



41st
ANNUAL REPORT
2015-2016



MAHARASHTRA SCOOTERS LTD.

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41st Annual General Meeting:

Monday, 25 July, 2016 at 12.15 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
Mrs. Charu Desai (from 02.02.2016)
N.K. Poyam (till 08.07.2015)
Naresh Patni
Ramesh K. Nikharge
Sadashiv S. Survase
Sanjay S. Degaonkar
Sanjiv Bajaj
Vikram Kumar (from 02.02.2016)
Ms. Vrushali Agashe (till 07.01.2016)
Yogesh J. Shah

Statutory Auditor

P.C. Parmar & Co., Pune

Secretarial Auditor

Shyamprasad D. Limaye

Internal Auditor

Jayesh Kulkarni

Registered Office

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

Audit Committee

Yogesh J. Shah, Chairman
Mrs. Charu Desai
Naresh Patni

Stakeholders Relationship Committee

Yogesh J. Shah, Chairman
Sanjiv Bajaj
Vikram Kumar

Nomination & Remuneration Committee

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

Registrar and Share Transfer Agent

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

Works

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

Corporate Social Responsibility Committee

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

Corporate Identification No. (CIN)

L35912MH1975PLC018376

Website

www.mahascooters.com

Key Managerial Personnel

Rajeev D. Haware
Chief Executive Officer

E-mail

investors_msl@bajajauto.co.in

R.B. Laddha

Chief Financial Officer

N.S. Kulkarni

Company Secretary



CIN: L35912MH1975PLC018376

Registered office:

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

www.mahascooters.com

E-mail: investors_msl@bajajauto.co.in

NOTICE

NOTICE is hereby given that the forty-first (41st) Annual General Meeting of the shareholders of **MAHARASHTRA SCOOTERS LIMITED** will be held on **Monday, July 25, 2016 at 12.15 p.m.** 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:

Item No.1

To consider and adopt the audited Balance Sheet as at March 31, 2016 and the Statement of Profit and Loss for the year ended on that date and the reports of the Board of Directors and Auditors thereon.

Item No.2

To declare interim dividend of ₹ 30.00 per equity share of face value of ₹ 10 each as final dividend for the financial year ended March 31, 2016.

Item No.3

To appoint a Director in place of Shri Sadashiv S. Survase (DIN 01541589) who retires by rotation and being eligible, offers himself for re-appointment.

Item No.4

To ratify appointment of M/s. P.C. Parmar & Company, Chartered Accountants, Pune (ICAI Firm Registration No.107604W), as Statutory Auditors of the Company for the year 2016-17 and to fix their remuneration.

SPECIAL BUSINESS:

Item No.5

Appointment of Mrs. Charu Desai (DIN 03626844) as an Independent Director

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

"RESOLVED that pursuant to Section 149 and other applicable provisions of the Companies Act, 2013, read with the Rules made thereunder, approval be and is hereby accorded to the appointment of Mrs. Charu Desai (DIN 03626844), in respect of whom a notice in writing pursuant to Section 160 of the Companies Act, 2013 has been received in the prescribed manner, as an independent director on the Board of the Company, for a consecutive period of five years, effective from February 2, 2016 to February 1, 2021."

"RESOLVED further that pursuant to the provisions of Section 149, 197 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, Mrs. Charu Desai be paid such fees and remuneration as the Board may approve from time to time and subject to such limits, prescribed or as may be prescribed from time to time."

Item No.6

Appointment of Shri Vikram Kumar (DIN 03627339) as a Director

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

"RESOLVED that pursuant to the provisions of Section 152 and such other applicable provisions of the Companies Act, 2013 and Rules framed thereunder, Shri Vikram Kumar (DIN 03627339), who was appointed by the Board of Directors of the company as a Nominee Director of Western Maharashtra Development Corporation Ltd., with effect from February 2, 2016, in place of Shri N.K. Poyam and in respect of whom the company has received a notice in writing in the prescribed manner pursuant to provisions of Section 160 of the Companies Act, 2013 be and is hereby appointed as a Director of the company, liable to retire by rotation."

By Order of the Board
for MAHARASHTRA SCOOTERS LIMITED

N.S. Kulkarni
Company Secretary

Pune, May 23, 2016

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.5 and 6 is annexed.
2. **PROFILE OF DIRECTORS:** As required by Regulation 36(3) of the Listing Regulations, brief resume of the Directors seeking appointment / re-appointment is annexed hereto.
3. **PROXY:** *A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF AND THE PROXY NEED NOT BE A MEMBER. A PERSON CAN ACT AS PROXY ON BEHALF OF MEMBERS UPTO AND NOT EXCEEDING FIFTY AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY. FURTHER, A MEMBER HOLDING MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS PROXY FOR ANY OTHER PERSON OR MEMBER. THE INSTRUMENT APPOINTING PROXY MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME OF HOLDING THE MEETING.*
During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, member would be entitled to inspect the proxies lodged, at any time during the business hours of the Company, provided not less than 3 days written notice is given to the Company.
4. **NOTIFICATION BY MEMBERS:** Members holding shares in physical form are requested to notify change of address, if any, to the Share Transfer Agent (STA) of the Company, Karvy Computershare Private Limited, Karvy Selenium Tower B, Plot No. 31 and 32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad – 500 008 immediately.
Beneficial owners holding shares in electronic form are requested to notify any change in address, bank particulars, NECS particulars etc., to their respective depository participants. Bank details as furnished by the respective depository participants to the Company would be used for the purpose of distribution of dividend either through payment instrument or NECS. The company would not entertain any request from such members for change / deletion of such Bank details.
5. **INTERIM DIVIDEND:** An interim dividend at the rate of ₹ 30 per equity share (300%) having face value of ₹ 10 each, declared by the Board at its meeting held on March 15, 2016 has been paid on March 30, 2016 to all the eligible shareholders as on March 23, 2016, being the record date for the purpose of interim dividend.
6. **INSPECTION OF RECORDS:** Register of Contracts or arrangement in which Directors are interested as stipulated under Section 189 of the Companies Act, 2013 and Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013 are open for inspection by members and others at the registered office of the company on all working days during business hours. The said Registers shall also be produced at the commencement of annual general meeting and shall remain open and accessible during the continuance of the meeting to a person having the right to attend the meeting.
7. **GREEN INITIATIVE IN CORPORATE GOVERNANCE:** In terms of provisions of Section 101 and 136 of the Companies Act, 2013 and Rules made thereunder, Members who have opted to receive the Notice convening the general meetings, Financial Statements, Directors' Report, Auditors' Report etc. in electronic form, by registering their e-mail addresses with the Company or whose e-mail addresses are made available to the Company by the Depositories, are being sent with such documents in the electronic form. These documents are also made available on the website of the Company viz., www.mahascoolers.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.**
8. **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.
9. **NOMINATION:** Pursuant to Section 72 of the Companies Act, 2013, members holding shares in physical form are advised to submit the nomination in the prescribed Form SH-13, available for download on the website of the company, with the Company's Share Transfer Agent. In respect of shares held in electronic / demat form, the members are requested to contact their respective depository participant.
10. **REMOTE E-VOTING :** In terms of the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of Listing Regulations, the Company is providing facility to exercise votes on the items of business given in the Notice through electronic voting system to such investors who are the members as on **July 18, 2016**, being the “**cut-off date**” fixed for determining voting rights of members reckoned on the equity shares held by them as on that day, entitled to participate in the e-voting process. The company has entered into an arrangement with M/s. Karvy Computershare P. Ltd., the Share Transfer Agent of the company (Karvy) for facilitating e-voting, through their e-voting platform <https://evoting.karvy.com>
11. Route map for the venue of the meeting is hosted on the website of the company along with the Notice.



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 and 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 members (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF / JPG Format) of the relevant Board Resolution / Authority Letter etc. together with attested specimen signature of the duly authorized signatory (ies) who are authorized to vote, to the Scrutinizer through e-mail cssdlimaye@gmail.com. They may also upload the same in the e-voting module in their login. The scanned images of the above documents should be in the naming format "Corporate Name EVENT NO."
- xi. **Once you have cast your vote on a resolution you will not be allowed to modify it subsequently.**
- xii. The Portal will remain open for voting from **Friday, July 22, 2016 (9.00 a.m.) till Sunday, July 24, 2016 (5.00 p.m.)** and at the end of Remote e-voting period, the facility shall forthwith be blocked.
- xiii. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for members and e-voting User Manual for members available at the download Section of <https://evoting.karvy.com> or contact Karvy Computershare Pvt. Ltd. on 1800 345 4001 (toll free).

B. VOTING AT THE MEETING:

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

The members who have cast their vote by remote e-voting prior to the Annual General Meeting may also attend the meeting but shall not be entitled to cast their vote again at the meeting.

C. GENERAL INSTRUCTIONS:

- (I) The E-voting period commences from 9.00 a.m. of **Friday, July 22, 2016** and ends at **5.00 p.m. on Sunday, July 24, 2016**. During this period, the members of the company, holding shares either in physical form or in demat form, as on the cut-off date of **July 18, 2016** may cast their vote electronically. The remote 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 Shri 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, in a fair and transparent manner.
- (III) The Scrutinizer shall, within a period of not exceeding three (3) 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 Scrutinizer's Report of the votes cast in favour or against, if any, and submit forthwith to the Chairman of the company.

- (IV) The results of E-Voting and poll on the resolutions at the Annual General Meeting shall be aggregated and these resolutions will be deemed to be passed on the Annual General Meeting date, subject to receipt of the requisite number of votes in favour of the said resolutions.
- (V) The results declared along with the Scrutinizer's Report shall be communicated to the Stock Exchange/s and made available at the Company's website www.mahascooters.com and on the website of Karvy – www.evoting.karvy.com within two days of the passing of the resolutions at the Annual General Meeting of the Company.

Annexure to Notice

BRIEF RESUME OF DIRECTORS SEEKING APPOINTMENT AT THE ANNUAL GENERAL MEETING PURSUANT TO REGULATION 36(3) OF LISTING REGULATIONS AND EXPLANATORY STATEMENT UNDER SECTION 102 OF THE COMPANIES ACT, 2013

Item No.3

Re-appointment of Shri Sadashiv S. Survase (DIN 01541589) as a Director

Pursuant to the provisions of Section 152 of the Companies Act, 2013, Shri Sadashiv S. Survase (DIN 01541589) retires by rotation and being eligible, offers himself for reappointment.

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

Apart from Shri Sadashiv S. Survase, none of the Directors, Manager and other Key Managerial Personnel of the Company or their relatives are concerned or interested in the above resolution.

Shri Sadashiv S. Survase 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 Members.

Item No. 5

Appointment of Mrs. Charu Desai (DIN 03626844) as an Independent Director:

In the vacancy caused by the resignation of Ms. Vrushali Agashe, an Independent Director, the board of directors at its meeting held on February 2, 2016 had appointed Mrs. Charu Desai (DIN 03626844) as an Independent Director for a period of five (5) years, effective February 2, 2016 to February 1, 2021, subject to approval by the Members at the ensuing Annual General Meeting.

Mrs. Charu Desai had furnished a declaration to the company under Section 149(7) of the Companies Act, 2013, confirming that she meets the criteria prescribed for Independent Directors pursuant to the provisions of Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the Listing Regulations and is not disqualified for being appointed as a Director pursuant to Section 164 of the Companies Act, 2013.

In the above backdrop, as required pursuant to the provisions of Section 150(2) of the Companies Act, 2013, it is proposed to seek the approval of Members to the appointment of Mrs. Charu Desai as an Independent Director of the company for a period of five consecutive years with effect from February 2, 2016 to February 1, 2021, as set out at Item No.5 of the Notice. As stipulated under Section 160 of the Companies Act, 2013, a Notice is received by the company from a Shareholder proposing the candidature of Mrs. Charu Desai as an Independent Director.

Apart from Mrs. Charu Desai, none of the Directors / Manager / Key Managerial Personnel or their relatives are concerned or interested in the above resolution.

Details as required under Regulation 36(3) of Listing Regulations 2015 with respect to the appointment of Mrs. Charu Desai are annexed to the Notice.

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

Further, in the opinion of the Board, the proposed appointment of Mrs. Charu Desai, fulfills the conditions specified in the Act and the Rules made thereunder and that her proposed appointment as an Independent Director is independent of the management.

The Board recommends the resolution set forth under Item No.5 of the Notice for the approval of the Members.



Item No.6

Appointment of Shri Vikram Kumar (DIN 03627339) as a Director

At the board meeting of the company held on February 2, 2016, Shri Vikram Kumar was appointed as a Nominee Director of Western Maharashtra Development Corporation Ltd., in place of Shri N.K. Poyam. Pursuant to the provisions of Section 161 of the Companies Act, 2013, Shri Vikram Kumar (DIN 03627339) vacates office at the ensuing Annual General Meeting and is to be appointed as a Director by the Members. As stipulated under Section 160 of the Companies Act, 2013, the company has received a Notice in writing from a member signifying his intention to propose the name of Shri Vikram Kumar as a Director of the company.

Details as required under Regulation 36(3) of Listing Regulations 2015 with respect to the appointment of Shri Vikram Kumar are annexed to the Notice.

Apart from Shri Vikram Kumar, none of the Directors / Manager / Key Managerial Personnel or their relatives, are concerned or interested in the above resolution.

Shri Vikram Kumar is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013.

The Board recommends the resolution for the approval of Members.

By Order of the Board
for MAHARASHTRA SCOOTERS LIMITED

N.S. Kulkarni

Company Secretary

Pune, May 23, 2016

Annexure to the Notice of Annual General Meeting

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

Name of Director	Mrs. Charu Desai	Sadashiv S. Survase	Vikram Kumar
DIN	03626844	01541589	03627339
Type	Independent Director	Nominee Director	Nominee Director
Date of Birth	23-05-1971	05-01-1968	24-05-1977
Date of Appointment	02-02-2016	12-05-2015	02-02-2016
Educational Qualification	B.Com. FCA	M.E. (Design Eng.), MBA	IAS
Directorship held in other Companies	Maharashtra Vikrikar Rokhe Pradhikaran Ltd. Sicom Capital Management P. Ltd. Sicom Investment and Finance Ltd. Sicom Reality Ltd. SICOM - Chief Financial Officer	Western Maharashtra Development Corporation Ltd. Satara Mega Food Park P. Ltd.	Aurangabad Industrial Township Ltd., Managing Director Ascendas IT Park (Pune) Pvt. Ltd. International Biotech Park Ltd. Varando Hinjwadi Township P. Ltd. Western Maharashtra Development Corporation Ltd. Joint CEO of Maharashtra Industrial Development Corp. Ltd.
Committee Positions held in other Companies	Nil	Nil	Nil
No. of shares held	Nil	Nil	Nil
Experience / expertise in functional areas	Project finance, leasing, strategic planning, taxation, investments and management	General Management, Industrial Development, Joint venture	General Management, Industrial Development and Joint Venture
Relationship with other Directors, inter-se	None	None	None
Meetings attended	One out of two meetings held after her appointment	Attended all the meetings	Leave of Absence

DIRECTORS' REPORT

INTRODUCTION:

The Directors present their forty-first (41st) Annual Report and Audited Financial Statements for the year ended March 31, 2016, prepared in due compliance of extant provisions of the Companies Act, 2013 and Schedule III thereto.

REVIEW OF OPERATIONS:

Business activities of the company, during the year under review, continued to be restricted to the manufacture of die casting, jigs and fixtures, primarily meant for the automobile industry and management of investments of surplus funds of the company.

During the year under review, sales on account of manufacture of die casting dies, jigs and fixtures, increased to ₹ 892.96 lakhs as compared to ₹ 687.83 lakhs achieved during the previous year. This increase was on account of the concerted efforts made for a smooth flow of work orders, aided by enhanced productivity and better quality.

During the year under review, the turnover of the company went up from ₹ 6986.19 lakhs to ₹ 11714.99 lakhs, mainly on account of certain additional dividend received by way of interim dividend.

CLASSIFICATION AS A CORE INVESTMENT COMPANY:

Considering the fact that the company fulfills the criteria for being qualified as a Core Investment company, exempted from registration with RBI pursuant to Section 45-IA of the RBI Act, 1934, RBI has confirmed the classification of the Company as such.

Such classification of the company by RBI, however has no significant impact on the operations / finances of the company.

FINANCIAL HIGHLIGHTS:

	₹ in lakhs	
	<u>2015-16</u>	<u>2014-15</u>
Net sales and other income	11714.99	6986.19
Gross profit before interest and depreciation	10173.38	5791.56
Interest	-	-
Depreciation	73.50	315.78
Profit before tax	10099.88	5475.78
Tax expense	116.00	141.00
MAT credit entitlement	(116.00)	(141.00)
Profit after tax	10099.88	5475.78
Transferred to General Reserve	1010.00	1349.23
Interim dividend (inclusive of dividend distribution tax)	4126.55	4126.55
Balance in Statement of Profit & Loss	4963.33	-
Earnings per share (₹)	88.37	47.91

RECOMMENDATION ON DIVIDEND:

At the board meeting of the company held on March 15, 2016, the Directors had recommended an interim dividend of ₹ 30 per share (300%) on 11,428,568 equity shares of ₹ 10 each for the financial year 2015-16 (same as last year), which was paid on March 30, 2016 to all eligible shareholders as on March 23, 2016, being the record date fixed for the purpose.

The Directors have not recommended any additional dividend and the interim dividend already paid is being proposed to be declared as the final dividend for the financial year 2015-16.

The amount of dividend inclusive of tax thereon for the financial year 2015-16 amounts to ₹ 4,126.55 lakhs, same as paid during the financial year 2014-15.

SHARE CAPITAL:

The paid up Equity Share Capital as on March 31, 2016 was ₹ 11.42 Crore. During the year under review, there was no public issue, rights issue, bonus issue or preference share issue, nor had the Company issued shares with differential voting rights or granted stock options or sweat equity.

PRESENTATION OF FINANCIAL STATEMENTS:

The financial statements for the year ended March 31, 2016 are prepared in due compliance of the Schedule III of the Companies Act, 2013.

CASH FLOW STATEMENT:

A Cash Flow Statement for the year 2015-16 is included in the annexed Statement of Accounts.

EXTRACT OF ANNUAL RETURN:

Pursuant to the provisions of Section 92(3) of the Companies Act, 2013 and Rules framed thereunder, an extract of Annual Return as on March 31, 2016 in the prescribed Form No. MGT-9 is annexed to this Report (Annexure-I).

NUMBER OF MEETINGS OF THE BOARD:

There were five (5) meetings of the board held during the year. Detailed information is given in the annexed Corporate Governance Report.

DIRECTORS' RESPONSIBILITY STATEMENT:

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

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



- (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) the directors had prepared the annual accounts on a going concern basis;
- (e) the directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and
- (f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

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

During the year under review, no offence involving fraud committed against the company by officers or employees of the company was reported by the Auditors to the Audit Committee or the Board pursuant to Section 143(12) of the Companies Act, 2013.

STATEMENT ON DECLARATION GIVEN BY INDEPENDENT DIRECTORS:

All the Independent Directors have submitted declarations to the company to the effect that they meet the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013.

DIRECTORS' APPOINTMENT AND REMUNERATION POLICY:

Information regarding Directors' Remuneration Policy and criteria for determining the qualification, positive attributes, independence of a director and other matters provided under sub-section (3) of Section 178 of the Companies Act, 2013 are contained in the Corporate Governance Report. The Policy is also available on the website of Company i.e. www.mahascooters.com

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS:

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

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

During the year under review, the Company had not entered into any transactions with the related parties which invoked the provisions of Section 188 of the Companies Act, 2013, thereby

necessitating its approval by the Board or prior approval of the Shareholders.

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

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

The Policy on Related Party Transactions as approved by the board is uploaded on the Company's website:

www.mahascooters.com

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

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 wormi composting, solar water heaters and effluent treatment plant operated effectively.
Technology absorption	No expenditure is incurred by the Company attributable to Technology absorption during the year.
Expenditure on Research & Development	No expenditure is incurred by the Company attributable to Research & Development during the year.
Foreign exchange earnings and Outgo	During the year under review, foreign exchange earnings were NIL and outgo was ₹ 331.32 lakhs.

ANNUAL EVALUATION OF THE BOARD, COMMITTEES AND INDIVIDUAL DIRECTORS:

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

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

- a) Western Maharashtra Development Corporation Limited, one of the two Promoters of the Company, withdrew the nomination of Shri N.K. Poyam as its Nominee Director on the board of the company and appointed Shri Vikram Kumar, IAS, in his place.
- b) Ms. Vrushali Agashe, one of the Independent Directors of the company, resigned during the year, owing to personal reasons. On the recommendations of Nomination and Remuneration Committee, the board at its meeting held on February 2, 2016, appointed Mrs. Charu Desai as an Independent Director / Woman Director, for a period of 5 years, effective February 2, 2016, subject to the approval of the Shareholders at the ensuing Annual General Meeting.
- c) The Board records its sincere appreciation for the valuable contribution made by Shri N.K. Poyam and Ms. Vrushali Agashe during their tenure on the Board.

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

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

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

The Company has documented its Internal Financial Controls considering the essential components of various critical processes, physical and operational, and which includes its design, implementation and maintenance along with periodical internal review of operational effectiveness and sustenance.

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

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

RISK MANAGEMENT POLICY:

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

MATERIAL CHANGES AND COMMITMENTS:

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

CORPORATE GOVERNANCE:

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

SECRETARIAL AUDIT REPORT:

Pursuant to the provisions of Section 204 of the Companies Act, 2013, the company had appointed Shri Shyamprasad D. Limaye a Fellow Member of the Institute of Company Secretaries of India and a Company Secretary in Practice (FCS No.1587, Certificate of Practice No.572) to conduct the secretarial audit and give a Secretarial Audit Report for the year 2015-16 to be annexed to the Report of Board of Directors.

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

SECRETARIAL STANDARDS OF ICSI:

The company is in compliance of Secretarial Standards on Meetings of the Board of Directors (SS-1) and General Meetings (SS-2) issued by the Institute of Company Secretaries of India.

INTERNAL AUDIT:

Shri Jayesh A. Kulkarni, a Chartered Accountant acted as Internal Auditor of the company. The internal financial controls established with the approval of Audit Committee of the Board are adequate with reference to the financial statements and size and operations of the company.

STATUTORY AUDITORS:

At the 39th Annual General Meeting of the company, the Shareholders had approved the appointment of M/s. P.C. Parmar & Co., Chartered Accountants as Statutory Auditors for a period until the conclusion of 42nd Annual General Meeting, subject to ratification of the appointment by the members at every Annual General Meeting and accordingly, the Notice convening the 41st Annual General Meeting contains a proposal for ratification of their appointment along with their remuneration by the members for the year 2016-17.

AUDITORS' REPORT:

The Statutory Audit Report does not contain any qualification, reservation or adverse remark or disclaimer made by Statutory Auditor.

COST AUDIT / AUDITORS:

Pursuant to the provisions of Section 148 of the Companies Act, 2013 and Companies (Cost Records and Audit) Rules, 2014, the company was not required to get its cost records audited by a Cost Auditor.



INDUSTRIAL RELATIONS:

During the year under review, the industrial relations remained cordial. The wage agreement entered into with the company's Union elapsed on March 31, 2016 and negotiations with the Union for an amicable wage settlement are in progress.

ESTABLISHMENT OF VIGIL MECHANISM:

Pursuant to the provisions of Section 177(9) of the Companies Act, 2013 and Rules framed thereunder, the company has established a vigil mechanism for directors and employees to report genuine concerns and to provide for adequate safeguards against victimizations of persons who use such mechanism and the details thereof are disclosed on the website of the company www.mahascooters.com

DETAILS OF DIRECTORS AND EMPLOYEES

REMUNERATION:

The information required pursuant to Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of Directors and employees of the

Company are placed on the Company's website www.mahascooters.com as an annexure to the Directors' Report. A physical copy of the same will be made available to any shareholder on request.

During the year under review, none of the employees of the company was in receipt of remuneration of more than ₹ 60 lakhs per year or ₹ 5 lakhs per month, referred to in Section 197(12) of the Companies Act, 2013 and Rule 5(2) and (3) of the Rules aforesaid.

CORPORATE SOCIAL RESPONSIBILITY (CSR) REPORTING:

Annual Report on CSR pursuant to Rule 8 of Companies (CSR) Rules, 2014 is annexed to this Report (Annexure-III).

On behalf of the Board of Directors

Madhur Bajaj
Chairman

Pune, May 23, 2016

Annexure - I to Directors' Report

FORM NO. MGT 9

Extract of Annual Return for the financial year ended on March 31, 2016

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

I. REGISTRATION & OTHER DETAILS:

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

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

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

Sr.No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Investment	65993	92

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

The Company has no holding, subsidiary and associate companies.

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

(i) Category-wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year (01-04-2015)				No. of Shares held at the end of the year (31-03-2016)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
1 Indian									
a) Individual/ HUF	0	0	0	0	0	0	0	0	0
b) Central Govt.	0	0	0	0	0	0	0	0	0
c) State Govt(s)	0	0	0	0	0	0	0	0	0
d) Bodies Corporates	0	5,828,560	5,828,560	51.00	0	5,828,560	5,828,560	51.00	0
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any other	0	0	0	0	0	0	0	0	0
Sub-total (A)(1)	0	5,828,560	5,828,560	51.00	0	5,828,560	5,828,560	51.00	0
2 Foreign									
a) NRIs-Individuals	0	0	0	0	0	0	0	0	0
b) Other-Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corporates	0	0	0	0	0	0	0	0	0
d) Banks / FI	0	0	0	0	0	0	0	0	0
e) Any other	0	0	0	0	0	0	0	0	0
Sub-total (A)(2)	0	0	0	0	0	0	0	0	0
Total shareholding of Promoter (A)	0	5,828,560	5,828,560	51.00	0	5,828,560	5,828,560	51.00	0
B. Public Shareholding									
1 Institutions									
a) Mutual Funds	391,517	2,750	394,267	3.45	388,821	2,750	391,571	3.43	(0.02)
b) Banks / FI	3,491	1,118	4,609	0.04	2,554	1,118	3,672	0.03	(0.01)
c) Central Govt	0	0	0	0	0	0	0	0	0
d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	352,202	0	352,202	3.08	352,202	0	352,202	3.08	0
g) Foreign Portfolio Investors	574,410	0	574,410	5.03	651,992	0	651,992	5.70	0.68
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
Sub-total (B)(1)	1,321,620	3,868	1,325,488	11.60	1,395,569	3,868	1,399,437	12.25	0.65



Category of Shareholders		No. of Shares held at the beginning of the year (01-04-2015)				No. of Shares held at the end of the year (31-03-2016)				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
2	Non-Institutions									
a)	Bodies Corporates									
i)	Indian	871,108	2,906	874,014	7.65	882,907	2,191	885,098	7.74	0.10
ii)	NBFC Registered with RBI	0	0	0	0	1,050	0	1,050	0.01	0.01
iii)	Overseas	0	0	0	0	0	0	0	0	0
b)	Individuals									
i)	Individual shareholders holding nominal share capital upto ₹ 1 lakh	1,634,233	685,974	2,320,207	20.30	1,614,979	654,223	2,269,202	19.86	(0.45)
ii)	Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	957,948	10,624	968,572	9.01	974,356	10,624	984,980	8.62	(0.40)
c)	Others (specify)									
i)	Non Resident Indians	46,045	2,334	48,379	0.42	54,715	2,334	57,049	0.50	0.08
ii)	Overseas Corporate Bodies	0	0	0	0	0	0	0	0	0
iii)	Foreign Nationals	0	0	0	0	0	0	0	0	0
iv)	Clearing Members	1,204	0	1,204	0.01	2,692	0	2,692	0.02	0.01
v)	Trusts	550	0	550	0.00	500	0	500	0	0
vi)	Foreign Bodies - D R	0	0	0	0	0	0	0	0	0
Sub-total (B)(2)		3,572,682	701,838	4,274,520	37.40	3,531,199	669,372	4,200,571	36.76	(0.65)
Total Public Shareholding (B)=(B)(1)+(B)(2)		4,894,302	705,706	5,600,008	49.00	4,926,768	673,240	5,600,008	49.00	0
C.	Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)		4,894,302	6,534,266	11,428,568	100.00	4,926,768	6,501,800	11,428,568	100.00	0

Note: Percentage in bracket represents negative percentage

(ii) Shareholding of Promoters:

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year (01-04-2015)			Shareholding at the end of the year (31-03-2016)			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Bajaj Holdings & Investment Ltd.	2,742,848	24.00	0	2,742,848	24.00	0	0
2	Western Maharashtra Development Corporation Ltd.	3,085,712	27.00	0	3,085,712	27.00	0	0

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

There is no change in promoters' shareholding during the Financial Year 2015-16.

(iv) Shareholding Pattern of top ten Shareholders:

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

Sr. No.	Name of the shareholders	Shareholding at the beginning of the year (As on 01-04-2015)		Change in shareholding during the year		Shareholding at the end of the year (As on 31-03-2016)	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	CD Equifinance Private Limited	628,141	5.50	3,311	0.03	631,452	5.53
2	PPFAS Long Term Value Fund	391,182	3.42	(2,693)	(0.02)	388,489	3.40
3	General Insurance Corporation of India	352,202	3.08	-	0.00	352,202	3.08
4	Motilal Gopilal Oswal	279,230	2.44	-	0.00	279,230	2.44
5	Morgan Stanley Asia (Singapore) Pte.	105,892	0.93	78,037	0.68	183,929	1.61
6	Acacia Partners, Lp	175,978	1.54	-	0.00	175,978	1.54
7	Acacia Institutional Partners, Lp	166,036	1.45	-	0.00	166,036	1.45
8	Chetan Sehgal	85,058	0.74	(1,904)	(0.02)	83,154	0.73
9	P Dhananjaya Sarma	63,220	0.55	-	0.00	63,220	0.55
10	Rathi Techservices Private Limited	58,674	0.51	-	0.00	58,674	0.51

Note: Percentage in bracket represents negative percentage

(v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Name of the director/Key Managerial Personnel	Shareholding at the beginning of the year (As on 01-04-2015)		Change in shareholding during the year		Shareholding at the end of the year (As on 31-03-2016)	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
Directors							
1	Madhur Bajaj	0	0	0	0	0	0
2	Sanjiv Bajaj	0	0	0	0	0	0
3	Yogesh J. Shah	2,914	0.03	0	0	2,914	0.03
4	Naresh Patni	0	0	0	0	0	0
5	Sadashiv S. Survase	0	0	0	0	0	0
6	Vikram Kumar	0	0	0	0	0	0
7	R.K. Nikharge	0	0	0	0	0	0
8	Sanjay S. Degaonkar	0	0	0	0	0	0
9	Mrs. Charu Desai	0	0	0	0	0	0
Key Managerial Personnel							
10	Rajeev D. Haware	100	0	0	0	100	0
11	R.B. Laddha	6,835	0.06	0	0	6,835	0.06
12	N.S. Kulkarni	1	0	0	0	1	0



V. INDEBTEDNESS:

Indebtedness of the Company including interest outstanding/accrued but not due for payment.

Company was not having any secured loans/unsecured loans and deposits during the financial year 2015-16.

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

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

Name of Manager & CEO: R.D. Haware		₹ in lakhs
Sr. No.	Particulars of Remuneration	₹ in lakhs
1	Gross salary	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	37.07
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	0.39
	(c) Profits in lieu of salary under section 17(3) of Income tax Act, 1961	0
2	Stock Option	0
3	Sweat Equity	0
4	Commission	0
	- as % of profit	0
	- others, specify...	0
5	Others, please specify	0
	Total (A)	37.46
	Ceiling as per the Act	506.87

B. Remuneration to other directors:

Sr. No.	Particulars of Remuneration		Name of Non-Executive Directors					(₹ in lakhs)
1	Independent Directors	Yogesh J. Shah	Naresh Patni	R.K. Nikharge	Sanjay S. Degaonkar	Vrushali Agashe	Charu Desai	
	Fee for attending board committee meetings	2.60	2.20	2.40	0.60	0.60	0.20	8.60
	Commission	0	0	0	0	0	0	0
	Others, please specify	0	0	0	0	0	0	0
	Total (1)	2.60	2.20	2.40	0.60	0.60	0.20	8.60
2	Other Non-Executive Directors		Madhur Bajaj	Sanjiv Bajaj	N.K. Poyam	Sadashiv S. Survase		
	Fee for attending board committee meetings		0.80	1.20	0.20	1.00		3.20
	Commission		0	0	0	0		0
	Others, please specify		0	0	0	0		0
	Total (2)		0.80	1.20	0.20	1.00		3.20
	Total (B) = (1+2)							11.80
	Total Managerial Remuneration							49.26
	Overall Ceiling as per the Act							1115.11

C. Remuneration to Key Managerial Personnel other than MD/MANAGER/WTD:

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		Total (₹ in lakhs)
		Chief Financial Officer (CFO)	Company Secretary (CS)	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	34.52	20.48	55.00
	(b) Value of perquisites u/s 17(2) of Income-tax Act, 1961	0.39	0.43	0.82
	(c) Profits in lieu of salary under section 17(3) of Income-tax Act, 1961	0	0	0
2	Stock Option	0	0	0
3	Sweat Equity	0	0	0
4	Commission	0	0	0
	- as % of profit	0	0	0
	others, specify...	0	0	0
5	Others, please specify	0	0	0
	Total	34.91	20.91	55.82

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

There were no penalties/punishment/compounding of offences during the financial year 2015-16.

Annexure - II to Directors' Report

FORM NO. MR-3

Secretarial Audit Report for the financial year ended 31st March, 2016

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

To the Members

Maharashtra Scooters Limited,

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

Based on my verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2016, complied with the applicable statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2016, according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;



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

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

- (i) Secretarial Standards pursuant to section 118(10) of the Act, issued by the Institute of Company Secretaries of India.
- (ii) Listing Agreements entered into by the Company with BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) (As applicable upto 30 November 2015).

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors, including one woman director. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

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

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

Date: 23 May 2016

Place: Pune

Shyamprasad D. Limaye
FCS No. 1587 C P No.: 572

Annexure - III to Directors' Report

Annual Report on CSR Activities

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

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

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

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

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

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

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

Full text of the CSR Policy is placed on the website of the company viz., www.mahascooters.com

2. Composition of CSR Committee:

A Committee of the directors, titled 'Corporate Social Responsibility Committee', was constituted by the Board in its meeting held on 13 October 2014, with the following members:-

Yogesh J. Shah - Chairman	Independent Director
Sadashiv S. Survase - Member*	Non-Independent Director
Sanjiv Bajaj - Member	Non-Independent Director

* appointed effective February 2, 2016

During the year under review, the Committee met once on October 19, 2015.

3. Average Net Profits of the company for the last three financial years, preceding 2015-16 : ₹ 656.11 lakhs

4. Prescribed CSR expenditure (2% of the amount as in item 3 above) : ₹.13.12 lakhs

5. Manner in which the amount spent during the financial year is detailed below:-

Sr. No.	Name/ Details of the implementing agency	CSR Project/ Activity identified	Sector in which the project is covered	Location of Project/ programme (Local area or State/District)	Amount outlay/ Approved (in lakhs)	Amount spent direct/ overheads (in lakhs)	Cumulative Expenditure upto 2015-16 (in lakhs)
1.	M/s.Maharshi Karve Stree Shikshan Sanstha, Kanyashala	Promoting education, employment enhancing vocation skills among children / woman	Education	Wai, District - Satara	13.12	13.12	13.12

Notes:

1. The amount mentioned above as spent relate to amount spent through implementing agency.
2. There is no expenditure on overheads in the above.



6. In case the Company fails to spend the 2% of the Average Net Profit (INR) of the last 3 financial years, the reasons for not spending the amount shall be stated in the Board report – **NOT APPLICABLE**.
7. Responsibility statement, of the CSR Committee, that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company duly signed by Director and Chairperson of the CSR Committee.

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

Sd/-
Yogesh J. Shah
Chairman
DIN 00137526

Sd/-
Sadashiv S. Survase
Member
DIN 01541589

Sd/-
Sanjiv Bajaj
Member
DIN 00014615

CORPORATE GOVERNANCE

SEBI vide its Notification No. SEBI / LAD-NRO / GN / 2015-16 / 013 dated September 2, 2015 notified the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred as "SEBI Listing Regulations, 2015"), which were made applicable with effect from December 1, 2015, and repealed the erstwhile Listing Agreement with the stock exchanges.

This Report is in conformity with the provisions of Companies Act, 2013, Regulation 34 of Listing Regulations and Schedule V appended thereto.

PHILOSOPHY:

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

BOARD OF DIRECTORS:

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

COMPOSITION OF THE BOARD:

The composition of the Board of Directors is in fully compliant with the provisions of the Companies Act, 2013 and Regulation 17 of the Listing Regulations, including the appointment of requisite number of Independent Directors and Woman Director. As on March 31, 2016, the board comprised of five (5) Non-Executive Independent Directors and four (4) Non Executive Non-Independent Directors. Woman Director is a Non-Executive Independent Director. The Board has no institutional nominee director. The Company has a Non-executive Chairman.

According to Regulation 17(1)(b) of SEBI Listing Regulations, 2015, if the Chairman of the company is a promoter, at least one half of the Board of the Company should consist of independent directors. The Company is in compliance with this requirements as shown in Tables below:-

Composition of the Board of Directors and the number of Directorships and committee positions held by the Directors as on March 31, 2016 is as under:-

Name of director (in alphabetical order)	DIN	No. of directorship held in *			Committee positions in listed and unlisted public limited companies *	
		Listed Companies	Unlisted Companies	Private Ltd. Companies	As Chairman	As Member
Madhur Bajaj	00014593	5	3	-	-	-
Charu Desai (Mrs.)	03626844	-	4	1	-	3
Naresh Patni	00045532	-	2	-	-	-
Ramesh K. Nikharge	02250777	-	1	-	-	-
Sadashiv S. Survase	01541589	-	1	1	-	-
Sanjay S. Degaonkar	06957783	-	2	-	-	-
Sanjiv Bajaj	00014615	5	4	7	1	5
Vikram Kumar	03627339	-	3	2	-	-
Yogesh J. Shah	00137526	-	-	4	-	-

* excluding this company.



Notes:

None of the directors holds office as a director, including as alternate director, in more than 20 Companies at the same time. None of them has Directorships in more than ten public companies. For reckoning the limit of public companies, directorship of private companies that are either holding or subsidiary of a public company is included.

As per declarations received, none of the directors serves as an Independent director in more than 7 listed companies. Further, none of the directors serving as a whole-time director in any listed company serves as an independent director in more than 3 listed companies.

None of the directors was a member in more than 10 committees, nor a Chairman in more than 5 committees across all companies, in which he was a director.

NO. OF MEETINGS:

During the financial year ended March 31, 2016, the Board met five (5) times, on May 12, 2015, July 21, 2015, October 19, 2015, February 2, 2016 and March 15, 2016. The intervening gap between any two consecutive meetings was less than one hundred and twenty days.

ATTENDANCE OF DIRECTORS:

Attendance of Directors at the Board Meetings held during the financial year ended March 31, 2016 and at the last AGM:

Name of director (in alphabetical order)	Category	Number of Board meetings		Attendance at the last AGM held on 21-07-2015
		Held	Attended	
Madhur Bajaj	Non-Executive, Chairman, Nominee	5	4	Yes
Charu Desai* (Mrs.)	Non-Executive, Independent	2	1	Not applicable
Naresh Patni	Non-Executive, Independent	5	5	Yes
Ramesh Nikharge	Non-Executive, Independent	5	4	Yes
Sadashiv S. Survase	Non-Executive, Nominee	5	5	Yes
Sanjay S. Degaonkar	Non-Executive, Independent	5	3	No
Sanjiv Bajaj	Non-Executive, Nominee	5	4	Yes
Vikram Kumar®	Non-Executive, Nominee	2	-	Not applicable
Yogesh J. Shah	Non-Executive, Independent	5	5	Yes

*Appointed as an Independent Director w.e.f. February 2, 2016

®Appointed as Nominee Director w.e.f. February 2, 2016

MAXIMUM TENURE OF INDEPENDENT DIRECTORS:

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

REVIEW OF LEGAL COMPLIANCE REPORTS:

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

FORMAL LETTER OF APPOINTMENT TO INDEPENDENT DIRECTORS:

The company issues a formal letter of appointment to independent directors in the manner as provided in Section 149(8) of the Companies Act, 2013. The terms and conditions of appointment of independent directors are placed on the company's website www.mahascooters.com

SEPARATE MEETING OF INDEPENDENT DIRECTORS:

In compliance with Schedule IV to the Companies Act, 2013 and Regulation 25 (3) of SEBI Listing Regulations, 2015, the independent directors held their separate meeting on March 15, 2016, without the attendance of non-independent directors and members of management, to inter-alia:

- i) review the performance of non-independent directors and the Board as a whole;
- ii) review the performance of the Chairperson of the Company, taking into account the views of executive directors and non-executive directors;
- iii) assess the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

All independent directors except Mrs. Charu Desai and Shri R.K. Nikharge were present at the meeting. The Independent Directors present elected Shri Yogesh Shah as Chairman for the meeting, deliberated on the above and expressed their satisfaction on each of the matters.

PERFORMANCE EVALUATION:

Pursuant to the provisions of the Companies Act, 2013 and Regulation 25 of Listing Regulations, the Board has carried out an annual evaluation of its own performance, and that of its Committees and individual directors. Manner in which formal annual evaluation was made by the Board of its own performance and that of its Committees and Individual Directors is given below:-

- Performance Evaluation Criteria for Board, Committees of the Board and Directors were approved by the board of directors at its meeting held on 13 October 2014. The criteria are placed on the company's website www.mahascooters.com
- Based on the said criteria, Rating sheets were filled by each of the directors towards the end of the year with regard to evaluation of performance of the Board, its Committees and Directors (except for the director being evaluated) for the year under review.
- A consolidated summary of the Ratings given by each of the directors was then prepared, based on which a Report of performance evaluation was prepared by the Chairman in respect of the performance of the Board, its Committees and Directors during the year under review.
- The Report of performance evaluation so arrived at was then noted and discussed by the Nomination and Remuneration Committee and Board at their meetings held on May 23, 2016.
- As per the Report of performance evaluation, the Board shall determine inter-alia whether to continue the term of appointment of the director. During the year under review, the Independent Directors were appointed for the first time and there was no occasion to decide on the continuance of the term of appointment of any of the directors and hence the question of taking a decision on their re-appointment did not arise.

INFORMATION PLACED BEFORE THE BOARD:

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

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

CODE OF CONDUCT:

Regulation 17(5) of SEBI Listing Regulations, 2015 requires listed companies to lay down a code of conduct for its directors and senior management inter-alia, incorporating duties of directors as laid down in the Companies Act, 2013.

The Board has laid down a Code of Conduct for all Board Members, including Independent Directors and Senior Management of the Company. As mandated, the Code of Conduct is also posted on the website of the company viz., www.mahascooters.com As on March 31, 2016, all Board Members / Independent Directors and Senior Management Personnel have affirmed compliance with the Code.

ORDERLY SUCCESSION TO BOARD AND SENIOR MANAGEMENT:

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

FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS:

With a view to familiarizing the independent directors with the company's operations, as required under Regulation 25 of the Listing Regulations, the company has held various familiarization programmes for the Independent Directors throughout the year.

The newly appointed Independent Directors were provided with a copy of latest Annual Report of the Company, the Code of Conduct for Directors, Code of Conduct for Prevention of Insider Trading. The Key Managerial Personnel of the company also apprised the new Independent Director on the functioning of the Board and the nature of operation of the Company's business activities. Independent



Directors were also provided with a Handbook on Independent Directors published by the Institute of Company Secretaries of India, New-Delhi, which lucidly explains their role, duties and responsibilities.

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

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

BOARD DIVERSITY POLICY:

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

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

VIGIL MECHANISM:

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

The Vigil Mechanism provides for the director / employee to report violations, without fear of victimisation of any unethical behavior, suspected or actual fraud, violation of the Code of Conduct etc. which are detrimental to the organisation's interest. The mechanism protects Whistle Blower from any kind of discrimination, harassment, victimization or any other unfair employment practice.

The directors in all cases and employees in appropriate or exceptional cases will have direct access with the Chairman of the Audit Committee. "Vigil Mechanism" is placed on Company website www.mahascooters.com

RISK MANAGEMENT:

Pursuant to provisions of Regulation 21 of Listing Regulations, top 100 listed companies by market capitalization as at the end of immediate preceding financial year are required to constitute a Risk Management Committee. As at March 31, 2015, the name of this company had not figured in such a list.

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

RELATED PARTY TRANSACTIONS:

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

During the financial year 2015-16, all RPTs were placed before Audit Committee for prior approval.

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

A statement showing the disclosure of transactions with related parties as required under Accounting Standard-18 is set out separately in this Annual Report.

The company has formulated a policy on materiality of Related Party Transactions and also on dealing with such Related Party Transactions. The said policy is available on the website of the company i.e. www.mahascooters.com

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

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

AUDIT COMMITTEE:

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

Sr.No.	Name of Director	Status	No. of meetings attended
1.	Yogesh J. Shah	Chairman – Independent Director	4/4
2.	Naresh Patni	Member – Independent Director	4/4
3.	R.K. Nikharge ¹	Member – Independent Director	4/4
4.	Charu Desai (Mrs.) ²	Member – Independent Director	Not applicable

¹ Upto February 2, 2016

² From February 2, 2016

The terms of reference of Audit Committee as approved by Board comply with the extant provisions of Companies Act, 2013 and Listing Regulations, as applicable.

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

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

The committee met four times during the year on May 12, 2015, July 21, 2015, October 19, 2015 and February 2, 2016. The time gap between two meetings was not more than one hundred and twenty days.

All the Members of the Committee attended all the meetings held during the year. Other Directors who were present by invitation also attended the meetings. Shri Yogesh J. Shah, Chairman of the Audit Committee was present at the 40th Annual General Meeting of the Company held on July 21, 2015, to answer shareholders queries.

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.

NOMINATION AND REMUNERATION COMMITTEE:

The Board constituted the Nomination and Remuneration Committee of the Board at its meeting held on October 13, 2014 and the Terms of reference for this committee were also approved by the Board in the said meeting in compliance with Regulation 19 of Listing Regulations and Section 178 of the Companies Act, 2013.

Composition of the Nomination and Remuneration Committee

Sr.No.	Name of Director	Status
1.	Yogesh J. Shah	Chairman – Independent Director
2.	Naresh Patni	Member – Independent Director
3.	R.K. Nikharge ¹	Member – Independent Director
4.	Sanjay S. Degaonkar ²	Member – Independent Director

¹ Upto February 2, 2016

² From February 2, 2016



The Committee met twice on May 12, 2015 and February 2, 2016 and all the then members attended the same. Other Directors who were present by invitation also attended the meetings.

On the recommendation of Nomination and Remuneration Committee, the Board has adopted the policy on appointment of Directors / Independent Directors and Key Managerial Personnel and remuneration payable to them. As mandated, the said policy is posted on the website of the company viz., www.mahascooters.com

STAKEHOLDERS RELATIONSHIP COMMITTEE:

In compliance with the provisions of Section 178 of Companies Act, 2013 and Regulation 20 of the Listing Regulations, the Board had constituted a "Stakeholders Relationship Committee" with following members:-

Sr.No.	Name of Director	Status
1.	Yogesh J. Shah	Chairman – Independent Director
2.	Sanjiv Bajaj	Member – Nominee Director
3.	R.K. Nikharge ¹	Member – Independent Director
4.	Vikram Kumar ²	Member – Nominee Director

¹ Upto February 2, 2016

² From February 2, 2016

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

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

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

The committee met once during the year on February 2, 2016, which was attended by all the members. Other Directors who were present by invitation also attended the meeting. Shri Shyamprasad D. Limaye, Secretarial Auditor and the Company Secretary, who acts as Compliance Officer, was also present at the meeting.

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

Complaints attended and resolved during the year 2015-16:

Investors Complaints	Attended/Resolved during 2015-16
Pending at the beginning of the year	Nil
Received during the year	21
Disposed of during the year	21
Remaining unresolved at the end of the year	Nil

SUBSIDIARY AND ASSOCIATE COMPANIES:

The Company has no subsidiaries and no associates.

PROHIBITION OF INSIDER TRADING:

The Company has put in place a 'Code of Conduct for Prevention of Insider Trading and Corporate Disclosure Practices', in accordance with the SEBI (Prohibition of Insider Trading) Regulations, 1992 as amended. These regulations have been substituted by SEBI with a new set of Regulations, which have come into effect from May 15, 2015.

Accordingly, the Board at its meeting held on May 12, 2015 has approved and adopted,

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

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

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

REMUNERATION OF DIRECTORS:

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

In 2015-16, the Company did not advance any loans to any of the non-executive directors, and / or Manager. Details of Remuneration paid / payable to directors during 2015-16 are provided in an annexure to the Directors' Report in section VI of Form MGT-9, i.e. extract of the Annual Return.

SHAREHOLDING OF DIRECTORS:

Information on shares held by directors in the Company as on March 31, 2016 is provided in the annexure to the Directors' Report in section IV(v) of Form MGT-9, i.e. extract of the Annual Return.

MANAGEMENT:

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

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

SHAREHOLDERS:

Disclosure regarding appointment of Directors:

Brief resume and other details required to be disclosed in respect of Directors to be appointed / re-appointed by the Shareholders at the ensuing Annual General Meeting are given in the Notice convening the 41st Annual General Meeting of the Company.

GENERAL BODY MEETINGS:

Location and time where last three AGMs were held:

AGM Number	Date & Time	Venue
38th	17-07-2013 at 12.00 noon	Registered Office at C/o. Bajaj Auto Ltd., Akurdi, Pune-411 035
39th	15-07-2014 at 12.00 noon	-do-
40th	21-07-2015 at 12.00 noon	-do-

No special resolution was passed at the general meetings held during the years 2013, 2014 and 2015. During the year under review, the Company has not adopted postal ballot mode for passing any resolution by the shareholders.

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 Regulations.
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, www.mahascooters.com 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



The Company has its own website, www.mahascooters.com which contains all important public domain information including the information mandated to be provided pursuant to the provisions of Companies Act, 2013 and Regulation 46 of Listing Regulations.

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

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

CEO/CFO CERTIFICATION:

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

REPORT ON CORPORATE GOVERNANCE:

This report read with the information given in the Management Discussion and Analysis constitutes the Compliance Report on Corporate Governance during the year 2015-16. A quarterly compliance report has been submitted to the Stock Exchange/s as stipulated under Regulation 27(2) of Listing Regulations.

COMPLIANCE:

Auditors Certificate:

The Company has obtained a certificate from the auditors of the Company regarding compliance with the provisions relating to corporate governance laid down in Regulation 34 read with Schedule V of Listing Regulation, 2015 with the stock exchanges. This report is annexed to the Directors' Report for the year 2015-16 and will be sent to the stock exchanges along with the annual report.

COMPLIANCE OF MANDATORY AND DISCRETIONARY REQUIREMENT:

MANDATORY

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

DISCRETIONARY

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

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

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

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

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

(c) **Reporting of Internal Auditor**

The Internal Auditor reports directly to the Audit Committee.

GENERAL SHAREHOLDER INFORMATION:

Annual General Meeting

Date	July 25, 2016
Time	12.15 p.m.
Venue	C/o.Bajaj Auto Ltd., Mumbai Pune Road, Akurdi, Pune - 411035

Financial calendar

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

Dividend

The Board of Directors had recommended an interim dividend @ ₹ 30 per equity share (300%) for the financial year 2015-16, already paid on March 30, 2016.

No final dividend is recommended by the Directors and that the interim dividend already paid is to be treated as final dividend, subject to the approval of Shareholders at the ensuing Annual General Meeting.

Payment of dividend

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

For enabling the payment of dividend through electronic mode, members holding shares in physical form are requested to furnish, updated particulars of their bank account, to the share transfer agent of the Company i.e. Karvy along with a photocopy of a 'cancelled' cheque of the bank account and self-attested copy of PAN card.

Beneficial owners holding shares in electronic form are requested to furnish their bank account details to their respective depository participants and make sure that such changes are recorded by them correctly. The request for updation of particulars of bank account should be signed as per the specimen signature registered with Karvy / depository participants, as the case may be.

Unclaimed dividends

Unclaimed dividends upto 1994-95 have been transferred to the general revenue account of the Central Government. Those who have not cashed their dividend warrants for the period prior to and including 1994-95 are requested to claim the amount from Registrar of Companies, Maharashtra, Pune, PMT Building, Deccan Gymkhana, Pune 411 004.

In terms of the provisions of Section 205(C) of the Companies Act, 1956, 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 2007-08 to the Investor Education and 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 2008-09 onwards, are made available on the website of the Company i.e. www.mahascooters.com. The said details are also available on the portal of Investor Education and Protection Fund at 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.**

Share transfer agent

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



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

Share transfer system

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

Break-up of Shares in physical and electronic mode

Mode	No. of Shareholders		% to Total Shares		No. of Shares		% to Total Shares	
	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16
Physical	3,349	3,232	35.05	33.03	6,534,266	6,501,800	57.17	56.89*
Electronic	6,207	6,552	64.95	66.97	4,894,302	4,926,768	42.83	43.11
Total	9,556	9,784	100.00	100.00	11,428,568	11,428,568	100.00	100.00

* Promoters could not dematerialize their 51% shareholding on account of Special Leave Petition involving these shares pending before the Hon'ble Supreme Court of India.

Stock code

BSE Ltd.	500266
National Stock Exchange of India Ltd. (NSE)	MAHSCOOTER
ISIN for Depositories (NSDL and CDSL)	INE118A01012

Listing on stock exchanges

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

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

The listing fees payable for the financial year 2015-16 to each of the above stock exchanges have been paid in full by the Company.

Market price data

High, Low during each month in the financial year 2015-16

(₹)

Month & Year	Bombay Stock Exchange Ltd.		National Stock Exchange of India Ltd.	
	High	Low	High	Low
April 2015	904.50	836.75	897.80	842.10
May 2015	1,035.25	870.25	1,036.90	868.50
June 2015	1,124.75	984.75	1,123.25	983.95
July 2015	1,187.25	1,094.25	1,187.30	1,096.45
August 2015	1,144.00	964.00	1,149.00	953.00
September 2015	1,024.00	941.00	1,026.10	947.65
October 2015	1,305.75	947.00	1,311.90	949.85
November 2015	1,499.50	1,330.00	1,499.40	1,318.95
December 2015	1,493.25	1,387.25	1,497.25	1,384.15
January 2016	1,426.00	1,122.50	1,417.10	1,106.55
February 2016	1,245.25	1,112.50	1,247.65	1,109.40
March 2016	1,282.00	1,132.25	1,281.60	1,127.40

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

Share Price comparison

<i>Performance in comparison to broad-based indices such as S&P BSE Sensex and S&P CNX Nifty during 2015-16</i>	MSL Share	Up by	37.48% on BSE
		Up by	38.98% on NSE
	S&P BSE Sensex	Up by	9.36% on BSE
	S&P CNX Nifty	Up by	8.86% on NSE

Distribution of shareholding as on March 31, 2016

Distribution of shareholding across categories

Sr. No.	Category	No. of Shareholders	No. of Shares held	% to Total Shares
1.	Promoters [Western Maharashtra Development Corporation Ltd.] [Bajaj Holdings & Investment Ltd.]	2	5,828,560 [3,085,712] [2,742,848]	51.00 [27.00] [24.00]
2.	Public Financial Institutions & Mutual Funds	12	743,773	6.51
3.	Banks	14	3,672	0.03
4.	Bodies Corporate	241	885,098	7.74
5.	Non-Resident Individuals & FIIs	122	709,041	6.20
6.	Resident Individuals	9,393	3,258,424	28.51
	Total	9,784	11,428,568	100.00

Distribution of shareholding according to size class as on March 31, 2016

No. of Shares	No. of shares held	% to Total shares	No. of Shareholders	% to Total Shareholders
1 to 100	276,522	2.42	5,349	54.67
101 to 500	1,061,983	9.29	3,651	37.32
501 to 1000	321,930	2.82	460	4.70
1001 to 5000	484,764	4.24	231	2.36
5001 to 10000	310,742	2.72	44	0.45
10001 to 100000	966,751	8.46	40	0.41
100001 and above	8,005,876	70.05	9	0.09
	11,428,568	100.00	9,784	100.00

Shareholders' and investors' grievances

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

During the year, letters were received from Investors / SEBI (SCORES) concerning 21 complaints filed by the shareholders on various matters. In respect of each of these complaints, replies were sent to Investors / Action Taken Report uploaded on SCORES and no complaint remained pending to be attended to / resolved.

Unclaimed Demat Suspense Account with HDFC Bank Ltd.

Pursuant to Regulation 39(4) of Listing Regulations, the Company, in due compliance of the prescribed procedure, had transferred 33,156 No. of unclaimed shares in respect of 236 Shareholders to the Unclaimed Suspense Account opened with HDFC Bank Ltd. Voting rights on such shares are to remain frozen till the rightful owner claims the shares.



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

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

Aggregate No. of shareholders and the outstanding shares lying in the Unclaimed Suspense Account at the beginning of the year i.e. April 1, 2015		No. of shareholders who approached the Company for transfer of shares from the Unclaimed Suspense Account during the year 2015-16		No. of shareholders to whom shares were transferred from the Unclaimed Suspense Account during the year 2015-16		Aggregate No. of shareholders and the outstanding shares lying in the Unclaimed Suspense Account at the end of the year i.e. March 31, 2016	
Shareholders	Shares	Shareholders	Shares	Shareholders	Shares	Shareholders	Shares
231	32,106	1	200	1	200	230	31,906

Nomination

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

Voting through electronic means

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

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

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

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

Cut-off date for determining voting rights of members shall be July 18, 2016 and the remote E-voting shall be open from July 22, 2016 (9.00 a.m.) till July 24, 2016 (5.00 p.m.). The Board has appointed Shri Shyamprasad Limaye, Practicing Company Secretary as scrutineer for the e-voting process.

Detailed procedure for remote e-voting is given in the Notice of the 41st annual general meeting and also placed on the website of the Company.

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

Address for correspondence

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

Karvy Computershare Pvt. Ltd.

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

Contact Persons

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

Maharashtra Scooters Limited

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

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**

As in the past, there is no activity for manufacture of geared scooters in the company. The company ceased to manufacture geared scooters since April, 2006 and continues to produce pressure die casting dies, jigs and fixtures for automobiles industry, which is marked by volatility in demand.

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

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

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

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

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

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

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

The industrial relations remained cordial during the year under review. As at the end of March 31, 2016, the Company had 55 permanent workmen and 47 permanent staff on its roll.

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

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



Auditors' Certificate on Corporate Governance

To the Members of
MAHARASHTRA SCOOTERS LIMITED

We have examined the compliance of conditions of Corporate Governance by **MAHARASHTRA SCOOTERS LIMITED** ('the Company') for the year ended on 31st March, 2016 as stipulated in clause 49 of the Listing Agreement of the said Company with Stock exchanges for the period April 2, 2015 to November 30, 2015 and as per the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015 (Listing Regulations), for the period December 1, 2015 to March 31, 2016.

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 / Listing Regulations, as applicable.

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

CA. J. P. PARMAR
Proprietor
Membership No. 46293

Pune, 23 May, 2016

DECLARATION ON CODE OF CONDUCT

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

May 23, 2016

RAJEEV D. HAWARE
Chief Executive Officer

INDEPENDENT AUDITORS' REPORT

To the Members of Maharashtra Scooters Limited

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **MAHARASHTRA SCOOTERS LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2016, 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 Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone 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 principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the 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 financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2016, and its profit / loss and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditors Report) Order, 2016 ("The Order") issued by the Central Government of India in terms of subsection 11 of section 143 of the Act, we give in the Annexure A, a statement on the matter specified in paragraphs 3 and 4 of the order.

As required by Section 143 (3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.



MAHARASHTRA SCOOTERS LTD.

- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in 'Annexure B'.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 22 to the financial statements;
 - ii. The Company did not have any long term contract, including derivative contract, for which there were any material foreseeable losses;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **P. C. PARMAR & CO.**

Chartered Accountants

Firm Reg. No: 107604W

C.A. J.P. PARMAR

Proprietor

Membership No. 46293

Place: Pune

Date: 23 May, 2016

ANNEXURE A TO INDEPENDENT AUDITORS' REPORT

The Annexure referred to in our report to the members of MAHARASHTRA SCOOTERS LIMITED ("the Company") for the year ended on 31 March, 2016.

We report that:

- (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 title deeds of immovable properties are held in the name of the company.
- (ii) According to the information and explanations given to us, physical verification of inventory has been conducted at reasonable intervals by the management and no material discrepancies were noticed on physical verification during the year.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
Sub-clauses (a) (b) and (c) are not applicable.
- (iv) In our opinion and according to information and explanations given to us the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees and security.
- (v) The Company has not accepted deposits during the year.
- (vi) Maintenance of Cost Records, for the Company, has not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013.
- (vii) (a) According to the records of the Company, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, employees' state insurance, Income-Tax, Sales-Tax, service tax, Custom Duty, Excise Duty, value added tax, 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, 2016 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	Joint Commissioner of Sales Tax (Appeals) - I, Kolhapur Division, Kolhapur
Sales Tax for the year 2001-02	52,95,295	Joint Commissioner of Sales Tax (Appeals) - I, Kolhapur Division, Kolhapur
Sales Tax for the year 2002-03	1,79,87,580	Joint Commissioner of Sales Tax (Appeals) - I, Kolhapur Division, Kolhapur
Sales Tax for the year 2005-06	7,18,25,295	Maharashtra Sales Tax Tribunal, Mumbai
Sales Tax for the year 2006-07	8,64,747	Dy. Commissioner of Sales Tax (Appeals), Satara

- (viii) The Company has not defaulted in repayment of loans or borrowing to financial institutions, banks, government or dues to debenture holders.
- (ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) and term loans during the year.
- (x) Based upon the audit procedures performed by us and according to information and explanations given to us and representations made by management, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- (xi) The managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V of the Companies Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us, and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.



- (xiv) According to the information and explanations given to us, and based on our examination of the records of the Company, the Company has not made preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us, and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly paragraph 3(xv) of the Order is not applicable.
- (xvi) According to the information and explanations given to us, and based on our examination of the records of the Company, the company has received confirmation from RBI on its classification as a Core Investment Company, not requiring registration with RBI pursuant to the provisions of section 45-IA of the RBI Act, 1934.

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

C.A. J. P. PARMAR
Proprietor
Membership No. 46293

Pune, 23 May, 2016

Annexure B to the Independent Auditors' Report even date on the Standalone Financial Statements of Maharashtra Scooters Limited

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

We have audited the internal financial controls over financial reporting of Maharashtra Scooters Limited ("the Company") as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

C.A. J. P. PARMAR
Proprietor
Membership No. 46293

Pune, 23 May, 2016



Balance Sheet as at 31 March, 2016

(₹ in lakhs)

Particulars	Note No.	As at 31 March 2016	As at 31 March 2015
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2	1,142.86	1,142.86
Reserves and surplus	3	<u>30,056.43</u>	<u>24,083.10</u>
		31,199.29	25,225.96
Non-current liabilities			
Other long-term liabilities	4	1,391.86	1,669.97
Long-term provisions	5	<u>-</u>	<u>-</u>
		1,391.86	1,669.97
Current liabilities			
Trade payables :			
Outstanding dues of micro and small enterprises		4.61	-
Outstanding dues of creditors other than			
micro and small enterprises		42.71	25.96
Other current liabilities	6	1,028.28	718.33
Short-term provisions	5	<u>67.22</u>	<u>4,192.38</u>
		1,142.82	4,936.67
TOTAL		33,733.97	31,832.60
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	7	717.52	438.13
Non-current investments	8	23,464.29	23,461.03
Long-term loans and advances	9	1,033.56	875.62
Other non-current assets	10	<u>2,686.00</u>	<u>1,299.00</u>
		27,901.37	26,073.78
Current assets			
Current investments	8	4,572.33	3,652.97
Inventories	11	53.31	128.09
Trade receivables	12	244.31	259.74
Cash and bank balances	13	616.87	1,244.87
Short-term loans and advances	9	85.66	184.53
Other current assets	10	<u>260.12</u>	<u>288.62</u>
		5,832.60	5,758.82
TOTAL		33,733.97	31,832.60
Summary of significant accounting policies followed by the 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

C.A. J. P. Parmar

Proprietor

Membership No. 46293

R. D. Haware

Chief Executive Officer

Madhur Bajaj

Chairman

R. B. Laddha

Chief Financial Officer

Naresh Patni

Ramesh K. Nikharge

Sadashiv S. Survase

Sanjiv Bajaj

Yogesh J. Shah

Directors

Pune, 23 May, 2016

Statement of Profit and Loss for the year ended 31 March, 2016

Particulars	Note No.	(₹ in lakhs)	
		Year ended 31 March 2016	Year ended 31 March 2015
Revenue from operations (gross)		1,009.09	781.08
Less : Excise duty		111.68	85.50
Revenue from operations (net)	14	897.41	695.58
Other income	15	10,817.58	6,290.61
Total Revenue		11,714.99	6,986.19
Expenses:			
Cost of raw material and components consumed	16	382.95	426.24
(Increase) / decrease in inventories of finished goods and work-in-progress	17	79.47	(77.40)
Employee benefits expense	18	801.99	585.26
Finance costs	19	-	-
Depreciation and write downs		73.50	315.78
Other expenses	20	277.20	260.53
Total expenses		1,615.11	1,510.41
Profit before tax		10,099.88	5,475.78
Tax expense			
Current tax		116.00	141.00
MAT credit entitlement		(116.00)	(141.00)
Total tax expense		-	-
Profit after tax for the year		10,099.88	5,475.78
Basic and diluted Earnings per share (in ₹) (Nominal value per share ₹ 10)	21	88.37	47.91
Summary of significant accounting policies followed by the 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

C.A. J. P. Parmar
Proprietor
 Membership No. 46293

Pune, 23 May, 2016

R. D. Haware
Chief Executive Officer

R. B. Laddha
Chief Financial Officer

N. S. Kulkarni
Company Secretary

Madhur Bajaj
Chairman

Naresh Patni
Ramesh K. Nikharge
Sadashiv S. Survase
Sanjiv Bajaj
Yogesh J. Shah
Directors



Cash Flow Statement for the year ended 31 March, 2016

Particulars	(₹ in lakhs)	Current Year (₹ in lakhs)	Previous Year (₹ in lakhs)
A. Operating activities:			
1. Profit before tax		10,099.88	5,475.78
2. Adjustments			
Add:			
i) Depreciation	73.50		315.78
ii) Loss on assets sold, demolished or discarded	1.60		0.96
iii) Amount written off against leasehold land	0.07		0.07
iv) Interest paid	-		-
		75.17	316.81
		10,175.05	5,792.59
Less:			
i) Investment income included in above			
Interest on long-term and current investments	722.56		748.02
Interest on fixed deposits	240.78		192.88
Profit on sale of investments, net	287.55		547.67
Dividend on long-term investments	9,535.11		4,771.94
Add: Amortisation of premium / discount on			
acquisition of fixed income securities, net	3.26		(5.81)
	10,789.26		6,254.70
ii) Surplus on sale of assets	0.57		6.14
	10,789.83		6,260.84
3. Cash from operations		(614.78)	(468.25)
4. Change in assets and liabilities			
i) Inventories	(74.78)		82.32
ii) Trade receivables	(15.43)		130.05
iii) Loans and advances and other assets	(91.96)		(188.39)
iv) Liabilities and provisions	237.24		403.93
	55.07		427.91
5. Net cash from operating activities before income tax		(669.85)	(896.16)
6. Income tax paid		126.96	115.09
7. Net cash from operating activities		(796.81)	(1,011.25)

Cash Flow Statement for the year ended 31 March, 2016 (Contd.)

Particulars	Current Year (₹ in lakhs)	Previous Year (₹ in lakhs)
B. Investing activities:		
i) Sale of other current and long-term investments	5,952.57	13,437.57
ii) Purchase of other current and long-term investments	(6,514.38)	(13,751.01)
iii) (Purchase) / sale of money market mutual funds etc., net	(69.99)	(216.66)
iv) (Increase) / decrease in other bank balances	(1,387.00)	(1,299.00)
v) Purchase of fixed assets	(356.44)	(20.64)
vi) Sale of fixed assets	2.45	7.74
	<u>(2,372.79)</u>	<u>(1,842.00)</u>
vii) Investment income		
Interest on long-term and current Investments	722.56	748.02
Interest on fixed deposits	240.78	192.88
Dividend on long-term investments	9,535.11	4,771.94
	<u>10,498.45</u>	<u>5,712.84</u>
viii) (Increase) / decrease in investment / interest receivable	4.42	198.34
Net cash from investing activities	<u>8,130.08</u>	<u>4,069.18</u>
C. Financing activities:		
1. Interest paid	-	-
2. Dividend paid	(6,565.31)	(2,782.67)
3. Dividend distribution tax paid	(1,395.96)	(485.57)
Net cash from financing activities	(7,961.27)	(3,268.24)
D. Net change in cash and cash equivalents (A+B+C)	(628.00)	(210.31)
E. Cash and cash equivalents as at 1 April (Opening balance)	1,244.87	1,455.18
F. Cash and cash equivalents as at 31 March (Closing balance)	616.87	1,244.87

Note: 1. The above Cash Flow statement has been prepared in indirect method.
2. Previous year's 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

C.A. J. P. Parmar
Proprietor
Membership No. 46293

R. D. Haware
Chief Executive Officer

R. B. Laddha
Chief Financial Officer

N. S. Kulkarni
Company Secretary

Madhur Bajaj
Chairman

Naresh Patni
Ramesh K. Nikharge
Sadashiv S. Survase
Sanjiv Bajaj
Yogesh J. Shah
Directors

Pune, 23 May, 2016



Notes to financial statements for the year ended 31 March, 2016

1. Summary of significant accounting policies followed by the Company

Basis of preparation

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis. Pursuant to Section 133 of the Companies Act, 2013 read with Rule 7 of Companies (Accounts) Rules, 2014, till the standards of accounting or any addendum thereto are prescribed by Central Government in consultation and recommendation of the National Financial Reporting Authority, the existing Accounting Standards notified under the Companies Act, 1956 shall continue to apply. Consequently, these financial statements have been prepared to comply in all material aspects with the accounting standards notified under Section 211(3C) of the Companies Act, 1956 [Companies (Accounting Standards) Rules, 2006, as amended] and other relevant provisions of the Companies Act, 2013.

The Ministry of Corporate Affairs (MCA) has notified the Companies (Accounting Standards) Amendment Rules, 2016 vide its notification dated 30 March 2016. The said notification read with Rule 3(2) of the Companies (Accounting Standards) Rules, 2006 is applicable to accounting period commencing on or after the date of notification i.e. 1 April 2016.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

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 and disclosures 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 income 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, where applicable. 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) Tangible assets

Tangible 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.

Notes to financial statements for the year ended 31 March, 2016 (Contd.)

b) On other tangible assets

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

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

c) **Impairment of assets**

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

4) **Investments**

- 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.

5) **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 and loans and advances are stated, after making adequate provision for doubtful debts, if any.

6) **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.



Notes to financial statements for the year ended 31 March, 2016 (Contd.)

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.

7) **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.

8) **Taxation**

i) Provision for tax is made for the current accounting period (reporting period) on the basis of the taxable profits computed in accordance with the Income-Tax Act, 1961.

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.

9) **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, 2016 (Contd.)

2 Share Capital

	31 March 2016 (₹ in lakhs)	31 March 2015 (₹ in lakhs)
Authorised :		
11,500,000 Equity Shares of ₹ 10 each	1,150.00	1,150.00
50,000 Redeemable Cumulative Preference Shares of ₹ 100 each	50.00	50.00
	1,200.00	1,200.00
Issued, subscribed and fully paid-up shares :		
11,428,568 Equity Shares of ₹ 10 each	1,142.86	1,142.86
	1,142.86	1,142.86

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 interim dividend declared by the Board of Directors and the dividend proposed by the Board of Directors and approved by the shareholders in the Annual General Meeting is paid in Indian rupees. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential 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

	31 March 2016		31 March 2015	
	Nos.	% Holding	Nos.	% Holding
Equity shares of ₹ 10 each fully paid				
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.	631,452	5.53%	628,141	5.50%

3 Reserves & Surplus

General Reserve

Balance as at the beginning of the year	24,083.10	22,733.87
Add: Transferred from surplus in statement of profit and loss	1,010.00	1,349.23
Closing balance	25,093.10	24,083.10

Surplus in the statement of profit and loss

Profit for the year	10,099.88	5,475.78
Less: Appropriations		
Transfer to General reserve	1,010.00	1,349.23
Interim dividend paid	3,428.57	-
Tax on interim dividend	697.98	-
Proposed dividend	-	3,428.57
Tax on proposed dividend	-	697.98
Total appropriations	5,136.55	5,475.78
Balance in the Statement of Profit and Loss	4,963.33	-
Total reserves and surplus	30,056.43	24,083.10

4 Other long-term liabilities

Annuity payable to Ex-employees	1,391.86	1,669.97
	1,391.86	1,669.97



5 Provisions

	Long-term		Short-term	
	31 March 2016 (₹ in lakhs)	31 March 2015 (₹ in lakhs)	31 March 2016 (₹ in lakhs)	31 March 2015 (₹ in lakhs)
Provision for employee benefits				
Provision for gratuity (See Note 32)	-	-	-	-
Provision for compensated absences	-	-	67.22	65.83
Provision for welfare scheme	-	-	-	-
			67.22	65.83
Other provisions				
Provision for tax (net of tax paid in advance)	-	-	-	-
Proposed dividend *	-	-	-	3,428.57
Tax on proposed dividend	-	-	-	697.98
			67.22	4,126.55
			67.22	4,192.38

* The Company has declared and paid an interim dividend of ₹ 30 per equity share and said dividend is to be treated as final dividend for the year ended 31 March 2016. The final dividend for the year ended 31 March 2015 was also ₹ 30 per equity share.

6 Other current liabilities

Annuity payable to Ex-employees	375.66	389.54
Advance received from customers	9.50	66.37
Security deposits	0.20	0.20
Unclaimed dividend	516.06	224.23
Bank credit balance as per books	51.92	-
Employees benefits payable	48.71	10.16
Taxes and duties payable	10.92	16.14
Other payables	15.31	11.69
	1,028.28	718.33

7 Fixed Assets : Tangible assets

(₹ in lakhs)

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 1-Apr-15	Additions	Deductions	As at 31-Mar-16	Upto 1-Apr-15	For the period	Deductions	Upto 31-Mar-16	As at 31-Mar-16	As at 31-Mar-15
Land freehold	0.02	-	-	0.02	-	-	-	-	0.02	0.02
Land leasehold	3.49	-	0.07	3.42	-	-	-	-	3.42	3.49
Buildings	570.02	-	-	570.02	529.62	0.63	-	530.25	39.77	40.40
Plant and machinery	2,072.91	344.80	1.19	2,416.52	1,698.90	69.00	1.15	1,766.75	649.77	374.01
Furniture and fixtures	24.19	1.48	0.72	24.95	21.45	0.46	0.69	21.22	3.73	2.74
Office equipments	5.04	-	-	5.04	4.05	0.37	-	4.42	0.62	0.99
Vehicles	31.85	10.16	7.18	34.83	15.37	3.04	3.77	14.64	20.19	16.48
Total tangible assets	2,707.52	356.44	9.16	3,054.80	2,269.39	73.50	5.61	2,337.28	717.52	438.13
Previous year's total	2,724.44	20.64	37.56	2,707.52	1,988.54	315.78*	34.93	2,269.39	438.13	

Note: * Company has re-worked depreciation with reference to the estimated economic lives of fixed assets in the manner prescribed by Schedule II to the Companies Act 2013, during the previous year 2014-15. Depreciation on account of assets completing useful life as on 1 April 2014 amounting to ₹ 156.70 Lakhs, was charged in the Statement of Profit and Loss for the year ended 31 March 2015.

Notes to financial statements for the year ended 31 March, 2016 (Contd.)
8 Investments
(A) Long Term Investments :
In Fully Paid Equity Shares:
Quoted:

		31 March 2016 (₹ in lakhs)	31 March 2015 (₹ in lakhs)
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
3,387,036	Shares of ₹ 10 each of Bajaj Holdings and Investment Ltd.	4,665.36	4,665.36
		<u>15,465.61</u>	<u>15,465.61</u>

In Fully paid Debentures:
Unquoted:

50	9.25% Non-Convertible Debentures of ₹ 1,000,000 each of Bajaj Finance Ltd. -2018	502.22	502.22
750	9.00% Non-Convertible Debentures of ₹ 1,000,000 each of Bajaj Finance Ltd. -2019	7,500.90	7,500.90
		<u>8,003.12</u>	<u>8,003.12</u>
	Add : Amortisation of premium paid / discount received on acquisition (net)	(4.44)	(7.70)
		<u>7,998.68</u>	<u>7,995.42</u>
	Total (A)	23,464.29	23,461.03

(B) Current Investments :
In Certificate of Deposit:
Unquoted:

-	(2,500) Certificate of Deposit of ₹ 100,000 each of Bank of India 09-06-2015	-	2,317.22
-	(1,000) Certificate of Deposit of ₹ 100,000 each of Bank of India 04-03-2016	-	926.66
2,500	(-) Certificate of Deposit of ₹ 100,000 each of Canara Bank 07-03-2017	2,326.27	-
2,000	(-) Certificate of Deposit of ₹ 100,000 each of NABARD 15-02-2017	1,869.28	-
		<u>4,195.55</u>	<u>3,243.88</u>
	Add : Amortisation of premium paid / discount received on acquisition (net)	2.33	144.44
		<u>4,197.88</u>	<u>3,388.32</u>



Notes to financial statements for the year ended 31 March, 2016 (Contd.)

		31 March 2016 (₹ in lakhs)	31 March 2015 (₹ in lakhs)
In Mutual Fund Units:			
Quoted:			
68,901	(82,470) Units of ICICI Prudential Money Market Fund Plan- Direct-(Growth) of ₹100 each	144.22	159.50
9,656	(4,776) Units of Tata Money Market Fund - Direct- (Growth) of ₹1000 each in Tata Mutual Fund	230.23 374.45 4,572.33 28,036.62	105.15 264.65 3,652.97 27,114.00
Total (B)		4,572.33	3,652.97
Total (A+B)		28,036.62	27,114.00

		Book Value as at		Market Value as at	
		31-Mar-2016	31-Mar-2015	31-Mar-2016	31-Mar-2015
		Quoted	15,840.06	15,730.26	408,228.87
	Unquoted		12,196.56	11,383.74	311,434.18
	Total		28,036.62	27,114.00	

9 Loans and advances

(Unsecured, good, unless stated otherwise)

		Non-current		Current	
		31 March 2016 (₹ in lakhs)	31 March 2015 (₹ in lakhs)	31 March 2016 (₹ in lakhs)	31 March 2015 (₹ in lakhs)
		6.35	6.35	-	-
Security deposits					
Advances recoverable in cash or kind					
Unsecured considered good		-	-	10.76	10.57
Doubtful		-	-	-	-
Provision for doubtful advances		-	-	10.76	10.57
Other loans and advances					
VAT refund receivable		28.79	28.56	-	-
Advance income-tax (net of provision for tax)		920.38	768.26	1.59	2.69
Loans to former employees		78.04	72.45	15.79	156.54
Balances with Central Excise Department		-	-	57.52	14.73
Total		1,027.21	869.27	74.90	173.96
		1,033.56	875.62	85.66	184.53

Notes to financial statements for the year ended 31 March, 2016 (Contd.)

	Non-current		Current	
	31 March 2016 (₹ in lakhs)	31 March 2015 (₹ in lakhs)	31 March 2016 (₹ in lakhs)	31 March 2015 (₹ in lakhs)
10 Other assets				
(Unsecured, good, unless stated otherwise)				
Non-current bank balances (see note 13)	2,686.00	1,299.00	-	-
Interest receivable on investments	-	-	259.65	288.14
Interest receivable on loans, deposits etc.	-	-	0.47	0.48
Total	2,686.00	1,299.00	260.12	288.62

11 Inventories

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

Raw materials and components		19.85	15.06
Work-in-progress		30.34	109.81
Finished goods		-	-
Stores		3.05	2.92
Loose tools		0.07	0.30
Total	53.31	128.09	

* Refer note 1 clause 5(i) for accounting policy on valuation of inventories.

12 Trade receivable

(Unsecured, considered good, unless stated otherwise)

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

Good	-	-	37.66	31.32
Doubtful	-	-	-	-
Others, Good	-	-	37.66	31.32
			206.65	228.42
			244.31	259.74

13 Cash and bank balances

Cash and cash equivalents

Balances with banks:

In current accounts	-	-	1.65	47.43
Cash on hand	-	-	0.16	0.21
			1.81	47.64

Other bank balances

Unclaimed dividend accounts	-	-	516.06	224.23
Deposits with residual maturity for Less than 12 months	-	-	99.00	973.00
Deposits with residual maturity for more than 12 months	2,686.00	1,299.00	-	-
	2,686.00	1,299.00	615.06	1,197.23
Amount disclosed under non-current assets (see note10)	(2,686.00)	(1,299.00)	-	-
	-	-	616.87	1,244.87



Notes to financial statements for the year ended 31 March, 2016 (Contd.)

14 Revenue from operations

	31 March 2016 (₹ in lakhs)	31 March 2015 (₹ in lakhs)
Revenue from operations	1,004.33	772.93
Other operating revenue		
Scrap sales	4.76	8.15
Revenue from operations (gross)	1,009.09	781.08
Less: Excise duty	111.68	85.50
Revenue from operations (net)	897.41	695.58
Details of products sold		
Toolings-Dies, Jigs and Fixtures	1,004.33	772.93
	1,004.33	772.93

15 Other income

Investment income:

Interest income on		
Bank deposits	240.78	192.88
Long-term investments	722.56	748.02
Amortisation of (premium) / discount on acquisition of fixed income securities, net	3.26	(5.81)
	966.60	935.09
Dividend income on long-term investments	9,535.11	4,771.94
Profit on sale of investments, net	247.74	499.67
Surplus on redemption of securities, net	39.81	48.00
	10,789.26	6,254.70

Others:

Interest - others	20.67	22.70
Miscellaneous receipts	7.08	7.07
Surplus on sale of assets	0.57	6.14
	28.32	35.91
	10,817.58	6,290.61

16 Cost of raw material and components consumed

Raw Materials & Boughtout Items	382.95	426.24
	382.95	426.24

Notes to financial statements for the year ended 31 March, 2016 (Contd.)

17 (Increase)/decrease in inventories

	31 March 2016 (₹ in lakhs)	31 March 2015 (₹ in lakhs)	(Increase)/ decrease (₹ in lakhs)
Inventories at the end of the year			
Work-in-progress	30.34	109.81	79.47
Finished goods	-	-	-
	<u>30.34</u>	<u>109.81</u>	<u>79.47</u>
Inventories at the beginning of the year			
Work-in-progress	109.81	32.41	(77.40)
Finished goods	-	-	-
	<u>109.81</u>	<u>32.41</u>	<u>(77.40)</u>
	<u>79.47</u>	<u>(77.40)</u>	

18 Employee benefits expense

	31 March 2016 (₹ in lakhs)	31 March 2015 (₹ in lakhs)
Salaries, wages and bonus to employees	675.23	464.63
Contribution to provident and other funds	70.44	68.67
Staff welfare expenses	56.32	51.96
	<u>801.99</u>	<u>585.26</u>

19 Finance costs

Interest Expenses	-	-
	<u>-</u>	<u>-</u>

20 Other expenses

Stores and tools consumed	36.67	28.16
Power, fuel and water	48.64	44.68
Repairs to buildings	33.45	60.18
Repairs to machinery	17.17	17.01
Other repairs	34.14	30.86
Insurance	6.02	5.89
Rates and taxes	4.33	4.35
Payment to auditor	12.55	11.31
Directors' fees and travelling expenses	12.61	11.44
Legal and Professional charges	13.73	12.53
Expenditure towards Corporate Social Responsibility (CSR) activities	13.12	-
Miscellaneous expenses	43.10	33.09
Loss on assets sold, demolished, discarded and scrapped	1.60	0.96
Amount written off against leasehold land	0.07	0.07
	<u>277.20</u>	<u>260.53</u>



Notes to financial statements for the year ended 31 March, 2016 (Contd.)

	31 March 2016 (₹ in lakhs)	31 March 2015 (₹ in lakhs)
Payment to auditor		
As auditor:		
Audit fee	6.00	6.00
Tax audit fee	1.00	1.00
Limited review	1.00	1.00
In other capacity:		
Income-Tax matters	2.50	2.50
Other services (including certification fees)	1.91	0.68
Reimbursement of expenses	0.14	0.13
	<u>12.55</u>	<u>11.31</u>
Expenditure towards Corporate Social Responsibility (CSR) activities		
Gross amount required to be spent by the Company during the year	13.12	-
Amount spent in cash during the year :		
i) On construction / acquisition of any asset	-	-
ii) On purposes other than (i) above	<u>13.12</u>	<u>-</u>
	<u><u>13.12</u></u>	<u><u>-</u></u>
21 Earning per share (EPS)		
a) Profit for the year after taxation (₹ in lakhs)	10,099.88	5,475.78
Weighted average number of shares outstanding during the year (nos)	11,428,568	11,428,568
b) Earnings per share (Basic and Diluted) in ₹	88.37	47.91
Face value per share in ₹	10.00	10.00
22 Contingent liabilities		
a) Claims against the Company not acknowledged as debts	4.17	4.07
b) Excise and Customs demand - matters under dispute and claims for refund of Excise Duty, if any, against Excise Duty refund received in the earlier year	20.29	20.29
c) Sales Tax matters under dispute *	1,047.60	1,038.95
d) Income-Tax matters under dispute		
i) Appeal by Company *	13.03	-
ii) Appeal by Department	<u>39.85</u>	<u>39.84</u>
	<u><u>52.88</u></u>	<u><u>39.84</u></u>
* No provision has been made, since the Company expects favourable decision.		
23 Capital and other commitments		
Capital commitments, net of capital advances	0.15	1.01
24 Value of Imports calculated on CIF basis		
Raw Materials & Components	6.36	2.87
Capital goods	<u>324.96</u>	<u>-</u>
	<u><u>331.32</u></u>	<u><u>2.87</u></u>
25 Imported and indigenous raw materials, boughtout items consumed		
	2015-16	2014-15
	₹ in lakhs	Percentage
a) Imported	6.95	1.81
b) Indigenous	376.00	98.19
Total	<u>382.95</u>	<u>100.00</u>
	₹ in lakhs	Percentage
	3.30	0.77
	422.94	99.23
	<u>426.24</u>	<u>100.00</u>

Notes to financial statements for the year ended 31 March, 2016 (Contd.)

26 Employee benefits expense include ₹ 169.51 Lakhs towards expenses incurred for early retirement opted by 12 employees, as against ₹ 10 Lakhs for 2 employees in the previous year.

27 During the year company received a letter dated December 22, 2015 from Reserve Bank of India confirming that the company qualifies as a Core Investment Company, exempt from requirement of registration with Reserve Bank of India under Section 45 -IA of the Reserve Bank of India Act, 1934.

28 Amount of borrowing costs capitalised as per Accounting Standard 16 during the year was **Nil**.

29 The Company is operating in a single segment. Hence, no separate segmentwise information is given.

30 Disclosure of transactions with related parties as required by the Accounting Standard -18:

	Name of related party and Nature of relationship	Nature of transaction	2015-16		2014-15		
			Transaction Value	Outstanding amounts carried in the Balance Sheet	Transaction value	Outstanding amounts carried in the Balance Sheet	
			(₹ in lakhs)	(₹ in lakhs)	(₹ in lakhs)	(₹ in lakhs)	
A Holding company, subsidiaries and fellow subsidiary:							
	Bajaj Holdings and Investment Ltd.(Investing party- holds 24% shares of Maharashtra Scooters Ltd.)	Purchase of shares by BHIL (27,42,848 shares of ₹ 10 each)	-	24.00	-	24.00	
		Dividend received	1,947.55	-	1,016.11	-	
		Dividend paid	1,645.71	-	685.71	-	
	Western Maharashtra Development Corporation Ltd..(Investing party- holds 27% shares of Maharashtra Scooters Ltd.)	Purchase of shares by WMDC (30,85,712 shares of ₹ 10 each)	-	27.00	-	27.00	
		Dividend paid	1,851.43	-	771.43	-	
B Associates, joint ventures and investing parties:							
	Bajaj Auto Ltd.	Dividend received	6,774.07	-	3,387.04	-	
		Purchases	2.11	-	9.96	-	
		Sales	3.93	-	41.81	-	
		Services received	9.85	-	10.82	-	
		Revenue expenses reimbursed	7.03	-	7.38	-	
	Bajaj Finserv Ltd.	Dividend received	130.40	-	65.20	-	
	Bajaj Finance Ltd.	Investment in non-convertible debentures	-	8,000.00	-	8,000.00	
		Dividend received	683.09	-	303.59	-	
		Interest received	724.82	-	-	-	
		Services received	8.14	2.09	7.82	-	
C Individuals controlling voting power / exercising significant influence and their relatives:							
	Madhur Bajaj	Sitting fees	0.80	-	0.80	-	
	Sanjiv Bajaj	Sitting fees	1.20	-	1.20	-	
D Key management personnel and their relatives:		Included in 'C' above					
E Enterprises over which anyone in (c) exercises significant influence:							
	Bajaj Allianz General Insurance Co. Ltd.	Insurance premiums paid	2.80	6.22	2.60	2.28	



Notes to financial statements for the year ended 31 March, 2016 (Contd.)

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

Related parties as defined under clause 3 of the Accounting Standard - 18 "Related Party Disclosures" have been identified based on representations made by key managerial personnel and information available with the company.

31 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 ₹ 1361 Lakhs arising on this account (previous year ₹ 1766 Lakhs).

32 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	As at
	31 March, 2016	31 March, 2015
	(₹ in lakhs)	(₹ in lakhs)
Amount to be recognised in Balance Sheet		
Present value of funded obligations	483.64	488.92
Fair value of plan assets	(483.64)	(488.92)
Net liability	-	-
Amounts in Balance Sheet	-	-
Liability	-	-
Assets	-	-
Net liability	-	-
Expense to be recognised in the Statement of Profit and Loss		
Current service cost	0.43	10.79
Interest on defined benefit obligation	36.81	35.30
Expected return on plan assets	(39.12)	(36.06)
Net actuarial losses / (gains) recognized in the year	3.13	8.04
Total included in "Employee benefits expense"	1.25	18.07
Actual return on plan assets	38.37	39.76
Reconciliation of benefit obligations and plan assets for the period		
Change in defined benefit obligation		
Opening defined benefit obligation	488.92	450.74
Current service cost	0.43	10.79
Interest cost	36.81	35.30
Actuarial losses / (gain)	1.57	11.16
Benefits paid	(44.09)	(19.07)
Closing defined benefit obligation	483.64	488.92
Change in fair value of assets		
Opening fair value of plan assets	488.92	450.74
Expected return on plan assets	39.12	36.06
Actuarial gain / (losses)	(1.56)	3.12
Contributions by employer	1.25	18.07
Benefits paid	(44.09)	(19.07)
Closing fair value of plan assets	483.64	488.92
Summary of the actuarial assumptions		
Discount rate (p.a)	8.00%	8.00%
Expected rate of return on assets (p.a)	8.00%	8.00%
Salary escalation rate (p.a)	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.

Notes to financial statements for the year ended 31 March, 2016 (Contd.)

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

34 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

C.A. J. P. Parmar
Proprietor
 Membership No. 46293

Pune, 23 May, 2016

R. D. Haware
Chief Executive Officer

R. B. Laddha
Chief Financial Officer

N. S. Kulkarni
Company Secretary

Madhur Bajaj
Chairman

Naresh Patni
Ramesh K. Nikharge
Sadashiv S. Survase
Sanjiv Bajaj
Yogesh J. Shah
Directors



5 YEARS' HIGHLIGHTS

	2015-16	2014-15	2013-14	2012-13	₹ in lakhs 2011-12
SALES & EARNINGS:					
Net sales & other income	11,715	6,986	5,753	5,992	7,048
Gross profit before interest, depreciation and exceptional items	10,173	5,792	4,850	4,984	5,286
Profit after tax	10,100	5,476	4,760	4,884	(649)
ASSETS EMPLOYED:					
Net fixed assets	718	438	736	732	721
Investments at cost	28,037	27,114	26,042	22,313	20,560
Net Working Capital	2,445	(2,326)	(2,901)	(586)	(1,031)
Capital Employed	Total	31,199	25,226	23,877	22,460
FINANCED BY:					
Shareholders' funds:					
i) Shareholders' investment	100	100	100	100	100
ii) Bonus shares	1,043	1,043	1,043	1,043	1,043
iii) Reserves and surplus	30,056	24,083	22,734	21,317	19,107
Net Worth	Total	31,199	25,226	23,877	22,460
OTHER DATA:					
EQUITY SHARE DATA:					
Earning per equity share	₹	88.37	47.91	41.65	42.74
Net worth per equity share	₹	273	221	209	197
Dividend including interim dividend	%	300	300	250	200
Dividend including tax		4,127	4,127	3,343	2,674
EMPLOYEES:					
Employees	Nos.	102	114	117	120
Employees' cost		802	585	537	561
					1,318

**MAHARASHTRA SCOOTERS LTD.**

CIN : L35912MH1975PLC018376
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
Phone: (020) 66106564

ATTENDANCE SLIP

Sr. No. :

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

Name & Address : _____

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

No. of Shares held : _____

I/we certify that I/we am/are member(s)/proxy for the member(s) of the Company.

I hereby record my/our presence at the Forty-First Annual General Meeting of the Company on **Monday, 25 July, 2016 at 12.15 p.m.** at the Registered Office of the Company at C/o. Bajaj Auto Limited, Mumbai-Pune Road, Akurdi, Pune-411 035.

Signature of First holder/Proxy/Authorised Representative

Place:

Date:

Signature of Joint holder

Notes: 1. Please sign this attendance slip and hand it over at the meeting venue.
2. Only shareholders of the Company and/or their Proxy will be allowed to attend the Meeting.

E-VOTING

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

Event (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 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 : L35912MH1975PLC018376
 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
 Phone: (020) 66106564

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 : L35912MH1975PLC018376
 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 :

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the FORTY-FIRST (41st) annual general meeting of the Company, to be held on **Monday, 25 July, 2016 at 12.15 p.m.** 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:-

Resolutions		For	Against
	Ordinary business		
1	Adoption of Financial statements for the year ended 31 March 2016 and the Directors' and Auditors' Reports thereon		
2	To declare interim dividend of Rs.30 per share as final dividend for the year 2015-16		
3	Appointment of Shri Sadashiv S. Survase as a Director, who retires by rotation		
4	Ratification of the appointment of M/s. P.C. Parmar & Co., Chartered Accountants as Auditors and fixing their remuneration		
	Special business		
5	Appointment of Mrs. Charu Desai as an Independent Director		
6	Appointment of Shri Vikram Kumar as a Director		

Signed this day 2016.

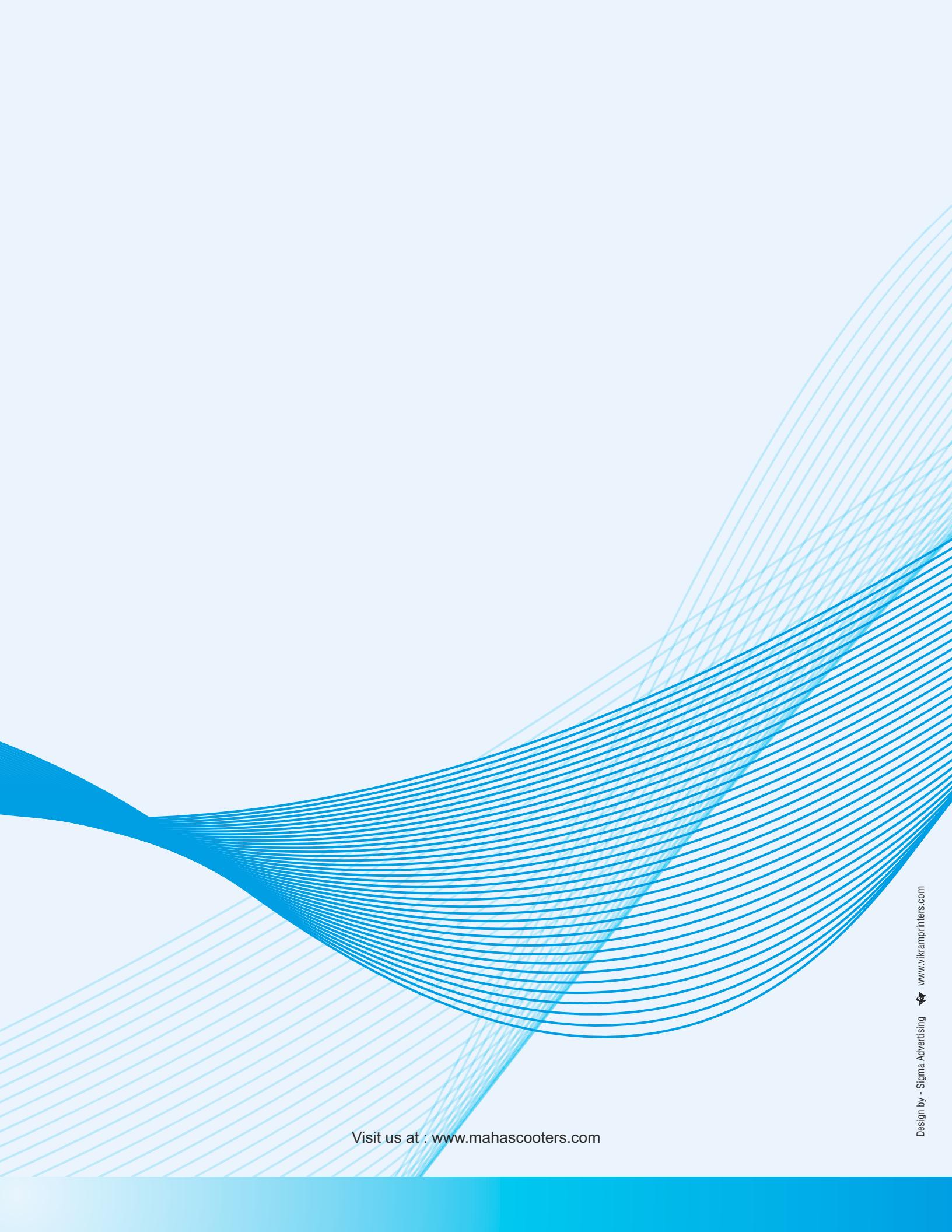
Signature of shareholder

Signature of the proxy holder(s)

Affix
revenue
stamp of
₹ 1

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