

**39th**  
**ANNUAL**  
**REPORT**  
**2013-2014**



**MAHARASHTRA SCOOTERS LTD.**



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39th Annual General Meeting:

Tuesday, 15 July, 2014 at 12.00 noon at the Registered Office

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

**Board of Directors****Madhur Bajaj***Chairman***Ashok S. Sawant** (from 20-01-2014)**S. B. Patil****Sanjiv Bajaj****Yogesh J. Shah****R. K. Nikharge****Naresh Patni****Sadashiv S. Survase****M. V. Bhagat** (upto 17-07-2013)**Ramesh D. Devkar** (from 17-07-2013)**Smt. Kanchan Vijayan** (upto 24-09-2013)**Kishor B. Kadam** (from 14-10-2013 to 27-12-2013)**Audit Committee****Yogesh J. Shah***Chairman***R. K. Nikharge****Naresh Patni****Stakeholders' Relationship Committee****Yogesh J. Shah***Chairman***Sanjiv Bajaj****R. K. Nikharge****Chief Executive Officer****Ranjit Gupta****Chief Financial Officer****R. B. Laddha****Dy.General Manager (Satara)****R. D. Haware****Company Secretary****N. S. Kulkarni****Auditors****P. C. Parmar & Co., Pune****Cost Auditor****A. P. Raman, Pune****Registered Office****C/o. Bajaj Auto Limited**

Mumbai-Pune Road

Akurdi, Pune-411 035.

**Works**

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

Satara-415 004, Maharashtra.

**Corporate Identification No. (CIN)****L35912MH1975PLC018386****Website****[www.mahascooters.com](http://www.mahascooters.com)****E-mail****investors\_msl@bajajauto.co.in**



CIN: L35912MH1975PLC018376

**Registered office:**

C/o. Bajaj Auto Limited,  
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 Thirty Ninth Annual General Meeting of the shareholders of **MAHARASHTRA SCOOTERS LIMITED** will be held on **Tuesday, 15 July, 2014 at 12.00 noon** at the Registered Office of the Company at C/o. Bajaj Auto Limited, Mumbai-Pune Road, Akurdi, Pune- 411 035 to transact the following business:-

### ORDINARY BUSINESS:

1. To consider and adopt the audited Balance Sheet as at 31 March, 2014 and the Statement of Profit and Loss for the year ended on that date and the Directors' and Auditors' Reports thereon.
2. To declare a dividend on Equity Shares.
3. To appoint a Director in place of Shri Sanjiv Bajaj (DIN No. 00014615) who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri Yogesh J. Shah (DIN No. 00137526) who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Auditors of the company and to fix their remuneration and in this regard, to consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:-

"**RESOLVED** that pursuant to provisions of Section 139 and other applicable provisions of the Companies Act, 2013, read with Companies (Audit and Auditors) Rules, 2014, M/s. P.C. Parmar & Company, Chartered Accountants, Pune (ICIA Firm Registration No.107604W), the retiring Auditors of the company, be and are hereby re-appointed as Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of 42nd Annual General Meeting of the company, subject to ratification of the appointment by the members at every Annual General Meeting held after this meeting, on a remuneration of Rs.6,00,000/- (Rupees Six lacs only) plus taxes as applicable and out-of-pocket, travelling and living expenses."

### SPECIAL BUSINESS:

6. **Appointment of Shri Ramesh D. Devkar as a Director:**

To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:-

"**RESOLVED** that Shri Ramesh D. Devkar (DIN No. 02717570) who was appointed by the Board of Directors of the Company as a Director with effect from 17 July, 2013, in the causal vacancy caused by the withdrawal of nomination of Shri M.V. Bhagat by Western Maharashtra Development Corporation Limited and who vacates office at this annual general meeting under section 161 of the Companies Act, 2013 and in respect of whom the company has, pursuant to section 160 of the Companies Act, 2013, received a notice in writing in the prescribed manner from a member signifying its intention to propose his candidature for the office of Director, be and is hereby appointed as Director of the Company, liable to retire by rotation."

7. **Appointment of Shri Ashok S. Sawant as a Director:**

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

"**RESOLVED** that Shri Ashok S. Sawant, (DIN No. 06790234) who was appointed by the Board of Directors of the Company as a Director with effect from 20 January, 2014, in the causal vacancy caused by the withdrawal of nomination of Shri Kishor B. Kadam by Western Maharashtra Development Corporation Limited and who vacates office at this annual general meeting under section 161 of the Companies Act, 2013 and in respect of whom the company has, pursuant to section 160 of the Companies Act, 2013, received a notice in writing in the prescribed manner from a member signifying its intention to propose his candidature for the office of Director, be and is hereby appointed as Director of the Company, not liable to retire by rotation."

By Order of the Board  
For MAHARASHTRA SCOOTERS LTD.

**N.S. Kulkarni**  
Company Secretary

Pune, 13 May, 2014

**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 Nos.6 & 7 is annexed.
2. **PROFILE OF RETIRING DIRECTORS:** As required by Clause 49 of the Listing Agreement, brief details of the Directors seeking appointment / re-appointment are annexed hereto.
3. **PROXY:** *A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL 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. **APPOINTMENT OF AUDITORS:** Pursuant to the provisions of Section 139 of the Companies Act, 2013, read with Companies (Audit and Auditors) Rules, 2014, the retiring auditors of the company, M/s. P.C. Parmar & Co., Chartered Accountants, are eligible to hold office for a period of three years. The appointment of M/s. P.C. Parmar & Co., Chartered Accountants as auditors for a period of three years from the conclusion of this Annual General Meeting until the conclusion of 42nd Annual General Meeting, subject to ratification of the appointment by the members at every Annual General Meeting held after this meeting, and to fix their remuneration, has been put up for the approval of members.
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, 5 July, 2014 to Tuesday 15 July, 2014, both days inclusive, for the purpose of Annual General Meeting and payment of dividend.
6. **DIVIDEND:** Subject to the provisions of Section 126 of the Companies Act, 2013, if Dividend on shares as recommended by the Directors is approved at the meeting, payment of such dividend will be made from 21 July, 2014 to 22 July, 2014 to those shareholders, whose names appear (a) As Beneficial Owners as at the end of the business of 4 July, 2014 as per the list to be furnished by National Securities Depository Ltd., and Central Depository Services (I) Ltd., in respect of the shares held in electronic form and (b) As Members in the Register of Members of the Company, after giving effect to all valid share transfers lodged with Karvy Computershare Pvt. Ltd., 17-24, Vittalrao Nagar, Madhapur, Hyderabad-500 081, Share Transfer Agents (STA) of the Company on or before 4 July, 2014.
7. **PRINTING OF BANK DETAILS ON DIVIDEND WARRANTS:** Securities and Exchange Board of India (SEBI) vide its Circular No.CIR/MRD/DP/10/2013 dated 21 March, 2013 has directed all the listed Companies to use any approved electronic mode for payment of dividend to the shareholders i.e., NECS, NEFT etc. Shareholders who have still not registered their full bank account details are requested to do so latest by 4 July, 2014. In the absence of such details, SEBI has mandated the company to print bank account details on the dividend payment instrument. The Performa for intimating the bank details is available for download on the website of the company viz. [www.mahascooters.com](http://www.mahascooters.com).
8. **NOTIFICATION BY SHAREHOLDERS:** Shareholders holding shares in physical form are requested to notify change of address, if any, to the Share Transfer Agents (STA) of the Company, Karvy Computershare Pvt. Ltd., 17-24, Vittalrao Nagar, Madhapur, Hyderabad - 500 081 immediately.  
 Beneficial owners holding shares in electronic form are requested to notify any change in address, bank particulars, NECS particulars etc., to their respective depository participants. Bank details as furnished by the respective depository participants to the Company would be used for the purpose of distribution of dividend either through payment instrument or NECS. The company would not entertain any request from such members for change / deletion of such Bank details.  
 Where dividend payments are made through NECS, intimations regarding such remittances would be sent separately to the concerned shareholders.
9. **UNPAID DIVIDEND:** In terms of the provisions of Section 125 of the Companies Act, 2013, the amount of dividend remaining unclaimed for a period of seven years is required to be transferred to the Investor Education and Protection Fund and in due compliance thereof, the Company had transferred the unclaimed dividend amounts for the financial years upto 2005-06 to the Investor Education & Protection Fund set up by the Central Govt. and now no claim in respect thereof lies either against the Fund or the Company.  
 As mandated by the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the particulars of the Shareholders whose dividend amounts have remained unpaid for the financial years 2006-07 onwards, are made available on the website of the Company i.e. [www.mahascooters.com](http://www.mahascooters.com). The said details are also available on the portal of Investor Education and



Protection Fund at [www.iepf.gov.in](http://www.iepf.gov.in). The Shareholders who have not encashed the dividend warrants for the period aforesaid are requested to immediately write to the Company / RTA to claim the unpaid amounts.

10. **INSPECTION OF RECORDS:** Register of Contracts or arrangement in which Directors are interested as stipulated under Section 184 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 there-under, Shareholders who have opted to receive the Notice convening the general meetings, Financial Statements, Directors' Report, Auditors' Report etc. in electronic form, by registering their e-mail addresses with the Company or whose e-mail addresses are made available to the Company by the Depositories, are 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. **SHAREHOLDERS HOLDING SHARES IN PHYSICAL MODE:** Shareholders holding shares in physical mode are requested to -
  - a) Opt for Dematerialization of their shareholding through any of the SEBI registered Depository Participant.
  - b) Avail nomination facility in respect of their shareholding in the Company by submitting Nomination Form SH-13 prescribed pursuant to the provisions of Section 72 of the Companies Act, 2013, available for download on the website of the company.
  - c) Contribute to the cause of Green Initiative by registering their e-mail addresses, thereby facilitating the Company to send them by way of an e-mail, copies of Notice/s, Annual Report etc. **Performa of E-Communication Registration Form is available for download on the website of the Company.**
  - d) Submit a notarized copy of their PAN Card, with a view to comply with KYC norms.
13. **REGISTRATION OF E-MAIL ADDRESS:** Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communications including Annual Report, Notices, Circulars etc. from the company electronically. Members holding shares in demat mode are requested to register their e-mail address through their respective Depository Participant. Members holding shares in physical mode are requested to register their e-mail address with M/s. Karvy Computershare P.Ltd., Hyderabad, the Share Transfer Agents of the company.
14. **CORPORATE MEMBERS:** Corporate Members are requested to send in advance, duly certified copy of the Board Resolution / Power of Attorney authorizing their representative to attend the Annual General Meeting.
15. **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 clause 35B of the listing agreement, 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 **30 May 2014** being the "**cut-off date**" fixed for determining voting rights of members reckoned on the equity shares held by them as on that day, entitled to participate in the e-voting process. The company has entered into an arrangement with M/s. Karvy Computershare P.Ltd., the Share Transfer Agents of the company (Karvy) for facilitating e-voting, through their e-voting platform <https://evoting.karvy.com>

## 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 LIMITED**

- 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 have confirmed you have voted on the resolution.
- x. Corporate / Institutional shareholders (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 authorized signatory (ies) who are authorized 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: **9 July 2014 (9.00 a.m.) till 11 July 2014 (6.00 p.m.)**.
- xiii. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for shareholders and e-voting User Manual for shareholders available at the download section of <https://evoting.karvy.com> or contact Karvy Computershare Pvt Ltd on 1800 345 4001 (toll free).
- xiv. Members may alternatively cast their votes using the Ballot Form which is enclosed to this Notice, which is also available on the website of the Company [www.mahascooters.com](http://www.mahascooters.com). Please refer instructions under the heading "C" below for more details.

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

Members holding shares either in Demat or physical mode who are in receipt of Notice of Annual General Meeting in physical form may cast their vote using the Ballot Form. Please refer instructions "C" below for more details.

Members may alternatively opt for e-voting for which the USER ID & PASSWORD is provided at the bottom of the Ballot Form. Please follow steps from Sl.No.(i) to (xiv) under heading "A" above to vote through e-voting platform.

**C. MEMBERS WHO WISH TO VOTE USING BALLOT FORM:**

In terms of Clause 35B of the Listing Agreement members may fill in the Ballot Form and submit the same in a sealed envelope to the Scrutinizer, Shri Shyamprasad D.Limaye, Practising Company Secretary, Unit: MAHARASHTRA SCOOTERS LIMITED C/o. Karvy Computershare P.Ltd., Plot No.17-24, Near Image Hospital, Vittal Rao Nagar, Madhapur, Hyderabad – 500081, so as to reach by 6.00 p.m. of 11 July, 2014. Unsigned, incomplete or incorrectly ticked forms are liable to be rejected and the decision of the Scrutinizer on the validity of the forms will be final.

**In the event member casts his votes through both the processes i.e. E-voting and Physical Ballot Form, the votes in the electronic system would be considered and the physical ballot form would be ignored.**

**D. GENERAL INSTRUCTIONS:**

- (I) The E-voting period commences from 9.00 a.m. of 9 July, 2014 and ends on 6.00 p.m. on 11 July, 2014. During this period, the shareholders of the company, holding shares either in physical form or in demat form, as on the cut-off date of 30 May 2014 may cast their vote electronically. The e-voting module shall be disabled for voting by Karvy thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
- (II) The company has appointed Mr. Shyamprasad D.Limaye, Practicing Company Secretary (FCS No.1587/ PCS No.572) having address as 32, Navketan Society, Kothrud, Pune – 411038 as the Scrutinizer to scrutinize the e-voting process, including through ballot form received from the members, in a fair and transparent manner.
- (III) The Scrutinizer shall, within a period of not exceeding three (3) working days from the conclusion of the e-voting period, unlock the votes in the presence of at least two witnesses, not in the employment of the company and make a Scrutinizers Report of the votes cast in favour or against, if any, and submit forthwith to the Chairman of the company.
- (IV) In the event of a poll, please note that the members who have exercised their right to vote by electronic means or through ballot form as above shall not be eligible to vote by way of poll at the meeting. The poll process shall be conducted and scrutinized and report thereon will be prepared in accordance with the provisions of Section 109 of the Companies Act, 2013 read with the relevant Rules. In such an event, votes cast under the poll, taken together with the votes cast through e-voting and using ballot form shall be counted for the purpose of passing resolution.
- (V) Subject to the receipt of sufficient votes, the resolution shall be deemed to be passed at the 39th Annual General Meeting of the company scheduled to be held on Tuesday 15 July, 2014. At the said Annual General Meeting the Chairman shall declare the results of e-voting. The results declared along with the Scrutinizers 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>, within two days of the passing of the resolutions at the 39th Annual General Meeting of the company and shall also be communicated to the Stock Exchange/s.



## Annexure to Notice

### BRIEF RESUME OF DIRECTORS SEEKING APPOINTMENT AT THE ANNUAL GENERAL MEETING PURSUANT TO CLAUSE 49 OF THE LISTING AGREEMENT AND EXPLANATORY STATEMENT UNDER SECTION 102 OF THE COMPANIES ACT, 2013

#### Item No.3

##### Re-appointment of Shri Sanjiv Bajaj as Director

Brief resume of Shri Sanjiv Bajaj, who retires by rotation and is seeking re-appointment and his other details are given below for the information of Shareholders:-

Shri Sanjiv Bajaj has done B.E. Mechanical, first class with distinction from the University of Pune, M.Sc. (Manufacturing Systems Engineering), with distinction from the University of Warwick, U.K., and M.B.A. from Harvard Business School, U.S.A.

Since 2008, Shri Sanjiv Bajaj is the Managing Director of Bajaj Finserv Ltd., which operates in the insurance business through Bajaj Allianz Life Insurance Co. Ltd., and Bajaj Allianz General Insurance Co. Ltd., as well as in the consumer lending business through Bajaj Finance Ltd. His role includes guiding the current businesses and building new ones in the financial services space.

Shri Sanjiv Bajaj is also a Managing Director of Bajaj Holdings and Investment Ltd., wherein his role includes building the strategy and team and guiding this investment company, which has over Rs.25,000 crores in cash and investments.

Shri Bajaj was awarded Business Today Magazine's Best CFOs Awards 2005 as one of the top CFOs of India for 2005.

Shri Bajaj was selected as India Inc's one of the top hundred most powerful CEOs in India by Economic Times' Corporate Dossier magazine in its 2009 survey conducted by IMRB International.

Besides being on the Board of the Company for over 8 years and also a Member of its Shareholders'/Investors' Grievance Committee, he holds directorships, committee positions in the following companies:-

Directorships:

- |   |   |
|---|---|
| 1. Bajaj Allianz General Insurance Co.Ltd. – Chairman   | 9. Jeevan Ltd.                                |
| 2. Bajaj Allianz Life Insurance Co.Ltd. - Chairman      | 10. Hindustan Housing Co. Ltd.                |
| 3. Bachhraj Factories Pvt. Ltd.                         | 11. Bachhraj & Co. Pvt. Ltd.                  |
| 4. Bajaj Holdings & Investment Ltd. – Managing Director | 12. Bajaj Sevashram Pvt. Ltd.                 |
| 5. Bajaj Finance Ltd. – Non-executive Vice Chairman     | 13. Kamalnayan Investment & Trading Pvt. Ltd. |
| 6. Bajaj Auto Holdings Ltd.                             | 14. Sanraj Nayan Investment Pvt. Ltd.         |
| 7. Bajaj Finserv Ltd. – Managing Director               | 15. Rupa Equities Pvt. Ltd.                   |
| 8. Bajaj Auto Ltd.                                      |   |

Committee Positions:

Audit Committee

1. Bajaj Allianz General Insurance Co.Ltd.
2. Bajaj Allianz Life Insurance Co.Ltd.
3. Bajaj Finance Ltd.

Shareholders'/Investors' Grievance Committee

1. Bajaj Finserv Ltd.
2. Bajaj Finance Ltd.

Shri Sanjiv Bajaj does not hold any shares in the Company.

Apart from Shri Sanjiv Bajaj, none of the persons specified in Section 102 of the Companies Act, 2013, are concerned or interested in the above resolution.

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

The Board commends the resolution for the approval of Shareholders.

#### Item No. 4

##### Re-appointment of Shri Yogesh J. Shah as Director

Brief profile of Shri Yogesh J. Shah, who retires by rotation and is seeking re-appointment, is given below:-

Shri Yogesh J. Shah, aged about 62 years, is a Chartered Accountant and one of the pioneers Pune based professional Share Broker since 1977 and is acknowledged for the trust of his clients and his fair dealings. He actively participated in the formation of Pune Stock Exchange Ltd. and was its Vice-President for 1982-83 and acted as its Director for several years. He also acted as Manager / Associate Manager to the Fixed Deposit Schemes of various reputed Public Limited companies. Shri Yogesh J. Shah is one of the largest Pune based Distributor of Mutual Fund Products and one of the top Mutual Fund Distributor in India.



Besides on the Board of the Company as also the Chairman of its Audit Committee and Shareholder'/ Investors' Grievance Committee, Shri Yogesh J. Shah is a Director of following closely held companies:-

Directorships:

- |   |                                    |
|---|------------------------------------|
| 1. Yogesh Financial Consultants Pvt. Ltd. | 3. Ashwamegh Enterprises Pvt. Ltd. |
| 2. Yogesh Distribution Pvt. Ltd.          | 4. Adonis Laboratories Pvt. Ltd.   |

Shri Yogesh J. Shah together with his family members holds 2,914 shares in the Company.

Apart from Shri Yogesh J. Shah, none of the persons specified in Section 102 of the Companies Act, 2013, are concerned or interested in the above resolution.

Shri Yogesh J. Shah is not disqualified from being appointed as a Director in terms of section 164 of the Companies Act, 2013.

The Board commends the resolution for the approval of Shareholders.

#### Item No.6

##### Appointment of Shri Ramesh D. Devkar

Shri Ramesh D. Devkar, who was appointed as Director in the causal vacancy caused by the withdrawal of nomination of Shri M.V. Bhagat by Western Maharashtra Development Corporation Limited, holds office until the ensuing Annual General Meeting and is to be appointed by the Shareholders. In terms of the provisions of Section 160 of the Companies Act, 2013, the Company has received a Notice in writing from a member signifying its intention to propose the name of Shri Ramesh D. Devkar as a Director, along with a deposit of Rs.1 lakh.

Brief resume of Shri Ramesh D. Devkar and his other details are given below for the information of Shareholders:-

Shri Ramesh D. Devkar, aged about 57 years, is an IAS officer and is currently occupying the position of Chief Executive Officer of Maharashtra State Khadi & Village Industries Board.

Besides on the Board of the Company, he holds directorship in Western Maharashtra Development Corporation Limited and Maharashtra Small Scale Industries Development Corporation Ltd.

Shri Ramesh D. Devkar does not hold any shares in the Company.

Apart from Shri Ramesh D. Devkar, none of the persons specified in Section 102 of the Companies Act, 2013, are concerned or interested in the above resolution.

Shri Ramesh D. Devkar is not disqualified from being appointed as a Director in terms of section 164 of the Companies Act, 2013.

The Board commends the resolution for the approval of Shareholders.

#### Item No.7

##### Appointment of Ashok S. Sawant

Shri Ashok S. Sawant, who was appointed as Director in the causal vacancy caused by the withdrawal of nomination of Shri Kishor B. Kadam by Western Maharashtra Development Corporation Limited, holds office until the ensuing Annual General Meeting and is to be appointed by the Shareholders. In terms of the provisions of Section 160 of the Companies Act, 2013, the Company has received a Notice in writing from a member signifying its intention to propose the name of Shri Ashok S. Sawant as a Director, along with a deposit of Rs.1 lakh.

Brief resume of Shri Ashok S. Sawant and his other details are given below for the information of Shareholders:-

Shri Ashok S. Sawant, aged about 48 years, is a social worker associated with various social and cultural organizations.

Besides on the Board of the Company, he is the Chairman of Western Maharashtra Development Corporation Limited.

Shri Ashok S. Sawant does not hold any shares in the Company.

Apart from Shri Ashok S. Sawant, none of the persons specified in Section 102 of the Companies Act, 2013, are concerned or interested in the above resolution.

Shri Ashok S. Sawant is not disqualified from being appointed as a Director in terms of section 164 of the Companies Act, 2013.

The Board commends the resolution for the approval of Shareholders.

By Order of the Board  
For MAHARASHTRA SCOOTERS LTD.



**N.S. Kulkarni**  
Company Secretary

Pune, 13 May, 2014

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

The Directors present their Thirty Ninth Annual Report and Audited Statement of Accounts for the year ended 31 March, 2014. Since this report pertains to financial year that commenced prior to 1 April, 2014 the contents therein are governed by the relevant provisions / schedules / rules of the Companies Act, 1956, in compliant with General Circular No.08/2014 dated 4 April, 2014 issued by the Ministry of Corporate Affairs.

**OPERATIONS:**

The Company ceased manufacture of geared scooters effective April, 2006 and since then, its manufacturing activities, including for the year under review, were limited to the manufacture of die casting dies, jigs and fixtures, primarily meant for the automobile industry.

There was no significant development during the year under review affecting the operational / financial performance of the Company. However, on account of reduced demand, the turnover of manufacture of die casting dies, jigs and fixtures stood at ₹ 409.74 lacs, as compared to ₹ 655.18 lacs achieved during the previous year.

The gross revenue of the Company during the year under review was ₹ 5753.12 lacs, against ₹ 5992.32 lacs during the previous financial year.

**FINANCIAL RESULTS:**

	(₹ in lacs)	
	<b>2013-14</b>	2012-13
Net sales and other income	<b>5753.12</b>	5992.32
Gross profit before exceptional items, interest and depreciation	<b>4849.52</b>	4983.87
Interest	<b>0.05</b>	0.01
Depreciation	<b>89.71</b>	99.73
Gross profit before exceptional items	<b>4759.76</b>	4884.13
Exceptional item	-	-
Profit before tax	<b>4759.76</b>	4884.13
Tax expense	<b>105.00</b>	149.00
Less: MAT credit entitlement	<b>105.00</b>	149.00
Profit after tax	<b>4759.76</b>	4884.13
Proposed dividend (inclusive of dividend distribution tax)	<b>3342.72</b>	2674.18
Balance carried to General Reserve	<b>1417.04</b>	2209.95
Earnings per share (₹)	<b>41.65</b>	42.74

**DIVIDEND:**

The Directors are pleased to recommend for consideration of the Shareholders at the ensuing Annual General Meeting, payment of dividend of ₹ 25 per share (250%) on 1,14,28,568 Equity Shares of ₹ 10 each for the financial year ended 31 March, 2014. The amount of dividend inclusive of tax thereon amounts to ₹ 3342.72 lacs. Dividend paid for the year ended 31 March, 2013 was ₹ 20 per share (200%) amounting to ₹ 2674.18 lacs inclusive of tax thereon.

**RESEARCH, DEVELOPMENT AND TECHNOLOGY ABSORPTION:**

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

**CONSERVATION OF ENERGY:**

During the year under review, the Company maintained power factor to unity throughout the year resulting in getting maximum rebate in electricity bills. Also, biogas plant, wormy composting, solar water heaters and effluent treatment plant operated effectively.

**SAFETY, HEALTH AND ENVIRONMENT:**

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

Environment Audit was carried out as stipulated.

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

All the employees underwent medical check up as stipulated by Maharashtra Factories Rules, 1963.

**FOREIGN EXCHANGE EARNINGS AND OUTGO:**

During the year under review, foreign exchange earnings were NIL and outgo was ₹ 84.52 lacs.

**CASH FLOW STATEMENT:**

A Cash Flow Statement for the year 2013-14 is included in the annexed Statement of Accounts.

**INDUSTRIAL RELATIONS:**

During the year under review, the industrial relations remained cordial. The current manpower strength of the Company stood at 117 Nos., represented by 69 permanent workmen and 48 permanent staff.

**DIRECTORS:**

- a) During the year under review, Western Maharashtra Development Corporation Limited (WMDC) nominated Shri Ashok S. Sawant and Shri Ramesh D. Devkar as their nominee Directors in place of Shri Kishor B. Kadam and Shri M.V. Bhagat respectively.
- b) Shri Sanjiv Bajaj and Shri Yogesh J. Shah retire by rotation and being eligible, offer their candidature for re-appointment.
- c) Shri Ashok S. Sawant and Shri Ramesh D. Devkar, who were appointed in the causal vacancies, hold office until the ensuing Annual General Meeting and being eligible, are to be appointed by the Shareholders.

**DIRECTORS' RESPONSIBILITY STATEMENT:**

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

- a) that in the preparation of annual accounts the applicable accounting standards have been followed.
- b) that the Directors have selected such accounting policies and have applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period.
- c) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d) that the Directors have prepared the annual accounts on a going concern basis.

**PARTICULARS OF EMPLOYEES:**

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

**CORPORATE GOVERNANCE:**

Pursuant to clause 49 of the Listing Agreement with Stock Exchanges, a report on Corporate Governance together with the Auditors' Certificate regarding compliance of the conditions of Corporate Governance, Management Discussion and Analysis statement forms part of the Annual Report.

**AUDITORS' REPORT:**

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

**STATUTORY AUDITORS:**

The Statutory Auditors, M/s. P.C. Parmar & Co., Chartered Accountants, Pune (ICAI Firm Regn.No.107604W) who retire at the conclusion of the ensuing Annual General Meeting, are eligible for re-appointment. The Shareholders are requested to appoint the Auditors for the period from the conclusion of this Annual General Meeting until the conclusion of 42nd Annual General Meeting and fix their remuneration for the period from the conclusion of this Annual General Meeting until the conclusion of 40th Annual General Meeting.

**COST AUDITORS:**

Shri A.P. Raman was appointed as Cost Auditor to conduct audit of cost accounts maintained by the company for the financial year 2013-14. The full particulars of the Cost Auditor and Cost Audit conducted by him for the financial year 2012-13 are furnished below:-

ICWA Membership No.	837
Registration No. of Firm	100141
Address	Golok, Plot No.13, Sector No.28 Pradhikaran, Nigdi, Pune – 411 044
Details of Cost Audit Report for the financial year 2012-13:	
(a) Due date of Filing	30 September, 2013
(b) Actual Date of Filing	27 September, 2013

On behalf of the Board of Directors



Madhur Bajaj  
Chairman

Pune, 13 May, 2014

**CORPORATE GOVERNANCE**

Maharashtra Scooters Limited (MSL) believes in and has always worked towards building trust with shareholders, employees, customers, suppliers and other stakeholders on the four key elements of Corporate Governance – transparency, fairness, disclosure and accountability.

**BOARD OF DIRECTORS:**

Composition of the Board of Directors and the number of Directorships and committee positions held by the Directors during the year ended 31 March, 2014:

Name of director	In listed companies	In unlisted public limited companies	Committee positions	
			As Chairman	As Member
Madhur Bajaj	6	-	-	-
Ashok S. Sawant (from 20-01-2014)	1	1	-	-
S.B. Patil	1	1	-	-
Sanjiv Bajaj	6	4	1	5
Yogesh J. Shah	1	-	-	-
R.K. Nikharge	1	3	-	-
Naresh Patni	1	1	-	-
Sadashiv S. Survase	1	1	-	-
M.V. Bhagat (upto 17-07-2013)	1	1	-	-
Ramesh D. Devkar (from 17-07-2013)	1	1	-	-
Smt. Kanchan Vijayan (upto 24-09-2013)	1	2	-	-
Kishor B. Kadam (from 14-10-2013 to 27-12-2013)	1	2	-	-

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

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

Attendance of Directors at the Board Meetings during the year ended on 31 March, 2014 and at the last AGM:

Name of director	Category	Number of Board meetings		Attendance at the last AGM held on 17-07-2013
		Held	Attended	
Madhur Bajaj	Non-executive, Chairman	4	4	Yes
Ashok S. Sawant (from 20-01-2014)	Non-executive	1	1	Not applicable
S.B. Patil	Non-executive	4	1	No
Sanjiv Bajaj	Non-executive	4	4	Yes
Yogesh J. Shah	Non-executive, Independent	4	4	Yes
R.K. Nikharge	Non-executive, Independent	4	4	Yes
Naresh Patni	Non-executive, Independent	4	4	Yes
Sadashiv S. Survase	Non-executive, Independent	4	1	No
M.V. Bhagat (upto 17-07-2013)	Non-executive, Independent	2	1	No
Ramesh D. Devkar (from 17-07-2013)	Non-executive, Independent	3	2	Not applicable
Smt. Kanchan Vijayan (upto 24-09-2013)	Non-executive, Independent	2	2	Yes
Kishor B. Kadam (from 14-10-2013 to 27-12-2013)	Non-executive, Independent	1	1	Not applicable

The Board met four times during the year on 14 May, 2013, 17 July, 2013, 14 October, 2013 and 14 January, 2014.

**Information placed before the Board of Directors:**

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

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

**Code of Conduct:**

The Board has laid down a Code of Conduct for all Board Members and Senior Management of the Company. All Board Members and Senior Management Personnel have affirmed compliance with the Code as on 31 March, 2014. Declaration from Chief Executive to this effect forms part of this report.

**AUDIT COMMITTEE:**

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

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

The committee met four times during the year on 14 May, 2013, 17 July, 2013, 14 October, 2013 and 14 January, 2014.

All the Members of the Committee attended all the meetings held during the year. Shri Yogesh J. Shah, Chairman of the Audit Committee was present at the 38th Annual General Meeting of the Company held on 17 July, 2013 to answer shareholders queries.

**Terms of reference of Audit Committee:**

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

**Review of the information by the Audit Committee:**

The Audit Committee reviews:

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

**REMUNERATION COMMITTEE:**

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

**STAKEHOLDERS' RELATIONSHIP COMMITTEE:**

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

The Committee specifically looks into the redressal of all shareholder and investor grievances at its meetings. The committee met once during the year on 14 January, 2014, which was attended by all the Members. Shri Shyamprasad D. Limaye, Secretarial Auditor was also present at the meeting. The relevant details are as under:-

Name of Non-Executive Director heading the committee	: Shri Yogesh J. Shah
Name and designation of Compliance Officer	: Shri N.S. Kulkarni, Company Secretary
Number of shareholders' complaints received during the year	: 16
Number of shareholders' complaints not solved to the satisfaction of shareholders	: Nil
Number of share transfers pending for over 30 days as on 31-03-2014	: Nil

**UNCLAIMED SHARES SUSPENSE ACCOUNT:**

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

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

Outstanding at the beginning of the year		Claimed and settled during the year		Outstanding at the end of the year	
Shareholders	Shares	Shareholders	Shares	Shareholders	Shares
234	32,856	2	400	232	32,456

**SUBSIDIARY COMPANIES:**

The Company does not have any subsidiary.

**DISCLOSURES:**

- A. In the preparation of financial statements, generally accepted accounting principles and policies were followed. Mandatory accounting standards announced by the Institute of Chartered Accountants of India were followed in the preparation of Financial Statements.
- B. A Note on Risk Management was presented by the Management to the Board.
- C. The Company has not raised any proceeds from public issue, rights issue or preferential issue of shares during the year.
- D. There was neither any non-compliance by the Company on any matters relating to capital markets during the last three years nor did the Company attract any penalties or strictures by the Stock Exchanges, SEBI or any statutory authority.

**REMUNERATION OF DIRECTORS:**

Relationships of Directors, their business interests and remuneration paid:

Director	Relationship with other Directors	Remuneration paid/payable during 2013-14 (in ₹)			
		Sitting Fees	Salary & Perks	Commission	Total
Madhur Bajaj	None	20,000	Nil	Nil	20,000
Ashok S. Sawant <sup>1</sup>	None	5,000	Nil	Nil	5,000
S.B. Patil	None	5,000	Nil	Nil	5,000
Sanjiv Bajaj	None	25,000	Nil	Nil	25,000
Yogesh J. Shah	None	45,000	Nil	Nil	45,000
R.K. Nikharge	None	45,000	Nil	Nil	45,000
Naresh Patni	None	40,000	Nil	Nil	40,000
Sadashiv S. Survase	None	5,000	Nil	Nil	5,000
M.V. Bhagat <sup>2</sup>	None	5,000	Nil	Nil	5,000
Ramesh D. Devkar <sup>1</sup>	None	10,000	Nil	Nil	10,000
Smt. Kanchan Vijayan <sup>2</sup>	None	10,000	Nil	Nil	10,000
Kishor B. Kadam <sup>3</sup>	None	5,000	Nil	Nil	5,000

<sup>1</sup> appointed as a Director during the year 2013-14

<sup>2</sup> ceased to be a Director during the year 2013-14

<sup>3</sup> appointed and ceased to be a Director during the year 2013-14.

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

During the year 2013-14, the Company did not advance any loans to any of the Directors.

**MANAGEMENT:**

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

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

**SHAREHOLDERS:****Disclosure regarding appointment of Directors:**

Shri Sanjiv Bajaj and Shri Yogesh J. Shah retire by rotation and being eligible, offer their candidature for re-appointment by the Shareholders at the ensuing Annual General Meeting. Shri R.D. Devkar and Shri Ashok S. Sawant, who were appointed in the causal vacancies, hold office until the ensuing Annual General Meeting and being eligible, offer their candidature for appointment by the Shareholders.

Brief resume and other details required to be disclosed in respect of Directors to be appointed by the Shareholders at the ensuing Annual General Meeting are given in the Notice convening the 39th Annual General Meeting of the Company.

**GENERAL BODY MEETINGS:**

Location and time where last three AGMs were held:

AGM Number	Date & Time	Venue
36th	12-07-2011 at 12.00 noon	Registered Office at C/o. Bajaj Auto Ltd., Akurdi, Pune-411 035
37th	16-07-2012 at 12.00 noon	-do-
38th	17-07-2013 at 12.00 noon	-do-

i)	Any special resolutions passed at the last three annual general meetings	Yes
ii)	Any special resolution passed last year through postal ballot	No
iii)	Person who conducted the postal ballot exercise	Not applicable
iv)	Any Special Resolution proposed to be conducted through postal ballot	No
v)	Procedure adopted for postal ballot	Not Applicable

**MEANS OF COMMUNICATION:**

Quarterly Results	The quarterly results were published in prominent dailies. Intimations were sent to Stock Exchanges well within the time-limit stipulated under the Listing Agreement.
Which newspapers normally published in	1. The Financial Express – all editions 2. Kesari – Pune edition
Any website, where displayed	The results are displayed on the website of the Company, <a href="http://www.mahascooters.com">www.mahascooters.com</a> as also on the website of Stock Exchange/s.
Whether it also displays official news releases and the presentations made to institutional investors or to the analysts	No
Whether Management Discussion & Analysis is a part of annual report or not.	Yes

**GENERAL SHAREHOLDER INFORMATION:**

Annual General Meeting	
Date	15 July, 2014
Time	12.00 noon
Venue	Registered Office, C/o. Bajaj Auto Ltd. Mumbai-Pune Road Akurdi, Pune-411 035
Financial Year	1 April, 2013 to 31 March, 2014
Date of Book Closure for dividend, if any,	5 July 2014 to 15 July, 2014
Date of Dividend Payment	From 21 July 2014 to 22 July, 2014
Listing on Stock Exchanges	National Stock Exchange of India Ltd. Exchange Plaza, Bandra-Kurla Complex, Bandra (E), Mumbai-400 051.  Bombay Stock Exchange Ltd. 1st Floor, Phiroze Jeejeebhoy Towers Dalal Street, Mumbai-400 001.
Listing Fees paid	The listing fees payable to each of the above stock exchanges have been paid in full by the Company.
Stock Code/Symbol	500266 (BSE) MAHSCOOTER (NSE)



Demat ISIN for NSDL & CDSL	INE288A01013												
Market Price Data: High, Low during each month in the financial year 2013-14	As per Table 1												
Performance in comparison to broad-based indices such as S&P BSE Sensex and S&P CNX Nifty during 2013-14	<table> <tr> <td>MSL Share</td> <td>Up by</td> <td>24.23% on BSE</td> </tr> <tr> <td></td> <td>Up by</td> <td>22.53% on NSE</td> </tr> <tr> <td>S&amp;P BSE Sensex</td> <td>Up by</td> <td>18.85%</td> </tr> <tr> <td>S&amp;P CNX Nifty</td> <td>Up by</td> <td>17.98%</td> </tr> </table>	MSL Share	Up by	24.23% on BSE		Up by	22.53% on NSE	S&P BSE Sensex	Up by	18.85%	S&P CNX Nifty	Up by	17.98%
MSL Share	Up by	24.23% on BSE											
	Up by	22.53% on NSE											
S&P BSE Sensex	Up by	18.85%											
S&P CNX Nifty	Up by	17.98%											
Registrar and Transfer Agents	Karvy Computershare Pvt. Ltd., Plot No.17 to 24, Vittalrao Nagar, Near Image Hospital, Madhapur, Hyderabad-500 081.												
Share Transfer & Demat System	Karvy Computershare Pvt. Ltd., acts as the Share Transfer Agent (STA) for physical as well as for electronic segment.												
Distribution of shareholding & category-wise distribution	As per Table 2 & 3												
Dematerialisation of shares and liquidity	As per Table 4												
Outstanding GDRs/ADRs/Warrants or any Convertible instruments, conversion date and likely impact on equity.	Nil												
Plant Location	C-1, MIDC Area, Satara-415 004 Phone (02162) 244668, 246242 Fax (02162) 244428 E-mail rdhaware@bajajauto.co.in												
Address for share related correspondence	Karvy Computershare Pvt. Ltd., Plot No.17 to 24, Vittalrao Nagar, Madhapur Near Image Hospital, Hyderabad-500 081. Phone (040) 44655000/44655152 Fax (040) 44655024 E-mail mohsin.mohd@karvy.com												
Address for correspondence	Maharashtra Scooters Ltd. C/o. Bajaj Auto Ltd., Mumbai-Pune Road, Akurdi, Pune-411 035. Phone (020) 66106564 Company Secretary & Compliance Officer Shri N.S. Kulkarni E-mail kulkarnins@bajajauto.co.in investors_msl@bajajauto.co.in Website <a href="http://www.mahascooters.com">www.mahascooters.com</a>												

**CEO/CFO CERTIFICATION:**

The Chief Executive Officer and Chief Financial Officer of the Company, who have been designated by the Board as CEO and CFO respectively for the purpose of compliance with the provisions of Clause 49 dealing with Corporate Governance, have given the certificate in the stipulated form to the Board.

**REPORT ON CORPORATE GOVERNANCE:**

This report read with the information given in the Management Discussion and Analysis constitutes the Compliance Report on Corporate Governance during the year 2013-14. A quarterly compliance report has been submitted to the Stock Exchange/s as stipulated under the Listing Agreement.

**COMPLIANCE:****Auditors' Certificate:**

The Company has obtained a certificate from the auditors of the Company regarding compliance with the provisions relating to corporate governance laid down in clause 49 of the listing agreement with the stock exchanges. This report is annexed to the Directors' Report for the year 2013-14 and will be sent to the stock exchanges along with the annual report.



## Annexures

**Table 1 : Market price data:**

High, Low during each month in the financial year 2013-14:

(₹)

Month & Year		Bombay Stock Exchange Ltd.		National Stock Exchange of India Ltd.	
		High	Low	High	Low
April	2013	387.25	358.60	385.50	355.70
May	2013	436.80	369.90	435.00	367.85
June	2013	411.50	396.00	411.90	392.95
July	2013	409.10	365.85	409.95	366.15
August	2013	370.25	337.30	371.85	344.35
September	2013	397.00	372.25	404.20	379.00
October	2013	408.55	391.00	405.50	390.35
November	2013	410.70	394.45	411.80	388.15
December	2013	418.25	399.90	416.20	395.85
January	2014	434.50	405.65	436.60	407.35
February	2014	516.20	408.25	514.00	410.05
March	2014	507.65	450.40	507.15	449.95

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

**Table 2 : Distribution of shareholding as on 31-3-2014:**

No. of Shares	No. of shares held	% to Total shares	No. of Shareholders	% to Total Shareholders
1 to 100	290,904	2.54	5,088	51.21
101 to 500	1,168,146	10.22	4,005	40.31
501 to 1000	354,985	3.11	507	5.10
1001 to 5000	528,872	4.63	246	2.48
5001 to 10000	332,160	2.91	47	0.47
10001 to 100000	927,402	8.11	35	0.35
100001 and above	7,826,099	68.48	8	0.08
	<b>11,428,568</b>	<b>100.00</b>	<b>9,936</b>	<b>100.00</b>

**Table 3 : Category-wise distribution of shareholding as on 31-3-2014:**

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 [30,85,712] [27,42,848]	51.00 [27.00] [24.00]
2.	Public Financial Institutions & Mutual Funds	12	753,644	6.60
3.	Banks	11	1,382	0.01
4.	Bodies Corporate	239	914,842	8.00
5.	Non-Resident Individuals & FIIs	104	482,304	4.22
6.	Resident Individuals	9,568	3,447,836	30.17
	Total	<b>9,936</b>	<b>11,428,568</b>	<b>100.00</b>

**Table 4 : Break-up of shares in physical & electronic mode as on 31-3-2014:**

Mode	No. of Shareholders		% to Total Shareholders		No. of Shares		% to Total Shares	
	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14
Physical	3,609	3,479	34.83	35.01	6,597,089	6,567,321	57.72	57.46
Electronic	6,752	6,457	65.17	64.99	4,831,479	4,861,247	42.28	42.54
Total	<b>10,361</b>	<b>9,936</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>



## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

**a) Industry structure and developments**

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

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

All the big players of the world in the two-wheeler industry having established significant presence in India, the competition has become fierce and stiffer. Added to this, the diminished market for geared scooters led to cessation of geared scooter production since April, 2006, thereby adversely affecting the operational performance of the Company. The Company continues to produce pressure die casting dies, jigs and fixtures for automobiles industry, which is marked by volatility in demand.

The near term outlook continues to remain uncertain.

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

MSL being a single segment Company, no separate information has been given segment-wise or product-wise.

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

The Company has strong internal control systems which have been found adequate by the management of the company. The audit committee reviews the internal control system / procedure periodically to ensure its adequacy and effectiveness.

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

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

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

The industrial relations remained cordial during the year under review. As at the end of 31 March, 2014, the Company had 68 permanent workmen and 49 permanent staff on its roll.

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

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

## ANNEXURE TO DIRECTORS' REPORT

### Auditors' certificate on corporate governance

To the Members of  
**MAHARASHTRA SCOOTERS LIMITED**

We have examined the compliance of conditions of Corporate Governance by **MAHARASHTRA SCOOTERS LIMITED** for the year ended on 31 March, 2014 as stipulated in clause 49 of the Listing Agreement of the said Company with Stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations sought and replies given to us by the company, its directors and officers, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the abovementioned Listing Agreement.

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

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

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

J. P. PARMAR  
Proprietor  
Membership No. 46293

Pune, 13 May, 2014

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## DECLARATION ON CODE OF CONDUCT

As required by Clause 49 (1)(D) of the Listing Agreement, it is hereby affirmed that all the Board Members and Senior Management Personnel have complied with the Code of Conduct laid down for them as approved by the Board at its meeting held on 13 October, 2005.

25 April, 2014

**RANJIT GUPTA**  
Chief Executive Officer



## INDEPENDENT AUDITOR'S REPORT

To the Members of  
Maharashtra Scooters Limited.

We have audited the accompanying financial statements of MAHARASHTRA SCOOTERS LIMITED, which comprise the Balance Sheet as at March 31, 2014 and the Statement of Profit and Loss and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- b) in the case of the Statement of Profit and Loss Account, of the profit for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
  - a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - c) the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d) in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
  - e) on the basis of written representations received from the directors as on March 31, 2014 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

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

J. P. PARMAR  
Proprietor  
Membership No. 46293

Pune, 13 May, 2014

## ANNEXURE TO AUDITORS' REPORT

### STATEMENT REFERRED TO IN PARAGRAPH 3 OF OUR REPORT OF EVEN DATE TO THE MEMBERS OF MAHARASHTRA SCOOTERS LIMITED ON THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH, 2014.

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.  
 (b) The management has carried out physical verification of fixed assets during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of physical verification of fixed assets is reasonable.  
 (c) The fixed assets disposed off during the year are not substantial and hence it has not affected the going concern assumption.
- (ii) (a) Inventories have been physically verified by the management, during the year. In our opinion, the frequency of verification is reasonable.  
 (b) In our opinion, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.  
 (c) The Company has maintained proper records of inventory. The discrepancies noticed on verification between physical stocks and book stocks were not material and the same have been properly dealt with in the Books of Account.
- (iii) (a) The Company has not granted or taken any loans, secured or unsecured to/from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Sub-clauses (b), (c) and (d) are not applicable.
- (iv) In our opinion and according to information and explanations given to us there are adequate internal control procedures commensurate with the size of the Company and the nature of its business, with regard to purchase of inventory and fixed assets and for the sale of goods. During the course of our audit, no major weaknesses have been noticed in the internal controls.
- (v) (a) In our opinion and according to the information and explanations given to us, transactions that need to be entered into the register maintained in pursuance of section 301 of the Companies Act, 1956 have been so entered.  
 (b) In our opinion and according to information and explanations given to us the transaction made in pursuance of contract and arrangement entered in register maintained under the section 301 of the Act and exceeding the value of five lakh rupees with any party during the year, have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- (vi) The Company has not accepted deposits from public.
- (vii) In our opinion, the Company has an internal audit system which is commensurate with its size and nature of its business.
- (viii) Cost Records have been prescribed by the Central Government under clause (d) of sub-section (1) of section 209 of the Companies Act. The Company has made and maintained such accounts and records.
- (ix) (a) According to the records of the Company, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-Tax, Sales-Tax, Wealth-Tax, Custom Duty, Excise Duty, cess and any other statutory dues with the appropriate authorities. According to information and explanations given to us, there are no arrears of statutory dues which have remained outstanding as at 31 March, 2014 for a period of more than six months from the date they became payable.  
 (b) According to information and explanations given to us and the records of the Company, the following dues of Sales Tax and Service Tax have not been deposited on account of dispute:

Nature of disputed Statutory dues	Amount (₹)	Forum where dispute is pending
Sales Tax for the year 2001-02	87,86,623	Maharashtra Sales Tax Tribunal, Mumbai.
Sales Tax for the year 2001-02	52,95,295	Joint Commissioner of Sales Tax (Appeals) - I, Pune division, Pune
Sales Tax for the year 2002-03	1,79,87,580	Maharashtra Sales Tax Tribunal, Mumbai.
Service Tax for the year 2004-05, 2005-06 and 2006-07	2,62,034	Assistant Commissioner of Central Excise, Satara.

- (x) The Company does not have any accumulated losses as at 31 March, 2014. The Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- (xi) According to information and explanation given to us, the Company has not defaulted in repayment of dues to a financial institution or bank or debenture holders.
- (xii) The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) The Company is not a chit fund, nidhi/ mutual benefit fund and therefore a requirement pertaining to such class of companies is not applicable.
- (xiv) The Company is not dealing or trading in shares, securities, debentures and other investments.
- (xv) The Company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xvi) The Company has not obtained any term loans.
- (xvii) In our opinion the funds raised on short-term basis have not been used for long term investment and vice versa.
- (xviii) The Company has not made any preferential allotment of shares during the year to parties and companies covered in the Register maintained under section 301 of the Companies Act, 1956.
- (xix) The Company has not issued any debentures during the year.
- (xx) The Company has not made any public issue during the year.
- (xxi) Based upon the audit procedures performed by us and according to information and explanations given to us and representations made by management, no fraud on or by the Company has been noticed or reported during the year.

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

J. P. PARMAR  
 Proprietor  
 Membership No. 46293

**Balance Sheet as at 31 March, 2014**

Particulars	Note No.	(₹ in lacs)	
		<u>As at 31 March 2014</u>	<u>As at 31 March 2013</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share capital	2	1,142.86	1,142.86
Reserves and surplus	3	<u>22,733.87</u>	<u>21,316.83</u>
		<b>23,876.73</b>	<b>22,459.69</b>
<b>Non-current liabilities</b>			
Other long term liabilities	4	2,047.62	2,454.80
Long-term provisions	5	<u>11.88</u>	<u>7.92</u>
		<b>2,059.50</b>	<b>2,462.72</b>
<b>Current liabilities</b>			
Trade payables	6	111.82	76.01
Other current liabilities	6	557.13	525.42
Short-term provisions	5	<u>3,423.81</u>	<u>2,734.11</u>
		<b>4,092.76</b>	<b>3,335.54</b>
<b>TOTAL</b>		<b><u>30,028.99</u></b>	<b><u>28,257.95</u></b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Fixed assets			
Tangible assets	7	735.90	732.46
Non-current investments	8	23,728.89	22,266.33
Long-term loans and advances	9	<u>906.01</u>	<u>971.09</u>
		<b>25,370.80</b>	<b>23,969.88</b>
<b>Current assets</b>			
Current investments	8	2,313.15	46.78
Inventories	12	45.77	57.48
Trade receivables	10	129.69	252.61
Cash and bank balances	13	1,455.18	3,166.88
Short-term loans and advances	9	213.93	235.02
Other current assets	11	<u>500.47</u>	<u>529.30</u>
		<b>4,658.19</b>	<b>4,288.07</b>
<b>TOTAL</b>		<b><u>30,028.99</u></b>	<b><u>28,257.95</u></b>
Significant accounting policies followed by Company	1		

The accompanying notes are an integral part of the financial statements

As per our attached report of even date

For and on behalf of  
**P. C. PARMAR & CO.**  
Chartered Accountants  
Firm Regn. No. 107604W

**J. P. Parmar**  
Proprietor  
Membership No. 46293

Pune, 13 May, 2014

**Ranjit Gupta**  
Chief Executive Officer

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

**N. S. Kulkarni**  
Company Secretary

**Madhur Bajaj**  
Chairman

**Sanjiv Bajaj**  
**Yogesh J. Shah**  
**Naresh Patni**  
**Ashok S. Sawant**  
**R. K. Nikharge**  
**S. S. Survase**  
Directors

## Statement of Profit and Loss for the year ended 31 March, 2014

Particulars	Note No.	(₹ in lacs)	
		Year ended 31 March 2014	Year ended 31 March 2013
Revenue from operations (gross)		468.98	751.21
Less : Excise duty		51.09	81.25
Revenue from operations (net)	14	<b>417.89</b>	<b>669.96</b>
Other income	15	5,335.23	5,322.36
<b>Total revenue (I)</b>		<b>5,753.12</b>	<b>5,992.32</b>
<b>Expenses:</b>			
Cost of raw material and components consumed	16	179.43	304.70
(Increase) / decrease in inventories of finished goods and work-in-progress	17	11.54	(27.07)
Employee benefits expense	18	537.25	560.81
Finance costs	19	0.05	0.01
Depreciation and write downs		89.71	99.73
Other expenses	20	175.38	170.01
<b>Total expenses (II)</b>		<b>993.36</b>	<b>1,108.19</b>
<b>Profit before exceptional items and tax (I - II)</b>		<b>4,759.76</b>	<b>4,884.13</b>
Exceptional items		-	-
<b>Profit before tax</b>		<b>4,759.76</b>	<b>4,884.13</b>
Tax expenses			
Current tax		105.00	149.00
MAT credit entitlement		(105.00)	(149.00)
Debit/(credits) relating to earlier years taxation		-	-
<b>Total tax expense</b>		<b>-</b>	<b>-</b>
<b>Profit after tax for the year</b>		<b>4,759.76</b>	<b>4,884.13</b>
Basic and diluted earnings per share (in ₹) (Nominal value per share ₹ 10)	21	41.65	42.74
Significant accounting policies followed by Company	1		

The accompanying notes are an integral part of the financial statements

As per our attached report of even date

For and on behalf of  
**P. C. PARMAR & CO.**  
Chartered Accountants  
Firm Regn. No. 107604W

**J. P. Parmar**  
Proprietor  
Membership No. 46293

Pune, 13 May, 2014

**Ranjit Gupta**  
Chief Executive Officer

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

**N. S. Kulkarni**  
Company Secretary

**Madhur Bajaj**  
Chairman

**Sanjiv Bajaj**  
**Yogesh J. Shah**  
**Naresh Patni**  
**Ashok S. Sawant**  
**R. K. Nikharge**  
**S. S. Survase**  
Directors



## Notes to financial statements for the year ended 31 March, 2014

### 1 Statement of Significant Accounting Policies

#### 1) System of Accounting

- i) The Company follows the mercantile system of accounting and recognises income and expenditure on an accrual basis except in case of significant uncertainties.
- ii) Financial statements are prepared under the historical cost convention.
- iii) Estimates and assumptions used in the preparation of the financial statements are based upon Management's evaluation of the relevant facts and circumstances as of the date of the financial statements, which may differ from the actual results at a subsequent date.

#### 2) Revenue Recognition

##### i) Sales

Sales are accounted for on dispatch from the point of sale.

##### ii) Income

- a) The Company recognises income on accrual basis.
- b) Interest is accrued over the period of investment and net of amortisation of premium/discount with respect to fixed income securities, thereby recognising the implicit yield to maturity, with reference to coupon dates. However, income is accrued only where interest is serviced regularly and is not in arrears, as per the guidelines framed by the management.
- c) Dividends are accounted for when the right to receive the same is established.
- d) Profit/loss on sale of investment are recognised on the contract date.

#### 3) Fixed Assets and Depreciation

##### i) Fixed Assets

Fixed Assets except freehold land are carried at cost of acquisition or construction or at manufacturing cost in the case of self-manufactured assets, less accumulated depreciation and amortisation. Borrowing cost attributable to acquisition and installation of fixed assets is capitalised and included in the cost of fixed assets as appropriate.

##### ii) Depreciation and Amortisation

- a) On leasehold land  
Premium on leasehold land is amortised over the period of lease.
- b) On other fixed assets  
Depreciation on all assets is provided on "straight line basis" in accordance with the provisions of Section 205(2)(b) of the Companies Act, 1956, in the manner and at the rates specified in Schedule XIV to the said Act.
  1. Depreciation on additions is being provided on *pro-rata* basis from the month of such additions.
  2. Depreciation on assets sold, discarded or demolished during the year is being provided at the rates upto the previous month in which such assets are sold, discarded or demolished.

#### 4) Impairment of Assets

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

#### 5) Investments

- i) Investments other than fixed income securities are valued at cost of acquisition.
- ii) Fixed income securities are carried at cost, less amortisation of premium paid / discount received, as the case may be, and provision for diminution as considered necessary.
- iii) Investments made by the Company are of a long-term nature, hence diminutions in value of quoted investments are generally not considered to be of a permanent nature. However, current investments, representing fixed income securities with a maturity less than 1 year and investment not intended to be held for a period more than 1 year, are stated at lower of cost or fair value.



## Notes to financial statements for the year ended 31 March, 2014 (Contd.)

### 6) Current Assets

#### i) Inventories

- a) Inventories are valued at the lower of cost, computed on a weighted average basis, and estimated net realisable value. Finished stocks and work-in-process include costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Finished stocks lying in the factory includes provision for excise duty liability. Finished stocks in transit are valued inclusive of excise duty and insurance and those lying at the depots are valued inclusive of excise duty, insurance and inward freight.
- b) Cost for the purposes of valuation of raw-material, bought out parts and stores and tools is inclusive of duties and taxes, freight inward, octroi and inward insurance and is net of credit under the Cenvat/VAT scheme.
- c) Costs of conversion for the purposes of valuation of finished stock and work-in-process include fixed and variable production overheads incurred in converting materials into finished goods.
- d) Machinery spares and maintenance materials are charged out as expenses in the year of purchase.

#### ii) Sundry Debtors

Sundry debtors & loans and advances are stated, after making adequate provision for doubtful debts, if any.

### 7) Provisions

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

### 8) Employee Benefits

#### i) Privilege Leave Entitlements

Privilege leave entitlements are recognised as a liability, in the calendar year of rendering of service, as per the rules of the company. As accumulated leave can be availed and/or encashed at any time during the tenure of employment, the liability is recognised at the higher of the actual accumulated obligation or actuarially determined value.

#### ii) Gratuity

Payment for present liability of future payment of gratuity is being made to approved Gratuity Fund, which covers the same under Cash Accumulation Policy of the Life Insurance Corporation of India. However, any deficits in Plan Assets managed by LIC as compared to the actuarial liability is recognised as a liability.

#### iii) Superannuation

Contribution to Superannuation Fund is being made as per the Scheme of the Company under Cash Accumulation Policy of the Life Insurance Corporation of India.

#### iv) Provident Fund

Provident Fund Contributions are made to Company's Provident Fund Trust.

#### v) Employees Pension Scheme

Contribution to Employees Pension Scheme 1995 is made to Government Provident Fund Authority.

### 9) Foreign Exchange Transactions

Transactions in Foreign currency are recorded in the financial statements based on the Exchange rate existing at the time of the transaction.

### 10) Taxation

- i) Provision for Taxation is made for the current accounting period (reporting period) on the basis of the taxable profits computed in accordance with the Income-Tax Act, 1961.
- ii) Deferred Tax resulting from timing difference between Book Profits and Taxable Profits are accounted for to the extent deferred tax liabilities are expected to crystallise with reasonable certainty and in case of deferred tax assets with virtual certainty that there would be adequate future taxable income against which such deferred tax assets can be realised. Deferred Tax provisions are reviewed for the appropriateness of their respective carrying values at each balance sheet date.

### 11) Provisions and Contingent Liabilities

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

**Notes to financial statements for the year ended 31 March, 2014 (Contd.)****2 Share Capital**

	<b>31 March 2014</b>	31 March 2013
	<b>(₹ in lacs)</b>	(₹ in lacs)
<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
	<b>1,200.00</b>	<b>1,200.00</b>
<b>Issued, subscribed and fully paid-up shares :</b>		
11,428,568 Equity Shares of ₹ 10 each	1,142.86	1,142.86
	<b>1,142.86</b>	<b>1,142.86</b>

**a Terms/rights attached to equity shares**

The company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors and approved by the shareholders in the Annual General Meeting is paid in Indian rupees. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amount. The distribution will be in proportion to the number of equity shares held by the shareholders.

**b Details of shareholders holding more than 5% shares in the company**

	<b>31 March 2014</b>		<b>31 March 2013</b>	
	<b>Nos.</b>	<b>% Holding</b>	<b>Nos.</b>	<b>% Holding</b>
<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.	624,390	5.46	609,384	5.33

**3 Reserves & Surplus****General Reserve**

	<b>31 March 2014</b>	31 March 2013
	<b>(₹ in lacs)</b>	(₹ in lacs)
Balance as per the last financial statements	21,316.83	19,106.88
Add: Transfer from surplus in the statement of profit & loss	1,417.04	2,209.95
Closing balance	<b>22,733.87</b>	<b>21,316.83</b>

**Surplus in the statement of profit and loss**

Profit / (Loss) for the year	4,759.76	4,884.13
	<b>4,759.76</b>	<b>4,884.13</b>
Less: Appropriations		
Proposed dividend	2,857.15	2,285.72
Tax on proposed dividend	485.57	388.46
Transfer to general reserve	1,417.04	2,209.95
Total appropriations	<b>4,759.76</b>	<b>4,884.13</b>

**Balance in the statement of profit and loss**

	-	-
<b>Total reserves and surplus</b>	<b>22,733.87</b>	<b>21,316.83</b>

**4 Other long-term liabilities**

Annuity payable to VRS optees	2,047.62	2,454.80
	<b>2,047.62</b>	<b>2,454.80</b>

## Notes to financial statements for the year ended 31 March, 2014 (Contd.)

## 5 Provisions

	Long-term		Short-term	
	31 March 2014 (₹ in lacs)	31 March 2013 (₹ in lacs)	31 March 2014 (₹ in lacs)	31 March 2013 (₹ in lacs)
<b>Provision for employee benefits</b>				
Provision for gratuity (See Note 30)	-	-	16.33	-
Provision for compensated absences	-	-	62.60	58.49
Provision for welfare scheme	11.88	7.92	2.16	1.44
	<u>11.88</u>	<u>7.92</u>	<u>81.09</u>	<u>59.93</u>
<b>Other provisions</b>				
Provision for tax (net of tax paid in advance)	-	-	-	-
Proposed dividend *	-	-	2,857.15	2,285.72
Tax on proposed dividend	-	-	485.57	388.46
	<u>-</u>	<u>-</u>	<u>3,342.72</u>	<u>2,674.18</u>
	<u>11.88</u>	<u>7.92</u>	<u>3,423.81</u>	<u>2,734.11</u>

\* During the year ended 31 March 2014, the amount of per share dividend proposed and recognized as distributions to equity shareholders is ₹ 25.00 (Previous year ₹ 20.00).

## 6 Other current liabilities

<b>Trade payables*</b>	111.82	76.01
<b>Other liabilities</b>		
Annuity payable to VRS optees	407.18	430.95
Security deposits	0.20	0.20
Unclaimed dividend	149.75	94.27
	<u>557.13</u>	<u>525.42</u>
	<u>668.95</u>	<u>601.43</u>

\*Considering the company has been extended credit period upto 45 days by its vendors and payments being released on a timely basis, there is no liability towards interest on delayed payments under "The Micro, Small and Medium Enterprises Development Act 2006" during the year. There is also no amount of outstanding interest in this regard, brought forward from previous years. The above information is on the basis of intimation received, on request made by the Company, with regards to vendors registration under the said Act.

## 7 Fixed Assets : Tangible assets

(₹ in lacs)

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 1-Apr-13	Additions	Deductions	As at 31-Mar-14	Upto 1-Apr-13	For the period	Deductions	Upto 31-Mar-14	As at 31-Mar-14	As at 31-Mar-13
Free-Hold Land	0.02	-	-	0.02	-	-	-	-	0.02	0.02
Leasehold Land	3.62	-	0.06	3.56	-	-	-	-	3.56	3.62
Buildings	570.21	-	0.19	570.02	402.95	14.09	0.19	416.85	153.17	167.26
Plant & Machinery	2,073.08	91.67	79.14	2,085.61	1,536.12	72.20	76.75	1,531.57	554.04	536.96
Furniture & Fixtures	27.69	-	2.03	25.66	23.74	0.53	1.83	22.44	3.22	3.95
Office Equipments	8.00	-	0.28	7.72	5.71	0.29	0.26	5.74	1.98	2.29
Vehicles	31.83	10.94	10.92	31.85	13.47	2.60	4.13	11.94	19.91	18.36
<b>Total tangible assets</b>	<b>2,714.45</b>	<b>102.61</b>	<b>92.62</b>	<b>2,724.44</b>	<b>1,981.99</b>	<b>89.71</b>	<b>83.16</b>	<b>1,988.54</b>	<b>735.90</b>	<b>732.46</b>
Previous year's Total	2,673.09	133.20	91.84	2,714.45	1,952.47	99.73	70.21	1,981.99	732.46	

**Notes to financial statements for the year ended 31 March, 2014 (Contd.)****8 Investments****(A) Long Term Investments :**

	31 March 2014 (₹ in lacs)	31 March 2013 (₹ in lacs)
<b>In Fully Paid Equity Shares:</b>		
<b>Quoted:</b>		
1,897,466 Shares of ₹ 10 each of Bajaj Finance Ltd.	5,006.76	5,006.76
6,774,072 Shares of ₹ 10 each of Bajaj Auto Ltd.	1,824.86	1,824.86
3,725,740 Shares of ₹ 5 each of Bajaj Finserv Ltd.	3,968.63	3,968.63
1,255,000 Shares of ₹ 1 each of Bajaj Hindusthan Ltd.	44.54	44.54
3,387,036 Shares of ₹ 10 each of Bajaj Holdings & Investment Ltd.	4,665.36	4,665.36
	<u>15,510.15</u>	<u>15,510.15</u>
<b>In Fully paid Debentures:</b>		
<b>Unquoted:</b>		
50 8.75% Debentures of ₹ 1,000,000 each of Reliance Industries Ltd - 2020	497.20	497.20
200 (-) 9.55% Non-Convertible Debentures of Rs.1,000,000 each of HDFC Ltd -SR-J-027-2015	1,972.90	-
50 (-) 8.76% Non-Convertible Debentures of Rs.1,000,000 each of LIC Housing Finance Ltd.-2015	485.16	-
	<u>2,955.26</u>	<u>497.20</u>
<b>In Fully paid Bonds:</b>		
<b>Unquoted:</b>		
100 9.35% Upper Tier II Unsecured Redeemable Non-Convertible Bonds of ₹ 1,000,000 each of Bank of India - 2016	1,000.00	1,000.00
20 7.75% Tier II Bonds of ₹ 1,000,000 each of HDFC Bank Ltd. - 2015	200.00	200.00
100 7.45% Bonds of ₹ 1,000,000 each of Indian Railway Financial Corporation Ltd. - 2014	967.87	967.87
50 8.90% Bonds of ₹ 1,000,000 each of Konkan Railways Corporation Ltd. - 2016	500.00	500.00
50 11.25% Bonds of ₹ 1,000,000 each of Power Finance Corporation Ltd. - 2018	577.48	577.48
50 8.60% Bonds of ₹ 1,000,000 each of Power Finance Corporation Ltd. - 2014	508.04	508.04
40 8.80% Bonds of ₹ 1,250,000 each of Power Grid Corporation of India Ltd. - 2015	513.62	513.62
- (80) 8.64% Bonds of ₹ 1,250,000 each of Power Grid Corporation of India Ltd. - 2015	-	1,007.23
50 8.96% Bonds of ₹ 1,000,000 each of State Bank of India - 2016	484.08	484.08
50 10.10% Bonds of ₹ 1,000,000 each of State Bank of India - 2017	514.29	514.29
	<u>5,265.38</u>	<u>6,272.61</u>
Add : Amortisation of Premium paid/Discount received on acquisition (Net)	(1.90)	(13.63)
	<u>5,263.48</u>	<u>6,258.98</u>
<b>Total (A)</b>	<u>23,728.89</u>	<u>22,266.33</u>

## Notes to financial statements for the year ended 31 March, 2014 (Contd.)

## 8 Investments (contd.)

	31 March 2014 (₹ in lacs)	31 March 2013 (₹ in lacs)
<b>(B) Current Investments :</b>		
<b>In Certificate of Deposit:</b>		
<b>Unquoted:</b>		
2,500 (-) Certificate of Deposit of ₹ 100,000 each of Bank of Baroda 06-02-2015	2,281.31	-
Add : Amortisation of Premium paid/Discount received on acquisition (Net)	31.84	-
	<u>2,313.15</u>	<u>-</u>
<b>In Mutual Fund Units:</b>		
<b>Quoted:</b>		
- (1,640) Units of Reliance Liquid Fund - Treasury Plan - Direct Plan Growth Plan - Growth Option of ₹ 1000 each in Reliance Mutual Fund	-	46.78
	-	46.78
<b>Total (B)</b>	<u>2,313.15</u>	<u>46.78</u>
<b>Total (A+B)</b>	<u>26,042.04</u>	<u>22,313.11</u>

	Book Value as at		Market Value as at	
	31 March 2014	31 March 2013	31 March 2014	31 March 2013
Quoted	15,510.15	15,556.93	238,775.78	203,411.04
Unquoted	10,531.89	6,756.18		
<b>Total</b>	<u>26,042.04</u>	<u>22,313.11</u>		

## Following investments were purchased and sold during the year

Nature of Investment	Quantity Nos.	Purchase Cost (₹ in lacs)	Sale Proceeds (₹ in lacs)
<b>Mutual Funds:</b>			
HDFC Cash Management Fund-Saving Plan (Growth)	32,540,220	8,299.50	8,306.37
Reliance Liquid Fund - Treasury Plan - Direct Plan Growth Plan - Growth Option	186,676	5,470.00	5,478.73
<b>Certificate of Deposit:</b>			
Punjab National Bank CD 25 Mar 2014	2,500	2,337.34	2,471.96

**Notes to financial statements for the year ended 31 March, 2014 (Contd.)****9 Loans and advances**

(Unsecured, good, unless stated otherwise)

	Non-current		Current	
	31 March 2014 (₹ in lacs)	31 March 2013 (₹ in lacs)	31 March 2014 (₹ in lacs)	31 March 2013 (₹ in lacs)
<b>Security deposits</b>	6.35	6.35	-	-
<b>Advances recoverable in cash or kind</b>				
Secured considered good	-	-	-	-
Unsecured considered good	-	-	14.35	13.81
Doubtful	-	-	-	-
	-	-	14.35	13.81
Provision for doubtful advances	-	-	-	-
	-	-	14.35	13.81
<b>Other loans and advances</b>				
VAT refund receivable	28.56	29.21	-	-
Advance income-tax (net of provision for tax)	642.11	523.65	0.24	2.35
Loans to former employees	228.99	411.88	182.89	201.65
Balances with Central Excise Department	-	-	16.45	17.21
	899.66	964.74	199.58	221.21
<b>Total</b>	<b>906.01</b>	<b>971.09</b>	<b>213.93</b>	<b>235.02</b>

**10 Trade receivable**

(Unsecured, considered good, unless stated otherwise)

**Outstanding for a period exceeding six months from the date they are due for payment**

Good	-	-	6.00	-
Doubtful	-	-	-	-
	-	-	6.00	-
<b>Others, Good</b>	-	-	123.69	252.61
	-	-	129.69	252.61

**11 Other assets**

(Unsecured, good, unless stated otherwise)

Interest receivable on investments	-	-	492.84	408.29
Interest receivable on loans, deposits etc.	-	-	7.63	121.01
<b>Total</b>	-	-	<b>500.47</b>	<b>529.30</b>

**12 Inventories**

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

Raw materials and components			10.85	8.95
Work-in-progress			32.41	43.95
Finished goods			-	-
Stores			2.41	4.49
Loose tools			0.10	0.09
			45.77	57.48

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

## Notes to financial statements for the year ended 31 March, 2014 (Contd.)

	Non-current		Current	
	31 March 2014 (₹ in lacs)	31 March 2013 (₹ in lacs)	31 March 2014 (₹ in lacs)	31 March 2013 (₹ in lacs)
<b>13 Cash and bank balances</b>				
<b>Cash and cash equivalents</b>				
<b>Balances with banks:</b>				
In current accounts	-	-	5.34	(17.60)
In unclaimed dividend account	-	-	149.75	94.27
Cash on hand	-	-	0.09	0.21
	-	-	<u>155.18</u>	<u>76.88</u>
<b>Other bank balances</b>				
Deposits with original maturity for less than 12 months	-	-	200.00	1,500.00
Deposits with original maturity for more than 12 months	-	-	1,100.00	1,590.00
	-	-	<u>1,300.00</u>	<u>3,090.00</u>
	-	-	<u>1,455.18</u>	<u>3,166.88</u>
<b>14 Revenue from operations</b>			<b>31 March 2014</b>	<b>31 March 2013</b>
			<b>(₹ in lacs)</b>	<b>(₹ in lacs)</b>
<b>Revenue from operations</b>			460.54	736.10
<b>Other operating revenue</b>				
Scrap sales			8.44	15.11
<b>Revenue from operations (gross)</b>			<u>468.98</u>	<u>751.21</u>
Less: Excise duty			51.09	81.25
<b>Revenue from operations (net)</b>			<u>417.89</u>	<u>669.96</u>
<b>Details of products sold</b>				
Toolings-Dies, Jigs & Fixtures			460.54	736.10
			<u>460.54</u>	<u>736.10</u>
<b>15 Other income</b>				
<b>Investment income:</b>				
Interest income on				
Bank deposits			162.17	168.06
Long-term investments			694.85	612.85
Others			-	-
Less : Amortisation of premium paid / (discount received) on acquisition, net			11.73	(5.08)
			<u>868.75</u>	<u>775.83</u>
Dividend income on				
Long-term investments			4,235.60	4,143.80
Profit on sale of investments, net			158.93	274.72
Surplus on redemption of securities, net			15.71	59.68
			<u>5,278.99</u>	<u>5,254.03</u>
<b>Others:</b>				
Interest - others			23.90	35.16
Miscellaneous receipts			6.01	0.01
Surplus on sale of assets			17.94	32.52
Sundry credit balances appropriated			5.83	0.63
Provision no longer required			2.56	0.01
			<u>56.24</u>	<u>68.33</u>
			<u>5,335.23</u>	<u>5,322.36</u>

**Notes to financial statements for the year ended 31 March, 2014 (Contd.)**

	<b>31 March 2014</b> (₹ in lacs)	<b>31 March 2013</b> (₹ in lacs)
<b>16 Cost of raw material and components consumed</b>		
Raw Materials & Boughtout Items	179.43	304.70
	<u>179.43</u>	<u>304.70</u>
<b>17 (Increase)/decrease in inventories</b>		
	<b>31 March 2014</b>	<b>31 March 2013</b>
	(₹ in lacs)	(₹ in lacs)
<b>Inventories at the end of the year</b>		<b>(Increase)/ decrease</b>
Work-in-progress	32.41	43.95
Finished goods	-	-
	<u>32.41</u>	<u>43.95</u>
<b>Inventories at the beginning of the year</b>		
Work-in-progress	43.95	16.88
Finished goods	-	-
	<u>43.95</u>	<u>16.88</u>
	<u>11.54</u>	<u>(27.07)</u>
<b>18 Employee benefits expense</b>		
	<b>31 March 2014</b>	<b>31 March 2013</b>
	(₹ in lacs)	(₹ in lacs)
Salaries, wages and bonus to employees	422.17	405.81
Contribution to provident and other funds	61.01	52.42
Staff welfare expenses	54.07	102.58
	<u>537.25</u>	<u>560.81</u>
No Managerial remuneration under section 198 of the Companies Act, 1956, is paid or payable to Shri Ranjit Gupta, 'Manager' of the Company. Shri Ranjit Gupta is on deputation from Bajaj Holdings & Investment Limited.		
<b>19 Finance costs</b>		
Interest Expenses	0.05	0.01
	<u>0.05</u>	<u>0.01</u>
<b>20 Other expenses</b>		
Stores and tools consumed	19.41	21.13
Power, fuel and water	34.61	40.77
Repairs to buildings	14.75	2.01
Repairs to machinery	11.99	14.88
Other repairs	20.23	14.45
Insurance	3.98	3.49
Rates and taxes	4.35	4.35
Payment to auditor	12.07	10.19
Directors' fees and travelling expenses	2.89	2.90
Legal & Professional Charges	12.31	14.65
Miscellaneous expenses	34.69	35.04
Loss on assets sold, demolished, discarded and scrapped	4.04	6.09
Amount written off against leasehold land	0.06	0.06
	<u>175.38</u>	<u>170.01</u>



**Notes to financial statements for the year ended 31 March, 2014 (Contd.)**

	<u>31 March 2014</u> (₹ in lacs)	<u>31 March 2013</u> (₹ in lacs)	
<b>Payment to auditor</b>			
As auditor:			
Audit fee	6.00	5.00	
Tax audit fee	1.00	1.00	
<b>In other capacity:</b>			
Income-Tax matters	4.25	3.50	
Other services (including certification fees)	0.68	0.52	
Reimbursement of expenses	0.14	0.17	
	<u>12.07</u>	<u>10.19</u>	
<b>21 Earning per share (EPS)</b>			
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	4,759.76	4,884.13
	Weighted average number of shares outstanding during the year	11,428,568	11,428,568
b	Earnings per share (Basic and Diluted) in ₹	41.65	42.74
	Face value per share in ₹	10.00	10.00
<b>22 Contingent liabilities</b>			
a	Claims against the Company not acknowledged as debts	3.97	3.88
b	Excise and Customs demand - matters under dispute and Claims for refund of Excise Duty, if any, against Excise Duty Refund received in the earlier year	20.29	20.29
c	Sales Tax matters under dispute *	320.69	320.69
d	Income-Tax matters under dispute		
	i) Appeal by Company *	-	-
	ii) Appeal by Department	42.08	42.08
		<u>42.08</u>	<u>42.08</u>
	* No provision has been made, since the Company expects favourable decision.		
<b>23 Capital and other commitments</b>			
	Capital commitments, net of capital advances	1.74	-
<b>24 Value of Imports calculated on CIF basis</b>			
	Capital goods	84.52	94.90
<b>25 Imported and indigenous raw materials, boughtout items consumed</b>			
	Entire raw material and boughtout items consumed are indigenous.		
<b>26</b>	Amount of borrowing costs capitalised as per Accounting Standard 16 during the year was Nil.		
<b>27</b>	The Company is operating in a single segment. Hence, no separate segmentwise information is given.		

**Notes to financial statements for the year ended 31 March, 2014 (Contd.)****28** Related Party disclosures in accordance with Accounting Standard 18.

## A. Related Parties and nature of relationship

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

## B. Transactions that have taken place during the period 1 April, 2013 to 31 March, 2014 are as under:-

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

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

**29** In view of the uncertainty in utilising the carried forward business loss as per Income Tax Act 1961, as a prudent measure, the Company has not recognised cumulative net deferred tax asset amounting to ₹ 19.58 crores arising on this account.**30** Liability for gratuity has been determined by an actuary, appointed for the purpose, in conformity with the principles set out in the Accounting Standard 15 (revised) the details of which are as hereunder:-

	As at 31 March, 2014 (₹ in lacs)	As at 31 March, 2013 (₹ in lacs)
<b>Amount to be recognised in Balance Sheet</b>		
Present Value of Funded Obligations	450.74	408.76
Fair Value of Plan Assets	450.74	408.76
Net Liability	-	-
Amounts in Balance Sheet		
Liability	-	-
Assets	-	-
Net Liability	-	-
<b>Expense to be Recognised in the Statement of Profit &amp; Loss</b>		
Current Service Cost	11.47	11.73
Interest on Defined Benefit Obligation	32.62	29.94
Expected Return on Plan Assets	(32.70)	(30.70)
Net Actuarial Losses / (Gains) Recognized in Year	4.94	1.80
Total included in "Employee Emoluments"	16.33	12.77
Actual Return on Plan Assets	35.63	34.95

## Notes to financial statements for the year ended 31 March, 2014 (Contd.)

	As at 31 March, 2014 (₹ in lacs)	As at 31 March, 2013 (₹ in lacs)
<b>Reconciliation of Benefit Obligations &amp; Plan Assets for the period</b>		
<b>Change in Defined Benefit Obligation</b>		
Opening Defined Benefit Obligation	408.76	383.69
Current Service Cost	11.47	11.73
Interest Cost	32.62	29.94
Actuarial Losses / (Gain)	7.76	6.27
Benefits Paid	(9.87)	(22.87)
Closing Defined Benefit Obligation	450.74	408.76
<b>Change in Fair Value of Assets</b>		
Opening Fair Value of Plan Assets	408.76	383.69
Expected Return on Plan Assets	32.70	30.70
Actuarial Gain / (Losses)	2.82	4.47
Contributions by Employer	16.33	12.77
Benefits Paid	(9.87)	(22.87)
Closing Fair Value of Plan Assets	450.74	408.76
<b>Summary of the Actuarial Assumptions</b>		
Discount Rate	8.00%	8.00%
Expected Rate of Return on Assets	8.00%	8.00%
Salary Escalation Rate	8.00%	8.00%

Note: The Company has fully funded the Group Gratuity policy of Life insurance Corporation of India, to pay the expenditure required to settle a defined benefit obligation. As such the fair value of insurance policy is deemed to be present value of the related defined benefit obligation.

**31** These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis. Consequent to the clarification from the Ministry of Corporate Affairs, vide General Circular 08/2014 dated 4 April 2014, these financial statements have been prepared in accordance with the relevant provisions/Schedules/Rules of the Companies Act, 1956. Accordingly, these financial statements have been prepared to comply in all material aspects with the accounting standards notified under Section 211(3C) [Companies (Accounting Standards) Rules, 2006, as amended] and the other relevant provisions of the Companies Act, 1956.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Revised Schedule VI to the Companies Act, 1956. 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.

**32 Previous year figures**

Previous year figures have been regrouped wherever necessary.

As per our attached report of even date

For and on behalf of  
**P. C. PARMAR & CO.**  
Chartered Accountants  
Firm Regn. No. 107604W

**J. P. Parmar**  
Proprietor  
Membership No. 46293

Pune, 13 May, 2014

**Ranjit Gupta**  
Chief Executive Officer

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

**N. S. Kulkarni**  
Company Secretary

**Madhur Bajaj**  
Chairman

**Sanjiv Bajaj**  
**Yogesh J. Shah**  
**Naresh Patni**  
**Ashok S. Sawant**  
**R. K. Nikharge**  
**S. S. Survase**  
Directors

**Cash Flow Statement for the year ended 31 March, 2014**

Particulars	(₹ in lacs)	Current Year (₹ in lacs)	Previous Year (₹ in lacs)
<b>A. Cash Flow From Operating Activities:</b>			
1. Net Profit before Tax		4,759.76	4,884.13
2. <b>Add:</b> Adjustments for:			
i) Depreciation	89.71		99.73
ii) Loss on Assets sold, demolished or discarded	4.04		6.09
iii) Interest Paid	0.05		0.01
iv) Lease-hold land write-off	0.06		0.06
		93.86	105.89
		4,853.62	4,990.02
<b>Less:</b>			
i) Income from Investing activities included in above :			
Dividend/Income from Investments	4,235.60		4,143.80
Interest Income from Investments	857.02		780.91
Add: Amortisation of Premium paid/Discount received on acquisition (Net)	11.73		(5.08)
Profit on Sale of Investments (Net)	174.65		334.40
	5,279.00		5,254.03
ii) Surplus on Sale of Assets	17.94		32.52
		5,296.94	5,286.55
3. Cash from Operations		(443.32)	(296.53)
4. <b>Less:</b> Adjustments for Working Capital changes :			
i) Inventories	(11.71)		30.18
ii) Sundry Debtors	(122.92)		94.09
iii) Other Current Assets, Loans & Advances	(202.54)		(199.86)
	(337.17)		(75.59)
<b>Less:</b> Trade Payables	(370.02)		(461.28)
		32.85	385.69
5. Net Cash generated from Operations after Working Capital changes (3 - 4)		(476.17)	(682.22)
6. <b>Less:</b> Income Tax Paid/Refunds (Net)		93.07	72.44
7. Net Cash from Operating Activities (5 - 6)		(569.24)	(754.66)

**Cash Flow Statement for the year ended 31 March, 2014 (Contd.)**

Particulars	(₹ in lacs)	Current Year (₹ in lacs)	Previous Year (₹ in lacs)
<b>B. Cash Flow From Investing Activities:</b>			
1. i) Sale of Fixed Assets	23.30		48.01
ii) Sale of Investments	17,303.64		19,617.91
iii) Income from Investing activities			
Dividends/Income from Investments	4,235.60		4,143.80
Interest	862.56		680.80
Sub-Total (iii)	<u>5,098.16</u>		<u>4,824.60</u>
Sub-Total [(i) to (iii)]	<u>22,425.10</u>		<u>24,490.52</u>
2. <b>Less:</b>			
i) Purchase of Fixed Assets	102.61		133.20
ii) Purchase of Investments	<u>20,846.20</u>		<u>21,041.37</u>
	<u>20,948.81</u>		<u>21,174.57</u>
3. Net Cash from Investing Activities (1 - 2)		<u>1,476.29</u>	<u>3,315.95</u>
<b>C. Cash Flow From Financing Activities:</b>			
1. Increase/(Decrease) in Bank Cash Credit Balances		-	-
2. Interest Paid		(0.05)	(0.01)
3. Dividend Paid		(2,230.24)	(118.72)
4. Dividend Distribution Tax Paid		<u>(388.46)</u>	<u>(18.54)</u>
Net Cash from Financing Activities		<u>(2,618.75)</u>	<u>(137.27)</u>
<b>D. Net Increase in Cash &amp; Cash Equivalents (A+B+C)</b>		<u>(1,711.70)</u>	2,424.02
<b>E. Cash &amp; Cash equivalents as at 1 April (Opening Balance)</b>		3,166.88	742.86
<b>F. Cash &amp; Cash equivalents as at 31 March (Closing Balance)</b>		1,455.18	3,166.88

Previous year's figures have been regrouped wherever necessary.

**Ranjit Gupta**  
Chief Executive Officer

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

**N. S. Kulkarni**  
Company Secretary

**Madhur Bajaj**  
Chairman

**Sanjiv Bajaj**  
**Yogesh J. Shah**  
**Naresh Patni**  
**Ashok S. Sawant**  
**R. K. Nikharge**  
**S. S. Survase**  
Directors

Pune, 13 May, 2014

**AUDITORS' CERTIFICATE**

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

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

**J. P. Parmar**  
Proprietor  
Membership No.46293

Pune, 13 May, 2014

## 5 YEARS' HIGHLIGHTS

₹ in Lacs

		2013-14	2012-13	2011-12	2010-11	2009-10
<b>SALES &amp; EARNINGS:</b>						
Net Sales & Other Income		5,753	5,992	7,048	4,109	2,434
Gross Profit before Interest, Depreciation and Exceptional Items		4,850	4,984	5,286	2,214	744
Profit after Tax		4,760	4,884	(649)	2,113	640
<b>ASSETS EMPLOYED:</b>						
Net Fixed Assets		736	732	721	816	908
Investments at Cost		26,042	22,313	20,560	21,397	19,815
Net Working Capital		(2,901)	(586)	(1,031)	(1,182)	(668)
Capital Employed	Total	23,877	22,460	20,250	21,032	20,055
<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) Reserves		22,734	21,317	19,107	19,889	18,912
Net Worth	Total	23,877	22,460	20,250	21,032	20,055
<b>OTHER DATA:</b>						
<b>EQUITY SHARE:</b>						
Earning per equity share	Rupees	41.65	42.74	(5.68)	19.01	7.36
Net worth per equity share	Rupees	209	197	177	184	175
Dividend	%	250	200	10	90	55
Dividends incl Tax		3,343	2,674	133	1,195	733
<b>EMPLOYEES:</b>						
Employees	Nos.	117	120	126	578	608
Employees' Cost		537	561	1,318	1,458	1,336

**MAHARASHTRA SCOOTERS LTD**

CIN : L35912MH1975PLC018386  
Registered Office: C/o. Bajaj Auto Limited  
Mumbai-Pune Road, Akurdi, Pune-411 035  
E-mail: investors\_msl@bajajauto.co.in  
Website: [www.mahascooters.com](http://www.mahascooters.com)  
Phone: (020) 27472851

**BALLOT FORM  
(In lieu of E-voting)**

Sr. No. :

Registered Folio No. / DP ID No. / Client ID No. :

Name &amp; Address :

Name(s) of the Joint Member(s), if any :

No. of Shares held :

I/We hereby exercise my/our vote in respect of the Resolution(s) to be passed for the business stated in the Notice of 39th Annual General Meeting of the Company dated 13 May 2014, by conveying my/our assent or dissent to the said Resolution(s) by placing the tick (✓) mark at the appropriate box below:-

Item No.	Description	No. of Shares	I/We assent to the Resolution (For)	I/We dissent to the Resolution (Against)
1	Adoption of Financial statements for the year ended 31 March 2014 and the Directors' and Auditors' Reports thereon			
2	To declare dividend			
3	Re-appointment of Shri Sanjiv Bajaj as Director, who retires by rotation			
4	Re-appointment of Shri Yogesh J. Shah as Director, who retires by rotation			
5	Appointment of M/s. P.C. Parmar & Co., Chartered Accountants as Auditors and fixing their remuneration			
6	Appointment of Shri Ramesh D. Devkar as Director			
7	Appointment of Shri Ashok S. Sawant as Director			

Place :

Date :

Signature of Shareholder

**NOTE:** Kindly read the instructions printed overleaf before filling the form. Valid Ballot Forms received by the Scrutinizer by **6.00 p.m. on 11 July 2014** shall only be considered.

**E-VOTING****Users who wish to opt for e-voting may use the following login credentials:-**

Even (E Voting Event No.)	User ID	PASSWORD

Please follow steps for e-voting procedure as given in the Notice of AGM by logging on to <https://evoting.karvy.com>

## INSTRUCTIONS

1. Members may fill up the Ballot Form printed overleaf and submit the same in a sealed envelope to the Scrutinizer, Shri Shyamprasad D. Limaye, Practising Company Secretary, Unit: Maharashtra Scooters Limited. C/o. Karvy Computershare Pvt. Ltd., Plot No.17-24, Near Image Hospital, Vittal Rao Nagar, Madhapur, Hyderabad-500081 or to his email id [cssdlimaye@gmail.com](mailto:cssdlimaye@gmail.com), so as to reach **by 6.00 p.m. on 11 July 2014. Ballot Form received thereafter will strictly be treated as if not received.**
2. The Company will not be responsible if the envelope containing the Ballot Form is lost in transit.
3. Unsigned, incomplete or incorrectly ticked forms are liable to be rejected and the decision of the Scrutinizer on the validity of the forms will be final.
4. In the event member casts his votes through both the processes i.e., E-voting and Physical Ballot Form, the votes in the electronic system would be considered and the Ballot Form would be ignored.
5. The right of voting by Ballot Form shall not be exercised by a proxy.
6. To avoid fraudulent transactions, the identity/signature of the members holding shares in electronic/demat form is verified with the specimen signatures furnished by NSDL/CDSL and that of members holding shares in physical form is verified as per the records of the share transfer agent of the Company i.e., Karvy Computershare Pvt. Ltd. Members are requested to keep the same updated.
7. There will be only one Ballot Form for every Folio / DP ID Client ID irrespective of the number of joint members.
8. In case of joint holders, the Ballot Form should be signed by the first named shareholder and in his / her absence by the next named shareholders. Ballot form signed by a joint holder shall be treated valid if signed as per records available with the Company and the Company shall not entertain any objection on such Ballot Form signed by other joint holders.
9. Where the Ballot Form has been signed by an authorized representative of the body corporate/Trust/Society etc., a certified copy of the relevant authorization / Board Resolution to vote should accompany the Ballot Form.
10. Instructions for e-voting procedure are available in the Notice of annual general meeting and are also placed on the website of the Company.





# MAHARASHTRA SCOOTERS LTD

CIN : L35912MH1975PLC018386  
Registered Office: C/o. Bajaj Auto Limited  
Mumbai-Pune Road, Akurdi, Pune-411 035  
E-mail: investors\_msl@bajajauto.co.in  
Website: www.mahascoters.com  
Phone: (020) 27472851

## ATTENDANCE SLIP

I hereby record my presence at the 39th Annual General Meeting of the Company on **Tuesday, 15 July, 2014 at 12.00 noon** at the Registered Office of the Company at C/o. Bajaj Auto Limited, Mumbai-Pune Road, Akurdi, Pune - 411 035, India.

Folio No. or DP ID and Client ID No.																				
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Full Name of the \*Shareholder/proxy  
(in block letters)

Signature of \*Shareholder/proxy

\* Strike out whichever is not applicable

E-mail ID .....

**NOTE:** Members who have multiple folios/demat accounts with different joint-holders may use copies of this attendance slip.



## PROXY FORM Form No.MGT-11

[Pursuant to Section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN : L35912MH1975PLC018386  
Name of the Company : **MAHARASHTRA SCOOTERS LIMITED**  
Registered Office : C/o. Bajaj Auto Limited, Mumbai Pune Road, Akurdi,  
Pune-411 035

Name of the member(s)	
Registered Address	
E-mail ID	
Folio No. or DP ID and Client ID	

I/We, being the member(s) of ..... shares of the above named company, hereby appoint

(1) Name : .....  
Address : .....  
E-mail ID : ..... Signature : ..... or failing him / her

(2) Name : .....  
Address : .....  
E-mail ID : ..... Signature : ..... or failing him / her

(3) Name : .....  
Address : .....  
E-mail ID : ..... Signature : ..... or failing him / her

as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the 39th Annual General Meeting of the Company, to be held on **Tuesday, 15 July, 2014 at 12.00 noon** at the Registered Office of the Company at C/o. Bajaj Auto Limited, Mumbai-Pune Road, Akurdi, Pune-411 035, India and at any adjournment thereof in respect of such resolutions as are indicated below:-

### Resolution No.

- Ordinary business**
- 1 Adoption of Financial statements for the year ended 31 March 2014 and the Directors' and Auditors' Reports thereon
  - 2 To declare dividend
  - 3 Re-appointment of Shri Sanjiv Bajaj as Director, who retires by rotation
  - 4 Re-appointment of Shri Yogesh J. Shah as Director, who retires by rotation
  - 5 Appointment of M/s. P.C. Parmar & Co., Chartered Accountants as Auditors and fixing their remuneration
- Special business**
- 6 Appointment of Shri Ramesh D. Devkar as Director
  - 7 Appointment of Shri Ashok S. Sawant as Director



Signed this ..... day ..... 2014.

Signature of shareholder

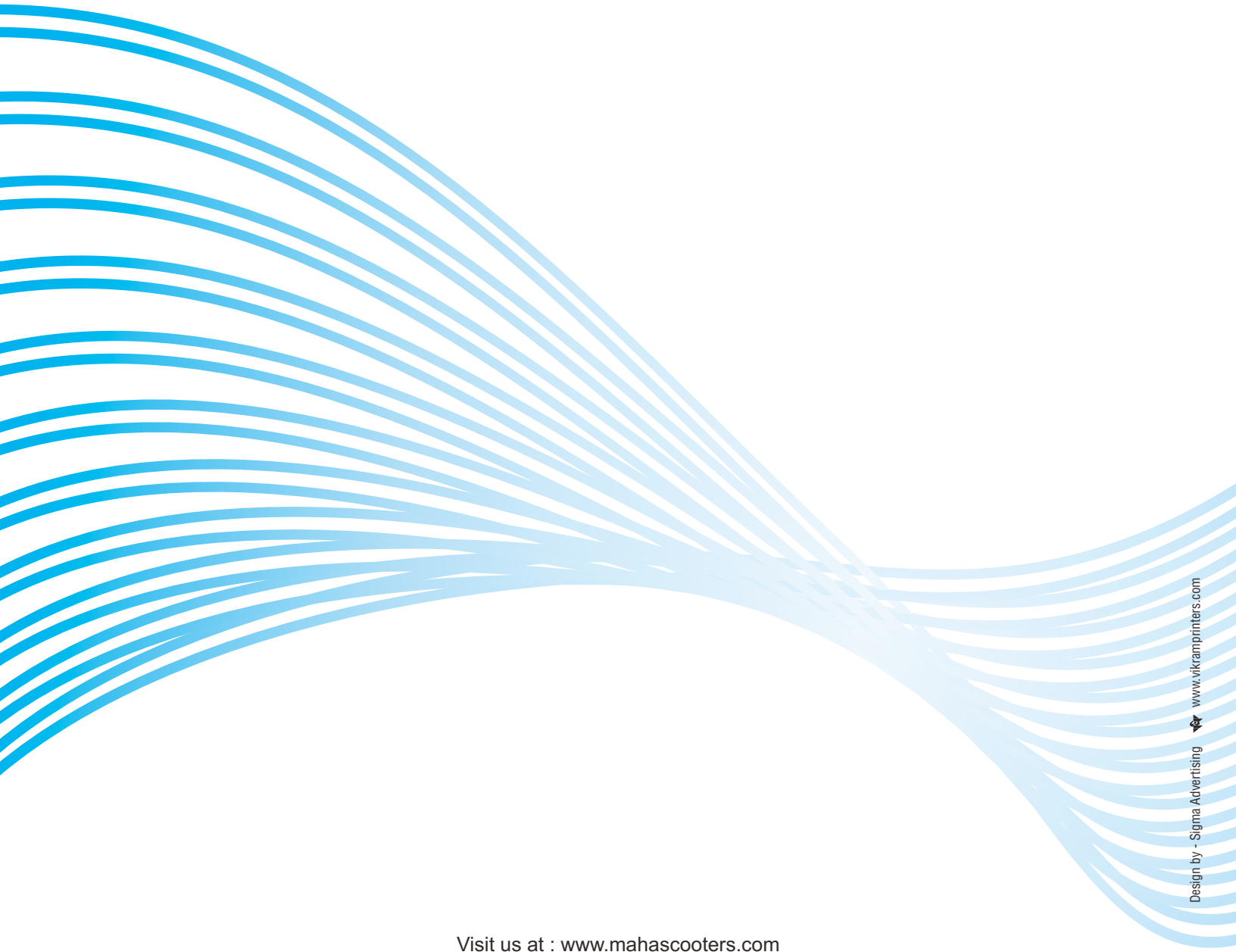
Signature of the proxy holder(s)

### Notes:

1. This form of proxy in order to be effective, should be duly completed and deposited at the registered office of the Company, not less than 48 hours before the commencement of the meeting.
2. Notwithstanding the above the Proxies can vote on such other items which may be tabled at the meeting by the shareholders present.







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