(4.70)
	Revenue expenses reimbursed	7.00		5.02	-
Bajaj Finserv Ltd.	Dividend received	65.20		65.20	-
Bajaj Finance Ltd.	Investment in non-convertible debentures		14,000.00	-	8,000.00
	Redemption received	500.00			
	Dividend received	758.99		683.09	-
	Interest received	1,023.90		719.40	
	Services received	11.59		11.57	
<b>C Individuals controlling voting power / exercising significant influence and their relatives:</b>					
Madhur Bajaj	Sitting fees	0.80	-	0.80	-
Sanjiv Bajaj	Sitting fees	1.20	-	1.20	-
<b>D Key management personnel and their relatives:</b>					
<b>E Enterprises over which anyone in (c) exercises significant influence:</b>					
Bajaj Allianz General Insurance Co. Ltd.	Insurance premiums paid	5.91	6.40	6.58	(6.60)

**Notes to financial statements for the year ended 31 March 2019 (Contd.)**

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.

**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**

Post the applicability of GST with effect from 1 July 2017, revenue from operations ( i.e. Sales ) are required to be disclosed net GST. Sales before this date are disclosed as gross of excise duty. Accordingly, revenue from operations for the current year is not comparable with the previous year.

**39 Previous year figures**

Previous year figures have been regrouped wherever necessary.

In terms of our report of even date

For **Kirtane & Pandit LLP**

Chartered Accountants

Firm Registration Number: 105215W/W100057

**S. V. Pathak**

Chief Executive Officer

**Sanjiv Bajaj**

Director

**R. B. Laddha**

Chief Financial Officer

**Suhas Deshpande**

Partner

Membership Number: 31787

**N.S. Kulkarni**

Company Secretary

**Yogesh J. Shah**

Chairman- Audit Committee

Pune: 15 May 2019

**5 YEARS' HIGHLIGHTS**

₹ in Lakhs

		2018-19	2017-18	2016-17	2015-16	2014-15
<b>SALES &amp; EARNINGS:</b>						
Net sales & other income excluding excise		9,593	8,212	2,924	11,715	6,986
Gross profit before interest, depreciation and exceptional items		7,595	6,209	1,425	10,173	5,792
Profit after tax		7,280	6,076	1,256	10,100	5,476
Total Comprehensive Income		314,341	171,405			
<b>ASSETS EMPLOYED:</b>						
Net fixed assets		1,469	1,253	705	718	438
Investments at Cost				28,328	28,037	27,114
Investments at fair value		1,167,965	819,611			
Net Working Capital		1,462	1,711	3,422	2,445	(2,326)
Capital Employed	Total	1,170,896	822,575	32,455	31,199	25,226
<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		36,025	33,286	31,312	30,056	24,083
iv) Reserves-FVOCI-Equity instruments		1,095,154	788,098			
Net Worth	Total	1,132,322	822,527	32,455	31,199	25,226
<b>EQUITY SHARE DATA:</b>						
Earning per equity share	₹	63.70	53.16	10.99	88.37	47.91
Net worth per equity share	₹	9,908	7,197	284	273	221
Dividend including interim dividend	%	330	330	300	300	300
Proposed dividends including tax		4,547	4,547	4,127	4,127	4,127
<b>OTHERS:</b>						
Employees	Nos.	108	114	106	102	114
Employees' cost		822	821	813	802	585

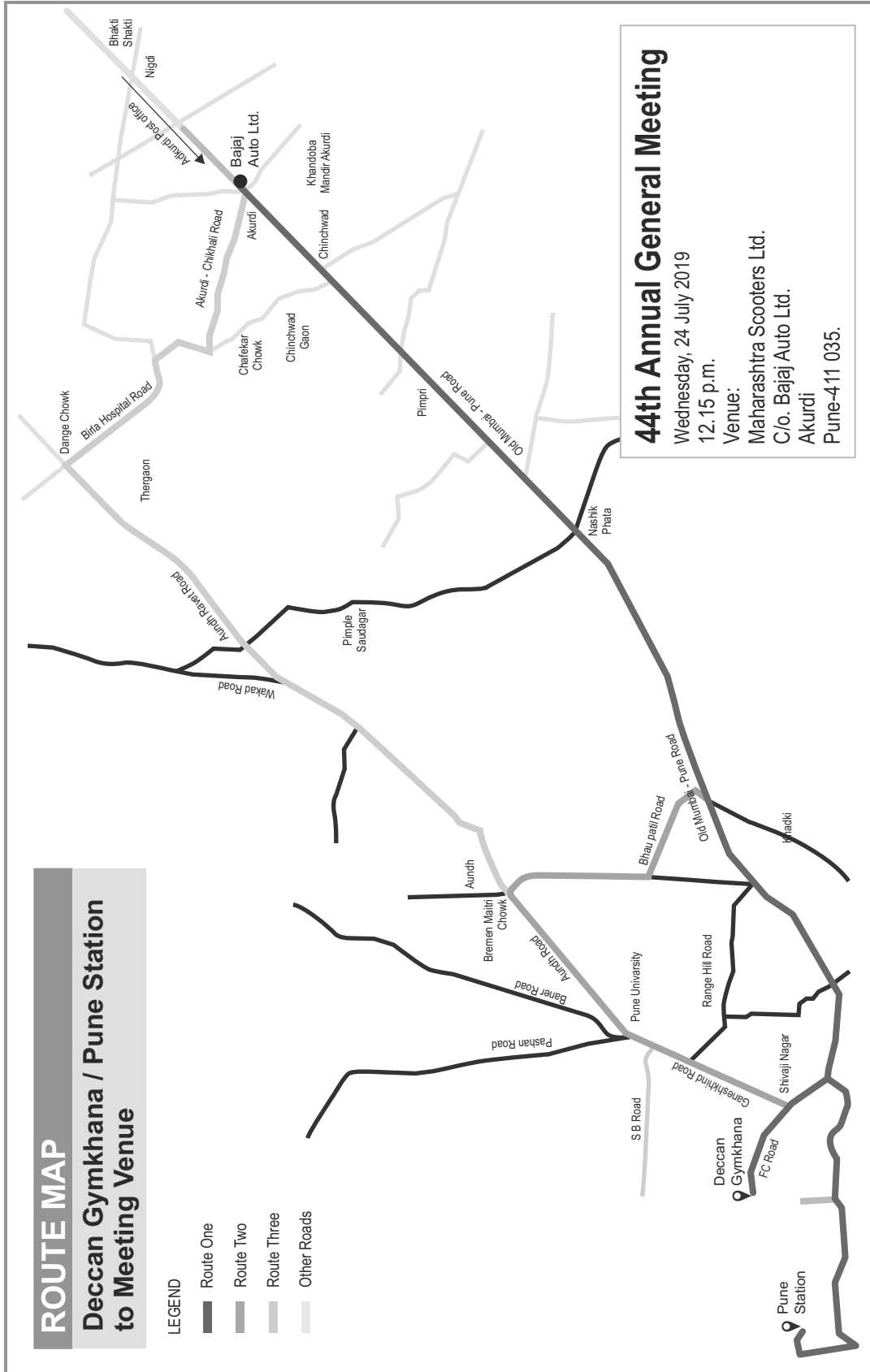




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