

MAHARASHTRA SCOOTERS LIMITED

TRANSCRIPT OF THE 45TH AGM HELD ON 20 JULY 2020 THROUGH VIDEO CONFERRING / OTHER AUDIO VISUAL MEANS

Chairman Speech:

Good afternoon it's 12:15pm and I welcome you all to this 45th Annual General Meeting of Maharashtra Scooters. I'm chairman of the company and attending the meeting from our Registered Office at Akurdi in Pune. As we know, in view of the continuing restrictions on the movement of people in various places around the country due to the current pandemic, MCA vide circular dated 5th May 2020, read with circulars dated 08th April 2020 and 13th April 2020, has allowed companies to conduct the Annual General Meeting through video conferencing and similar facilities. Accordingly, the company is holding this meeting through video conferencing. While we have made all efforts to make sure that the proceedings today go off smoothly, our shareholders have been able to connect to their devices. We know at times that we may experience due to bandwidth issues, connection issues, some loss. But let's hope that we have a smooth meeting. We have today our directors including independent directors, and a few other key people who are present in this meeting either physically or through VC, or by OAVM. Let me now start by getting each of the directors to introduce themselves. Starting with Mr. Rajagopalan.

V. Rajagopalan:

I am V. Rajagopalan, non-executive director of the company attending this AGM from the Registered office, Pune.

Naresh Patni:

I am Naresh Patni, Independent director attending this AGM from my residence.

Yogesh Shah:

I am Yogesh Shah, Independent director attending this AGM from my residence. I'm also Chairman of Audit Committee, Nomination and Remuneration Committee and Stakeholders' Relationship Committee.

Lila Poonawalla:

I am Mrs. Lila Poonawalla, an independent director. I'm participating in this AGM from my office in Pune and participating right through the meeting.

Anish Amin:

I am Anish Amin, non-executive director, participating AGM Maharashtra Scooters from my Residence in Mumbai.

Chairman:

Thank you. We also have present at this AGM, Mr. Ranjith Gupta the Constituted attorney, Mr. Srinivas CEO, Anant Marathe, CFO is on my right. Sriram Subramanian, our Company Secretary, our new company secretary. Our earlier company Secretary Shri Kulkarni retired on 30th June after being there with the company from its founding actually. So Sriram, Welcome. He's on my right as well. Suhas Deshpande and Parag Pansare are Auditors, Statutory Auditors from Kirtane and Pandit and Shri Shyamprasad Limaye, Secretarial Auditor, he is also the scrutinizer.

The directors report, standalone financial statements and the auditor's report there on, the secretarial audit report, the register of directors and KMPs and their shareholdings under Section 170 of the Companies Act 2013 and register of contracts under Section 189 of the Companies Act 2013 are available for inspection through electronic mode as prescribed under these MCA circulars. As we know the proxy system has been done away with for this meeting by MCA. However, resolutions under Section 113 of the Companies Act 2013 are allowed for giving authorization to attend and to vote at this meeting. Resolution under Section 113, authorization to attend and vote in respect of 58,28,560 shares have been received, representing 51% in the aggregate of the company's paid up share capital. May now move that the notice of the meeting and the directors report with the consent of the members present be taken as read.

Under the Companies Act 2013 and secretarial standards, the auditor's report on the standalone financial statements and the secretarial auditor's report are to be read only when there are qualifications or some adverse observations or comments in the report. Since there are no such qualifications, observations or comments, the auditor's report and the secretarial auditor's report as in the previous year will not be read out. Let me now take you through a few points on the performance of the company. We know that these are trying times for all of us, the Bajaj group and MSL is very much a part of that now has been committed to supporting our communities. In this period, we announced support as part of our Covid-19 response of up to 100 crore rupees on the 27th of March, as soon as the seriousness of this virus became evident, and I'm happy to say that we have so far spent including our commitments, almost 70 crore out of this in a number of areas, including the upgradation of health care in states like Maharashtra, Rajasthan, Uttarakhand. A significant amount of effort into rural health care upgradation helping with alternate livelihoods especially for our rural folk. Over 40 lakh meals and dry rations have been distributed to 10 district and rural hospitals are being upgraded. Pune's largest COVID care center with 2800 beds supported by us has just been opened. And over four and a half crore worth of PPEs have been distributed. We have COVID awareness and support campaigns running in over 500 villages, and a massive distribution of homeopathy medicine as immunity booster was carried out. Our fight continues against this virus and I know we will succeed together. It is also important for each one of us to do our own bit, which means wearing masks, practicing safe hygiene and social distancing. The authorities are doing on their part adequate testing, tracing and upgrading the care facilities. But it is equally important that business must stay open and the micro containment strategies must replace lock downs. This is a long fight and personal safety and

economic growth must continue hand in hand. Moving to the company, MSL became a subsidiary of Bajaj Holdings & Investment last year, when Bajaj Holdings bought the 27% shares from WMDC at a total consideration of around 222 crore. And with that Bajaj Holdings now, as most of you know owns 51% of Maharashtra Scooters, we are an investment company with a small manufacturing activity. In the first quarter, we were shut by large all of April until 8th of May due to the pandemic. As a result of that, our net sales of toolings during the quarter was at 1.41 lakh which was flat it was 1.41 crore and it was flat. It was 1.4 crore in the first quarter of the previous year. Other income including income from Treasury operations, again in the first quarter was 3.9 crore versus 4.07 in the previous period, result of that our net sales and other income during the quarter was 5.31 crore as against 5.47 crore in the corresponding period of the previous year. So, about by and large about the same, and the company made a profit after tax of 1.45 crore versus 1.69 in the corresponding period of the previous year.

With that I'd like to move to the e-voting and the AGM resolutions. The company in accordance with the Companies Act 2013 and SEBI Listing regulations, 2015 has provided facility to shareholders as on 13 July 2020, which was the cutoff date to exercise their votes on the items of business given them the notice through the remote electronic voting system. The e-voting platform provided by KFin is been used by the company. Remote voting remained open from 17 July 2020 (9am) to 19 July 2020 at (5pm). Facilities also provided to vote through electronic means, at this meeting. Those shareholders who have not voted so far through remote voting, such shareholders may do the voting during the meeting as per the procedure already set out in detail in the notice to the AGM. Shri Shyamprasad Limaye, a practicing company secretary has been appointed by the board of directors of the company as a scrutinizer for scrutinizing the E-voting process. Each of the items in the notice of the AGM will be taken up for discussion. After the end of the discussion, E voting will be kept open for another 10 minutes, during which e voting can be done by those who have not done so far. All effort has been made by the company to enable that our members participate and vote on items we considered at the meeting. Members who need technical assistance during the 45th AGM can contact KFin at meetings at emeetings@kfintech.com or helpline 1-800-345-4001. I'll repeat that 1-800-345-4001. The AGM notice circulated to members by email contains the resolutions to be taken up at the meeting today. I will make a mention of these resolutions just for ready reference. It's all ordinary business.

The first item of the AGM notice to consider and adopt the standalone financial statements of the company for the financial year ended 31 March 2020 together with the directors and auditor's report there on.

Item Number Two of the AGM notice to confirm the interim dividend of rupees 50 per equity share of face value of rupees 10 each as final dividend for the financial year ended 31 March 2020. As we know previous year was 33 rupees per equity share, the dividend.

Item number three of the AGM notice reappointment of Sanjiv Bajaj who retires by rotation and

being eligible offers himself for appointment as a director, not liable to retire by rotation.

Special business item number four of AGM notice, appointment of V Rajagopalan as a non-executive director of the company liable to retire by rotation.

And the last, item five of the notice is appointment of Anish Praful Amin, as a non-executive director of the company, again liable to retire by rotation. With that, I would now like to invite queries and comments by shareholders, on all items, it is only the shareholders who have already registered themselves as speakers who will be allowed to speak. And in the interest of time, a time limit of two minutes for each speaker needs to be maintained. Then, we have some queries that came on the two specified dates that we had set out 17th and 18th of July, those will be taken up subject to availability of time by the management of the company. So with that, let's open up to queries comments by shareholders.

Question and Answers:

Speaker 1: Tushar D. Sodha:

Respected Chairman sir, I am Tushar from Mumbai(inaudible) annual report of our company through Email and thank all secretarial department for kindly service of the documents. Since so many years, our company the Maharashtra Scooters is purely a holding company similar to our promoter company Bajaj Holdings we also continue being classified as a core investment company. Sir, dividend and other income from investments for the year 2020 was about rupees 196 crores, however dividend paid to shareholders was only 57 crores that is rupees 50 for share is that only miserly payout only 30% of a dividends. It is our polite request to you chairman sir and the entire board of directors to kindly ensure the amount of dividend paid to shareholders of Maharashtra scooters is more than 80% of total dividends earned by the company. Chairman sir as you are well aware of the total market value of Bajaj group company is approximately rupees 10,000 crores as of today. ...(inaudible) is eleven forty three crores indicating where ever are intrinsic value of each shareholder is more than rupees 11,000 per share. I request you to kindly inform what is the thought process of return of this amount to shareholders, the other ...(inaudible) chief financial officer of Bajaj Holdings lets be appointed CFO Maharashtra Scooters as well for 21st July 2019. Are there any proposals or propositions for merger of Maharashtra Scooters with promoter company Bajaj Holdings. Chairman sir, I request you to kindly consider merger for optimising for unlocking well due ...(inaudible) shareholders of both the companies. I am confident that you will positively think over the suggestions and initiate immediate ...(inaudible) in this regard and I request all the shareholders ...(inaudible) support to company yesterday I already recorded my assent for the resolutions through E voting. Thank you very much chairman sir for giving this opportunity.

Chairman:

We basically had 1 speaker and 3 questions and Tushar, all your questions are very relevant and they are practical. Let me tell you what are response there is your first was on the dividend and you asked why the dividend percentage is down compared to earlier years. As you know we always followed a practice where are dividend payout has been by and large steady between 60 and 75 percent of payout ratio on the profits for the year. Now in the last year a mission received its normal dividend but it also received interim dividend and as we know that the interim dividend came from companies like Bajaj Auto, Bajaj Holdings that may not declare dividend this year till there all board meetings are took place in may we know what there stand is now rather than declare very high dividend in one year and very low dividend in the next year was as you know this is going to be anywhere an uncertain year in addition to that our largest income come from dividend which we may not get this year in the same way as last year so the board is decided to try and even these out I can't comment and commit naturally the dividend will be for this year which our shareholders will get next year but hopefully the board will take there into account and try and stick to our dividend policy so that's why if you see the actual dividend that has been declared and if you take out from last year's profit are interim dividend amount we have distributed almost the entire profit for the year so you ensure that we are realise the dividend is an important part of any shareholders earnings of true for many retail shareholders so the board will keep that in mind. Your next question was to respect to the total value of the investments and what was the thought process of returning that to the shareholders, you of course compared MSL with Bajaj Holdings which is another investment company in the group. MSL as we know now while it has a small manufacturing activity, it has a tool room which we are trying to build we got nearly decent number of 16-17 crore last year but this year again it's going to be uncertain year hopefully going forward it gets better again but we are essentially an investment company and the plan is to continue this as an investment company from the shareholders perspective what is important and relevant is for us to see that as a shareholder how has a shareholder benefited from the investment in MSL compared to the fact that you could invest in any other company nifty fifty so few were to see over 10 years the investment in MSL for long term shareholders has grown and has received a compounded return of 22.9% over 10 year period so this is a CAGR return vs 7% per the nifty fifty even if you look at 5 years the return is 19.3% compounded over 5 years vs 4% for nifty fifty so to my shareholders our intent to our board is to see that the shareholders receive a good return on the shares over the medium to long term short term naturally yet difficult to talk about and that is what the management is done so far to your question on what are the plans going forward, any plan to merge MSL into BHIL there is no such proposal that is there with the board right now. The board will evaluate all measures that make sense for this company and its shareholders in the medium to long term and if there is something that comes up then naturally at the right time we will take it up and inform our shareholders and take it to you as well so those are the three questions and by and large even many other shareholders and even our institutional shareholders would have and I think they were all relevant questions. The company secretary tell that our other shareholder Shri

Maneesh Beria who is not there right now but he had sent us a question earlier basically saying that what is the reason for conserving cash at MSL even if there is no operation need for cash are we going to continue to accumulate cash at MSL. It's very similar to what Tushar asked as well. The answer is that we see this company as an investment company. Our desire is to perform well with the investment portfolio and provide that as a reward for us and our company and the shareholders.

Closing Comments:

Chairman:

With that, let me move on. And let me request members who are present and who have not voted earlier to cast their votes using the facility provided by KFin. The voting process will be kept open for another 10 minutes. I will request Sriram, our company secretary and Shri Limaye, scrutinizer to coordinate for an orderly conduct of the voting process. The results of the meeting, along with the consolidated scrutinizers report would be declared and posted on the company's website and KFin's website not later than 22nd of July 2020 and shall also be forwarded to the stock exchanges. The recording and transcript will also be made available on the company's website in due course. Let me now hand over the proceedings to the company secretary and scrutinizer to complete the voting formalities and subject to the E voting at the meeting. I now declare the business of the meeting as concluded and thank our shareholders who have joined us for doing so. Thank you. Thank you and thank you to all our directors who joined us also virtually, I declare the meeting close.