



MAHARASHTRA SCOOTERS LTD.

CIN-L35912MH1975P1 C01A376
Regd. Office : C/o Bajaj Auto Limited,
Mumbai-Pune Road, Akurdi, Pune 411 035 (India)
Phone : 020-27472851, Fax : 020-66334103
Website : www.mahascoters.com

2 July 2022

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| To, Corporate Relations Department BSE Limited DCS - CRD Phiroze Jeejeebhoy Towers Dalal Street, Mumbai - 400 001 | To, Corporate Listing Department National Stock Exchange of India Ltd. Exchange plaza, C-1 Block G, Bandra - Kurla Complex, Bandra (East) Mumbai - 400 051 |
| Scrip Code: 500266 | Scrip Code: MAHSCOOTER |

Dear Sir/Madam,

Sub: Annual Report for FY2022 and Notice of 47th Annual General Meeting (AGM)

This is further to our letter dated 25 April 2022, wherein the Company had informed that the AGM of the Company is scheduled to be held on Monday, 25 July 2022.

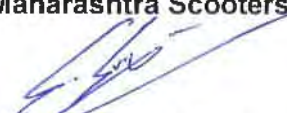
Pursuant to Regulation 34(1) read with Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, please find enclosed the following documents for FY2022, as circulated to the shareholders through electronic mode today:

- Notice of 47th AGM scheduled to be held on Monday, 25 July 2022 through Video Conferencing/ Other Audio-Visual Means (e-AGM)
- Annual Report
- Business Responsibility Report (BRR)

Aforesaid documents are also available on the website of the Company, i.e., <https://www.mahascoters.com/investors.html#AR> and on the website of KFin Technologies Limited at <https://evoting.kfintech.com>.

You are requested to kindly take the above information on record.

Thanking you,
Yours faithfully,
For Maharashtra Scooters Limited


Sriram-Subbramaniam
Company Secretary



Encl.: As above



MAHARASHTRA SCOOTERS LTD.

CIN: L35912MH1975PLC018376

Registered Office:

Mumbai-Pune Road,

Akurdi, Pune 411 035

Email: ssubbramaniam@bhil.in

Website: www.mahascooters.com

Tel No.: (020) 7157 6066

NOTICE OF 47TH ANNUAL GENERAL MEETING

Notice is hereby given that the forty-seventh Annual General Meeting ('AGM') of the shareholders of Maharashtra Scooters Limited (the 'Company' or 'MSL') will be held on **Monday, 25 July 2022** at **4.00 p.m.** through Video-Conferencing ('VC')/ Other Audio-Visual Means ('OAVM'), to transact the following:

ORDINARY BUSINESS

1. To consider and adopt the audited financial statements of the Company for the financial year ended 31 March 2022, together with the Directors' and Auditors' Reports thereon.
2. To declare a dividend of ₹ 80 per equity share of face value of ₹ 10 each for the financial year ended 31 March 2022.
3. To appoint a director in place of Anish Amin (DIN 00070679), who retires by rotation in terms of section 152(6) of the Companies Act, 2013 and being eligible, offers himself for re-appointment.
4. Appointment of KKC & Associates LLP (formerly known as Khimji Kunverji & Co. LLP), as Statutory Auditors of the Company and to fix their remuneration.

"RESOLVED that pursuant to the provisions of section 139, 141 and other applicable provisions, if any, of the Companies Act, 2013 ('the Act'), read with Companies (Audit and Auditors) Rules, 2014, based on the recommendations of the Audit committee and the Board, KKC & Associates LLP (formerly known as Khimji Kunverji & Co. LLP), Chartered Accountants (Firm Registration No.105146W/ W100621), who have offered themselves for appointment and have confirmed their eligibility to be appointed as Statutory Auditors in terms of Section 141 of the Act and applicable rules be and is hereby appointed as Statutory Auditors of the Company, in place of Kirtane & Pandit LLP, the retiring auditors, to hold office from the conclusion of 47th annual general meeting until the conclusion of 52nd annual general meeting to conduct audit of accounts of the Company for the financial year ending 31 March 2023 till 31 March 2027, at a remuneration mentioned in the statement annexed herewith.

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, the Board of Directors of the Company (which expression shall include any Committee thereof, whether constituted or to be constituted) be and is hereby authorised on behalf of the Company to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary or desirable for such purpose and with power on behalf of the Company to settle all questions, difficulties or doubts that may arise in regard to implementation of the aforesaid resolution including but not limited to determination of roles and responsibilities/ scope of work of the Statutory Auditors, negotiating, finalising, amending, signing, delivering, executing, the terms of appointment, any increase in remuneration including any contracts or documents in this regard, without being required to seek any further consent or approval of the members of the Company."

By order of the Board of Directors
For Maharashtra Scooters Limited

sd/-
Sriram Subbramaniam
Company Secretary
Pune: 31 May 2022

NOTES

- 1 The Ministry of Corporate Affairs ('MCA') vide its various circulars issued from time to time have permitted the holding of the Annual General Meeting ('AGM') through VC/OAVM till 31 December 2022. Accordingly, the forty-seventh AGM is being conducted through VC/OAVM, hereinafter called as 'e-AGM'.
- 2 In terms of section 136 of the Companies Act, 2013 (the 'Act') read with the rules made thereunder, regulation 36 of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 ('SEBI Listing Regulations') and in terms of various MCA and SEBI circulars issued from time to time, the listed companies may send the notice of AGM and the Annual Report, including financial statements, Directors' report, etc. by electronic mode in case the meeting is conducted through VC/OAVM, till December 2022. Accordingly, Notice of forty-seventh e-AGM along with the Annual Report for FY2022 is being sent only through electronic mode to those members whose email addresses are registered with the Company/depositories. Members may note that the Notice of the forty-seventh e-AGM and Annual Report for FY2022 will also be available on the Company's website at <https://www.mahascooters.com/investors.html#AR>, website of the stock exchanges i.e., BSE Ltd. ('BSE') at www.bseindia.com and National Stock Exchange of India Ltd. ('NSE') at www.nseindia.com and on the website of the Registrar and Share Transfer Agent of the Company, i.e., KFin Technologies Ltd. ('KFin') at <https://evoting.kfintech.com> In this notice, the term member(s) and shareholder(s) are used interchangeably. The physical copy of Notice of forty-seventh e-AGM and Annual Report for FY2022, will also be sent to shareholders at their registered address who requests for the same.
- 3 The deemed venue for forty-seventh e-AGM shall be the registered office of the Company.
- 4 Pursuant to the provisions of the Act, a member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a member of the Company. Since this e-AGM is being held pursuant to the MCA Circulars through VC / OAVM facility, physical attendance of members has been dispensed with. Accordingly, the facility for appointment of proxies by the members will not be available for the e-AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
- 5 Institutional / Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body resolution/authorization etc., authorizing its representative to attend the e-AGM on its behalf and to vote through remote e-voting. The said resolution/authorization shall be sent to the Scrutiniser by email through its registered email address to cssdlimaye@gmail.com with a copy marked to mohsin.moht@kfintech.com.
- 6 Brief details of the director, who is seeking re-appointment, is annexed hereto in the statement as per requirements of regulation 36(3) of the SEBI Listing Regulations and the provisions of Secretarial Standard-2 on General Meetings.
- 7 As per requirements of regulation 36(5) of the SEBI Listing Regulations and as per provisions of the Act, brief details of the Statutory Auditors, who are seeking appointment are annexed hereto in the statement.
- 8 The facility of joining the e-AGM through VC /OAVM will be opened 30 minutes before and will be open upto 30 minutes after the scheduled start time of the e-AGM, i.e. from 3:30 p.m. to 4:30 p.m. and will be available for 1000 members on a first-come first-served basis. This rule would, however, not apply to participation of shareholders holding 2% or more shareholding, promoters, institutional investors, directors, key and senior managerial personnel, auditors etc.
- 9 Institutional Investors, who are members of the Company are encouraged to attend and vote at the forty-seventh e-AGM of the Company.
- 10 The Board of Directors, at its meeting held on 25 April 2022, has recommended a dividend of ₹ 80 per equity share of the face value of ₹ 10 each for the year ended 31 March 2022, for the approval of shareholders at the forty-seventh e-AGM.

11. The Record date for determining the eligibility of shareholders who will be entitled to dividend shall be 1 July 2022.

Subject to the provisions of section 126 of the Act, dividend on equity shares, if declared at the e-AGM, will be credited/dispatched on 29 July 2022 and / or 30 July 2022, to all shareholders holding shares physically as well as electronically as on 1 July 2022.

12. As per the SEBI Listing Regulations and pursuant to SEBI Circular dated 20 April 2018, the Company shall use any electronic mode of payment approved by the Reserve Bank of India for making payment to the members. Accordingly, the dividend, if declared, will be paid through electronic mode, where the bank account details of the shareholders are available. Where the dividend payments are made through electronic mode, intimation regarding such remittance will be sent separately to the shareholders. In case, where the dividend cannot be paid through electronic mode, the same will be paid through physical instrument such as banker's cheque or demand draft incorporating bank account details of such members.
13. To ensure timely credit of dividend through electronic mode or physical instrument such as banker's cheque or demand draft, members are requested to notify change of address or particulars of their bank account, if any, to KFin or in case of demat holding to their respective depository participants.
14. SEBI has mandated that any service request from members holding securities in physical mode shall be entertained only upon registration of the PAN, KYC details, and nomination. The folios wherein any one of the cited document/details are not updated on or after 1 April 2023 shall be frozen by the RTA. Further, such member will not be eligible to receive dividend in physical mode.
15. To receive communications through electronic means, including Annual Reports and Notices, members are requested to kindly register/update their email address with their respective depository participants, where shares are held in demat mode.
16. Members who have not registered their email addresses and consequently could not be served the Annual Report for FY2022 and Notice of forty-seventh e-AGM, may temporarily get themselves registered with KFin, by following the procedure mentioned below:
 - a) Visit the link: <https://ris.kfintech.com/clientservices/mobilereg/mobileemailreg.aspx>
 - b) Select the company name, i.e., Maharashtra Scooters Ltd.
 - c) Select the Holding type from the drop down, i.e., NSDL/CDSL/Physical.
 - d) Enter DP ID – Client ID (in case shares are held in electronic form)/Physical Folio No. (in case shares are held in physical form) and PAN.
 - e) If PAN details are not available in the system, the system will prompt to upload a self-attested copy of the PAN card for updating records.
 - f) In case shares are held in physical form and PAN is not available in the records, please enter any one of the Share Certificate No. in respect of the shares held by you.
 - g) Enter the email address and mobile number.
 - h) System will validate DP ID – Client ID/Folio No. and PAN/Share certificate No., as the case may be, and send OTP at the registered Mobile number as well as email address for validation.
 - i) Enter the OTPs received by SMS and email to complete the validation process. OTP will be valid for 5 minutes only.

- j) The Notice and e-voting instructions along with the User ID and Password will be sent on the email address updated by the member.
 - k) Please note that in case the shares are held in electronic form, the above facility is only for temporary registration of email address for receipt of the Notice and the e-voting instructions along with the User ID and Password. Such members will have to register their email address with their DPs permanently, so that all communications are received by them in electronic form.
 - l) In case of queries, members are requested to write to einward.ris@kfintech.com or call at the toll free number 1800-309-4001.
17. SEBI vide its circular dated 25 January 2022, has mandated listed companies shall henceforth issue the securities in dematerialised form only, while processing service requests such as issue of duplicate share certificates, transmission, transposition, etc. Accordingly, members who still hold share certificates in physical form are advised to dematerialise their holdings.
 18. In case of joint holders, the member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the e-AGM.
 19. The Company has been maintaining Register of Directors and Key Managerial Personnel and their shareholding under section 170 of the Act electronically.

In accordance with the MCA circulars, the said register shall be made accessible for inspection through electronic mode which shall remain open and be accessible to any member during the continuance of the meeting.

20. For ease of conduct, members who would like to ask questions / express their views on the items of the businesses to be transacted at the meeting can send in their questions / comments in advance by visiting URL <https://emeetings.kfintech.com/> and clicking on the tab "Post your Queries" during the period starting from 18 July 2022 (9.00 a.m.) upto 22 July 2022 (5.00 p.m.) mentioning their name, demat account no./Folio no., email address, mobile number, etc. The queries may be raised precisely and in brief to enable the Company to answer the same suitably depending on the availability of time at the meeting.
21. Pursuant to section 72 of the Act read with SEBI Circular dated 3 November 2021 and clarification circular dated 14 December 2021, members holding shares in physical form are advised to update their nomination details in the prescribed Form SH-13 or Form ISR-3 (Declaration to Opt-out). The form can be downloaded from the website of the Company at <https://www.mahascooters.com/investorsrel.html#AGM> and RTA at <https://ris.kfintech.com/clientservices/isc> In respect of shares held in electronic/demat form, the members may please contact their respective depository participant.
22. In terms of section 124(5) of the Act, dividend amount for the year ended 31 March 2015 remaining unclaimed for a period of 7 years shall become due for transfer in August 2022 to the Investor Education and Protection Fund (IEPF) established by the Central Government. Further, in terms of section 124(6) of the Act, in case of such shareholders, whose dividends are unpaid for a continuous period of 7 years, the corresponding shares shall be transferred to the IEPF demat account.

Members who have not claimed dividends from FY2015 onwards are requested to approach the Company / KFin for claiming the same as early as possible, to avoid transfer of the relevant shares to the IEPF demat account.
23. For more details on shareholders' matters, please refer to the chapter on General Shareholder Information, included in the Annual Report.

24. Since the meeting will be conducted through VC / OAVM facility, the Route Map is not annexed to this Notice.
25. In case a person has become a Member of the Company after dispatch of e-AGM Notice, but on or before the cut-off date for e-voting, i.e., 18 July 2022, such person may obtain the User ID and Password from KFin by email request on einward.ris@kfintech.com
26. Alternatively, member may send signed copy of the request letter providing the email address, mobile number, self-attested PAN copy along with client master copy (in case of electronic folio) / copy of share certificate (in case of physical folio) via email at the email address einward.ris@kfintech.com for obtaining the Annual Report and Notice of e-AGM.
27. General instructions for e-voting and joining the e-AGM are as follows:

A. Voting through electronic means:

- i. In terms of the provisions of section 108 of the Act, read with rule 20 of the Companies (Management and Administration) Rules, 2014 as amended (hereinafter called 'the Rules' for the purpose of this section of the Notice) and regulation 44 of the SEBI Listing Regulations and in terms of SEBI vide circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 9 December 2020 in relation to e-voting facility provided by Listed Entities, the members are provided with the remote e-voting facility to exercise votes on the items of business given in the Notice, through the e-voting services provided by KFin or to vote at the e-AGM.
- ii. The Members, whose names appear in the Register of Members/list of Beneficial Owners as on Monday, 18 July 2022 (end of day), being the cut-off date fixed for determining voting rights of members are entitled to participate in the remote e-voting process. A person who is not a member as on the cut-off date should treat this Notice for information purpose only.
- iii. Members can cast their vote online from 22 July 2022 (9.00 a.m.) till 24 July 2022 (5.00 p.m.). Voting beyond the said date shall not be allowed and the remote e-voting facility shall be blocked.
- iv. Alternatively, members holding securities in physical mode may reach out on toll free number 1800 309 4001 for obtaining User ID and password or may write email from the registered email address to evoting@kfintech.com
- v. The details of the process and manner for remote e-voting are explained herein below:

I) Login method for remote e-voting for Individual shareholders holding securities in demat mode.

Pursuant to SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 9 December 2020 on "e-voting facility provided by Listed Companies", e-voting process has been enabled to all the individual demat account holders, by way of single login credential, through their demat accounts / websites of Depositories / DPs in order to increase the efficiency of the voting process. Individual demat account holders would be able to cast their vote without having to register again with the e-voting service provider (ESP) thereby not only facilitating seamless authentication but also ease and convenience of participating in e-voting process.

Shareholders are advised to update their mobile number and email address with their DPs in order to access e-voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

| Type of shareholders | Login method |
|--|---|
| Individual shareholders holding securities in demat mode with NSDL | <p>A. Users registered for NSDL IDeAS facility:</p> <ol style="list-style-type: none"> 1. Open web browser by typing the following URL: https://eservices.nsd.com/ either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under “IDeAS” section. 2. A new screen will open. Enter your User ID and Password. After successful authentication, you will be able to see e-voting services. Click on “Access to e-voting” under e-voting services and you will be able to see e-voting page. 3. Click on options available against Company name or e-voting service provider – KFinTech and you will be re-directed to e-voting service provider website for casting your vote during the remote e-voting period. <p>B. Users not registered for IDeAS e-Services:</p> <p>Option to register is available at https://eservices.nsd.com Select “Register Online for IDeAS” Portal or click at https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp and proceed with completing the required fields.</p> <p>After successful registration, please follow steps 1 to 3 given above to cast your vote.</p> <p>C. By visiting the e-voting website of NSDL:</p> <ol style="list-style-type: none"> 1. Visit the e-voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsd.com/ either on a Personal Computer or on a mobile. Once the home page of e-voting system is launched, click on the “Login” icon, available under the ‘Shareholder/Member’ section. 2. A new screen will open. Enter your User ID (i. e. your 16-digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-voting page. 3. Click on options available against Company name or e-voting service provider – KFinTech and you will be re-directed to e-voting service provider website for casting your vote during the remote e-voting. |
| Individual Shareholders holding securities in demat mode with CDSL | <p>A. Existing users who have opted for Easi/Easiest:</p> <ol style="list-style-type: none"> 1. URL to login to Easi/Easiest: https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on login icon and select New System Myeasi. 2. Shareholders can login through their existing user ID and password. Option will be made available to reach e-voting page without any further authentication. 3. After successful login on Easi/Easiest, the user will also be able to see the e-voting menu. The menu will have links of ESPs. Click on KFinTech to cast your vote. <p>B. Users who have not opted for Easi/Easiest:</p> <p>Option to register for Easi/Easiest is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration. Proceed with completing the required fields. After successful registration, please follow the steps given above to cast your vote.</p> |

| Type of shareholders | Login method |
|--|---|
| | <p>C. By visiting the e-voting website of CDSL:</p> <ol style="list-style-type: none"> 1. The user can directly access e-voting page by providing demat account number and PAN from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile number & email address as recorded in the demat account. 2. After successful authentication, user will be able to see the e-voting option where the e-voting is in progress and will also be able to directly access the system of e-voting Service Provider i.e. KFintech. |
| Individual Shareholders (holding securities in demat mode) logging through their depository participants | <ol style="list-style-type: none"> 1. Shareholders can also login using the login credentials of their demat account through their Depository Participant registered with NSDL/CDSL for e-voting facility. Once logged-in, you will be able to see e-voting option. 2. Once you click on e-voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-voting feature. 3. Click on option available against Company name or e-voting service provider- KFintech and you will be redirected to e-voting service provider website for casting your vote during the remote e-voting period. |

Important Note: Members who are unable to retrieve User ID/Password are advised to use Forget User ID and Forget Password option available at respective websites.

Helpdesk for Individual Shareholders holding securities in demat mode who need assistance for any technical issues related to login through Depository i.e. NSDL and CDSL:

Members facing any technical issue - NSDL

Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call on toll free no.: 1800 1020 990 and 1800 22 44 30

Members facing any technical issue - CDSL

Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact on 022-23058738 or 022-23058542-43.

II) Login method for remote e-voting for shareholders other than individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

- i. Initial password is provided in the body of the email.
- ii. Launch internet browser and type the URL: <https://evoting.kfintech.com> in the address bar.
- iii. Enter the login credentials i.e. User ID and password mentioned in your email. Your Folio No./DP ID Client ID will be your User ID. However, if you are already registered with KFin for e-voting, you can use your existing User ID and password for casting your votes.
- iv. After entering the correct details, click on LOGIN.
- v. You will reach the password change menu wherein you are required to mandatorily change your password. The new password shall comprise 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 (@,#,\$,etc.). It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- vi. You need to login again with the new credentials.
- vii. On successful login, the system will prompt you to select the EVENT, i.e., Maharashtra Scooters Ltd.

- viii. On the voting page, the number of shares (which represents the number of votes) held by you as on the cut-off date will appear. If you desire to cast all the votes assenting/dissenting to the resolution, enter all shares and click 'FOR'/'AGAINST' as the case may be or partially in 'FOR' and partially in 'AGAINST', but the total number in 'FOR' and/or '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.
- ix. Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/demat account.
- x. 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. Once you confirm, you will not be allowed to modify your vote subsequently. During the voting period, you can login multiple times till you have confirmed that you have voted on the resolution.
- xi. Corporate/institutional members (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned image (PDF/JPG format) of certified true copy of relevant board resolution/authority letter etc. together with attested specimen signature of the duly authorised signatory(ies) who is/are authorised to vote, to the Scrutinizer through email at cssdlimaye@gmail.com and may also upload the same in the e-voting module in their login. The scanned image of the above documents should be in the naming format 'MSL_EVENT No.'
- xii. In case of any queries/grievances, you may refer the Frequently Asked Questions (FAQs) for Members and e-voting User Manual available at the 'download' section of <https://evoting.kfintech.com> or call KFin on 1800 309 4001 (toll free).

B. Voting at e-AGM:

- i. Only those members/shareholders, who will be present in the e-AGM and who have not cast their vote through remote e-voting and are otherwise not barred from doing so are eligible to vote through e-voting in the e-AGM.
- ii. However, members who have voted through remote e-voting will be eligible to attend the e-AGM.
- iii. Members attending the e-AGM shall be counted for the purpose of reckoning the quorum under section 103 of the Act.
- iv. Voting at e-AGM will be available at the end of the e-AGM and shall be kept open for 15 minutes. Members viewing the e-AGM, shall click on the 'e-voting' sign placed on the left-hand bottom corner of the video screen. Members will be required to use the credentials, to login on the e-Meeting webpage, and click on the 'Thumbs-up' icon against the unit to vote.

C. Instructions for Members for attending the e-AGM:

- i. Members will be able to attend the e-AGM through VC / OAVM or view the live webcast of e-AGM provided by KFin at <https://emeetings.kfintech.com> by using their remote e-voting login credentials and by clicking on the tab "video conference". The link for e-AGM will be available in members login, where the EVENT and the name of the Company can be selected.
- ii. Members are encouraged to join the meeting through devices (Laptops, Desktops, Mobile devices) with Google Chrome for better experience.
- iii. Further, members registered as speakers will be required to allow camera, if any, and hence are required to use internet with a good speed to avoid any disturbance during the meeting.
- iv. Members may join the meeting using headphones for better sound clarity.

- v. While all efforts would be made to make the VC / OAVM meeting smooth, participants connecting through mobile devices, tablets, laptops etc. may at times experience audio/video loss due to fluctuation in their respective networks.
- vi. Use of a stable Wi-Fi or LAN connection can mitigate some of the technical glitches.
- vii. Members, who would like to express their views or ask questions during the e-AGM will have to register themselves as a speaker by visiting the URL <https://emeetings.kfintech.com/> and clicking on the tab "**Speaker Registration**" during the period starting from 18 July 2022 (9.00 a.m.) upto 22 July 2022 (5.00 p.m.). Only those members who have registered themselves as a speaker will be allowed to express their views / ask questions during the e-AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the e-AGM. Only questions of the members holding shares as on the cut-off date will be considered.
- viii. A video guide assisting the members attending e-AGM either as a speaker or participant is available for quick reference at URL <https://emeetings.kfintech.com/> under the "How It Works" tab placed on top of the page.
- ix. Members who need technical assistance before or during the e-AGM can contact KFin at emeetings@kfintech.com or Helpline: 1800 309 4001.

D. General Instructions:

- i. The Board of Directors has appointed Shyamprasad D Limaye, Practising Company Secretary (FCS No. 1587 CP No. 572) as the Scrutinizer to the e-voting process and voting at the e-AGM in a fair and transparent manner.
- ii. The Scrutinizer shall, immediately after the conclusion of voting at the e-AGM, first count the votes cast at the meeting, thereafter unblock the votes through e-voting in the presence of at least two witnesses, not in the employment of the Company and make a consolidated Scrutiniser's report of the total votes cast in favour or against, if any, to the Chairman of the Company, who shall countersign the same and declare the result thereof.
- iii. The results declared along with the Scrutiniser's report shall be placed on the Company's website and on the website of KFin at <https://evoting.kfintech.com> and shall also be communicated to the stock exchanges. The resolutions shall be deemed to be passed at the e-AGM of the Company.

28. Dividend related information:

Shareholders may note that as per Income Tax Act, 1961, as amended by the Finance Act, 2020, dividends paid by a Company after 1 April 2020 shall be taxable in the hands of shareholders. The Company is also required to deduct Tax at Source ('TDS') in respect of approved payment of dividend to its shareholders (resident as well as non-resident).

Resident Shareholders:

Tax shall be deducted at source under section 194 of the Income Tax Act, 1961 (the 'IT Act') at the rate of 10% on the amount of dividend declared and paid by the Company during FY2023. However, in the following cases, TDS at the rate of 20% would be applicable as per IT Act:

- Section 206AA of IT Act- PAN is not available/ Invalid PAN; or
- Section 206AB of IT Act - Non-filing of return of income tax of previous year (i.e. FY 2020-21) and aggregate of TDS and TCS in said previous year is ₹ 50,000 or more.

No tax shall be deducted at source on the dividend payable to a resident individual if the total dividend to be received by the said resident individual from the Company during a financial year does not exceed ₹ 5,000; or if an eligible resident shareholder provides a valid declaration in Form 15G/ Form 15H or other documents as may be applicable to different categories of shareholders.

Further, if a shareholder has obtained a lower or Nil withholding tax certificate from the tax authorities and provides a copy of the same to the Company (TAN – PNEM07736B), tax shall be deducted on the dividend payable to such shareholder at the rate specified in the said certificate.

Non-resident Shareholders:

Tax is required to be deducted at source in the case of non-resident shareholders in accordance with the provisions of section 195 of the IT Act at the rates in force. As per the relevant provisions of the IT Act, the TDS on dividend shall be @ 20% or applicable rate plus applicable surcharge and health & education cess on the amount of dividend payable to the non-resident shareholders. For FII/ FPI shareholders, section 196D provides for TDS @ 20% or applicable rate plus applicable surcharge and health & education cess.

However, as per section 90 of the IT Act, non-resident shareholders have the option to be governed by the provisions of the Double Tax Avoidance Agreement (DTAA) read with applicable Multilateral Instrument (MLI) provisions if they are more beneficial to them.

A list of documents / declarations required to be provided by the resident shareholders and list of documents/declarations required to claim the benefit of DTAA by the non-resident shareholders are available on the Company's website at <https://www.mahascooters.com/investors.html>. Kindly note that the documents should be uploaded with KFin Technologies Ltd., the Registrar and Transfer Agent at <https://ris.kfintech.com/form15>.

No communication on the tax determination/ deduction shall be entertained after 12 July 2022.

The above referred documents submitted by you will be verified by us and we will consider the same while deducting the appropriate taxes, if any, provided that these documents are in accordance with the provisions of the IT Act.

In addition to the above, please note the following:

- In case you hold shares under multiple accounts under different status/ category but under a single PAN, the highest rate of tax as applicable to the status in which shares held under the said PAN will be considered on the entire holding in different accounts.
- In case of joint shareholding, the withholding tax rates shall be considered basis the status of the primary beneficial shareholder.
- For deduction of tax at source, the Company would be relying on the above data shared by KFin as updated up to the record date.

It may be further noted that in case tax on dividend is deducted at a higher rate in the absence of receipt of any of the aforementioned details/ documents from the shareholders, the shareholders may consider filing their return of income and claiming an appropriate refund, as may be eligible. No claim shall lie against the Company for such taxes deducted.

The Company shall arrange to email the soft copy of the TDS certificate, if applicable, to shareholders at the email ID registered with KFin within the prescribed time as per IT Act. The amount of TDS can also be viewed in Form 26AS on the website of the Income Tax department of India <https://www.incometax.gov.in/home>

In the event of any income tax demand (including interest, penalty, etc.) arising from any misrepresentation, inaccuracy or omission of information provided by the Shareholder/s, such Shareholder/s will be responsible to indemnify the Company, and also provide the Company with all information/ documents and co-operation in any assessment/ appellate proceedings before the Tax/ Government authorities.

For further details and formats of declaration, please refer to FAQs on Dividend Distribution available on the Company's website at <https://www.mahascooters.com/investors.html>.

ANNEXURE TO THE NOTICE

INFORMATION PURSUANT TO REGULATION 36(3) OF THE SEBI LISTING REGULATIONS.

Item no. 3 of the Notice relating to re-appointment of Anish Amin (DIN 00070679), who retire by rotation.

Brief profile

Anish Amin is the President and Head of the overall functions of Risk, Assurance and Human Resources at Bajaj Finserv Limited.

He is a fellow member of the Institute of Chartered Accountants of India. Prior to Bajaj Finserv Limited, Anish Amin was a senior partner at Dalal & Shah (a member of the PwC International Network). He was also a partner in the Assurance Practise at Pricewaterhouse India and led wide-ranging businesses, including manufacturing, trading, finance and insurance. He was also their sectoral leader for the insurance industry.

In a career spanning over three decades, he has a wide-ranging industry experience and a proven track record in risk management, compliance with accounting standards, company law matters and general regulatory frameworks.

He is not disqualified from being appointed as a director in terms of section 164 of the Act.

Other information

Sr.

| No. Particulars | Details |
|---|---|
| 1. Age | 58 years |
| 2. Qualifications | Chartered Accountant |
| 3. Remuneration last drawn (FY 2022) | ₹ 4,50,000/- as sitting fees. During the year under review, no commission was paid to him by the Company. |
| 4. Remuneration proposed to be paid | Other than sitting fee for attending the Committee/Board meeting(s), no remuneration is proposed to be payable to Anish Amin. |
| 5. Date of first appointment on the Board | 25 July 2019 |
| 6. Shareholding in the Company | Nil |
| 7. Relationship with other Directors / Key Managerial Personnel | Anish Amin is not related to any of the directors on the Board. |
| 8. Number of meetings of the Board attended during FY2022 | Five meetings of the Board were held and Anish Amin has attended all the five meetings of the Board. |
| 9. Directorships of other Boards | Bajaj Finserv Health Ltd. Bajaj Auto Holdings Ltd. |
| 10. Membership/Chairmanship of Committees of other Boards | Nil |
| 11. Nature of expertise in specific functional areas | Management and Governance, Financial Services, Understanding of accounting and financial statements, Risk, Assurance and Internal Controls, Regulatory, Public policy and economics, Human Resource and Business Transformation and Strategy. |
| 12. Whether resigned as a Director of listed entity in the past three years | Nil |

Item No. 4 - Appointment of KKC & Associates LLP (formerly known as Khimji Kunverji & Co. LLP), as Statutory Auditors of the Company and to fix their remuneration.

As per the provisions of section 139 of Companies Act, 2013 ('the Act'), every company shall appoint an individual or a firm as an auditor who shall hold office from the conclusion of that meeting till the conclusion of its sixth annual general meeting. Pursuant to section 139(2) of the Act, no listed company shall appoint an audit firm as auditor for more than two terms of five consecutive years.

The current Auditors, Kirtane & Pandit LLP (Kirtane and Pandit), Chartered Accountants were appointed on 18 July 2017 as the statutory auditors of the Company from the conclusion of 42nd annual general meeting till the conclusion of 47th annual general meeting, covering a term of five consecutive years of the first term. Accordingly, the first term of statutory auditors expires at the conclusion of the ensuing 47th annual general meeting.

In view of the above, it is now proposed to consider appointing KKC & Associates LLP (formerly known as Khimji Kunverji & Co. LLP), Chartered Accountants (Firm Registration No. 105146W/ W100621), as Statutory Auditors of the Company, from the conclusion of 47th annual general meeting till the conclusion of 52nd annual general meeting, covering one term of five consecutive years.

The Statutory Auditors have confirmed that their appointment, if made, will be within the limit specified under Section 144 of the Act. They have also confirmed that they are not disqualified to be appointed as statutory auditors in terms of the provisions of the proviso to Section 139(1), Section 141(2) and Section 141(3) of the Act and the provisions of the Companies (Audit and Auditors) Rules, 2014.

Pursuant to Regulation 36(5) of SEBI Listing Regulations, the following details are mentioned below for the information of Members:

| | |
|--|---|
| Proposed audit fee payable to auditors | The fees proposed to be paid to KKC & Associates LLP (formerly known as Khimji Kunverji & Co. LLP), towards statutory audit and limited review (including certifications but excluding applicable taxes and reimbursements) for FY2023 shall be ₹ 9.50 lakh with authority to Board to make changes as it may deem fit for the balance term. |
| Terms of appointment | KKC & Associates LLP (formerly known as Khimji Kunverji & Co. LLP), if appointed, will be Statutory Auditors of the Company for a period of five years from the conclusion of 47 th annual general meeting till the conclusion of 52 nd annual general meeting, i.e., for the financial years ending from 31 March 2023 to 31 March 2027. |
| Material change in fee payable from that paid to the outgoing auditors | No material change in fee for the proposed auditors from that paid to the outgoing auditors. Outgoing auditors were paid a statutory audit fees ₹ 8.75 lakh for FY2022. |
| Basis of recommendation and auditor credentials | The Audit Committee and the Board of Directors based on the credentials of the firm and partners and eligibility criteria prescribed under the Companies Act, 2013, recommends the appointment of KKC & Associates LLP (formerly known as Khimji Kunverji & Co. LLP), as the Statutory auditors of the Company. |
| | <p>Profile</p> <p>KKC & Associates LLP (formerly known as Khimji Kunverji & Co. LLP) is a Chartered Accountant firm registered with The Institute of Chartered Accountants of India ("ICAI") with Firm Registration No. FRN 105146W/W100621. The firm was established in 1936 and is led by 13 partners. The firm provides a range of services which include audit & assurance, taxation, advisory & accounting. The firm has significant presence in providing auditing, taxation & advisory services to Banks and other Financial Clients.</p> |

The Board commends the ordinary resolution set out at Item No. 4 of the Notice for approval by shareholders.

By order of the Board of Directors
For Maharashtra Scooters Limited

sd/-
Sriram Subbramaniam
Company Secretary
Pune: 31 May 2022

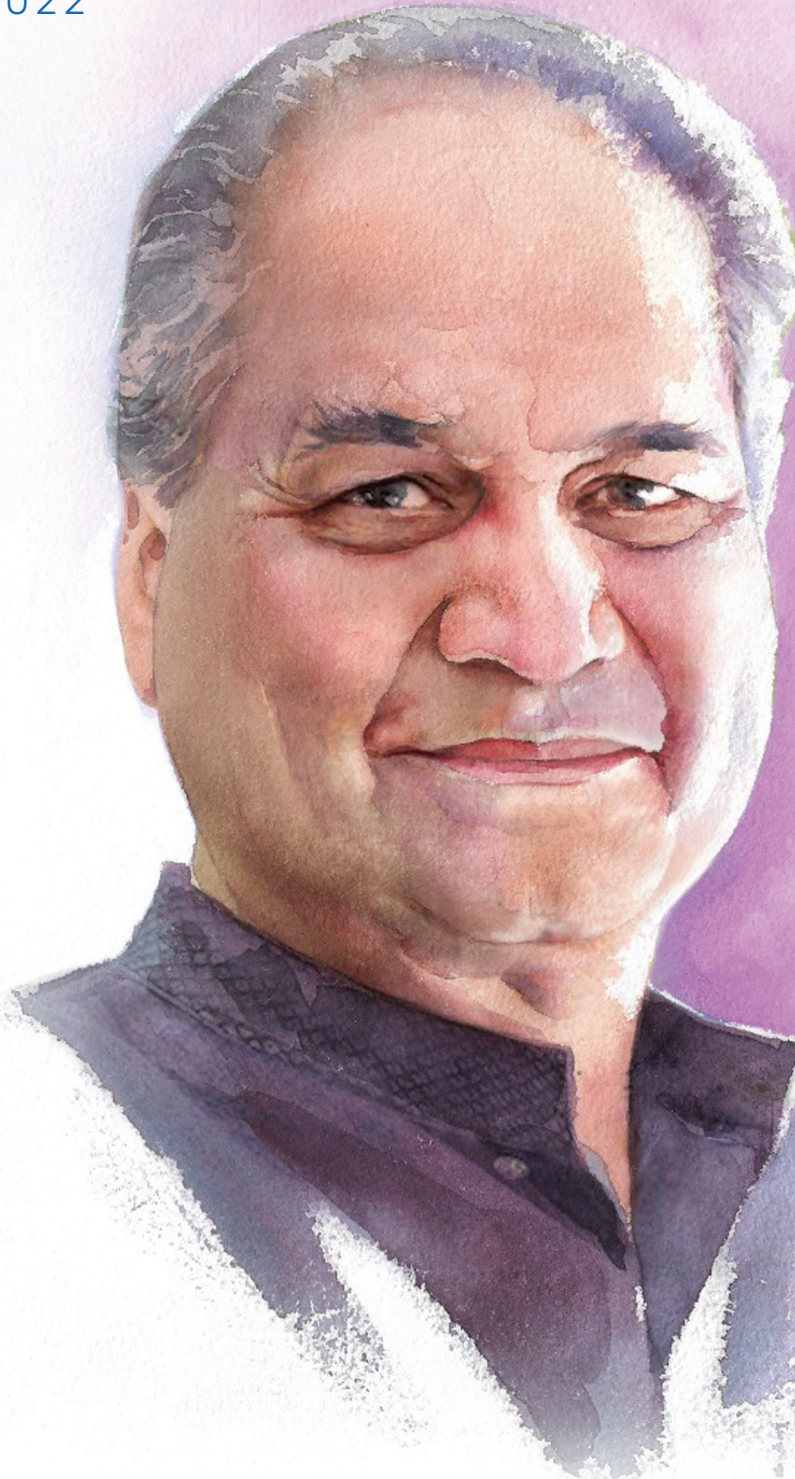
47TH

ANNUAL
REPORT

2021-2022



MAHARASHTRA SCOOTERS LTD.



Rahul Bajaj
(1938 - 2022)

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(Including Annual Report on CSR Activities)
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“Earlier organisations made individuals, today individuals make an organisation.”



CORPORATE INFORMATION

Board of Directors

Sanjiv Bajaj

Chairman

Yogesh Shah

Naresh Patni

Lila Poonawalla

V Rajagopalan

Anish Amin

Audit Committee

Yogesh Shah

Chairman

Naresh Patni

Lila Poonawalla

Nomination and Remuneration Committee

Yogesh Shah

Chairman

Naresh Patni

Lila Poonawalla

Anish Amin

Risk Management Committee

Lila Poonawalla

Chairperson

Yogesh Shah

Anish Amin

Shriniwas Pathak

Stakeholders Relationship Committee

Yogesh Shah

Chairman

Sanjiv Bajaj

V Rajagopalan

Key Managerial Personnel

Shriniwas Pathak

Manager & Chief Executive Officer

Anant Marathe

Chief Financial Officer

Sriram Subbramaniam

Company Secretary

Statutory Auditors

Kirtane & Pandit LLP

Chartered Accountants

Secretarial Auditor

Shyamprasad D Limaye

Practising Company Secretary

Registered Office

C/o. Bajaj Auto Ltd.

Mumbai-Pune-Road

Akurdi, Pune - 411 035, Maharashtra

Works

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

Satara - 415 004, Maharashtra

Corporate Identification No. (CIN)

L35912MH1975PLC018376

Registrar and Share Transfer Agent

KFin Technologies Ltd.

Selenium Building, Tower B, Plot No.31-32

Gachibowli, Financial District

Nanakramguda

Hyderabad-500 032

DIRECTORS' REPORT

Dear Shareholders,

Your directors present the forty-seventh Annual Report along with the audited financial statements for FY2022.

Sad Demise of Shri Rahul Bajaj, Chairman Emeritus of Bajaj group

At the outset, your directors express their profound grief on the sad demise of Shri Rahul Bajaj, the iconic leader of Bajaj group, who passed away on 12 February 2022.

He lived an extraordinary life. He was the architect of one of the most respected business groups in the country, a vocal proponent of entrepreneurship, and a voice of the industry at large.

He stood for what he believed, a man driven by values, and bold in both expression and action. He was the torchbearer of the family legacy that dates back to the founding days of our country and championed the creation of a new India.

While his passing away has left a void amongst us, he leaves behind an unparalleled foundation for all of us to build upon.

The Board places on record its whole-hearted appreciation of the invaluable contribution made by him to the spectacular success of the Group over several decades.

Review of Operations

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

Total income of the Company during the year under review is ₹ 19,446 lakh, as against ₹ 3,071 lakh during the previous year. Income from investments aggregating to ₹ 17,691 lakh represented major portion of the turnover, which during the previous year was ₹ 1,513 lakh.

Financial Highlights

The highlights of the financial results are given below:

| Particulars | (₹ In Lakh) | |
|----------------------------------|------------------|---------------|
| | FY2022 | FY2021 |
| Total income | 19,445.60 | 3,071.46 |
| Gross profit before depreciation | 17,420.41 | 1,097.88 |
| Depreciation | 196.67 | 193.40 |
| Profit before tax | 17,223.74 | 904.48 |
| Tax expense | 2,952.39 | 23.26 |
| Profit for the year | 14,271.35 | 881.22 |
| Earnings per share (₹) | 124.87 | 7.71 |

Total income and profit of the Company for FY2022 is unlike FY2021. The Company received dividend of ₹ 15,896 lakh in FY2022, while no dividend was received in FY2021.

Presentation of Standalone Financial Statements

The financial statements of the Company for FY2022, on a standalone basis has been prepared in compliance with the Companies Act, 2013 (the 'Act'), applicable Accounting Standards and SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 ('SEBI Listing Regulations') and are disclosed in accordance with Schedule III of the Act.

Continued Classification as a Core Investment Company

Under the Master Direction – Core Investment Companies (Reserve Bank) Directions, 2016, as amended, the Company is termed as an unregistered Core Investment Company (CIC) as per Reserve Bank of India Guidelines dated 13 August 2020. As an unregistered CIC, the Company must invest at least 90% of its net assets in Group companies, of which at least 60% must be through equity investments.

The Company continued to meet the conditions for being classified as a CIC, exempted from registration with Reserve Bank of India ('RBI').

Dividend Distribution Policy

Pursuant to the provisions of SEBI Listing Regulations, the Company had formulated a Dividend Distribution Policy, which sets out the parameters and circumstances to be considered by the Board in determining the distribution of dividend to its shareholders and/ or retaining profits earned. The Board at its meeting held on 25 October 2021 had revised the Dividend Distribution Policy thereby enabling the Company to maintain a minimum dividend pay-out of 50% of distributable profits on stand-alone basis each year. The revised policy is available on the website of the Company at <https://www.mahascooters.com/aboutus.html#cgc>

Dividend

The directors recommend for consideration of the members at the ensuing Annual General Meeting ('AGM'), payment of dividend of ₹ 80 per equity share (800%) of face value of ₹ 10 each. The total dividend for FY2022 is ₹ 9,142.85 lakh.

The dividend recommended is in accordance with the principles and criteria set out in the Dividend Distribution Policy.

The dividend, if declared, at the ensuing AGM will be taxable in the hands of the members of the Company pursuant to Income Tax Act, 1961. For further details on taxability, please refer to Notice of AGM.

The Covid-19 Pandemic

FY2022 was once again dominated by the Covid-19 pandemic as new waves of infection swept across countries. In India, the second wave (called 'Delta') proved far more deadly than the first that struck in 2020.

The advent of the highly transmissible variant 'Omicron' in early January 2022 (the third wave) spread much dread across the world. During this wave, India's daily number of reported cases peaked to nearly 3.5 lakh on 20 January 2022 and the active case load was over 22 million as on 23 January 2022. Fortunately, while highly transmissible, Omicron was not as clinically deadly as the Delta variant. So, while many got infected, almost all got well again within a week or so, without hospitalisation and mortality.

Considering the nature of business, the operations of the Company were carried out with due precautions and were uninterrupted. The impact of Covid-19 on the business was minimal.

Subsidiaries/Associates

The Company has no subsidiary or associate. Neither the Company has entered into a joint venture with any company.

Directors and Key Managerial Personnel

(i) Director liable to retire by rotation

Anish Amin retires by rotation at the ensuing AGM, being eligible, offers himself for re-appointment. Brief details of Anish Amin, who is seeking re-appointment, are given in the Notice of AGM.

(ii) Changes in KMP

There were no changes in KMPs of the Company during FY2022.

Declaration given by Independent Directors

The independent directors have submitted a declaration of independence, stating that they meet the criteria of independence as provided under section 149(6) of the Act, as amended, and regulation 16 of the SEBI Listing Regulations.

The independent directors have also confirmed compliance with the provisions of rule 6 of Companies (Appointment and Qualifications of Directors) Rules, 2014, as amended, relating to inclusion of their name in the databank of independent directors.

The Board took on record the declaration and confirmation submitted by the independent directors regarding them meeting the prescribed criteria of independence, after undertaking due assessment of the veracity of the same in terms of the requirements of regulation 25 of the SEBI Listing Regulations.

Policy on Directors' Appointment and Remuneration

(i) Remuneration Policy

The Board on the recommendation of the Nomination and Remuneration Committee has framed a Remuneration Policy.

The policy, *inter alia*, provides (a) the criteria for determining qualifications, positive attributes and independence of directors and (b) a policy on remuneration for directors, key managerial personnel and other employees. The Policy is directed towards a compensation philosophy and structure that will reward and retain talent and provides for a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

(ii) Revision in sitting fee payable to Non-Executive Directors

Considering the liabilities, responsibilities and obligations of the non-executive directors sharply going up with numerous changes taking place in the legal provisions concerning them and as recommended by the Nomination and Remuneration Committee, sitting fees payable to the directors of the Company has been revised from ₹ 50,000 to ₹ 100,000 per meeting of the Board and its Committees to be attended by them as a member, effective from 1 May 2022, by the Board at its meeting held on 25 April 2022.

In consideration of such revision in the sitting fee payable to non-executive directors, the Remuneration Policy is accordingly revised. The revised Remuneration Policy is available on the Company's website at <https://www.mahascooters.com/aboutus.html#cgc>

Compliance with Code of Conduct

All Board members and senior management personnel have affirmed their compliance with the Company's Code of Conduct for FY2022.

A declaration to this effect signed by the Manager & CEO is included in this Annual Report.

Annual Return

A copy of the annual return as provided under section 92(3) of the Act, in the prescribed form, which will be filed with the Registrar of Companies/Ministry of Corporate Affairs within the Regulatory timelines is hosted on the Company's website and can be accessed at <https://www.mahascooters.com/investorsrel.html#AGM>

Number of meetings of the Board

Five meetings of the Board were held during FY2022. Details of the meetings and attendance thereat forms part of the [Corporate Governance Report](#).

Directors' Responsibility Statement

In accordance with the provisions of Section 134(3)(c) of the Act and based on the information provided by the management, the directors state that:

- (a) in the preparation of the annual accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departure, if any;
- (b) they have 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 of the Company for that period;
- (c) they 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) they have prepared the annual accounts on a going concern basis;
- (e) they have laid down internal financial controls to be followed by the Company and that such internal financial controls were adequate and were operating effectively; and
- (f) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Audit Committee

The Audit Committee comprises of Yogesh Shah as Chairman, Naresh Patni and Lila Poonawalla as other members.

The brief terms of reference and attendance record of members are given in the '[Corporate Governance Report](#)'.

Particulars of Loans, Guarantees and Investments

The Company has not given any loans or provided any security. Full particulars of the investments covered under the provisions of section 186 of the Act, made by the Company are detailed in the Financial Statements attached to this Report.

Share Capital

The paid-up equity share capital as on 31 March 2022 stood at ₹ 1,143 lakh. 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.

Related Party Transactions

All contracts/arrangements/transactions entered by the Company during FY2022 with related parties were in compliance with the applicable provisions of the Act and SEBI Listing Regulations. Prior omnibus approval of the Audit Committee is obtained for all related party transactions which are of foreseen and repetitive nature as well as for transactions which are not foreseen and details of which are not available, upto the limits as specified in the SEBI Listing Regulations. Pursuant to the said omnibus approval, details of transaction entered into is also reviewed by the Audit Committee on a quarterly basis.

All related party transactions entered during FY2022 were on arm's length basis and in the ordinary course of business of the Company under the Act and not material under the SEBI Listing Regulations. None of the transactions required members' prior approval under the Act or SEBI Listing Regulations.

Details of transactions with related parties during FY2022 are provided in the notes to the financial statements. There were no material related party transactions requiring disclosure as per the Act. Hence, the prescribed Form AOC-2 does not form a part of this report.

The Policy on Materiality of and Dealing with Related Party Transactions was amended pursuant to the amendment to SEBI Listing Regulations in FY2022. The said policy is placed on the Company's website at <https://www.mahascooters.com/aboutus.html#cgc>

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.

Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

Details pursuant to Rule 8(3) of the Companies (Accounts) Rules, 2014

| | |
|---------------------------------------|--|
| Conservation of energy | Replacement of LED Lamps in the factory has contributed to saving in electricity. This has helped in availing maximum rebate in electricity bills. |
| Technology absorption | No expenditure was incurred by the Company attributable to technology absorption during the year. |
| Expenditure on Research & Development | No expenditure was incurred by the Company attributable to Research & Development during the year. |
| Foreign exchange earnings and Outgo | The foreign exchange earned by the Company during the year was ₹ 83.31 lakh, while the outgo was ₹ 4.59 lakh. |

Corporate Social Responsibility (CSR)

Considering the CSR spend of the Company not exceeding fifty lakh rupees, the Company is not required to constitute a CSR Committee and the functions of the CSR Committee are being discharged by the Board.

In terms of the provisions of the Act read with amended Companies (Corporate Social Responsibility Policy) Rules, 2014, the Annual Report on CSR activities under the format prescribed under Annexure II of the said Rules is annexed to this Report.

In line with the amendment to the Act dealing with CSR, the Board, at its meeting held on 28 April 2021, amended the existing Policy. The Policy is uploaded on the website of the Company at <https://www.mahascooters.com/aboutus.html#cgc>. The CSR projects approved by the Board for FY2023 will be displayed on the website and will be updated on an ongoing basis.

The Chief Financial Officer has certified that the funds disbursed have been utilised for the purpose and in the manner approved by the Board for FY2022.

Formal Annual Evaluation

Pursuant to section 178 of the Act, the Nomination and Remuneration Committee (NRC) and the Board has decided that the evaluation shall be carried out by the Board only and the NRC will only review its implementation and compliance.

Further as per Schedule IV of the Act and provisions of SEBI Listing Regulations, the performance evaluation of independent directors shall be done by the entire Board of Directors excluding the director being evaluated, on the basis of performance and fulfillment of criteria of independence and their independence from management. On the basis of the report of the performance evaluation, it shall be determined whether to extend or continue the term of appointment of Independent Director.

Accordingly, the Board has carried out an annual performance evaluation of its own performance, that of its Committees, Chairperson and individual directors.

The manner in which formal annual evaluation of performance was carried out by the Board for the period from 1 January 2021 to 31 December 2021, is given below:

- The Nomination and Remuneration Committee at its meeting held on 18 May 2020, reviewed the criteria for evaluation of the Board, its Committees, Chairman and individual directors, which is available on the website of the Company at <https://www.mahascooters.com/aboutus.html#cgc>
- Based on the said criteria, a questionnaire-cum-rating sheet was deployed using an IT platform for seeking feedback of the directors with regards to the performance of the Board, its Committees, the Chairperson and individual directors.
- From the individual ratings received from the directors, a report on summary of ratings in respect of performance evaluation of the Board, its Committees, Chairperson and individual directors for the period from 1 January 2021 to 31 December 2021 and a consolidated report thereof was arrived at.
- The report of performance evaluation so arrived at was then noted and discussed by the Board at its meeting held on 17 January 2022.
- The NRC reviewed the implementation and compliance of the performance evaluation at its meeting held on 17 January 2022.
- Under the law, as per the report of performance evaluation, the Board shall determine, *inter alia*, whether to continue the term of appointment of an independent director. Based on the report and evaluation, the Board at its meeting held on 17 January 2022, determined that the appointment of all independent directors may continue.
- During FY2022, the criteria and process followed by the Company was reviewed by the NRC and the Board, which opined these to be satisfactory.

Other than the Chairperson of the Board and NRC, no other director had access to the individual ratings given by the directors.

Significant and Material Orders

During FY2022, there were no significant or material orders passed by any regulator or court or tribunal impacting the going concern status and Company's operations in future.

Internal Audit

The internal audit function provides an independent view to its Board of Directors, the Audit Committee and Senior Management on the quality and efficacy of the internal controls, governance systems and processes.

At the beginning of each financial year, an audit plan is rolled out after the same has been approved by Audit Committee. The audit plan is aimed at evaluation of the efficacy and adequacy of internal control systems and compliance thereof, robustness of internal processes, policies and accounting procedures, compliance with

laws and regulations. Based on the reports of internal audit, process owners undertake corrective action in their respective areas.

Significant audit observations and corrective actions thereon are presented to the Audit Committee of Board.

Internal Financial Controls

The Company has in place adequate financial controls commensurate with its size, scale and complexity of operations with reference to its financial statements. Internal financial controls of the Company are also similarly commensurate. These have been designed to provide reasonable assurance about recording and providing reliable financial information, ensuring integrity in conducting business, accuracy and completeness in maintaining accounting records and prevention and detection of frauds and errors.

The Board is of the opinion that internal financial controls with reference to the financial statements were tested and reported adequate and operating effectively.

Whistle Blower Policy/Vigil Mechanism

The Company has a Whistle Blower Policy encompassing Vigil Mechanism pursuant to the requirements of the section 177(9) of the Act and regulation 22 of the SEBI Listing Regulations. The Audit Committee reviews the functioning of the Whistle Blower Policy. The Policy/Vigil Mechanism enables directors and employees to report to the management their concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct or ethics policy and leak or suspected leak of unpublished price sensitive information. More details are given in 'Corporate Governance Report'. The Audit Committee reviews the functioning of the Vigil Mechanism/ Whistle Blower Policy once a year.

During FY2022, the Audit Committee considered and took note of the complaints received under this mechanism.

The Whistle Blower Policy is uploaded on the website of the Company and can be accessed at <https://www.mahascooters.com/aboutus.html#cg>

Corporate Governance

In terms of SEBI Listing Regulations, a separate section titled 'Corporate Governance' has been included in this Annual Report, along with the reports on [Management Discussion and Analysis](#) and [General Shareholder Information](#).

The Chief Executive Officer and the Chief Financial Officer have certified to the Board with regard to the financial statements and other matters as specified in the SEBI Listing Regulations.

A Certificate from the statutory auditors of the Company regarding compliance of conditions of corporate governance is annexed to this Report.

Business Responsibility Report

Pursuant to the provisions of the SEBI Listing Regulations, the Company is required to give Business Responsibility Report ('BRR') in the Annual Report.

The BRR for FY2022 has been placed on the Company's website at <https://www.mahascooters.com/investorsrel.html#AGM>

Secretarial Standards of ICSI

The Company has complied with the requirements prescribed under the Secretarial Standards on Meetings of the Board of Directors (SS-1) and General Meetings (SS-2) read with the MCA circulars granting exemptions in view of the Covid-19 pandemic.

Statutory Auditor and Auditors' Report

Pursuant to the provisions of section 139 of the Act, the members at the annual general meeting of the Company held on 18 July 2017 had appointed Kirtane & Pandit LLP, Chartered Accountants (Firm Registration No.105215W/W100057) as statutory auditors of the Company from the conclusion of 42nd AGM till the conclusion of 47th AGM, covering a term of five consecutive years.

The statutory audit report for FY2022 does not contain any qualification, reservation or adverse remark or disclaimer made by statutory auditor.

As per the provisions of section 139 of the Act, every company shall appoint an individual or a firm as an auditor who shall hold office from the conclusion of that meeting till the conclusion of its sixth annual general meeting. Accordingly, the first term of Kirtane and Pandit LLP, Chartered Accountants as Statutory Auditors expires at the conclusion of the ensuing Annual General Meeting.

The Board of Directors, based on the recommendations of the Audit Committee, at their meeting held on 25 April 2022 have proposed/recommend the appointment of Khimji Kunverji & Co. LLP, Chartered Accountant (Firm Registration No. 105146W/ W100621) as Statutory Auditors of the Company from the conclusion of 47th AGM till the conclusion of 52nd AGM, covering one term of five consecutive years. In the ensuing AGM, approval of the members is being sought for their appointment as Statutory Auditors of the Company, from the conclusion of 47th AGM till the conclusion of 52nd AGM and fixation of remuneration.

Secretarial Auditor

Pursuant to the provisions of section 204 of the Act and Rules made thereunder, the Company has re-appointed, Shyamprasad D Limaye, Practising Company Secretary (FCS No. 1587, CP No. 572) to undertake the secretarial audit of the Company. Secretarial audit report for FY2022 as issued by him in the prescribed form MR-3 is annexed to this Report.

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

Pursuant to Regulation 24A(2) of SEBI Listing Regulations, a report on secretarial compliance for FY2022 has been issued by Shyamprasad D Limaye and the same will be submitted with the stock exchanges within the given timeframe.

There are no observations, reservations or qualifications or adverse remark in any of the aforesaid report.

The auditors i.e. statutory auditors and secretarial auditors have not reported any matter under section 143(12) of the Act, and therefore, no detail is required to be disclosed under section 134(3)(ca) of the Act.

Statutory Disclosures

- The financial results of the Company are placed on the Company's website at <https://www.mahascooters.com/investors.html#QFR>
- Details as required under the provisions of section 197(12) of the Companies Act, 2013, read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, containing, *inter alia*, ratio of remuneration of directors and KMP to median remuneration of employees and percentage increase in the median remuneration, to the extent applicable are annexed to this Report.
- Details as required under the provisions of section 197(12) of the Act read with rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, which form part of the Directors' Report, will be made available to any member by way of email, as per provisions of section 136(1) of the said Act.

- The provisions of section 148 of the Act, are not applicable to the Company. Accordingly, there is no requirement of maintenance of cost records as specified under sub-section (1) of section 148 of the Act.
- The Company has a Policy on Prevention of Sexual Harassment at the workplace. There was no case reported during the year under review under the said Policy. Further, there were no women employees employed in the Company during FY2022. Since, there are no women employees in the Company, the Internal Complaints Committee has not been constituted as required under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.
- There is no change in the nature of business of the Company during FY2022.
- Neither any application was made, nor any proceeding is pending under the Insolvency and Bankruptcy Code, 2016 against the Company.

Industrial Relations

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

On behalf of the Board of Directors

Sanjiv Bajaj
Chairman

Pune: 25 April 2022

Annual Report on CSR activities for the financial year ended 31 March 2022

1. Brief outline of Company's CSR Policy

Introduction

The vision and philosophy of late Shri Jamnalal Bajaj, the founder of Bajaj Group, guide the Corporate Social Responsibility (CSR) activities of the group. He embodied the concept of trusteeship in business and common good, and laid the foundation for ethical, value-based and transparent functioning.

Bajaj Group believes that true and full measure of growth, success and progress lies beyond balance sheets or conventional economic indices. It is best reflected in the difference that business and industry make to the lives of people.

Through its social investments, Bajaj Group addresses the needs of communities residing in the vicinity of its facilities by taking sustainable initiatives in the areas of health, education, environment conservation, infrastructure and community development, and response to natural calamities. For society, however, Bajaj is more than a corporate identity. It is a catalyst for social empowerment and the reason behind the smiles that light up a million faces.

It is this goodwill that has made us 'Activating Lives'.

Guiding principles

The Bajaj Group believes that social investments should:

- **Benefit generations:** The Company believes in 'investment in resource creation' for use over generations. The Company tries to identify sustainable projects which will benefit the society over long periods.
- **Educate for self-reliance and growth:** To usher in a growth-oriented society and thereby a very strong and prosperous nation, by educating each and every Indian.
- **Promote health:** The Company believes good health is a pre-requisite for both education and productivity.
- **Encourage for self-help:** To guide and do hand holding for self-help, individually and collectively to create excellence for self and for the team.
- **Be focused:** The Company believes that activities should be focused around locations where it has a presence and hence can effectively guide, monitor and implement specific projects.
- **Target those who need it most:** Care for the sections of the society, which are socially at the lowest rung irrespective of their religion or caste or language or colour.
- **Sustain natural resources:** The Company encourages balanced development and ensures least adverse impact on environment – Growth with Mother Nature's-blessings.

Brief Contents of CSR Policy

Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014 have been amended substantially with effect from 22 January 2021. Accordingly, the CSR Policy which was framed by the Company has got amended on 28 April 2021, with approval of the Board of Directors. The Policy, *inter alia*, covers the following:

- Philosophy, approach and direction;
- Guiding principles for selection, implementation and monitoring of activities; and
- Guiding principles for formulation of annual action plan.

2. Composition of CSR Committee Not required to be constituted pursuant to amendment to the Act
3. Web-link where CSR Policy and CSR projects approved by the board are disclosed on the Website of the Company <https://www.mahascooters.com/aboutus.html>
4. Details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report) Not Applicable
5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any Not Applicable
6. Average net profit of the Company as per section 135(5) ₹ 1,105.52 lakh
7. (a) Two percent of average net profit of the company as per section 135(5) ₹ 22.11 lakh
- (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years Nil
- (c) Amount required to be set off for the financial year, if any Nil
- (d) Total CSR obligation for the financial year (7a+7b-7c) ₹ 22.11 lakh
8. (a) CSR amount spent or unspent for the financial year:

| Total amount spent for the financial year | Amount Unspent | | | |
|---|---|------------------|---|------------------|
| | Total amount transferred to Unspent CSR Account as per section 135(6) | | Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5) | |
| | Amount | Date of transfer | Name of the Fund | Date of transfer |
| ₹ 22.50 lakh | Not applicable, since there is no unspent amount | | | |

(b) Details of CSR amount spent against ongoing projects for the financial year: Not Applicable

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

| Sl. No. | Name of the Project | Item from the list of activities in Schedule VII to the Act | Local area (Yes/No) | Location of the project | | Amount spent for the project (₹) | Mode of implementation - Direct (Yes/No) | Mode of implementation - Through implementing agency | |
|---------|---|---|---------------------|-------------------------|---------------------|----------------------------------|--|--|-------------------------|
| | | | | State | District | | | Name | CSR Registration Number |
| 1 | Purchase of vaccines for mass vaccination drive in PMC, PCMC and other locations. | Health (i) | Yes | Maharashtra | Aurangabad and Pune | 22.50 lakh | No | Jankidevi Bajaj Gram Vikas Sanstha Partnership collaboration | CSR00001725 |
| | | | | | | 22.50 lakh | | | |

| | |
|--|----------------|
| (d) Amount spent in administrative overheads | Nil |
| (e) Amount spent on impact assessment, if applicable | Nil |
| (f) Total amount spent for the financial Year (8b+8c+8d+8e) | ₹ 22.50 lakh |
| (g) Excess amount for set off, if any | Nil |
| 9. (a) Details of Unspent CSR amount for the preceding three financial years: | Not Applicable |
| (b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): | Not Applicable |
| 10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year: | Nil |
| 11. Specify the reason(s), if the company has failed to spend two percent of the average net profit as per section 135(5) | Not Applicable |

Sanjiv Bajaj
Chairman

Pune: 25 April 2022

Remuneration Details under rule 5(1) of Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 (as amended), for the year ended 31 March 2022

| Name of Director/KMP | Ratio of remuneration of director to median remuneration of employees | % increase in the financial Year |
|--|---|----------------------------------|
| (A) Manager | | |
| Shriniwas Pathak, Manager & CEO | - | 20.80 |
| (B) Non-Executive directors | | |
| Sanjiv Bajaj | - | - |
| Yogesh Shah | - | - |
| Naresh Patni | - | - |
| Lila Poonawalla | - | - |
| V Rajagopalan | - | - |
| Anish Amin | - | - |
| (C) Key Managerial Personnel | | |
| Shriniwas Pathak, Manager & CEO | - | 20.80 |
| Anant Marathe, CFO | - | - |
| Sriram Subbramaniam, CS | - | - |
| (D) Remuneration of Median employee (other than managerial personnel) | | 2.19 |
| (E) Permanent employees of the Company as on 31 March 2022 | | 102 |

Note:

- No remuneration by way of commission is payable to non-executive directors except sitting fee for attending the meetings of the Board/Committee as a Member.
- The term 'Permanent Employees' does not include trainees, probationers and contract employees.

Notes on Disclosures under Rule 5

- During FY2022, average increase in salary of employees other than manager is 3.30%.
- The remuneration paid as above was as per the Remuneration Policy of the Company.

Secretarial Audit Report Form No. MR-3

[Pursuant to section 204(1) of the Companies Act, 2013 and rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

For the financial year ended 31 March 2022.

To,
The Members,
Maharashtra Scooters Ltd.
(CIN: L35912MH1975PLC018376)
Mumbai-Pune Road,
Akurdi, Pune - 411035.

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and adherence to good corporate practices by Maharashtra Scooters Ltd. (hereinafter called as "the Company"). Subject to limitation of physical interaction and verification of records caused by Covid-19 Pandemic lock down while taking review after completion of financial year, the Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, registers, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, and subject to letter annexed herewith, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31 March 2022, complied with the applicable statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31 March 2022, according to the provisions of:

- 1) The Companies Act, 2013 (the Act) and the rules made thereunder;
- 2) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- 3) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- 4) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- 5) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent applicable: -
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and The Securities and Exchange Board of India (Share Based Employee Benefits And Sweat Equity) Regulations, 2021;

- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 and The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;
 - (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 The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021;
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 and The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018; and
 - (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- 6) Regulatory framework / Directions issued by the Reserve Bank of India, as are applicable to a 'Core Investment Company', not required to obtain Certificate of Registration (COR) from RBI under section 45IA of the RBI Act, 1934, which are specifically applicable to the Company.

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

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

During the period under review the Company has complied with the provisions of the Act, rules, regulations, guidelines, standards mentioned above.

I further report that the Board of Directors of the Company is duly constituted with proper balance of executive directors, non-executive directors and independent directors including one woman independent director. There were no changes in the composition of the Board of Directors, during the period under review.

Adequate notices were 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 out unanimously.

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

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

Shyamprasad D Limaye
FCS 1587 CP 572
UDIN: F001587D000197134

Pune: 25 April 2022

Annexure to Secretarial Audit

To,
The Members,
Maharashtra Scooters Ltd.
Mumbai-Pune Road,
Akurdi,
Pune - 411035

My Secretarial Audit Report for Financial Year ended 31 March 2022, of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the Management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the process and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of event etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of Management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

Shyamprasad D Limaye
FCS 1587 CP 572

Pune: 25 April 2022

Independent Auditors' Certificate on Corporate Governance

To
The Members,
Maharashtra Scooters Ltd.

1. We have examined the compliance of conditions of corporate governance by Maharashtra Scooters Ltd. ('the Company') for the year ended 31 March 2022 as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C, D and E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Listing Regulations').
2. The compliance of the conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure compliance with the conditions of the Corporate Governance stipulated in the Listing Regulations.
3. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
4. We have examined the books of accounts and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
5. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under section 143(10) of the Companies Act, 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) issued by the ICAI.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.
7. Based on our examination of the relevant records and according to the best of our information and explanations provided to us, we certify that the Company has complied with the conditions of regulations of Corporate Governance as stipulated in the above-mentioned Listing Regulations.
8. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.
9. The certificate is issued solely for the purpose of complying with the aforesaid SEBI Listing Regulations and may not be suitable for any other purpose.

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

Suhas Deshpande
Partner
ICAI Membership No. 031787
UDIN: 22031787AHUMVI1223

Pune: 25 April 2022

Certificate by Practising Company Secretary

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

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

On the basis of examination of the books, minute books, forms and returns filed and other records maintained by the Company and declarations made by the directors and explanations given by the Company, and subject to limitation of physical interaction and verification of records caused by Covid-19 Pandemic lock down;

I certify that the following persons are Directors' of the Company (during 01 April 2021 to 31 March 2022) and none of them have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority.

| Sr. No. | Name of Director | DIN | Designation |
|---------|------------------------------|----------|----------------------------------|
| 1 | Sanjivnayan Rahulkumar Bajaj | 00014615 | Chairman, Non-executive Director |
| 2 | Nareshkumar Bansilal Patni | 00045532 | Independent Director |
| 3 | Yogesh Jayant Shah | 00137526 | Independent Director |
| 4 | Lila Firoz Poonawalla | 00074392 | Independent Director |
| 5 | V Rajagopalan | 02997795 | Non-executive Director |
| 6 | Anish Praful Amin | 00070679 | Non-executive Director |

Shyamprasad D Limaye
FCS. 1587 C.P .No 572
UDIN : F001587D000197178

Pune: 25 April 2022

MANAGEMENT DISCUSSION AND ANALYSIS

a) Industry Structure and Developments

MSL continues to be a Core Investment Company ('CIC'), not requiring registration with RBI. As a CIC, a minimum of 90% of its assets stand invested in the Bajaj group and the balance representing accumulated surpluses, is invested in debt and other instruments with the sole objective of earning a reasonable rate of return whilst protecting the principal.

The Company sees opportunity in manufacturing of pressure die casting dies, castings, jigs and fixtures, primarily meant for two and three - wheeler industry amongst other industries, which is the current manufacturing activity of the Company. The customer profile has since expanded from auto component to include Telecom segment, Generator segment, Electrical Vehicle segment and LED Light parts.

b) Opportunities, Threats, Risks and Concerns

MSL, being a CIC, continues to remain strategically invested in the securities of its group companies and hence any fluctuations in stock market prices are not of a concern. As far as investments in debt securities are concerned, MSL invests only in highly rated issuers and securities i.e. in AAA, AA+ and the like rated papers.

The Company, continues to manufacture pressure die casting dies, fixtures and die casting components mainly for automobiles industry. At MSL, we strive to conduct our business with only credible entities which operate in industry segments that generally have a large, active and buoyant market, have a credible management and carry reputational goodwill in the business community.

During FY2022, the Company continued taking steps to enhance its manufacturing capabilities. However, FY2022 was once again dominated by the Covid pandemic as new wave of infection swept across countries. In India, the spread of the Delta variant (the second wave) proved far more infectious than the virus that struck in 2020. Fortunately, the impact on operation of the Company was minimal.

c) Outlook

The Company in addition to concentrating on its key segment have also constantly made endeavors to expand its customer profile. The Company now caters to industries in telecom segment, generator segment, Electrical Vehicle segment, etc.

d) Segment-wise or Product-wise Performance

There being two reportable segments, segment-wise information is given under Financial Statements.

e) Internal Control Systems and their Adequacy

The Company has effective internal control systems, which have been found to be adequate by the Management of the Company. The Internal Auditors periodically bring to the attention of the Audit Committee any deficiencies and weaknesses in the internal control systems, if any. The Audit Committee reviews and monitors the remedial actions to ensure its overall adequacy and effectiveness.

f) 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.

g) Material Developments in Human Resources/Industrial Relations front, including Number of People Employed

As at the end of 31 March 2022, the Company had 49 permanent workers, 53 permanent staff and 22 trainees and 1 person working on contract basis.

h) 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.

i) Significant changes in Financial Ratios:

| Sr. No. | Particulars | Ratio in FY2022 | Ratio in FY2021 | Over FY2021 | Remarks |
|---------|----------------------------------|--------------------|--------------------|----------------|---|
| 1. | Inventory turnover ratio | 1.49 | 2.33 | (36%) | Inventory turnover has reduced due to higher work in progress in current year. |
| 2. | Trade receivables turnover ratio | 2.04 | 2.65 | (23%) | Lower debtors turnover ratio is due to higher despatches in last quarter of FY2022. |
| 3. | Current ratio | 17.23 | 9.31 | 85% | Higher current ratio is due to increase in current investments. |
| 4. | Net profit margin | 73.39% | 28.69% | 156% | Net profit margin is higher due to increase in profit. |
| 5. | Operating profit margin | (28.26%) | (39.04%) | (28%) | Operating loss has reduced due to increase in turnover. |
| 6. | Return on net worth | 0.73% | 0.07% | 913% | Return on net worth is higher due to higher profit. |

CORPORATE GOVERNANCE

Corporate governance is about promoting fairness, transparency, accountability, commitment to values, ethical business conduct and about considering all stakeholders' interests while conducting business.

In accordance with the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and amendments thereto, ('SEBI Listing Regulations') given below are the corporate governance policies and practices of Maharashtra Scooters Ltd. ('the Company' or 'MSL') for FY2022.

This report states compliance with requirements of the Companies Act, 2013, as amended (the 'Act') and the SEBI Listing Regulations as applicable to the Company. As will be seen, the Company's corporate governance practices and disclosures are well beyond complying with the statutory and regulatory requirements stipulated in the applicable laws.

Philosophy

For us, corporate governance is a reflection of principles entrenched in our values and policies and also embedded in our day-to-day business practices, leading to value driven growth. The commitment of Bajaj group to the highest standards of corporate governance predates the provisions of the SEBI Listing Regulations and clause 49 of erstwhile Listing Agreement. Ethical dealings, transparency, fairness, disclosure and accountability are the main thrust of the working of the Bajaj group. The Company maintains the same tradition and commitment.

Key elements of MSL's Corporate Governance

- Compliance with applicable laws.
- Board is composed of directors from diverse backgrounds and substantial experience, who are able to provide appropriate guidance to the executive management as required.
- Panel of independent directors with outstanding track record and reputation.
- Separate meeting of independent directors without presence of non-independent directors or executive management.
- Confidential Board evaluation process where each Board member evaluates the performance of every other Director, Committees of the Board, the Chairman of the Board and the Board.
- Complete and detailed information provided to Board members in advance to enable them to evaluate matters brought to the Board are considered carefully and discussions are meaningful.
- Adoption of key governance policies and codes by the Board in line with best practices, which are made available to stakeholders for downloading/viewing from the Company's website. These include;
 - Whistle Blower Policy/Vigil Mechanism;
 - Policy on Materiality of Related Party Transaction specifying thresholds;
 - Code of Conduct;
 - Dividend Distribution Policy; and
 - Policy on Prevention of Sexual Harassment at Workplace.
- Presentations on regulatory updates to the Board to keep them abreast of the evolving laws.

Board of Directors

Keeping with the commitment to the principle of integrity and transparency in business operations for good corporate governance, the Company's policy is to have an appropriate blend of independent and non-independent directors to maintain the independence of the Board; and to separate the Board functions of governance and management.

The responsibilities of the Board, *inter alia*, include formulation of overall strategy for the Company, reviewing major plan of actions, setting performance objectives, laying down the Code of Conduct for all members of the Board and Senior Management, formulating policies, performance review, monitoring due compliance with applicable laws, reviewing and approving the financial results, enhancing corporate governance practices and ensuring the best interest of the shareholders, the community, environment and its various stakeholders.

Composition

In compliance with the provisions of SEBI Listing Regulations, the Company has an optimum combination of non-executive, non-independent and non-executive, independent directors with a woman independent director. The Company has a non-executive chairman. According to provisions of the SEBI Listing Regulations, if the non-executive chairman is related to a promoter, at least one half of the board of the company should consist of independent directors.

As on 31 March 2022, the Board of the Company consisted of six directors, three were non-executive, independent (including one woman independent director) and three were non-executive, non-independent. The Board does not have any institutional nominee director.

As Table 1 shows, the Company is in compliance with the SEBI Listing Regulations.

Number of meetings of the Board

The calendar for the Board and Committee meetings, in which the financial results would be considered in the ensuing year, as well as major items of the agenda are fixed in advance for the entire year.

The Board met five times, viz., 28 April 2021, 21 July 2021, 25 October 2021, 17 January 2022 and 11 March 2022. The gap between two meetings has been less than one hundred and twenty days.

Attendance Record of Directors

Table 1: Composition of the Board and attendance record of directors for FY2022

| Name and Category | Relationship with other directors | No. of Shares held in the Company | No. of Board Meetings | | Whether attended the AGM | % of meetings attended in last 3 years |
|---------------------------------|-----------------------------------|-----------------------------------|-----------------------|----------|--------------------------|--|
| | | | Entitled to attend | Attended | | |
| CHAIRMAN | | | | | | |
| Sanjiv Bajaj | -- | Nil | 5 | 5 | ✓ | 100 |
| INDEPENDENT DIRECTORS | | | | | | |
| Yogesh Shah | -- | 2,070 | 5 | 5 | ✓ | 100 |
| Naresh Patni | -- | Nil | 5 | 5 | ✓ | 100 |
| Lila Poonawalla | -- | Nil | 5 | 5 | ✓ | 100 |
| NON- EXECUTIVE DIRECTORS | | | | | | |
| V Rajagopalan | -- | Nil | 5 | 5 | ✓ | 100 |
| Anish Amin | -- | Nil | 5 | 5 | ✓ | 100 |

Board diversity

In compliance with the provisions of the SEBI Listing Regulations, the Board through Nomination and Remuneration Committee (NRC) has devised a policy on Board Diversity. The Board comprises of adequate number of members with diverse experience and skills, such that it best serves the governance and strategic needs of the Company. The present composition broadly meets this objective. The directors are persons of eminence in areas such as profession, business, industry, finance, law, administration, research etc. and bring with them experience / skills which add value to the performance of the Board. The directors are selected purely on the basis of merit with no discrimination on race, colour, religion, gender or nationality.

Core skills/expertise/competencies

A brief profile of directors is available on the website of the Company at

<https://www.mahascooters.com/aboutus.html#BOD>

As stipulated under schedule V to the SEBI Listing Regulations, core skills/expertise/competencies as required in the context of the business and sector for it to function effectively and those actually available with the Board have been identified by the Board of directors.

The chart/matrix of such core skills/expertise/competencies, along with the names of directors who possess such skills, is given in the Table 2 below.

Table 2: Core Skills/ Expertise/ Competencies of the Board of Directors

Sr. No. Core skills/Expertise/Competencies

| | |
|----|--|
| 1. | Management and Governance |
| 2. | Financial Services |
| 3. | Consumer behaviour, sales, marketing and customer experience |
| 4. | Technology and Innovation |
| 5. | Understanding of accounting and financial statements |
| 6. | Risk, Assurance and Internal Controls |
| 7. | Regulatory, Public policy and economics |
| 8. | Human Resource |
| 9. | Business Transformation & Strategy |

Name of Directors Core Skills/ Expertise/ Competencies

| | |
|-----------------|--|
| Sanjiv Bajaj | Management and Governance, Financial Services, Consumer behaviour, sales, marketing and customer experience, Technology and Innovation, Understanding of accounting and financial statements, Risk, Assurance and Internal Controls, Regulatory, Public policy and economics, Human Resources and Business Transformation & Strategy |
| Yogesh Shah | Management and Governance, Financial Services, Consumer behaviour, sales, marketing and customer experience, Understanding of accounting and financial statements, Risk, Assurance and Internal Controls, Regulatory, Public policy and economics, Human Resource and Business Transformation & Strategy |
| Naresh Patni | Management and Governance, Financial Services, Consumer behaviour, sales, marketing and customer experience, Understanding of accounting and financial statements, Risk, Assurance and Internal Controls, Regulatory, Public policy and economics and Business Transformation & Strategy |
| Lila Poonawalla | Management and Governance, Financial Services, Consumer behaviour, sales, marketing and customer experience, Technology and Innovation, Understanding of accounting and financial statements, Risk, Assurance and Internal Controls, Regulatory, Public policy and economics, Human Resources and Business Transformation & Strategy |

| Name of Directors | Core Skills/ Expertise/ Competencies |
|-------------------|---|
| V Rajagopalan | Management and Governance, Financial Services, Understanding of accounting and financial statements, Risk, Assurance and Internal Controls, Regulatory, Public policy and economics, and Business Transformation & Strategy |
| Anish Amin | Management and Governance, Financial Services, Understanding of accounting and financial statements, Risk, Assurance and Internal Controls, Regulatory, Public policy and economics, Human Resources and Business Transformation & Strategy |

The same is also available on the website of the Company at <https://www.mahascooters.com/aboutus.html#cg>

Non-executive directors' compensation

During FY2022, sitting fee of ₹ 50,000 per meeting was paid to non-executive directors (independent and non-independent) for every meeting of the Board and/or Committee of the Board, attended by them as a member.

No commission is paid by the Company to non-executive directors (independent and non-independent) for attending the Board/ Committee meeting(s). The Company currently does not have a stock option programme for any of its directors.

Information placed before the Board

In advance of each meeting, the Board is presented with relevant information on various matters related to the working of the Company, especially those that require deliberation at the highest level. Presentations are also made to the Board by different functional heads on important matters from time to time. Directors have separate and independent access to the officers of the Company. In addition to items required to be placed before the Board for its noting and/or approval, information is provided on various significant items.

In terms of quality and importance, the information supplied by the Management to the Board of the Company is far ahead of the list mandated under the SEBI Listing Regulations. The independent directors of the Company who met on 17 January 2022, expressed satisfaction on the quality, quantity and timeliness of flow of information between the Company Management and the Board, that is necessary for the Board to effectively and reasonably perform their duties.

Pursuant to the various regulatory requirements and keeping in view the business requirements, the Board is, *inter-alia*, apprised on the following:

- Succession planning and organization structure.
- Status of compliance with the Act, SEBI regulations and shareholder related matters.
- Investment risk management system, Risk Management Policy and strategy followed.
- Compliance with corporate governance standards.
- Minutes of meetings of Risk Management Committee.
- Presentations on various Regulatory updates.
- Internal financial controls.

Directors & Officers liability insurance (D&O Policy)

The Company has in place a D&O Policy which is renewed every year. It covers all the directors of the Company. The Board is of the opinion that the quantum and risk presently covered is adequate.

Orderly succession to Board and Senior Management

One of the key functions of the Board of directors is selecting, compensating, monitoring and when necessary, replacing key managerial personnel and overseeing succession planning.

Pursuant to regulation 17(4) of SEBI Listing Regulations, the framework of succession planning for appointment of Board/Senior management is placed before the Board for its review.

Directorships and memberships of Board Committees

Table 3: Number of directorships/committee positions of directors for FY2022 (including the Company)

| Name of the director | Directorships | | | Committee positions in listed and unlisted public limited companies | |
|----------------------|----------------------------|--------------------------------------|------------------------------|---|----------------|
| | In equity listed companies | In unlisted public limited companies | In private limited companies | As Member (including as Chairperson) | As Chairperson |
| Sanjiv Bajaj | 5 | 5 | 7 | 8 | - |
| Yogesh Shah | 1 | 1 | 4 | 3 | 2 |
| Naresh Patni | 1 | - | 2 | 1 | - |
| Lila Poonawalla | 2 | 5 | 2 | 6 | 4 |
| V Rajagopalan | 1 | 6 | 1 | 1 | - |
| Anish Amin | 1 | 2 | - | - | - |

Notes: For the purpose of considering the limit of committees in which a director can serve, all public limited companies, whether listed or not, have been included; whereas all other companies including private limited companies, foreign companies and companies under section 8 of the Act have been excluded. Only the audit committee and the stakeholders' relationship committee are considered for the purpose of reckoning committee positions.

None of the directors holds office as a director, including as alternate director, in more than twenty companies at the same time. None of them has directorships in more than ten public companies. For reckoning the limit of public companies, directorships of private companies that are either holding or subsidiary company of a public company are included and directorships in section 8 and dormant companies are excluded. For the purpose of reckoning the directorships in listed companies, only equity listed companies have been considered.

As per declarations received, none of the directors serve as an independent director/director in more than seven equity listed entities.

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

Notwithstanding the number of directorships, as highlighted herein, the outstanding attendance record and participation of the directors in Board/Committee meetings indicates their commitment and ability to devote adequate time to their responsibilities as Board/Committee members.

Table 4: Name of listed entities (including Debt listed companies) where directors of the Company held directorships for FY2022 (including the Company)

| Name of the director | Name of listed entities | Category |
|-----------------------------|-------------------------------------|---|
| Sanjiv Bajaj | a) Bajaj Finance Ltd. | Chairman, non-executive |
| | b) Bajaj Housing Finance Ltd. | Chairman, non-executive |
| | c) Maharashtra Scooters Ltd. | Chairman, non-executive |
| | d) Bajaj Finserv Ltd. | Chairman & Managing Director, executive |
| | e) Bajaj Holdings & Investment Ltd. | Managing Director & CEO, executive |
| | f) Bajaj Auto Ltd. | Non-executive |
| Yogesh Shah | a) Maharashtra Scooters Ltd. | Non-executive, independent |
| Naresh Patni | a) Maharashtra Scooters Ltd. | Non-executive, independent |
| Lila Poonawalla | a) Maharashtra Scooters Ltd. | Non-executive, independent |
| | b) Bajaj Auto Ltd. | Non-executive, independent |
| | c) Bajaj Housing Finance Ltd. | Non-executive, independent |
| V Rajagopalan | a) Maharashtra Scooters Ltd. | Non-executive |
| Anish Amin | a) Maharashtra Scooters Ltd. | Non-executive |

Independent Directors

Opinion of the Board

The Board hereby confirms that, in its opinion, the independent directors on the Board fulfil the conditions specified in the SEBI Listing Regulations and the Act and are independent of the management of the Company.

Maximum tenure of independent directors

In terms of the Act, independent directors shall hold office for a term of up to five consecutive years on the Board of a company, but shall be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report. The tenure of the independent directors is in accordance with the provisions of the Act.

Formal letter of appointment to independent directors

The Company issues a formal letter of appointment/ re-appointment to independent directors in the manner as provided in the Act. As per regulation 46(2) of the SEBI Listing Regulations, the terms and conditions of appointment of independent directors are placed on the Company's website and can be accessed at <https://www.mahascooters.com/aboutus.html#cgic>

Familiarisation Programme

On an ongoing basis, the Company endeavours to keep the Board including independent directors abreast with matters relating to the industry in which the Company operates, its business model, risk metrics, mitigation and management, governing regulations, information technology including cyber security, their roles, rights and responsibilities and major developments and updates on the Company and group, etc.

During FY2022, the directors were updated extensively on the following, through presentations at Board meetings:

- Risk Management Framework including technological risk, operational risk, financial risk, market risk, compliance risk, etc.
- Regulatory changes having a bearing on industry and Company's business model; and
- Information Technology Management including cyber security.

The details of familiarisation programmes are placed at <https://www.mahascooters.com/aboutus.html#cgc>

Independent Directors' Meeting

Pursuant to the Act and the SEBI Listing Regulations, the independent directors must hold at least one meeting in a year without attendance of non-independent directors and members of the management. Accordingly, independent directors of the Company met on 17 January 2022, without the attendance of non-independent directors and members of the Management and

- i) noted the report of Performance Evaluation from the Chairman of the Board for the period 1 January 2021 to 31 December 2021;
- ii) reviewed the performance of non-independent directors and the Board as a whole;
- iii) reviewed the performance of the Chairperson of the Company, taking into account the views of executive directors and non-executive directors; and
- iv) assessed the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

All independent directors were present at the meeting. Yogesh Shah was elected as Chairman for the meeting.

Certificate from Practising Company Secretary

The Company has received a certificate from Shyamprasad D Limaye, Practising Company Secretary, to the effect that none of the directors on the board of the Company has been debarred or disqualified from being appointed or continuing as directors of the Company by the Ministry of Corporate Affairs or any other statutory authority. The same certificate forms part of this Annual Report.

Review of Legal Compliance Reports

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

Code of Conduct

The SEBI Listing Regulations requires listed companies to lay down a Code of Conduct for its directors and senior management, incorporating duties of directors as laid down in the Act.

Accordingly, the Company has a Board approved Code of Conduct for Board members and senior management of the Company and the same has been placed on the Company's website at <https://www.mahascooters.com/aboutus.html#cgc>

All the Board members and Senior Management personnel have affirmed compliance with the Code for the year ended 31 March 2022. A declaration to this effect signed by the Manager & CEO is given in this Annual Report.

Subsidiary Companies

The Company does not have any Subsidiaries.

Related Party Transactions

All related party transactions which were entered into during FY2022 were on an arm's length basis and in the ordinary course of business under the Act and not material under the SEBI Listing Regulations.

All related party transactions during FY2022 were entered with the approval of the Audit Committee pursuant to provisions of the Act and the SEBI Listing Regulations. The details of such transactions were placed before the Audit Committee for noting/review, on a quarterly basis.

A statement showing the disclosure of transactions with related parties as required under Indian Accounting Standard 24 (Ind AS 24) including transaction with promoter/promoter group holding 10% or more in the Company, if any, is set out separately in this Annual Report. Disclosures relating to related party transactions on a half-yearly basis are filed with the stock exchanges.

During FY2022, there were no materially significant related party transactions that had potential conflict with the interest of the Company at large.

SEBI vide its circular dated 9 November 2021, has amended SEBI Listing Regulations notifying certain changes in the provisions relating to 'Related Party Transactions', thereby requiring to make amendments to the Policy on Materiality of and Dealing with Related Party Transactions.

In line with amendment to the SEBI Listing Regulations, the Board, at its meeting held on 11 March 2022, amended the Policy on Materiality of and Dealing with Related Party Transactions. The revised Policy is hosted on the Company's website and can be accessed at <https://www.mahascooters.com/aboutus.html#cgc>

Audit Committee

Pursuant to the Act and SEBI Listing Regulations, the Company has an Audit Committee, meeting the composition prescribed thereunder, with a minimum of two-third of its members (including Chairman) being independent directors. All members are Non-executive, Independent directors and are financially literate and have accounting or related financial management expertise.

The Board reviews the working of the Committee from time to time to bring about greater effectiveness and to ensure compliance with the various requirements under the Act and SEBI Listing Regulations.

The terms of reference of the Committee are in accordance with the Act and SEBI Listing Regulations. These broadly include oversight of the Company's financial reporting process and disclosure of its financial information, review of financial statements, review of compliances and review of systems and controls, approval or any subsequent modification of transactions with related parties, review compliance with SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended.

The terms of reference of the Committee can be accessed at <https://www.mahascooters.com/aboutus.html#cgc>

Meetings and attendance

During FY2022, the Committee met five times viz., on 28 April 2021, 21 July 2021, 25 October 2021, 17 January 2022 and 11 March 2022. The meetings were scheduled well in advance and not more than one hundred and twenty days elapsed between any two consecutive meetings.

In addition to the members of the Audit Committee, these meetings were attended by the heads of finance, internal audit functions and the statutory auditor of the Company and those executives who were considered necessary for providing inputs to the Committee.

The Company Secretary acted as the secretary to the Audit Committee.

Yogesh Shah, the Chairman of the Audit Committee, was present at the AGM which was held through video conferencing on 21 July 2021 to answer shareholders' queries.

Table 5: Composition of the Audit Committee and attendance record of the members for FY2022

| Name of director | Category | No. of Meetings attended during FY2022 | |
|------------------|--------------------------------------|--|----------|
| | | Entitled to attend | Attended |
| Yogesh Shah | Chairman, non-executive, independent | 5 | 5 |
| Naresh Patni | Non-executive, independent | 5 | 5 |
| Lila Poonawalla | Non-executive, independent | 5 | 5 |

During FY2022, the Board had accepted all recommendations of the Committee.

Nomination and Remuneration Committee

Pursuant to the Act and SEBI Listing Regulations, the Company has constituted a Nomination and Remuneration Committee consisting of composition as specified therein.

The terms of reference of the Committee, *inter alia*, includes formulation of criteria for determining qualifications, positive attributes and independence of a director, recommendation of persons to be appointed to the Board and senior management and specifying the manner for effective evaluation of performance of Board, its Committees, Chairperson and individual directors, recommendation of Remuneration Policy for directors, key managerial personnel and other employees, formulation of criteria for evaluation of performance of independent directors and the Board, devising a policy on Board diversity and such other matters as may be prescribed by the Act and SEBI Listing Regulations.

SEBI vide notification dated 3 August 2021 amended the SEBI Listing Regulations, 2015. Vide the said amendment, it has introduced the following additional term of reference of the Nomination and Remuneration Committee with effect from 1 January 2022:

For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:

- a. use the services of an external agencies, if required;*
- b. consider candidates from a wide range of backgrounds, having due regard to diversity; and*
- c. consider the time commitments of the candidates.*

In view of the above amendment, the terms of reference of the Committee were suitably amended to incorporate the above.

Meetings and attendance

During FY2022, the Committee met two times on 28 April 2021 and 17 January 2022.

Yogesh Shah, the Chairman of the Nomination and Remuneration Committee, was present at the AGM which was held through video conferencing on 21 July 2021 to answer shareholders' queries.

Table 6: Composition of the Nomination and Remuneration Committee and attendance record of the members for FY2022

| Name of director | Category | No. of Meetings attended during FY2022 | |
|------------------|--------------------------------------|--|----------|
| | | Entitled to attend | Attended |
| Yogesh Shah | Chairman, non-executive, independent | 2 | 2 |
| Naresh Patni | Non-executive, independent | 2 | 2 |
| Lila Poonawalla | Non-executive, independent | 2 | 2 |
| Anish Amin | Non-executive, non-independent | 2 | 2 |

During FY2022, the Board had accepted all recommendations of the Committee.

The Company has in place performance evaluation criteria for Board, Committees, Chairperson and directors. The criteria for evaluation of independent directors, *inter alia*, includes attendance and participation, acting in good faith, openness to ideas, pro-active and positive approach with regard to Board and Senior Management particularly the arrangements for management of risk and the steps needed to meet challenges from the competition and independence and independent views and judgment.

The said criteria is hosted on the website of the Company and can be accessed at <https://www.mahascooters.com/aboutus.html#cgc>

Risk Management Committee

Pursuant to the SEBI Listing Regulations, the Company has constituted a Risk Management Committee consisting of composition as specified therein.

SEBI, vide its notification dated 5 May 2021, has introduced roles and responsibilities of Risk Management Committee. In addition to the existing terms of reference which, *inter alia*, include managing the integrated risk, laying down procedures to inform the Board about risk assessment and minimisation procedures in the Company, and framing, implementing, monitoring the risk management plan for the Company including cyber security, the Board at its meeting held on 21 July 2021 has amended the terms of reference of the Committee to include the following:

1. To formulate a detailed Risk Management Policy which shall include:
 - a) A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.
 - b) Measures for risk mitigation including systems and processes for internal control of identified risks.
 - c) Business continuity plan.
2. To review and guide the management on reputational and market (investment) risk;
3. To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
4. To monitor and oversee implementation of the Risk Management Policy, including evaluating the adequacy of risk management systems;
5. To periodically review the Risk Management Policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;

6. To keep the Board of Directors informed about the nature and content of its discussions, recommendations and actions to be taken;
7. The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.

The terms of reference of the Committee can be accessed at <https://www.mahascooters.com/aboutus.html#cgc>

In line with the amendment to SEBI Listing Regulations, dated 5 May 2021, the Company has formulated a Risk Management Policy. The policy, *inter alia*, covers framework for identification of risks pertaining to the business and the mitigation aspects. The same is also hosted on the website of the Company at <https://www.mahascooters.com/aboutus.html>

During FY2022, the Company neither traded in nor had any exposure in commodities market.

Meetings and attendance

As per the amendment to SEBI Listing Regulation, the Risk Management Committee shall now be required to meet twice in a year.

In compliance with the above, during FY2022, the Committee met twice, viz., 25 October 2021 and 17 January 2022. The meetings were scheduled well in advance and not more than one hundred and eighty days elapsed between any two meetings.

Table 7: Composition of Risk Management Committee and attendance record of members for FY2022

| Name of director / Senior executive | Category | No. of Meetings attended during FY2022 | |
|-------------------------------------|---|--|----------|
| | | Entitled to attend | Attended |
| Lila Poonawalla | Chairperson, non-executive, independent | 2 | 2 |
| Yogesh Shah | Non-executive, independent | 2 | 2 |
| Anish Amin | Non-executive, non-independent | 2 | 2 |
| Shrinivas Pathak | Member | 2 | 2 |

During FY2022, the Board had accepted all recommendations of the Committee.

Stakeholders' Relationship Committee

Pursuant to the Act and the SEBI Listing Regulations, the Company has constituted a Stakeholders' Relationship Committee, consisting of composition as specified therein.

The terms of reference of the Committee, *inter alia*, includes review of measures taken for effective exercise of voting rights by members and review of adherence to the service standards in respect of various services being rendered by the registrar and share transfer agent. More details on the terms of reference of the Committee are placed at <https://www.mahascooters.com/aboutus.html#cgc>

This Committee specifically looks into the grievances of equity shareholders of the Company.

More details on this subject and on members related matters have been furnished in 'General Shareholder Information.'

Meeting and attendance

During FY2022, the Committee met once on 17 January 2022, *inter alia*, to review the status of investors' services rendered. The secretarial auditor as well as the Company Secretary were present at the said meeting.

The Committee was apprised of the major developments on matters relating to investors. In addition, the Committee also considered matters that can facilitate better investor services and relations.

During FY2022, meeting of senior executives of KFin Technologies Ltd. with few Committee members was organised to discuss matters regarding the recent SEBI amendment enhancing the responsibilities of RTA with respect to investor related services.

Yogesh Shah, the Chairman of the Stakeholders' Relationship Committee, was present at the AGM which was held through video conferencing on 21 July 2021 to answer shareholders' queries.

Table 8: Composition of Stakeholders' Relationship Committee and attendance record of members for FY2022

| Name of director | Category | No. of Meetings attended during FY2022 | |
|------------------|--------------------------------------|--|----------|
| | | Entitled to attend | Attended |
| Yogesh Shah | Chairman, non-executive, independent | 1 | 1 |
| Sanjiv Bajaj | Non-executive, non-independent | 1 | 1 |
| V Rajagopalan | Non-executive, non-independent | 1 | 1 |

The Company Secretary of the Company acts as the Compliance Officer.

During FY2022, the Board had accepted all recommendations of the Committee.

Table 9: Investors' complaints attended and resolved during FY2022

| Investors' complaints | Attended/resolved during FY2022 |
|---|---------------------------------|
| Outstanding at the beginning of the year | 0 |
| Received during the year | 7 |
| Disposed of during the year | 7 |
| Remaining unresolved at the end of the year | 0 |
| Complaints not solved to the satisfaction of shareholders | Nil |

Duplicate Share Certificate Issuance Committee

To meet the requirement of the Act and SEBI Listing Regulations, the Company has constituted a Duplicate Share Certificate Issuance Committee of the Board to approve the issuance of duplicate share certificate in lieu of original share certificate lost or misplaced.

As a measure to enhance ease of dealing in securities market by the investors, SEBI vide its circular dated 25 January 2022, has mandated listed entities to issue securities in dematerialised form only while processing any service request including issue of duplicate share certificate.

In compliance with the above, with effect from 25 January 2022, the Company through its RTA has ensured that only a 'Letter of Confirmation' is issued to the members seeking physical duplicate share certificates in lieu of original share certificates lost or misplaced. The letter of confirmation issued, will enable the members to dematerialise their holdings within period of 120 days, from its issuance.

Meeting and attendance

During FY2022, the Committee met once on 17 January 2022.

Table 10: Composition of the Duplicate Share Certificate Issuance Committee and attendance record of the members for FY2022

| Name of director | Category | No. of Meetings attended during FY2022 | |
|------------------|--|--|----------|
| | | Entitled to attend | Attended |
| Sanjiv Bajaj | Chairman, non-executive, non-independent | 1 | 1 |
| Yogesh Shah | Non-executive, independent | 1 | 1 |
| V Rajagopalan | Non-executive, non-independent | 1 | 1 |

Remuneration of Directors

Pecuniary relationship/transaction with Non-Executive directors

During the year under review, there were no pecuniary relationship/transactions with any non-executive directors of the Company.

Details of Remuneration of directors

The details of sitting fee paid to Non-executive directors of the Company are provided in Form MGT-7 (annual return) which is hosted on the website of the Company at <https://www.mahascooters.com/investorsrel.html#AGM>

As mentioned elsewhere in the Report, no commission is payable to any directors of the Company.

Management Discussion and Analysis

This is given as separate chapter in the Annual Report.

Disclosure of material transactions

Pursuant to the SEBI Listing Regulations, the senior management is required to make disclosures to the Board relating to all material financial and commercial transactions, where they had or were deemed to have had personal interest that might have been in potential conflict with the interest of the Company. As per the disclosures submitted by the senior management, there were no such transactions during FY2022.

Compliances regarding Insider Trading

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

During FY2022, there were no non-compliance reported from any designated person/employees with respect to SEBI PIT Regulations.

The Company also, by frequent communication, makes aware the designated employees of the obligations under the SEBI PIT regulations.

The Audit Committee and the Board at its meeting held on 11 March 2022 had reviewed the compliance in terms Regulation 9A(4) of SEBI (Prohibition of Insider Trading) Regulations, 2015 and confirmed that the systems for internal control with respect to Insider Trading Regulations are adequate and are operating effectively.

Means of Communication

Quarterly, half-yearly and annual financial results and other public notices issued for the members are published in Business Standard and Kesari.

The Company has its own website, www.mahascooters.com, which contains all important public domain information including financial results, various policies framed/approved by the Board, matters concerning the shareholders, details of the contact persons, etc.

Green Initiatives by MCA

Section 20 and 136 of the Act, read with Companies (Accounts) Rules, 2014 permit companies to service delivery of documents electronically on the registered members' email addresses.

In compliance with the said provisions and as a continuing endeavour towards the 'Go Green' initiative, the Company proposes to send all correspondence/ communications through email to those shareholders who have registered their email address with their depository participants/ Company's registrar and share transfer agent. The same is available on the website of the Company at www.mahascooters.com

During FY2022, the Company sent documents such as notice calling the general meeting, audited financial statements, directors' report, auditors' report, credit of dividend intimation letters, etc. in electronic form at the email addresses provided by the members and made available by them to the Company through the depositories.

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

Information on General Body Meetings and Details of Special Resolution(s) passed

A. Annual General Meeting

During the previous three years, the annual general meetings (AGM) of the Company were held/ deemed to be held at the registered office of the Company at Mumbai-Pune Road, Akurdi, Pune 411 035 on the following dates and time:-

| Details of AGM | Date and time of AGM | Details of special resolution(s) passed at the Annual General Meetings, if any |
|----------------|----------------------------|--|
| 44th AGM | 24 July 2019 at 12.15 p.m. | None |
| 45th AGM | 20 July 2020 at 12.15 p.m. | None |
| 46th AGM | 21 July 2021 at 4.15 p.m. | None |

All resolutions proposed by the Board have been passed with overwhelming majority by the shareholders.

The recording of last AGM is hosted on the website of the Company at <https://www.mahascooters.com/investors.html> and written transcript of the same can be accessed at <https://www.mahascooters.com/investors.html>

B. Postal ballot

During FY2022, no Special Resolution was passed by way of postal ballot.

Details of Capital Market Non-compliance, if any

The Company has complied with all applicable legal requirements. No penalty or stricture has been imposed on the Company by any of the stock exchanges, SEBI or any other statutory authority, in any matter related to capital markets, during the last three years.

Compliance Certificate

The Manager & CEO has certified to the Board with regard to the financial statements and other matters as required under the SEBI Listing Regulations.

Report on Corporate Governance

This chapter, read together with the information given in the [Directors' Report](#) and the section on [Management Discussion and Analysis](#) and [General Shareholder Information](#), constitute the compliance report on Corporate Governance during FY2022. The Company has been regularly submitting the quarterly compliance report to the Stock exchanges as required under regulation 27(2) of the SEBI Listing Regulations.

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

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

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

Statutory Auditors

The total fee paid by the Company to Kirtane & Pandit LLP towards statutory audit and limited review (including certifications but excluding applicable taxes and reimbursements) for FY2022 is ₹ 945,000.

Auditors' Certificate on Corporate Governance

The Company has obtained a certificate from its statutory auditors regarding compliance with the provisions relating to corporate governance laid down under the SEBI Listing Regulations.

This certificate is annexed to the [Directors' Report](#).

Compliance of Mandatory and Discretionary Requirements

Mandatory

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

Discretionary

The Company has also complied with the discretionary requirements as under:

1. Modified opinion(s) in audit report

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

2. Separate posts of Chairperson and the Managing Director or the Chief Executive Officer

As per SEBI Listing Regulations, the Chairperson and the Managing Director or the Chief Executive Officer (CEO) shall not be related and the Chairperson shall be a non-executive director.

The Company has a non-executive Chairman, not related to CEO of the Company.

3. Reporting of Internal Auditor

The Internal Auditor reports directly to the Chairman of the Board and Audit Committee.

Declaration by Chief Executive Officer (Manager)

[Regulation 34(3) read with schedule V (Part D) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,
The Board of Directors
Maharashtra Scooters Ltd.

I, Shrinivas Pathak, Manager & CEO, hereby declare that all the board members and senior managerial personnel have affirmed compliance with the Code of Conduct of the Company laid down for them for the year ended 31 March 2022.

Shrinivas Pathak
Manager & CEO

Pune: 22 April 2022

GENERAL SHAREHOLDER INFORMATION

47th Annual General Meeting (AGM)

| | |
|----------------|--|
| Day and Date | Monday, 25 July 2022 |
| Time | 4.00 p.m. |
| Venue | Virtual, Registered Office of the Company at Akurdi, Pune – 411 035 (Deemed venue) |
| Financial Year | 1 April 2021 to 31 March 2022 |

Tentative meeting schedule for considering financial related matters for FY2023

| Type of meeting | Particulars | Indicative month |
|---------------------------|--|-----------------------------|
| Audit Committee and Board | To review and approve the unaudited financial results for the quarter ending 30 June 2022, subject to limited review | July 2022 |
| | To review and approve the unaudited financial results for the quarter and half-year ending 30 September 2022, subject to limited review | October 2022 |
| | To review and approve the unaudited financial results for the quarter and nine months ending 31 December 2022, subject to limited review | January/early February 2023 |
| | To review and approve audited annual results for the year ending 31 March 2023, subject to audit | April 2023/early May 2023 |

Registrar and Share Transfer Agent

Pursuant to conversion of status from private limited company to public limited company, the name of Registrar and Share Transfer Agent of the Company ('MSL') viz., KFin Technologies Pvt. Ltd. has been changed to KFin Technologies Ltd. (referred to as 'KFin') with effect from 24 February 2022.

In terms of Regulation 7 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations') KFin continues to be the Registrar and Share Transfer Agent; and handle all relevant corporate registry services for equity shares.

Review of Service Standards adhered by KFin with respect to Share Related Activities

The Company has agreed service timelines and standards for various shareholder related service with KFin. On an on-going basis, the secretarial team engages with officials of KFin at various levels for review of these standards and other share related activities. Periodic meetings and discussions are held to understand the concerns of shareholders, deviations, if any in the timelines for processing service request, best practices and other measures to strengthen shareholders related services. In addition, the activities at KFin are also reviewed by the internal audit team.

During FY2022, a meeting of SRC members with a few senior officials of KFin was organised to get an overview of the activities at their end.

Record Date

The Company has fixed 1 July 2022 as the record date for the purpose of declaration of final dividend for FY2022.

Dividend and Date of Payment

The Board of Directors have recommended a dividend of ₹ 80 per equity share (800%) for FY2022, subject to approval by members at the ensuing AGM as against Dividend of ₹ 50 per equity share (500%) paid for the previous year.

Dividend on equity shares, if declared, at the AGM, will be credited/dispatched between Friday, 29 July 2022 and/or Saturday, 30 July 2022, to all eligible shareholders holding shares as of the end of the day on Friday, 1 July 2022.

Payment of Dividend

The SEBI Listing Regulations read with SEBI circular dated 20 April 2018, require companies to use any electronic mode of payment approved by the Reserve Bank of India ('RBI') for making payment to shareholders. Accordingly, the dividend, if declared will be paid through electronic mode, where the bank account details of the members are available. Where dividend payments are made through electronic mode, intimation regarding such remittance will be sent separately to the shareholders.

In cases where the dividend cannot be paid through electronic mode, it will be paid by account payee/non-negotiable instruments/warrants with bank account details printed thereon. In case of non-availability of bank account details, address of the members will be printed on such payment instruments.

Pursuant to aforesaid circular, the Company has written to members holding shares in physical form requesting them to furnish details regarding their PAN and also their bank details for payment of dividend through electronic mode.

For enabling payment of dividend for FY2022 through electronic mode, members holding shares in physical mode are requested to send form ISR-1 along with requisite documents to KFin before Friday, 1 July 2022.

The form can be downloaded from the website of the Company at <https://www.mahascooters.com/investorsrel.html#AGM> and RTA at <https://ris.kfintech.com/clientservices/isc> In case of members holding shares in demat mode, they are requested to update details with their respective depository participant.

Tax Deducted at Source (TDS) on Dividend

The dividend, if declared will be taxable in the hands of the shareholders. The TDS rate would vary depending on the residential status of the shareholders and the documents submitted by them and accepted by the Company. For more details, shareholders are requested to refer to the 'Notice of AGM.'

Unclaimed Dividends

As per section 124(5) of Companies Act, 2013 (the 'Act') and section 205 of the erstwhile Companies Act, 1956, any money transferred by the Company to the unpaid dividend account and remaining unclaimed for a period of seven years from the date of such transfer shall be transferred to the Investor Education and Protection Fund ('Fund') set up by the Central Government. Accordingly, unpaid/unclaimed dividends for FY1996 to FY2014 have already been transferred by the Company to the said Fund from FY2003 onwards.

Unpaid/unclaimed dividend for FY2015 shall be transferred to the Fund in September 2022. Members are requested to verify their records and send their claim, if any, for FY2015 before such amount become due for transfer. Communications are being sent to members, who have not yet claimed dividend for FY2015, requesting them to claim the same as well as unpaid dividend, if any, for subsequent years.

The following are the details of unclaimed dividends which are due to be transferred to the Fund in the coming years including current year.

| Year | Dividend Type | Date of Declaration/ AGM Date | Last date for claiming dividend | Due date for transfer |
|-------------|------------------------------|--|--|------------------------------|
| 2014-2015 | Final | 21 July 2015 | 20 August 2022 | 19 September 2022 |
| 2015-2016 | Interim (Confirmed as Final) | 15 March 2016 | 14 April 2023 | 14 May 2023 |
| 2016-2017 | Final | 18 July 2017 | 17 August 2024 | 16 September 2024 |
| 2017-2018 | Final | 16 July 2018 | 15 August 2025 | 14 September 2025 |
| 2018-2019 | Final | 24 July 2019 | 23 August 2026 | 22 September 2026 |
| 2019-2020 | Interim (Confirmed as Final) | 21 February 2020 | 22 March 2027 | 21 April 2027 |
| 2020-2021 | Final | 21 July 2021 | 20 August 2028 | 19 September 2028 |

The Company has uploaded the details of unclaimed dividend on the Company's website at <https://www.mahascooters.com/investorsrel.html#AGM> and also on website specified by the Ministry of Corporate Affairs <https://www.iepf.gov.in/IEPF/services.html>.

Initiatives for reduction of Unclaimed Dividend

The Company with a view to reduce the quantum of unclaimed dividend has undertaken several steps as was done in the last few years. This primarily included proactively reaching out to shareholders, sending periodic communications and advising the shareholders who approach the Company/KFin for other service request to claim their dividend, if any. The amount is remitted based on the verification of the documents and bonafides of the claim.

As a result, significant amount of unclaimed dividend was remitted to the shareholders. The Company will endeavor to undertake additional initiatives in this regard.

Transfer of Shares to IEPF

Pursuant to section 124(6) of the Act and the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended (the 'IEPF Rules'), all shares in respect of which dividend has not been paid or claimed for seven consecutive years or more shall be transferred by the Company to the IEPF, within 30 days of such shares becoming due for transfer.

Accordingly, the Company will send individual letters through ordinary/speed post/email to such shareholders, whose dividend from the financial year 2014-15 has remained unclaimed, requesting them to claim the amount of unpaid dividend on or before the Company transfer the related shares to the demat account of IEPF. The Company also publishes, on an annual basis, a notice in the newspapers intimating the members regarding the said transfer.

During the year under review, the Company transferred 7,428 equity shares of the face value of ₹10 each in respect of 46 shareholders to the Demat Account of the IEPF Authority held with NSDL. Details of such shareholders, whose shares are transferred to IEPF and their unpaid dividends for the subsequent years are available to the concerned shareholders on the website of the Company at <https://www.mahascooters.com/investorsrel.html#AGM>

Shareholders can claim such unpaid dividends and underlying shares transferred to the Fund by following the procedure prescribed in the IEPF Rules. A link to the procedure to claim is available on the Company's website at <https://www.mahascooters.com/investorsrel.html#AGM>

Shareholders are requested to get in touch with the compliance officer for further details on the subject at ssubbramianiam@bhil.in

Share Transfer System

SEBI has mandated transfer of securities only in dematerialised form with effect from 1 April 2019. Thereafter, SEBI had fixed 31 March 2021 as the cut-off date for re-lodgement of deficient transfer deeds. Accordingly, with effect 1 April 2021, share transfers in physical form are prohibited under any circumstances and the same shall be processed only in dematerialised form.

All transmission, transposition, issue of duplicate share certificate(s), etc., as well as requests for dematerialisation/rematerialisation are processed at KFin. The work related to dematerialisation/rematerialisation is handled by KFin through connectivity with NSDL and CDSL.

E-Voting Facility provided by Listed Entities

SEBI had issued a circular dated 9 December 2020 for increase in the participation by the public non-institutional shareholders/retail shareholders. It has been decided to enable e-voting to all the demat account holders, via a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants. Demat account holders will be able to cast their vote without having to register again with the e-voting service providers (ESPs). This will not only facilitate seamless authentication but also enhance the ease and convenience of participating in the e-voting process.

Shareholders are advised to refer to the notice of AGM for the ways in which they may register to cast their votes.

Dematerialisation/Rematerialisation of Shares and Liquidity

Table 1: During FY2022, 20,739 shares were dematerialised. There were no shares which were rematerialised, during FY2022.

| Particulars | Position as on 31 March 2022 | | Position as on 31 March 2021 | | Net change during 2021-22 | |
|-------------|------------------------------|-------------------------|------------------------------|-------------------------|---------------------------|-------------------------|
| | No. of shares | % of total shareholding | No. of shares | % of total shareholding | No. of shares | % of total shareholding |
| Physical | 249,465 | 2.18 | 276,525 | 2.42 | (27,060) | (0.24) |
| Demat: | | | | | | |
| NSDL | 9,485,350 | 83.00 | 9,430,920 | 82.52 | 54,430 | 0.48) |
| CDSL | 1,693,753 | 14.82 | 1,721,123 | 15.06 | (27,370) | (0.24) |
| Total | 11,428,568 | 100.00 | 11,428,568 | 100.00 | - | - |

Stock code

| | |
|---|--------------|
| BSE Ltd. | 500266 |
| National Stock Exchange of India Ltd. (NSE) | MAHSCOOTER |
| ISIN for Depositories (NSDL and CDSL) | INE288A01013 |

Listing on Stock Exchanges

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

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

Annual listing fees, as prescribed, have been paid to the said stock exchanges up to 31 March 2023.

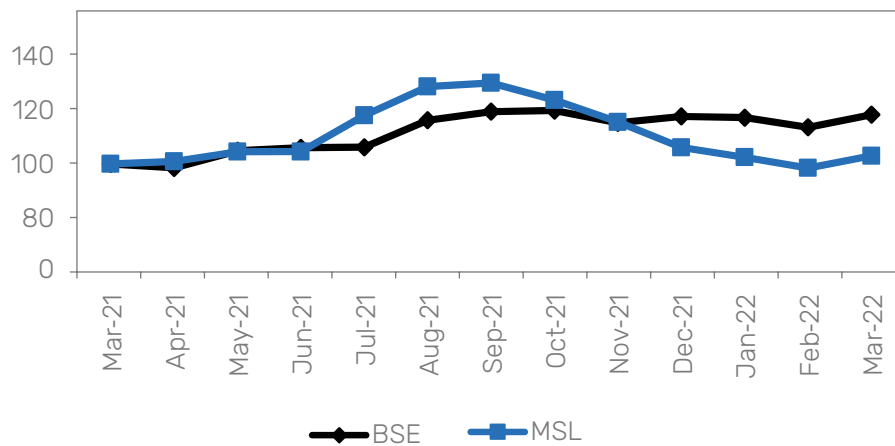
Market price data

Table 2 : Monthly highs and lows of the Company's share price on the BSE and the NSE during FY2022 (₹ vis-à-vis BSE Sensex)

| Month | BSE | | NSE | | Closing BSE Sensex |
|----------|----------|----------|----------|----------|--------------------|
| | High | Low | High | Low | |
| Apr-2021 | 3,692.95 | 3,300.00 | 3,695.00 | 3,275.00 | 48,782.36 |
| May-2021 | 3,893.00 | 3,366.90 | 3,899.00 | 3,368.55 | 51,937.44 |
| Jun-2021 | 3,947.00 | 3,665.55 | 3,950.00 | 3,660.00 | 52,482.71 |
| Jul-2021 | 4,300.00 | 3,661.85 | 4,319.75 | 3,681.00 | 52,586.84 |
| Aug-2021 | 4,673.95 | 3,750.00 | 4,672.00 | 3,742.05 | 57,552.39 |
| Sep-2021 | 4,875.00 | 4,312.40 | 4,878.80 | 4,376.05 | 59,126.36 |
| Oct-2021 | 5,023.35 | 4,350.00 | 5,050.00 | 4,337.15 | 59,306.93 |
| Nov-2021 | 4,506.10 | 3,979.00 | 4,510.05 | 3,960.00 | 57,064.87 |
| Dec-2021 | 4,320.00 | 3,701.00 | 4,325.00 | 3,695.00 | 58,253.82 |
| Jan-2022 | 4,241.10 | 3,576.00 | 4,089.90 | 3,571.10 | 58,014.17 |
| Feb-2022 | 3,836.95 | 3,427.05 | 3,840.00 | 3,409.20 | 56,247.28 |
| Mar-2022 | 3,721.15 | 3,319.15 | 3,719.90 | 3,311.00 | 58,568.51 |

Chart : Performance in comparison to BSE Sensex

Maharashtra Scooters Ltd. (MSL) stock performance Vs BSE Sensex during 2021-22 indexed to 100 on 31 March 2021



Distribution of Shareholding

Table 3 gives details about the pattern of shareholding across various categories as on 31 March 2022, while Table 4 gives the data according to size classes.

Table 3: Distribution of shareholding across categories as on

| Categories | 31 March 2022 | | 31 March 2021 | |
|---|---------------|--------------------|---------------|--------------------|
| | No. of shares | % to total capital | No. of shares | % to total capital |
| Promoters | 5,828,560 | 51.00 | 5,828,560 | 51.00 |
| Foreign Institutional Investors / Foreign Portfolio Investors | 426,242 | 3.73 | 516,567 | 4.52 |
| Mutual Funds | 70,197 | 0.61 | 3,019 | 0.03 |
| Banks & Insurance | 345,734 | 3.02 | 346,319 | 3.03 |
| NRIs | 199,750 | 1.75 | 158,461 | 1.39 |
| Bodies Corporates | 997,162 | 8.73 | 1,001,959 | 8.77 |
| Resident Individuals | 3,180,630 | 27.83 | 3,183,306 | 27.85 |
| Others | 380,293 | 3.33 | 390,377 | 3.41 |
| Total | 11,428,568 | 100.00 | 11,428,568 | 100.00 |

Table 4 : Distribution of shareholding according to size class as on 31 March 2022

| Category (Shares) | No. of Shareholders | % to Shareholders | No. of Shares | % to Equity Capital |
|-------------------|---------------------|-------------------|---------------|---------------------|
| 1 - 500 | 22,628 | 96.04 | 1,434,481 | 12.55 |
| 501 - 1000 | 519 | 2.20 | 367,769 | 3.22 |
| 1001 - 2000 | 198 | 0.84 | 285,464 | 2.50 |
| 2001 - 3000 | 69 | 0.29 | 166,447 | 1.46 |
| 3001 - 4000 | 31 | 0.13 | 110,588 | 0.97 |
| 4001 - 5000 | 24 | 0.10 | 108,967 | 0.95 |
| 5001 - 10000 | 39 | 0.17 | 268,593 | 2.35 |
| 10001 and above | 53 | 0.22 | 8,686,259 | 76.00 |
| TOTAL: | 23,561 | 100.00 | 11,428,568 | 100.00 |

Shareholders' and Investors' Grievances

The Company is committed to providing efficient and prompt service to its investors. The Board of Directors of the Company currently has a Stakeholders' Relationship Committee 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 and change of address and/or bank particulars. As on 31 March 2022, there were no pending issues to be addressed or resolved.

Updation of PAN, KYC and Nomination: SEBI vide its circular dated 3 November 2021 has, *inter alia*, mandated that any service request shall be entertained only upon registration of PAN, KYC details, and nomination. The forms prescribed for these purposes are given below:

| Forms | Purpose |
|------------|--|
| Form ISR-1 | Request for registering PAN, KYC details or Changes/Updation thereof |
| Form SH-13 | Nomination form |
| Form ISR-3 | Declaration to Opt-out for Nomination |
| Form SH-14 | Change in Nomination |

Members may access the above forms from website of the Company at <https://www.mahascooters.com/investorsrel.html#AGM>

The folios wherein any one of the cited document/details are not updated on or after 1 April 2023 shall be frozen by the RTA. Such members will not be permitted to lodge grievance or avail service request from the RTA, unless the KYC details are updated. Further, such member will not be eligible to receive dividend in physical mode.

The frozen folios will then be referred by RTA/Company to the administering authority under the Benami Transactions (Prohibitions) Act, 1988 and/or Prevention of Money Laundering Act, 2002 after 31 December 2025.

In view of the above, the Company has sent communication to members holding shares in physical form requesting them to update the said details.

Investor charter: In order to facilitate investor awareness about various activities where an investor has to deal with RTAs for availing Investor Service Requests, SEBI vide its circular dated 26 November 2021 has developed an Investor Charter for RTAs, *inter alia*, detailing the services provided to Investors, Rights of Investors, various activities of RTAs with timelines, Do's and Don'ts for Investors. In accordance with the said circular, KFin has hosted the Investor Charter on its website and has also displayed the same at prominent places in offices, etc.

Further, the said circular also mandates registered RTAs to disclose on their respective websites, the data on complaints received against them or against issues dealt by them and redressal thereof, latest by 7th of succeeding month, as per the format prescribed thereunder with effect from 1 January 2022. KFin, being registered RTA has confirmed compliances with aforesaid circular, to the extent applicable.

Investor grievances redressal mechanism: SEBI vide its circular dated 13 August 2020 has laid down procedure for handling complaints by the stock exchanges as well as the standard operating procedure for actions to be taken against listed companies for failure to redress investor grievances. The Company is in compliance with said circular.

Issue of shares only in dematerialised form: As an on-going measure to enhance ease of dealing in securities markets by investors, SEBI vide its circular dated 25 January 2022, has mandated that listed companies shall henceforth issue the securities in dematerialised form only, while processing the service requests such as issue of duplicate share certificates, claim from unclaimed suspense account, endorsement, renewal/exchange of securities certificate, sub-division, splitting of shares certificate, transmission, transposition, consolidation of securities certificate, etc.

For enabling the shareholders to demat their securities, the Registrar and Share Transfer Agent shall issue a 'Letter of Confirmation' in lieu of physical share certificates to physical shareholders for enabling them to dematerialise the securities.

Unclaimed Demat Suspense Account with HDFC Bank Ltd.

According to the provisions of the SEBI Listing Regulations, the Company has a demat account titled 'Maharashtra Scooters Ltd. – Unclaimed Suspense Account' with HDFC Bank Ltd., Pune, to which unclaimed shares were transferred.

The summary of this account for FY2022 is as follows:-

| Sr. No. | Particulars | No. of shareholders | No. of shares |
|---------|---|---------------------|---------------|
| 1. | Aggregate No. of shareholders and the outstanding shares lying in the Unclaimed Suspense Account at the beginning of the year i.e. 1 April 2021 | 52 | 5,611 |
| 2. | No. of shareholders who approached the Company for transfer of shares from the Unclaimed Suspense Account during the year 2021-22 | 1 | 200 |
| 3. | No. of shareholders to whom shares were transferred from the Unclaimed Suspense Account during the year 2021-22 | 1 | 200 |
| 4. | Transferred to Investor Education and Protection Fund Authority | 0 | 0 |
| 5. | Aggregate No. of shareholders and the outstanding shares lying in the Unclaimed Suspense Account at the end of the year i.e. 31 March 2022 | 51 | 5,411 |

Voting through Electronic Means

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

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

The shareholders would therefore be able to exercise their voting rights on the items put up in the Notice of AGM, through such e-voting method. Further, in accordance with the Companies (Management and Administration) Rules, 2014 and MCA circulars, the Company will also provide e-voting facility for members attending the AGM through VC or OAVM.

Shareholders, who are attending the meeting through VC or OAVM 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, as per the said Rules, shall be 18 July 2022 (end of day) and the remote E-voting shall be open from 22 July 2022 (9.00 a.m.) till 24 July 2022 (5.00 p.m.). The Board has appointed Shyamprasad D Limaye, Practising Company Secretary as scrutinizer for the e-voting process.

The detailed procedure is given in the notice of the 47th AGM and also placed on the Company's website at <https://www.mahascooters.com/investorsrel.html#AGM>.

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

Outstanding Convertible Instruments/ADRs/GDRs/Warrants

The Company does not have any outstanding convertible instruments/ADRs/GDRs/warrants as on date of this Report.

Credit Rating

Since the Company had no borrowings during the year under review, no credit ratings were required to be obtained from any credit rating agencies.

Plant Location

The plant is located at 'C-1, MIDC Area, Satara - 415004'.

Address for Correspondence

The shareholders may reach out to the below-mentioned contact numbers or email addresses, in case of any query, clarifications, etc.

Share Transfer Agent

KFin Technologies Ltd.

Unit: Maharashtra Scooters Ltd.
Selenium Tower B
Plot 31-32, Gachibowli
Financial District, Nanakramguda
Hyderabad – 500 032

Contact details:

Toll free no.: 1800 309 4001
Email ID: einward.ris@kfintech.com
Website: www.kfintech.com

Company

Maharashtra Scooters Ltd.
Corporate Office Extn.
Secretarial Department
3rd Floor, Panchshil Tech Park,
Viman Nagar, Pune-411 014

Contact details

Phone No. 020 71576066
Fax. 020 71576364
Email: ssubbramaniam@bhil.in
Website: www.mahascooters.com

Weblinks of few important circulars referred in this report are given below:

| Sr. No. | Date of the circular | Particulars |
|----------------|-----------------------------|---|
| 1. | 18 October 2021 | SEBI Transmission of Securities to Joint Holder(s) |
| 2. | 3 November 2021 | SEBI Common and Simplified Norms for processing investor's service request by RTAs and norms for furnishing PAN, KYC details and Nomination |
| 3. | 26 November 2021 | SEBI Publishing Investor Charter and Disclosure of Complaints by Registrar and Share Transfer Agents (RTAs) on their Websites |
| 4. | 14 December 2021 | SEBI Clarifications with respect to circular dated November 03, 2021, on 'Common and simplified norms for processing investor's service request by RTAs and norms for furnishing PAN, KYC details and Nomination' |
| 5. | 25 January 2022 | SEBI Issuance of Securities in dematerialized form in case of Investor Service Requests |

FINANCIAL STATEMENTS

Independent Auditors' Report on the Financial Statements

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

Opinion

We have audited the accompanying financial statements of Maharashtra Scooters Ltd. ('the Company'), which comprise the Balance Sheet as at 31 March 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as 'the financial statements').

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ('Ind AS') and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2022, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for opinion

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

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. We have determined that there are no key audit matters to communicate in our report.

Information other than the financial statements and auditor's report thereon

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's responsibility for the financial statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in

Independent Auditors' Report on the Financial Statements (Contd.)

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

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning

Independent Auditors' Report on the Financial Statements (Contd.)

the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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

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

Report on other legal and regulatory requirements

1. As required by section 143(3) of the Act, based on our audit we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on 31 March 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022 from being appointed as a director in terms of section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in 'Annexure A'. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 30 to the financial statements
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company
 - iv. With respect to clause (e) of Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended

Independent Auditors' Report on the Financial Statements (Contd.)

- a. The Management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ('Intermediaries'), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- b. Management has represented, that, to the best of its knowledge and belief, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ('Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- c. Based on such audit procedures that we have considered reasonable and appropriate in the circumstances, nothing has come to their notice that has caused us believe that the representations under sub-clause (a) and (b) contain any material mis-statement.

Dividend declared and paid during the year by the Company is in compliance with section 123 of the Companies Act, 2013.

2. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government in terms of section 143(11) of the Act, we give in 'Annexure B' a statement on the matters specified in paragraphs 3 and 4 of the Order.
3. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

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

For Kirtane & Pandit LLP
Chartered Accountants
ICAI Firm Registration Number: 105215W/W100057

Suhas Deshpande
Partner
ICAI Membership Number: 31787
UDIN: 22031787AHUNGT4402

Pune: 25 April 2022

Annexure A to the Independent Auditors' Report

(Referred to in paragraph 1(f) under 'Report on other legal and regulatory requirements' section of our report to the Members of Maharashtra Scooters Ltd. of even date)

Report on the Internal Financial Controls Over Financial Reporting under clause (i) of Sub-section 3 of section 143 of the Companies Act, 2013 ('the Act')

We have audited the internal financial controls over financial reporting of Maharashtra Scooters Ltd. ('the Company') as of 31 March 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's responsibility for internal financial controls

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's responsibility

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

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

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

Meaning of internal financial controls over financial reporting

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

Annexure A to the Independent Auditors' Report (Contd.)

timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Limitations of internal financial controls over financial reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Kirtane & Pandit LLP
Chartered Accountants
ICAI Firm Registration Number: 105215W/W100057

Suhas Deshpande
Partner
ICAI Membership Number: 31787
UDIN: 22031787AHUNGT4402

Pune: 25 April 2022

Annexure B to the Independent Auditors' Report

(Referred to in paragraph 2 under 'Report on other legal and regulatory requirements' section of our report to the Members of Maharashtra Scooters Ltd. of even date)

- i. (a) In respect of records of property, plant and equipment and intangible assets
 - A The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
 - B The Company does not have any intangible assets. Accordingly, paragraph 3 (i)(a)(B) of the Order is not applicable.
- (b) According to the information and explanations given to us, Property, plant and equipment were physically verified by the Management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of physical verification of Property, plant and equipment is reasonable.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties as reported in note 2 of financial statements are held in the name of the Company.
- (d) In our opinion and according to the information and explanations given to us, the Company has not revalued its Property, plant and equipment during the year. Accordingly, clause 3(i)(d) of the Order is not applicable.
- (e) According to the information and explanations given to us by Management, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- ii. (a) As informed to us, the physical verification of inventory has been conducted by the Management at reasonable intervals by the Management. In our opinion the coverage and procedure of such verification by the Management is appropriate and the no discrepancies of 10% or more in the aggregate for each class of inventory were noticed on such verification.
- (b) As informed to us, during any point of time of the year, the Company has not been sanctioned working capital limits from banks or financial institutions. Accordingly, paragraph 3(ii)(b) of the Order is not applicable.
- iii. Company has not provided any guarantee or security or granted any loans other than loans and advances to employees as per Company's policy or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, paragraph 3(iii)(a), 3(iii)(c), 3(iii)(d), 3(iii)(e), 3(iii)(f) of the Order is not applicable.

With respect to reporting under 3(iii)(b) in respect of investment made during the year and loans given to employees as per Company's policy does not prima facie appears to prejudicial to the Company's interest. Further as informed to us the Company has not provided any guarantees or not provided security in connection with the loan during the year. Accordingly, reporting with respect to Loans, Guarantees, securities in connection with the loan 3(iii)(b) of the Order is not applicable
- iv. In our opinion and according to information and explanations given to us, the Company has complied with the provisions of section 186 of the Companies Act, 2013 in respect of investments and loans given to employees as per Company's policy. Further the Company has not given any guarantee or security in connection with a loan to any other body corporate or person. Further Company has not given any loan to directors as per section 185 of the act.

Annexure B to the Independent Auditors' Report (Contd.)

- v. In our opinion and according to the information and explanations given to us, the Company has not accepted deposits during the year from the public under Section 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under or neither has amounts which are deemed to be deposits and therefore, the paragraph 3 (v) of the Order is not applicable to the Company. As informed to us, no order has been passed against the Company, by company law tribunal, RBI or any other court or any other tribunal.
- vi. In our opinion and according to the information and explanations given to us, maintenance of Cost Records, for the Company, has not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013. Accordingly, paragraph 3(ii)(b) of the Order is not applicable.
- vii. According to the information and explanations given to us, in respect of statutory dues:
- (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues applicable to it with the appropriate authorities. There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues in arrears as at 31 March 2022 for a period of more than six months from the date they became payable.
- (b) Details of disputed amounts of statutory dues Income Tax, Sales Tax, Service Tax, Excise Duty and Value Added Tax and Goods and service tax as at 31 March 2022 are given below:

| Sl. No. | Name of the statute | Nature of the dues | Amount in Dispute (₹ In Lakh) | Period(s) to which the amount relate | Forum where such dispute is pending |
|---------|--|--------------------|-------------------------------|--|--|
| 1 | The Bombay Sales Tax Act, 1959 and The Central Sales Tax Act, 1956 | Sales Tax | 388.08 | 2001-02 and 2002-03 | Maharashtra Sales Tax Tribunal, Mumbai |
| 2 | Central Sales Tax Act, 1956 | Sales Tax | 31.60 | 2005-06 | Maharashtra Sales Tax Tribunal, Mumbai |
| 3 | Maharashtra Value added Tax Act, 2002 | Value Added Tax | 1.91 | 2014-15 to 2016-17 | Joint Commissioner, of Sales tax, Kolhapur |
| 4 | Income Tax Act, 1961 | Income Tax | 112.63 | 2007-08 to 2011-12, 2016-17 to 2017-18 | CIT Appeals, Pune |
| 5 | Income Tax Act, 1961 | Income Tax | 45.71 | 2012-13 to 2014-15 | Income Tax Appellate Tribunal, Pune |
| 6 | Income Tax Act, 1961 | Income Tax | 39.84 | 1997-98 and 1998-99 | High Court at Mumbai |
| 7 | Goods and Service Tax Act, 2017 | GST | 5.95 | 2017-18 to 2018-19 | Assistant Commissioner-Audit, Satara |
| 8 | Central Excise Act, 1944 | Excise Duty | 3.19 | 1985-86 to 1991-92 | Customs, Excise and Service Tax Appellate Tribunal, Mumbai |
| | | | 12.14 | 1985-86 to 1995-96 | High Court at Mumbai |
| | | | 4.66 | 1994-95 and 1995-96 | Assistant Commissioner, Satara |
| | | | 0.28 | 1987-88 | |

Annexure B to the Independent Auditors' Report (Contd.)

- viii. In our opinion and according to the information and explanations given to us, there are no transactions which have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961. Accordingly reporting under paragraph 3(viii)(a) of the Order is not applicable to the Company.
- ix. In our opinion and according to the information and explanations given to us by the Management, Company has not raised any loans during the year, accordingly reporting under paragraph 3(ix)(a) to (f) of the Order is not applicable to the Company.
- x. (a) In our opinion and according to the information and explanations given to us, the Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly reporting under paragraph 3(ix)(a) of the Order is not applicable to the Company.
- (b) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures. Accordingly reporting under paragraph 3(x)(b) of the Order is not applicable to the Company.
- xi. (a) As per information and explanations given to us, no fraud by the Company or on the Company been noticed or reported during the year nor have we been informed of any such case by the Management. Accordingly reporting under paragraph 3(xi)(a) of the Order is not applicable to the Company.
- (b) As per information and explanations given to us, No report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) We have taken into consideration a whistle blower complaint received by the Company during the year while determining the nature, timing and extent of audit procedures.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company and hence reporting under paragraph 3(xii) of the Order is not applicable to the Company.
- xiii. In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable Accounting Standards.
- xiv. (a) In our opinion and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the Company issued till date, for the period under audit.
- xv. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi. (a) According to the information and explanations given to us, and based on our examination of the records of the Company, the Company has been classified as a Core Investment Company not requiring registration with Reserve Bank of India pursuant to the provisions of section 45-IA of RBI Act, 1934.
- (b) According to the information and explanations given to us, Company has not conducted any Non-Banking Financial or Housing Finance activities without a valid Certificate of Registration (CoR).

Annexure B to the Independent Auditors' Report (Contd.)

- (c) According to the information and explanations given to us, the Company is a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India and Company continues to fulfil the criteria of a CIC. Further the Company has been classified as a Core Investment Company not requiring registration with Reserve Bank and it continues to fulfil the criteria.
- (d) In our opinion, and according to the information and explanation given to us, in the group (in accordance with Core Investment Companies (Reserve Bank) Directions, 2016) there are 16 companies forming part of the promoter/promoter group of the Company which are CICs (These are unregistered CICs as per Para 9.1 of notification No. RBI/2020-21/24 dated 13 August 2020 of the Reserve Bank of India).
- xvii. According to the information and explanations given to us, company has not incurred cash losses in the financial year and in the immediately preceding financial year accordingly, reporting under paragraph 3(xviii) of the Order is not applicable.
- xviii. There is no resignation of the statutory auditors during the year. Accordingly, reporting under paragraph 3(xviii) of the Order is not applicable.
- xix. In our opinion and according to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, and our knowledge of the Board of Directors and management plans, no material uncertainty exists as on the date of the audit report that Company is capable of meeting its liabilities existing at the date of Balance Sheet as and when they fall due within a period of one year from the Balance Sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the Balance Sheet date, will get discharged by the Company as and when they fall due.
- xx. (a) There is no unspent amount which was required to be transferred to a Fund specified in Schedule VII Companies Act in compliance with second proviso to sub-section (5) of section 135 of the Companies Act. Accordingly reporting under paragraph 3(xx)(a) of the Order is not applicable to the Company.
- (b) There is no unspent amount under sub-section (5) of section 135 of Companies Act pursuant to any ongoing project which was required to be transferred to special account in compliance with sub-section (6) of section 135 of the Companies Act. Accordingly reporting under paragraph 3(xx)(b) of the Order is not applicable to the Company.
- xxi. Company does not have subsidiary, associate or joint venture company. Hence as on 31 March 2022 Company is not required to prepare consolidated financial statements. Accordingly reporting under paragraph 3(xxi) of the Order is not applicable to the Company.

For Kirtane & Pandit LLP
Chartered Accountants
ICAI Firm Registration Number: 105215W/W100057

Suhas Deshpande
Partner
ICAI Membership Number: 31787
UDIN: 22031787AHUNGT4402

Pune: 25 April 2022

Balance Sheet

| | | (₹ In Lakh) | |
|-------------------------------|----------|---------------------|---------------------|
| | | As at 31 March | |
| Particulars | Note No. | 2022 | 2021 |
| ASSETS | | | |
| Non-current assets | | | |
| Property, plant and equipment | 2 | 1,251.17 | 1,428.27 |
| Capital work-in-progress | 2 | - | - |
| Financial assets | | | |
| Investments | 3A | 2,454,813.92 | 1,716,112.79 |
| Other financial assets | 4 | 10.86 | 10.86 |
| Other non-current assets | 5 | 30.31 | 30.31 |
| | | 2,456,106.26 | 1,717,582.23 |
| Current assets | | | |
| Inventories | 6 | 646.23 | 360.42 |
| Financial assets | | | |
| Investments | 3B | 10,565.25 | 2,802.93 |
| Trade receivables | 7 | 1,002.38 | 683.29 |
| Cash and cash equivalents | 8 | 22.47 | 59.97 |
| Other bank balances | 9 | 428.82 | 5,564.80 |
| Other financial assets | 4 | 1,075.81 | 916.09 |
| Other current assets | 5 | 6.42 | 20.00 |
| | | 13,747.38 | 10,407.50 |
| Total | | 2,469,853.64 | 1,727,989.73 |

Balance Sheet (Contd.)

(₹ In Lakh)

As at 31 March

| Particulars | Note No. | As at 31 March | |
|--|----------|---------------------|---------------------|
| | | 2022 | 2021 |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| Equity share capital | 10 | 1,142.86 | 1,142.86 |
| Other equity | 11 | 2,284,152.20 | 1,623,213.83 |
| | | 2,285,295.06 | 1,624,356.69 |
| Liabilities | | | |
| Non-current liabilities | | | |
| Financial liabilities | | | |
| Other financial liabilities | 12 | 12.20 | 11.10 |
| Deferred tax liabilities (net) | 13 | 183,440.34 | 102,428.35 |
| Other non-current liabilities | 14 | 18.68 | 31.18 |
| Provisions | 15 | 289.54 | 44.71 |
| | | 183,760.76 | 102,515.34 |
| Current liabilities | | | |
| Financial liabilities | | | |
| Trade payables | | | |
| Total outstanding dues of micro enterprises and small enterprises | | - | 11.13 |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | 16 | 50.78 | 206.98 |
| Other financial liabilities | 12 | 519.45 | 628.44 |
| Other current liabilities | 17 | 134.74 | 189.48 |
| Provisions | 15 | 92.85 | 81.67 |
| | | 797.82 | 1,117.70 |
| Total | | 2,469,853.64 | 1,727,989.73 |

Summary of significant accounting policies followed by the Company 1

The accompanying notes are an integral part of the financial statements

In terms of our report of even date

On behalf of the Board of Directors

For Kirtane & Pandit LLP

Chartered Accountants

ICAI Firm Registration Number: 105215W/W100057

Shriniwas Pathak
Chief Executive Officer

Sanjiv Bajaj
Chairman

Suhas Deshpande

Partner

ICAI Membership Number: 31787

Anant Marathe
Chief Financial Officer

Sriram Subbramaniam
Company Secretary

V Rajagopalan
Director

Pune: 25 April 2022

Statement of Profit and Loss

| Particulars | Note No. | (₹ In Lakh) | |
|---|----------|-----------------------------|-----------------|
| | | For the year ended 31 March | |
| | | 2022 | 2021 |
| Sales | | 1,692.03 | 1,515.36 |
| Other operating revenue | | 26.93 | 12.58 |
| Revenue from operations | 18 | 1,718.96 | 1,527.94 |
| Other income | 19 | 17,726.64 | 1,543.52 |
| Total income | | 19,445.60 | 3,071.46 |
| Expenses | | | |
| Cost of raw material and components consumed | 20 | 947.65 | 839.73 |
| Changes in inventories of finished goods and work-in-progress | 21 | (195.86) | (28.23) |
| Employee benefits expenses | 22 | 840.88 | 799.51 |
| Depreciation and amortisation expense | 23 | 196.67 | 193.40 |
| Other expenses | 24 | 432.52 | 362.57 |
| Total expenses | | 2,221.86 | 2,166.98 |
| Profit before tax | | 17,223.74 | 904.48 |
| Tax expense | | | |
| Current tax | | 2,964.00 | 66.00 |
| Deferred tax | | (11.61) | (42.74) |
| Total tax expense | 25 | 2,952.39 | 23.26 |
| Profit for the year | | 14,271.35 | 881.22 |

Statement of Profit and Loss (Contd.)

(₹ In Lakh)

For the year ended 31 March

| Particulars | Note No. | For the year ended 31 March | |
|---|----------|-----------------------------|-------------------|
| | | 2022 | 2021 |
| Other comprehensive income | | | |
| Items that will not be reclassified to profit or loss | | | |
| Actuarial gains/losses of defined benefit plans | | 8.64 | 16.49 |
| Tax impacts on above | | (2.17) | (4.50) |
| Changes in fair value of equity instruments (FVTOCI) | | 733,396.26 | 908,169.63 |
| Tax impacts on above | | (81,021.43) | (105,783.60) |
| Items that will be reclassified to profit or loss | | | |
| | | - | - |
| Other comprehensive income for the year (net of tax) | | 652,381.30 | 802,398.02 |
| Total comprehensive income for the year | | 666,652.65 | 803,279.24 |

| | | | |
|---|----|--------|------|
| Basic and diluted Earnings per share (in ₹) | 26 | 124.87 | 7.71 |
|---|----|--------|------|

(Nominal value per share ₹ 10)

Summary of significant accounting policies followed by the Company

1

The accompanying notes are an integral part of the financial statements

In terms of our report of even date

On behalf of the Board of Directors

For Kirtane & Pandit LLP

Chartered Accountants

ICAI Firm Registration Number: 105215W/W100057

Shriniwas Pathak
Chief Executive OfficerSanjiv Bajaj
Chairman

Suhas Deshpande

Partner

ICAI Membership Number: 31787

Anant Marathe
Chief Financial OfficerSriram Subbramaniam
Company SecretaryV Rajagopalan
Director

Pune: 25 April 2022

Statement of Changes in Equity

A. Equity share capital

| Particulars | Note No. | (₹ In Lakh) | |
|---|----------|-----------------------------|----------|
| | | For the year ended 31 March | |
| | | 2022 | 2021 |
| At the beginning of the year | | 1,142.86 | 1,142.86 |
| Changes in equity share capital during the current year | | - | - |
| At the end of the year | 10 | 1,142.86 | 1,142.86 |

B. Other equity

| Particulars | Note No. | Reserves and surplus | | Other reserves | |
|--|----------|----------------------|-------------------|---|--------------------|
| | | General reserve | Retained earnings | Equity instruments through other comprehensive income | Total other equity |
| Balance as at 31 March 2020 | 11 | 26,556.10 | 16,005.66 | 777,372.83 | 819,934.59 |
| Profit for the year | | - | 881.22 | - | 881.22 |
| Other comprehensive income (net of tax) | | - | 11.99 | 802,386.03 | 802,398.02 |
| Total comprehensive income for the year ended 31 March 2021 | | - | 893.21 | 802,386.03 | 803,279.24 |
| Balance as at 31 March 2021 | 11 | 26,556.10 | 16,898.87 | 1,579,758.86 | 1,623,213.83 |
| Profit for the year | | - | 14,271.35 | - | 14,271.35 |
| Other comprehensive income (net of tax) | | - | 6.47 | 652,374.83 | 652,381.30 |
| Total comprehensive income for the year ended 31 March 2022 | | - | 14,277.82 | 652,374.83 | 666,652.65 |
| Final dividend, declared and paid during the year | | - | (5,714.28) | - | (5,714.28) |
| Balance as at 31 March 2022 | 11 | 26,556.10 | 25,462.41 | 2,232,133.69 | 2,284,152.20 |
| Summary of significant accounting policies followed by the Company | 1 | | | | |

The accompanying notes are an integral part of the financial statements

In terms of our report of even date

For Kirtane & Pandit LLP
Chartered Accountants
ICAI Firm Registration Number: 105215W/W100057

Suhas Deshpande
Partner
ICAI Membership Number: 31787

Pune: 25 April 2022

On behalf of the Board of Directors

Shriniwas Pathak
Chief Executive Officer

Sanjiv Bajaj
Chairman

Anant Marathe
Chief Financial Officer

Sriram Subbramianiam
Company Secretary

V Rajagopalan
Director

Statement of Cash Flows

(₹ In Lakh)

| Particulars | For the year ended 31 March | |
|--|-----------------------------|-----------------|
| | 2022 | 2021 |
| A. Operating activities: | | |
| Profit before tax | 17,223.74 | 904.48 |
| Adjustments | | |
| Add: | | |
| i) Depreciation and amortisation expense | 196.67 | 193.40 |
| ii) Loss on assets sold, demolished or discarded | - | 2.46 |
| | 196.67 | 195.86 |
| | 17,420.41 | 1,100.34 |
| Less: | | |
| i) Investment income included in above | | |
| Interest on fixed deposits | 37.88 | 236.20 |
| Interest on fixed income securities | 1,602.83 | 896.07 |
| Profit on sale of investments, net | 172.80 | 432.61 |
| Gain / loss on valuation of Mutual funds | 16.79 | (15.99) |
| Dividend on long-term investments | 15,896.09 | - |
| Add: Amortisation of premium / discount on acquisition of fixed income securities, net | (36.00) | (35.96) |
| | 17,690.39 | 1,512.93 |
| ii) Surplus on sale of assets | 1.06 | 9.93 |
| | 17,691.45 | 1,522.86 |
| | (271.04) | (422.52) |
| Change in assets and liabilities | | |
| i) Inventories | (285.81) | (24.78) |
| ii) Trade receivables | (319.09) | (213.34) |
| iii) Loans and other assets | 69.79 | 280.97 |
| iv) Liabilities and provisions | (290.30) | (89.83) |
| | (825.41) | (46.98) |
| Net cash from operating activities before income tax | (1,096.45) | (469.50) |
| Income tax paid/refund for earlier years | 306.58 | - |
| Income tax paid | (3,027.58) | (98.16) |
| Net cash from operating activities | (3,817.45) | (567.66) |

Statement of Cash Flows

(₹ In Lakh)

| Particulars | For the year ended 31 March | |
|--|-----------------------------|-------------------|
| | 2022 | 2021 |
| B. Investing activities: | | |
| i) Sale /redemption of investments | 12,531.73 | 10,500.00 |
| ii) Purchase of investments | (12,343.45) | (22,395.96) |
| iii) Purchase of equity investments | (6,334.38) | - |
| iv) (Purchase)/sale of money market mutual funds, etc, net | (1,662.49) | 4,418.85 |
| v) Purchase of fixed assets | (19.69) | (96.30) |
| vi) Sale of fixed assets | 1.18 | 15.14 |
| | (7,827.10) | (7,558.27) |
| vii) Investment income | | |
| Interest on fixed income securities | 1,602.83 | 896.07 |
| Interest on fixed deposits | 37.88 | 236.20 |
| Dividend income on investments | 15,896.09 | - |
| | 17,536.80 | 1,132.27 |
| vii) (Increase)/decrease in interest receivable | (174.49) | (346.47) |
| Net cash from investing activities | 9,535.21 | (6,772.47) |
| C. Financing activities: | | |
| Dividend paid | (5,755.26) | (115.86) |
| Net cash from financing activities | (5,755.26) | (115.86) |
| D. Net change in cash & cash equivalents (A+B+C) | (37.50) | (7,455.99) |
| E. Cash and cash equivalents at the beginning of the year | 59.97 | 7,515.96 |
| F. Cash and cash equivalents at the year end (See Note 8) | 22.47 | 59.97 |

Summary of significant accounting policies followed by the Company 1

The accompanying notes are an integral part of the financial statements

In terms of our report of even date

For Kirtane & Pandit LLP
Chartered Accountants
ICAI Firm Registration Number: 105215W/W100057

Suhas Deshpande
Partner
ICAI Membership Number: 31787

Pune: 25 April 2022

On behalf of the Board of Directors

Shriniwas Pathak Sanjiv Bajaj
Chief Executive Officer Chairman

Anant Marathe
Chief Financial Officer

Sriram Subbramian V Rajagopalan
Company Secretary Director

Notes to financial statements for the year ended 31 March 2022

Background

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

Under the Master circular – Core Investment Companies (Reserve Bank) Directions, 2016, the Company is termed as an unregistered Core Investment Company (CIC) as per Reserve Bank of India Guidelines dated 13 August 2020. As an unregistered CIC, the Company must invest at least 90% of its net assets in Group companies, of which at least 60% must be through equity investments.

1 Summary of significant accounting policies followed by the Company

Basis of preparation

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

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

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

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

Significant accounting policies

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

1) Use of estimates, judgments and assumptions

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

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

Notes to financial statements for the year ended 31 March 2022 (Contd.)

1 Summary of significant accounting policies followed by the Company (Contd.)

2) Revenue and other income

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

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

a) Sales of Goods

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

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

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

b) Interest income

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

c) Dividends

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

d) Other income

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

3) Property, plant and equipment and depreciation / amortisation

A. Property, plant and equipment

- i) Capital work in progress, property, plant and equipment except land are carried at historical cost of acquisition, construction or manufacturing cost, as the case may be, less accumulated depreciation and amortisation. Freehold land is carried at cost of acquisition.
- ii) Cost represents all expenses directly attributable to bringing the asset to its working condition capable of operating in the manner intended. Such costs incurred to manufacture property, plant and equipment and intangible are reduced from the total expense under the head 'Expenses, included in above items, capitalised' in the Statement of Profit and Loss.

Notes to financial statements for the year ended 31 March 2022 (Contd.)

1 Summary of significant accounting policies followed by the Company (Contd.)

- iii) Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.
- iv) An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit and Loss when the asset is derecognised.
- v) The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at regular intervals and adjusted prospectively, if appropriate.

B. Depreciation and amortisation

a) On Leasehold land

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

b) On other tangible assets

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

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

c) Impairment of assets

An assessment is done at each Balance Sheet date as to whether there are any indications that an asset may be impaired. If any such indication exists, an estimate of the recoverable amount of the asset / Cash Generating Unit (CGU) is made. If the carrying amount of the fixed assets exceeds the recoverable amount on the reporting date, the carrying amount is reduced to the recoverable amount. The recoverable amount is measured at the higher of the net selling price and value in use, determined by the present value of estimated future cash flows.

4) Investments and financial assets

(i) Classification

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

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

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

Notes to financial statements for the year ended 31 March 2022 (Contd.)

1 Summary of significant accounting policies followed by the Company (Contd.)

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

(ii) Measurement

Initial Measurement

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

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

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

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

Subsequent Measurement

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

Subsequent measurement at amortised cost:

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

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

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

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

Notes to financial statements for the year ended 31 March 2022 (Contd.)

1 Summary of significant accounting policies followed by the Company (Contd.)

and Loss. A gain or loss on a financial asset that is subsequently measured at amortised cost is recognised in the Statement of Profit and Loss when the asset is derecognised or impaired.

Subsequently measured at FVTOCI:

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

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

Subsequently measured at FVTPL:

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

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

(iii) Impairment of financial assets

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

(iv) Derecognition of financial assets

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

(v) Reclassification of financial assets

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal

Notes to financial statements for the year ended 31 March 2022 (Contd.)

1 Summary of significant accounting policies followed by the Company (Contd.)

changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

5) Inventories

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

- i) Finished stocks and stocks of work-in-progress are valued at cost of manufacturing or net realisable value whichever is lower. Cost is calculated on a weighted average basis.
- ii) Stores, packing material and tools are valued at cost arrived at on weighted average basis or net realisable value, whichever is lower.
- iii) Raw materials and components are valued at cost arrived at on weighted average basis or net realisable value, whichever is lower, as circumstances demand.
- iv) Inventory of machinery spares and maintenance materials not being material are expensed in the year of purchase.
- v) Goods in transit are stated at actual cost incurred up to the date of Balance Sheet.

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

6) Employee benefits

a) Privilege leave entitlements

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

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

b) Gratuity

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

Notes to financial statements for the year ended 31 March 2022 (Contd.)

1 Summary of significant accounting policies followed by the Company (Contd.)

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

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

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefits expense in the Statement of Profit and Loss.

c) Superannuation

Defined contribution to superannuation fund is being made as per the scheme of the Company.

d) Provident fund contributions

are made to Company's Provident Fund Trust. The contributions are recognised as employee benefits expense as and when they are due.

e) Defined contribution to Employees Pension Scheme 1995

is made to Government Provident Fund Authority and recognised as employee benefits expense as and when due.

7) Taxation

- a) Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, in accordance with the Income Tax Act, 1961 and the Income computation and Disclosure standards prescribed therein. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.
- b) Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.
- c) Deferred tax is provided using the asset-liability method on temporary differences arising between the tax base of assets and liabilities and their carrying amounts in the financial statements. Deferred tax is determined using tax rates that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.
- d) Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences.
- e) The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or

Notes to financial statements for the year ended 31 March 2022 (Contd.)

1 Summary of significant accounting policies followed by the Company (Contd.)

part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

- f) Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.
- g) Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

8) Provisions and contingent liabilities

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

9) Dividends

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

10) Cash and cash equivalents

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

11) Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the Company's earnings per share is the net profit for the period. The weighted average number of equity shares outstanding during the period and all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources.

For calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

12) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Management which includes the Chairman/Director. The Management examines performance of the identified two operative reportable segments from which significant risks and rewards are derived viz. Manufacturing business and Investments.

Notes to financial statements for the year ended 31 March 2022 (Contd.)

2 Property, plant and equipment**Current year**

| Particulars | Gross block (a) | | | Accumulated depreciation | | | | Net block | |
|--------------------------|--------------------------|-----------|------------|---------------------------|--------------------------|--------------------|------------|---------------------------|---------------------------|
| | As at 1 April 2021 | Additions | Deductions | As at 31 March 2022 | As at 1 April 2021 | For the year | Deductions | As at 31 March 2022 | As at 31 March 2022 |
| | (₹ In Lakh) | | | | | | | | |
| Land freehold | 0.02 | - | - | 0.02 | - | - | - | - | 0.02 |
| Land leasehold | 3.12 | - | 0.06 | 3.06 | - | - | - | - | 3.06 |
| Buildings | 570.02 | - | - | 570.02 | 533.30 | 0.59 | - | 533.89 | 36.13 |
| Plant and machinery | 2,798.18 | 17.83 | - | 2,816.01 | 1,428.08 | 192.52 | - | 1,620.60 | 1,195.41 |
| Furniture and fixtures | 29.81 | 1.86 | - | 31.67 | 23.57 | 1.94 | - | 25.51 | 6.16 |
| Office equipments | 4.47 | - | - | 4.47 | 4.23 | 0.01 | - | 4.24 | 0.23 |
| Vehicles | 16.21 | - | 2.46 | 13.75 | 4.38 | 1.55 | 2.34 | 3.59 | 10.16 |
| Total | 3,421.83 | 19.69 | 2.52 | 3,439.00 | 1,993.56 | 196.61 | 2.34 | 2,187.83 | 1,251.17 |
| Capital work in progress | - | - | - | - | - | - | - | - | - |

Previous year

| Particulars | Gross block (a) | | | Accumulated depreciation | | | | Net block | |
|--------------------------|--------------------------|-----------|------------|---------------------------|--------------------------|--------------------|------------|---------------------------|---------------------------|
| | As at 1 April 2020 | Additions | Deductions | As at 31 March 2021 | As at 1 April 2020 | For the year | Deductions | As at 31 March 2021 | As at 31 March 2021 |
| | (₹ In Lakh) | | | | | | | | |
| Land freehold | 0.02 | - | - | 0.02 | - | - | - | - | 0.02 |
| Land leasehold | 3.18 | - | 0.06 | 3.12 | - | - | - | - | 3.12 |
| Buildings | 570.02 | - | - | 570.02 | 532.71 | 0.59 | - | 533.30 | 36.72 |
| Plant and machinery | 2,745.56 | 84.20 | 31.58 | 2,798.18 | 1,268.75 | 189.79 | 30.46 | 1,428.08 | 1,370.10 |
| Furniture and fixtures | 28.76 | 1.05 | - | 29.81 | 21.82 | 1.75 | - | 23.57 | 6.24 |
| Office equipments | 4.47 | - | - | 4.47 | 4.22 | 0.01 | - | 4.23 | 0.24 |
| Vehicles | 22.39 | 11.05 | 17.23 | 16.21 | 13.86 | 1.20 | 10.68 | 4.38 | 11.83 |
| Total tangible assets | 3,374.40 | 96.30 | 48.87 | 3,421.83 | 1,841.36 | 193.34 | 41.14 | 1,993.56 | 1,428.27 |
| Capital work in progress | - | - | - | - | - | - | - | - | - |

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

(b) No borrowing costs have been capitalised during the year.

Notes to financial statements for the year ended 31 March 2022 (Contd.)

3 Investments

| Particulars | (₹ In Lakh) | |
|---|---------------------|---------------------|
| | As at 31 March | |
| | 2022 | 2021 |
| (A) Non-Current Investments : | | |
| In Fully Paid Equity Shares: | | |
| Quoted: | | |
| 6,964,277 (6,774,072) Shares of ₹ 10 each of Bajaj Auto Ltd. | 254,405.04 | 248,649.09 |
| 18,974,660 Shares of ₹ 2 each of Bajaj Finance Ltd. | 1,377,550.83 | 977,166.53 |
| 3,725,740 Shares of ₹ 5 each of Bajaj Finserv Ltd. | 635,628.01 | 360,226.90 |
| 3,387,036 Shares of ₹ 10 each of Bajaj Holdings & Investment Ltd. | 169,726.07 | 111,536.79 |
| Fair value as at 31 March | 2,437,309.95 | 1,697,579.31 |
| Other Investments: | | |
| In Fully paid Debentures: | | |
| Quoted: | | |
| - (350) 9.224% Non-Convertible Debentures of ₹ 1,000,000 each of Bajaj Finance Ltd. - 05 May 2022 | - | 3,527.04 |
| - (100) 8.5383% Non-Convertible Debentures of ₹ 1,000,000 each of Bajaj Finance Ltd. - 07 June 2022 | - | 1,010.47 |
| - (100) 8.113% Non-Convertible Debentures of ₹ 1,000,000 each of Bajaj Finance Ltd. - 08 July 2022 | - | 1,009.27 |
| - (300) 7.35 % Non-Convertible Debentures of ₹ 1,000,000 each of Bajaj Finance Ltd. - 10 Nov 2022 | - | 2,988.57 |
| 500 5.70 % Non-Convertible Debentures of ₹ 1,000,000 each of Bajaj Finance Ltd. - 11 Aug 2023 | 4,999.22 | 4,998.74 |
| 250 6 % Non-Convertible Debentures of ₹ 1,000,000 each of Bajaj Housing Finance Ltd. - 12 Mar 2024 | 2,499.91 | 2,499.70 |
| 250 5.9 % Non-Convertible Debentures of ₹ 1,000,000 each of Bajaj Finance Ltd. - 12 Mar 2024 | 2,499.96 | 2,499.69 |
| 500 (-) 5.65 % Non-Convertible Debentures of ₹ 1,000,000 each of Bajaj Finance Ltd. - 10 May 2024 | 5,013.55 | - |
| 250 (-) 5.60 % Non-Convertible Debentures of ₹ 1,000,000 each of Bajaj Housing Finance Ltd. - 21 July 2024 | 2,491.33 | - |
| Amortised cost as at 31 March | 17,503.97 | 18,533.48 |
| Total (A) | 2,454,813.92 | 1,716,112.79 |
| (B) Current Investments : | | |
| In Fully paid Debentures: | | |
| Quoted: | | |
| 350 9.224% Non-Convertible Debentures of ₹ 1,000,000 each of Bajaj Finance Ltd. - 05 May 2022 | 3,502.01 | - |

Notes to financial statements for the year ended 31 March 2022 (Contd.)

3 Investments (Contd.)

| | | (₹ In Lakh) | |
|-----------------------------------|---|----------------|--------------|
| | | As at 31 March | |
| Particulars | | 2022 | 2021 |
| 100 | 8.5383% Non-Convertible Debentures of ₹ 1,000,000 each of Bajaj Finance Ltd. - 07 June 2022 | 1,001.55 | - |
| 100 | 8.113% Non-Convertible Debentures of ₹ 1,000,000 each of Bajaj Finance Ltd. - 08 July 2022 | 1,004.36 | - |
| 300 | 7.35 % Non-Convertible Debentures of ₹ 1,000,000 each of Bajaj Finance Ltd. - 10 Nov 2022 | 2,993.90 | - |
| | Amortised cost as at 31 March | 8,501.82 | - |
| In Certificate of Deposit: | | | |
| Unquoted: | | | |
| | - (2,500) Certificate of Deposit of ₹ 100,000 each of Bank Of Baroda CD 01 Jun 21 | - | 2,483.43 |
| | Amortised cost as at 31 March | - | 2,483.43 |
| In Mutual Fund Units: | | | |
| Quoted: | | | |
| 36,609 | (11,914) Units of IDFC Cash Fund Direct Plan - (Growth) of ₹ 1,000 each | 941.20 | 296.17 |
| 48,235 | (2,125) Units of IDFC Overnight Fund Direct Plan - (Growth) of ₹ 1,000 each | 546.87 | 23.33 |
| 16,495 | (-) Units of UTI Liquid Fund Direct Plan - (Growth) of ₹ 1,000 each | 575.36 | - |
| | Fair value as at 31 March | 2,063.43 | 319.50 |
| | Total (B) | 10,565.25 | 2,802.93 |
| | Total (A+B) | 2,465,379.17 | 1,718,915.72 |

| Particulars | Book value as at 31 March | | Market value as at 31 March | |
|-------------|---------------------------|--------------|-----------------------------|--------------|
| | 2022 | 2021 | 2022 | 2021 |
| Quoted | 2,465,379.17 | 1,716,432.29 | 2,465,430.88 | 1,716,984.21 |
| Unquoted | - | 2,483.43 | NA | NA |
| Total | 2,465,379.17 | 1,718,915.72 | | |

Notes to Investments

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

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

Notes to financial statements for the year ended 31 March 2022 (Contd.)

4 Other financial assets

| Particulars | (₹ In Lakh) | | | |
|--|----------------|-------|----------|--------|
| | Non-current | | Current | |
| | As at 31 March | | | |
| | 2022 | 2021 | 2022 | 2021 |
| Prepaid gratuity (See note 33) | - | - | 26.92 | 25.14 |
| Interest accrued on investments | - | - | 1,048.43 | 889.98 |
| Interest accrued on loans, deposits etc. | - | - | 0.46 | 0.97 |
| Security deposits | 10.86 | 10.86 | - | - |
| | 10.86 | 10.86 | 1,075.81 | 916.09 |

5 Other assets

| Particulars | (₹ In Lakh) | | | |
|---|----------------|-------|---------|-------|
| | Non-current | | Current | |
| | As at 31 March | | | |
| | 2022 | 2021 | 2022 | 2021 |
| (Unsecured, good, unless stated otherwise) | | | | |
| Advances recoverable in cash or kind | | | | |
| Unsecured considered good | - | - | 6.42 | 20.00 |
| Other loans and advances | | | | |
| VAT refund receivable | 30.12 | 30.12 | - | - |
| VAT paid under protest | 0.19 | 0.19 | - | - |
| | 30.31 | 30.31 | 6.42 | 20.00 |

6 Inventories

| Particulars | (₹ In Lakh) | |
|------------------------------|----------------|--------|
| | As at 31 March | |
| | 2022 | 2021 |
| Raw materials and components | 142.94 | 52.66 |
| Work-in-progress | 498.47 | 302.61 |
| Stores | 3.22 | 3.51 |
| Loose tools | 1.60 | 1.64 |
| | 646.23 | 360.42 |

Notes to financial statements for the year ended 31 March 2022 (Contd.)

7 Trade receivables

(₹ In Lakh)

As at 31 March

| Particulars | As at 31 March | |
|---|----------------|--------|
| | 2022 | 2021 |
| (Unsecured, considered good unless stated otherwise) | | |
| Considered good | 1,002.38 | 683.29 |
| Significant increase in credit risk | - | - |
| Credit impaired | - | - |
| | 1,002.38 | 683.29 |

Trade receivables ageing schedule

Outstanding for following periods from due date of payment

| Particulars | Not due | Outstanding for following periods from due date of payment | | | | | Total |
|--|---------|--|-------------------|-----------|-----------|-------------------|----------|
| | | Less than 6 months | 6 months - 1 year | 1-2 years | 2-3 years | More than 3 years | |
| 31 March 2022 | | | | | | | |
| Undisputed Trade receivables - considered good | 119.44 | 865.10 | 13.76 | 2.09 | - | 1.99 | 1,002.38 |
| Unbilled dues | - | - | - | - | - | - | - |
| 31 March 2021 | | | | | | | |
| Undisputed Trade receivables - considered good | 155.45 | 512.99 | 10.80 | 2.06 | - | 1.99 | 683.29 |
| Unbilled dues | - | - | - | - | - | - | - |

8 Cash and cash equivalents

(₹ In Lakh)

As at 31 March

| Particulars | As at 31 March | |
|---------------------|----------------|-------|
| | 2022 | 2021 |
| Balances with banks | 22.45 | 59.88 |
| Cash on hand | 0.02 | 0.09 |
| | 22.47 | 59.97 |

Notes to financial statements for the year ended 31 March 2022 (Contd.)

9 Other bank balances

| Particulars | (₹ In Lakh) | |
|--|----------------|-----------------|
| | As at 31 March | |
| | 2022 | 2021 |
| Unclaimed dividend accounts | 423.82 | 464.80 |
| Deposits with original maturity for more than 3 months but less than 12 months | 5.00 | 5,100.00 |
| | 428.82 | 5,564.80 |

10 Equity share capital

| Particulars | (₹ In Lakh) | |
|--|-----------------|-----------------|
| | As at 31 March | |
| | 2022 | 2021 |
| 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 Reconciliation of the shares outstanding at the beginning and at the end of the year

| Particulars | As at 31 March 2022 | | As at 31 March 2021 | |
|-----------------------------------|---------------------|-----------------|---------------------|-----------------|
| | Nos. | ₹ In Lakh | Nos. | ₹ In Lakh |
| Equity shares | | | | |
| At the beginning of the year | 11,428,568 | 1,142.86 | 11,428,568 | 1,142.86 |
| Issued during the year | - | - | - | - |
| Oustanding at the end of the year | 11,428,568 | 1,142.86 | 11,428,568 | 1,142.86 |

b Terms/rights attached to equity shares

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

c Details of shareholders holding more than 5% shares in the Company

| Particulars | As at 31 March 2022 | | As at 31 March 2021 | |
|--|---------------------|-----------|---------------------|-----------|
| | Nos. | % Holding | Nos. | % Holding |
| Equity shares of ₹ 10 each fully paid | | | | |
| Bajaj Holdings & Investment Ltd. | 5,828,560 | 51.00% | 5,828,560 | 51.00% |
| CD Equifinance Pvt. Ltd. | 573,089 | 5.01% | 589,414 | 5.16% |

Notes to financial statements for the year ended 31 March 2022 (Contd.)

10 Equity share capital (Contd.)

d Details of promoters shareholding

Shares held by promoters at the end of the year

| Particulars | As at 31 March 2022 | | | As at 31 March 2021 | | |
|----------------------------------|---------------------|-----------|--------------------------|---------------------|-----------|--------------------------|
| | Nos. | % Holding | % change during the year | Nos. | % Holding | % change during the year |
| Bajaj Holdings & Investment Ltd. | 5,828,560 | 51.00% | Nil | 5,828,560 | 51.00% | Nil |

11 Other equity

(₹ In Lakh)

As at 31 March

| Particulars | 2022 | 2021 |
|---|--------------|--------------|
| Reserves and surplus | | |
| General reserve | | |
| Balance as at the beginning and end of the year | 26,556.10 | 26,556.10 |
| Retained earnings | | |
| Balance as at the beginning of the year | 16,898.87 | 16,005.66 |
| Profit for the year | 14,271.35 | 881.22 |
| Items of other comprehensive income recognised directly in retained earnings | | |
| Actuarial gains/losses of defined benefit plans | 6.47 | 11.99 |
| Less: Appropriations | | |
| Final dividend, declared and paid during the year | 5,714.28 | - |
| Balance as at the end of the year | 25,462.41 | 16,898.87 |
| Other reserves | | |
| Equity instruments through other comprehensive income | | |
| Balance as at the beginning of the year | 1,579,758.86 | 777,372.83 |
| Add: Net gain/(loss) on equity instruments designated at FVTOCI for the year (net of tax impacts) | 652,374.83 | 802,386.03 |
| Balance as at the end of the year | 2,232,133.69 | 1,579,758.86 |
| | 2,284,152.20 | 1,623,213.83 |

Nature and purpose of reserve

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

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

Notes to financial statements for the year ended 31 March 2022 (Contd.)

12 Other financial liabilities

| Particulars | (₹ In Lakh) | | | |
|----------------------------|----------------|-------|----------------|--------|
| | Non-current | | Current | |
| | As at 31 March | | As at 31 March | |
| | 2022 | 2021 | 2022 | 2021 |
| Security deposits | - | - | 0.25 | 0.25 |
| Unclaimed dividend | - | - | 423.82 | 464.80 |
| Employees benefits payable | 12.20 | 11.10 | 95.38 | 106.19 |
| Payable for capital goods | - | - | - | 57.20 |
| | 12.20 | 11.10 | 519.45 | 628.44 |

13 Deferred tax liabilities (net)

| Particulars | (₹ In Lakh) | |
|---|----------------|------------|
| | As at 31 March | |
| | 2022 | 2021 |
| Deferred tax liabilities | | |
| On account of timing difference in net block as per books & as per Income tax | 102.73 | 113.45 |
| Defined benefit plan - OCI | 4.09 | 1.92 |
| Financial instruments : | | |
| Fair valuation of Mutual Funds | 4.47 | 0.25 |
| Fair valuation of Equity Instruments | 183,376.27 | 102,354.84 |
| Gross deferred tax liabilities | 183,487.56 | 102,470.46 |
| Deferred tax assets | | |
| On account of timing difference in Retiral and other benefits : | | |
| Uncovered liability towards gratuity | - | 0.51 |
| Bonus provisions | 2.40 | 8.66 |
| Provision for privilege leave | 23.37 | 20.55 |
| Financial instruments : | | |
| Amortisation of premium / discount on acquisition of fixed income securities | 21.45 | 12.39 |
| Gross deferred tax assets | 47.22 | 42.11 |
| | 183,440.34 | 102,428.35 |

Notes to financial statements for the year ended 31 March 2022 (Contd.)

13 Deferred tax liabilities (net) (Contd.)

Movement in deferred tax liabilities :

(₹ In Lakh)

| Particulars | Property, plant and equipment | Financial instruments | Retial and other benefits | Total |
|-------------------------------|-------------------------------|-----------------------|---------------------------|------------|
| At 31 March 2020 | 151.10 | (3,427.68) | (40.43) | (3,317.01) |
| Charged/(credited) | | | | |
| to profit and loss | (37.65) | (13.22) | 8.13 | (42.74) |
| to other comprehensive income | - | 105,783.60 | 4.50 | 105,788.10 |
| At 31 March 2021 | 113.45 | 102,342.70 | (27.80) | 102,428.35 |
| Charged/(credited) | | | | |
| to profit and loss | (10.72) | (4.84) | 3.95 | (11.61) |
| to other comprehensive income | - | 81,021.43 | 2.17 | 81,023.60 |
| At 31 March 2022 | 102.73 | 183,359.29 | (21.68) | 183,440.34 |

14 Other non-current liabilities

(₹ In Lakh)

| Particulars | As at 31 March | |
|---------------------------------|----------------|-------|
| | 2022 | 2021 |
| Annuity payable to Ex-employees | 18.68 | 31.18 |
| | 18.68 | 31.18 |

15 Provisions

(₹ In Lakh)

| Particulars | Non-current | | Current | |
|--|----------------|-------|----------------|-------|
| | As at 31 March | | As at 31 March | |
| | 2022 | 2021 | 2022 | 2021 |
| Provision for employee benefits | | | | |
| Provision for compensated absences (see note 33) | - | - | 92.85 | 81.67 |
| Other provisions | | | | |
| Provision for tax (net of tax paid in advance) | 289.54 | 44.71 | - | - |
| | 289.54 | 44.71 | 92.85 | 81.67 |

Notes to financial statements for the year ended 31 March 2022 (Contd.)

16 Trade payables

| Particulars | (₹ In Lakh) | |
|--|----------------|---------------|
| | As at 31 March | |
| | 2022 | 2021 |
| Total outstanding dues of micro enterprises and small enterprises | - | 11.13 |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | 50.78 | 206.98 |
| | 50.78 | 218.11 |

On the basis of information requested from vendors with regards to their registration (filing of Memorandum) under 'The Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006)' and in view of the terms of payments not exceeding 45 days, which has been promptly paid, no liability exists as at 31 March 2022 and 31 March 2021 and hence no disclosures have been made in this regard.

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: ₹ 11.13 lakh). 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.

Trade payables ageing schedule

| Particulars | Outstanding for following periods from due date of payment | | | | | Total |
|----------------------|--|---------------------|-----------|-----------|----------------------|--------|
| | Not due | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| 31 March 2022 | | | | | | |
| MSME | - | - | - | - | - | - |
| Others | 43.92 | 6.86 | - | - | - | 50.78 |
| 31 March 2021 | | | | | | |
| MSME | 10.93 | 0.20 | - | - | - | 11.13 |
| Others | 164.95 | 42.03 | - | - | - | 206.98 |

17 Other current liabilities

| Particulars | (₹ In Lakh) | |
|---------------------------------|----------------|---------------|
| | As at 31 March | |
| | 2022 | 2021 |
| Annuity payable to Ex-employees | 12.36 | 132.16 |
| Advance received from customers | 96.91 | 26.67 |
| Taxes and duties payable | 8.08 | 5.45 |
| GST payable | 1.91 | 2.64 |
| Other payables | 15.48 | 22.56 |
| | 134.74 | 189.48 |

Notes to financial statements for the year ended 31 March 2022 (Contd.)

18 Revenue from operations

| Particulars | (₹ In Lakh) | |
|--|-----------------------------|----------|
| | For the year ended 31 March | |
| | 2022 | 2021 |
| Revenue from operations | | |
| Sale of product | 1,692.03 | 1,515.36 |
| Other operating revenue | | |
| Scrap sale | 26.93 | 12.58 |
| Revenue from operations (gross) | 1,718.96 | 1,527.94 |

19 Other income

| Particulars | (₹ In Lakh) | |
|---|-----------------------------|----------|
| | For the year ended 31 March | |
| | 2022 | 2021 |
| Investment income: | | |
| Interest income from bank fixed deposits | 37.88 | 236.20 |
| Interest income from fixed income securities | 1,710.98 | 1,185.07 |
| Amortisation of (premium)/discount on acquisition of fixed income securities, net | (36.00) | (35.96) |
| | 1,712.86 | 1,385.31 |
| Dividend income on investments | 15,896.09 | - |
| Profit / (loss) on sale of investments, net | - | 8.31 |
| Gain on valuation / Surplus on redemption of mutual fund, net | 81.44 | 119.31 |
| | 17,690.39 | 1,512.93 |
| Others: | | |
| Interest - others | 24.52 | 1.12 |
| Surplus on sale of assets | 1.06 | 9.93 |
| Provision no longer required | 4.22 | 5.38 |
| Miscellaneous receipts | 6.45 | 14.16 |
| | 36.25 | 30.59 |
| | 17,726.64 | 1,543.52 |

Notes to financial statements for the year ended 31 March 2022 (Contd.)

20 Cost of raw material and components consumed

| Particulars | (₹ In Lakh) | |
|-----------------------------------|-----------------------------|-------------|
| | For the year ended 31 March | |
| | 2022 | 2021 |
| Raw materials and boughtout items | 947.65 | 839.73 |
| | 947.65 | 839.73 |

21 (Increase)/decrease in inventories

| Particulars | (₹ In Lakh) | | (Increase)/ decrease |
|---|-----------------------------|-------------|-------------------------|
| | For the year ended 31 March | | |
| | 2022 | 2021 | |
| Inventories at the end of the year | | | |
| Work-in-progress | 498.47 | 302.61 | (195.86) |
| Inventories at the beginning of the year | | | |
| Work-in-progress | 302.61 | 274.38 | (28.23) |
| | (195.86) | (28.23) | |

22 Employee benefits expenses

| Particulars | (₹ In Lakh) | |
|---|-----------------------------|-------------|
| | For the year ended 31 March | |
| | 2022 | 2021 |
| Salaries, wages and bonus to employees | 751.10 | 710.49 |
| Contribution to provident and other funds | 78.68 | 77.12 |
| Staff welfare expenses | 11.10 | 11.90 |
| | 840.88 | 799.51 |

23 Depreciation and amortisation expense

| Particulars | (₹ In Lakh) | |
|---|-----------------------------|-------------|
| | For the year ended 31 March | |
| | 2022 | 2021 |
| Depreciation on property, plant and equipment | 196.61 | 193.34 |
| Amount written off against leasehold land | 0.06 | 0.06 |
| | 196.67 | 193.40 |

Notes to financial statements for the year ended 31 March 2022 (Contd.)

24 Other expenses

| Particulars | (₹ In Lakh) | |
|---|-----------------------------|--------|
| | For the year ended 31 March | |
| | 2022 | 2021 |
| Stores and tools consumed | 78.76 | 65.45 |
| Power, fuel and water | 118.50 | 108.57 |
| Repairs to buildings | 1.92 | 1.08 |
| Repairs to machinery | 33.70 | 21.48 |
| Others repairs | 14.59 | 15.94 |
| Insurance | 7.63 | 6.24 |
| Rates and taxes | 6.01 | 4.33 |
| Payment to auditor | 9.56 | 9.49 |
| Directors' fees and travelling expenses | 32.60 | 25.00 |
| Legal and professional charges | 32.81 | 27.59 |
| Expenditure towards Corporate Social Responsibility (CSR) activities | 22.50 | 20.00 |
| Miscellaneous expenses | 73.94 | 54.94 |
| Loss on assets sold, demolished, discarded and scrapped | - | 2.46 |
| | 432.52 | 362.57 |
| Payment to auditor | | |
| As auditor: | | |
| Audit fee | 7.50 | 7.50 |
| Limited review | 1.25 | 1.25 |
| In other capacity: | | |
| GST Audit | 0.50 | 0.50 |
| Other services - certification fees | 0.20 | 0.20 |
| Reimbursement of expenses | 0.11 | 0.04 |
| | 9.56 | 9.49 |
| Expenditure towards Corporate Social Responsibility (CSR) activities | | |
| Gross amount required to be spent by the Company during the year | 22.11 | 19.81 |
| a) Amount spent is cash during the year : | | |
| i) On construction/acquisition of any asset | - | - |
| ii) On purposes other than (i) above | 22.50 | 20.00 |
| | 22.50 | 20.00 |

There is no shortfall at the end of the year out of the amount required to be spent by the Company.

The Company has incurred expenditure under its CSR activities towards Covid-19 vaccination project (previous year - transport facility to rural children for promoting education).

Notes to financial statements for the year ended 31 March 2022 (Contd.)

25 Tax expense

| Particulars | (₹ In Lakh) | |
|---|-----------------------------|----------|
| | For the year ended 31 March | |
| | 2022 | 2021 |
| (a) Tax expense | | |
| Current tax | | |
| Current tax on profits for the year | 2,964.00 | 66.00 |
| Deferred tax | | |
| Decrease/(increase) in deferred tax assets | 3.95 | 8.13 |
| (Decrease)/increase in deferred tax liabilities | (15.56) | (50.87) |
| Total deferred tax expenses/(benefit) | (11.61) | (42.74) |
| Tax expense | 2,952.39 | 23.26 |
| (b) Reconciliation of tax expense and the accounting profit multiplied by statutory tax rate | | |
| Profit before tax | 17,223.74 | 904.48 |
| Tax at the Indian tax rate of 25.17% | 4,334.87 | 228.00 |
| Tax effect of amounts which are not deductible (taxable) in calculating taxable income: | | |
| - Adjustments for current tax and deferred tax of prior periods | 6.90 | (21.26) |
| - Carry forward losses | - | (189.00) |
| - Deduction under Section 80M | (1,438.17) | - |
| - On account of timing difference and others | 48.79 | 5.52 |
| Tax expense | 2,952.39 | 23.26 |

26 Earnings per share (EPS)

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

| Particulars | (₹ In Lakh) | |
|---|-----------------------------|------------|
| | For the year ended 31 March | |
| | 2022 | 2021 |
| a Profit for the year (₹ In lakh) | 14,271.35 | 881.22 |
| Weighted average number of shares outstanding during the year (nos) | 11,428,568 | 11,428,568 |
| b Earnings per share (Basic and Diluted) in ₹ | 124.87 | 7.71 |
| Face value per share in ₹ | 10.00 | 10.00 |

Notes to financial statements for the year ended 31 March 2022 (Contd.)

27 Fair value measurement

i) Financial instruments by category

(₹ In Lakh)

| Particulars | As at 31 March 2022 | | | As at 31 March 2021 | | |
|------------------------------------|---------------------|---------------------|------------------|---------------------|---------------------|------------------|
| | FVTPL | FVTOCI | Amortised cost | FVTPL | FVTOCI | Amortised cost |
| Financial assets | | | | | | |
| Investments | | | | | | |
| - Equity Shares | - | 2,437,309.95 | - | - | 1,697,579.31 | - |
| - Bonds and debentures | - | - | 26,005.79 | - | - | 18,533.48 |
| - Liquid mutual funds | 2,063.43 | - | - | 319.50 | - | - |
| - Certificate of Deposit | - | - | - | - | - | 2,483.43 |
| Trade receivables | - | - | 1,002.38 | - | - | 683.29 |
| Other financial assets | - | - | 1,086.67 | - | - | 926.95 |
| Cash and cash equivalents | - | - | 22.47 | - | - | 59.97 |
| Other bank balances | - | - | 428.82 | - | - | 5,564.80 |
| Total financial assets | 2,063.43 | 2,437,309.95 | 28,546.13 | 319.50 | 1,697,579.31 | 28,251.92 |
| Financial liabilities | | | | | | |
| Trade payables | - | - | 50.78 | - | - | 218.11 |
| Other financial liabilities | - | - | 531.65 | - | - | 639.54 |
| Total financial liabilities | - | - | 582.43 | - | - | 857.65 |

ii) Fair value hierarchy

This section explains the judgments and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the Accounting Standard. An explanation of each level follows underneath the table.

Financial assets measured at fair value - recurring fair value measurements as at 31 March 2022

(₹ In Lakh)

| Financial assets | Notes | Level 1 | Level 2 | Level 3 | Total |
|--|-------|---------------------|----------|----------|---------------------|
| Financial Investments at FVTOCI | | | | | |
| Equity Shares | 3 | 2,437,309.95 | - | - | 2,437,309.95 |
| Financial Investments at FVTPL | | | | | |
| Liquid mutual funds | 3 | 2,063.43 | - | - | 2,063.43 |
| Financial Investments at FVTOCI | | - | | | - |
| Total financial assets | | 2,439,373.38 | - | - | 2,439,373.38 |

Notes to financial statements for the year ended 31 March 2022 (Contd.)

27 Fair value measurement (Contd.)

Financial assets which are measured at amortised cost for which fair values are disclosed as at 31 March 2022

| (₹ In Lakh) | | | | | |
|-------------------------------|-------|------------------|----------|----------|------------------|
| Financial assets | Notes | Level 1 | Level 2 | Level 3 | Total |
| Bonds and debentures | 3 | 26,057.50 | - | - | 26,057.50 |
| Certificate of deposit | 3 | - | - | - | - |
| Commercial Papers | 3 | - | - | - | - |
| Total financial assets | | 26,057.50 | - | - | 26,057.50 |

Financial assets measured at fair value - recurring fair value measurements as at 31 March 2021

| (₹ In Lakh) | | | | | |
|--|-------|---------------------|----------|----------|---------------------|
| Financial assets | Notes | Level 1 | Level 2 | Level 3 | Total |
| Financial Investments at FVTOCI | | | | | |
| Equity Shares | 3 | 1,697,579.31 | - | - | 1,697,579.31 |
| Financial Investments at FVTPL | | | | | |
| Liquid mutual funds | 3 | 319.50 | - | - | 319.50 |
| Financial Investments at FVTOCI | | | | | |
| Total financial assets | | 1,697,898.81 | - | - | 1,697,898.81 |

Financial assets which are measured at amortised cost for which fair values are disclosed as at 31 March 2021

| (₹ In Lakh) | | | | | |
|-------------------------------|-------|------------------|----------|----------|------------------|
| Financial assets | Notes | Level 1 | Level 2 | Level 3 | Total |
| Bonds and debentures | 3 | 19,085.41 | - | - | 19,085.41 |
| Certificate of Deposit | 3 | 2,483.43 | - | - | 2,483.43 |
| Commercial Papers | 3 | - | - | - | - |
| Total financial assets | | 21,568.84 | - | - | 21,568.84 |

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices in active markets. Quotes would include rates/values/valuation references published periodically by BSE, NSE etc. basis which trades take place in a linked or unlinked active market. This includes traded bonds and mutual funds, as the case may be, that have quoted price/rate/value.

Level 2: The fair value of financial instruments that are not traded in an active market are determined using valuation techniques which maximise the use of observable market data (either directly as prices or indirectly derived from prices) and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

Notes to financial statements for the year ended 31 March 2022 (Contd.)

27 Fair value measurement (Contd.)

Valuation techniques used to determine fair value

Valuation techniques used to determine fair value include

- Liquid mutual funds and certain bonds and debentures at NAV's/rates declared and/or quoted.
- For other bonds and debentures values with references to prevailing yields to maturity matching tenures, quoted on sites of credible organisation such as ICRA (Investment Information and Credit Rating Agency).
- Commercial papers and certificate of deposits, being short term maturity papers, amortised cost is assumed to be the fair value

iii) Fair value of financial assets and liabilities measured at amortised cost

| Particulars | (₹ In Lakh) | | | |
|-------------------------------|---------------------|------------------|---------------------|------------------|
| | As at 31 March 2022 | | As at 31 March 2021 | |
| | Carrying amount | Fair value | Carrying amount | Fair value |
| Financial assets | | | | |
| Investments | | | | |
| Bonds and debentures | 26,005.79 | 26,057.50 | 18,533.48 | 19,085.41 |
| Certificate of Deposit | - | - | 2,483.43 | 2,483.43 |
| Total financial assets | 26,005.79 | 26,057.50 | 21,016.91 | 21,568.84 |

The carrying amounts of commercial papers, certificate of deposits, trade receivables, trade payables, other financial assets/liabilities, loans and cash and cash equivalents are considered to be the same as their fair values, due to their short-term nature.

28 Financial risk management

The Company's activities expose it to liquidity risk and credit risk.

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk in the financial statements.

The Board provides guiding principles for overall risk management, as well as policies covering specific areas, such as credit risk and investment of surplus liquidity. The Company's risk management is carried out by finance department as per the policies approved by the Board of Directors.

Credit risk

Credit risk arises from cash and cash equivalents, financial assets measured at amortised cost and fair value through profit or loss and trade receivables.

Credit risk management

For financial assets the Company has an investment policy which allows the Company to invest only with counterparties having credit rating equal to or above AA+ and P1+. The Company reviews the creditworthiness of these counterparties on an on-going basis. Another source of credit risk at the reporting date is from trade receivables as these are typically unsecured. This credit risk has always been managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to whom credit is extended in the normal course of business. The Company estimates the expected credit loss on the basis of past data and experience. Expected credit losses of financial assets

Notes to financial statements for the year ended 31 March 2022 (Contd.)

28 Financial risk management (Contd.)

receivable in the next 12 months are estimated on the basis of historical data provided the Company has reasonable and supportable data. On such an assessment the expected losses are nil or negligible, as evidenced in the table below, and hence no further provision than that already made is considered necessary.

Review of outstanding trade receivables and financial assets are carried out by Management at every month end. The Company has a practice to provide for doubtful debts on a case to case basis after considering inter-alia customer's credibility etc. Provision is made in the books generally, for all outstanding trade receivables which are outstanding for more than 180 days from their due date, if they are considered to be doubtful.

Liquidity risk

The Company's principal source of liquidity are 'cash and cash equivalents, investments in money market instruments and cash flows that are generated from operations. The Company has no outstanding term borrowings. The Company believes that its working capital is sufficient to meet its current requirements. Additionally, the Company has sizeable surplus funds invested in fixed income securities or instruments of similar profile ensuring safety of capital and availability of liquidity if and when required. Hence the Company does not perceive any liquidity risk.

| Particulars | (₹ In Lakh) | |
|---|----------------|----------|
| | As at 31 March | |
| | 2022 | 2021 |
| The Company had net working capital funds | 12,949.56 | 9,289.80 |
| Which includes; | | |
| i) Cash and cash equivalents | 22.47 | 59.97 |
| ii) Current investments | 10,565.25 | 2,802.93 |

Contractual maturities of significant financial liabilities as on 31 March 2022 and 31 March 2021 are as follows:

| Particulars | (₹ In Lakh) | | |
|------------------------------------|---------------------------------|---------------------|---------------|
| | Less than or equal to 1 year | More than 1 year | Total |
| As on 31 March 2022 | | | |
| Trade payables | 50.78 | - | 50.78 |
| Other financial liabilities | 519.45 | 12.20 | 531.65 |
| Total financial liabilities | 570.23 | 12.20 | 582.43 |
| As on 31 March 2021 | | | |
| Trade payables | 218.11 | - | 218.11 |
| Other financial liabilities | 628.44 | 11.10 | 639.54 |
| Total financial liabilities | 846.55 | 11.10 | 857.65 |

Notes to financial statements for the year ended 31 March 2022 (Contd.)

29 Capital Management

a) Risk management

The Company is cash surplus and has no capital other than Equity. The Company is not exposed to any regulatory imposed capital requirements.

The cash surpluses are currently invested in income generating debt instruments (including through mutual funds) and money market instruments depending on economic conditions in line with the guidelines set out by the Management. Safety of capital is of prime importance to ensure availability of capital for operations. Investment objective is to provide safety and adequate return on the surplus funds.

The Company does not have any borrowings and does not borrow funds unless circumstances require.

| Particulars | (₹ In Lakh) | |
|--|---------------------|---------------------|
| | As at 31 March | |
| | 2022 | 2021 |
| Equity | 2,285,295.06 | 1,624,356.69 |
| Deferred tax liabilities/(assets) | 183,440.34 | 102,428.35 |
| Less: Tangible and other assets | 971.92 | 1,382.45 |
| Net current assets excluding investments | 2,384.31 | 6,486.87 |
| Investments in debt and similar investments | 2,465,379.17 | 1,718,915.72 |

b) Dividends

| Particulars | (₹ In Lakh) | |
|--|----------------|----------|
| | As at 31 March | |
| | 2022 | 2021 |
| Dividends recognised in the financial statements | | |
| Final dividend for the year ended 31 March 2021 of ₹ 50 (31 March 2020 - ₹ Nil) per equity share, declared and paid | 5,714.28 | - |
| Dividends not recognised at the end of the reporting period | | |
| In addition to the above dividends, since year end the directors have recommended the payment of a final dividend of ₹ 80 per equity share for the year ended 31 March 2022 (31 March 2021 - ₹ 50). This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting. | 9,142.85 | 5,714.28 |

Notes to financial statements for the year ended 31 March 2022 (Contd.)

30 Contingent liabilities

| Particulars | (₹ In Lakh) | |
|---|----------------|--------|
| | As at 31 March | |
| | 2022 | 2021 |
| a Claims against the Company not acknowledged as debts | 4.55 | 4.55 |
| 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 & VAT matters under dispute * | 421.41 | 421.41 |
| d Goods and Service Tax Act, 2017 matters under dispute * | 5.95 | - |
| e Income-Tax matters under dispute * | | |
| i) Appeal by Company | - | - |
| ii) Appeal by Department | 39.84 | 39.84 |

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

It is not practicable for the Company to estimate the timings of the cash flows, if any, in respect of the above pending resolution of the respective proceedings.

31 Capital and other commitments

| Particulars | (₹ In Lakh) | |
|--|----------------|-------------|
| | As at 31 March | |
| | 2022 | 2021 |
| Capital commitments, net of capital advances | - | - |

Notes to financial statements for the year ended 31 March 2022 (Contd.)

32 Segment information

Segment wise revenue, results and capital employed for the year ended 31 March 2022

The Company's Management has identified two reportable operative business segments. The performance of which is reviewed by the Management on periodic basis and hence considered as individual operative segments as under;

- i. Manufacturing
- ii. Investments

| Particulars | (₹ In Lakh) | | |
|--|---------------|--------------|--------------|
| | Manufacturing | Investments | Total |
| Revenue | | | |
| Sales and other income | 1,731.15 | 17,690.39 | 19,421.54 |
| Unallocable | - | - | 24.06 |
| Total revenue | 1,731.15 | 17,690.39 | 19,445.60 |
| Segment result | (489.28) | 17,688.96 | 17,199.68 |
| Unallocable | - | - | 24.06 |
| Finance costs | - | - | - |
| Tax expense | - | - | 2,952.39 |
| Profit for the year | (489.28) | 17,688.96 | 14,271.35 |
| Segment assets | 3,421.04 | 2,466,432.60 | 2,469,853.64 |
| Unallocated corporate assets | - | - | - |
| Total assets | 3,421.04 | 2,466,432.60 | 2,469,853.64 |
| Segment liabilities | 828.70 | - | 828.70 |
| Unallocated corporate liabilities | - | - | 183,729.88 |
| Total liabilities | 828.70 | - | 184,558.58 |
| Segment capital employed | 2,592.34 | 2,466,432.60 | 2,469,024.94 |
| Unallocated corporate assets /(liabilities) | - | - | (183,729.88) |
| Capital employed | 2,592.34 | 2,466,432.60 | 2,285,295.06 |
| Capital expenditure | 19.69 | - | 19.69 |
| Depreciation and write downs | 196.67 | - | 196.67 |
| Non cash expenses other than depreciation | - | - | - |

Notes to financial statements for the year ended 31 March 2022 (Contd.)

32 Segment information (Contd.)

Segment wise revenue, results and capital employed for the year ended 31 March 2021

The Company's Management has identified two reportable operative business segments. The performance of which is reviewed by the Management on periodic basis and hence considered as individual operative segments as under;

- i. Manufacturing
- ii. Investments

| Particulars | (₹ In Lakh) | | |
|--|---------------|--------------|--------------|
| | Manufacturing | Investments | Total |
| Revenue | | | |
| Sales and other income | 1,558.53 | 1,512.93 | 3,071.46 |
| Unallocable | - | - | - |
| Total revenue | 1,558.53 | 1,512.93 | 3,071.46 |
| Segment result | (608.45) | 1,512.93 | 904.48 |
| Unallocable | - | - | - |
| Tax expense | - | - | 23.26 |
| Profit for the year | (608.45) | 1,512.93 | 881.22 |
| Segment assets | 3,084.03 | 1,724,905.70 | 1,727,989.73 |
| Unallocated corporate assets | - | - | - |
| Total assets | 3,084.03 | 1,724,905.70 | 1,727,989.73 |
| Segment liabilities | 1,159.98 | - | 1,159.98 |
| Unallocated corporate liabilities | - | - | 102,473.06 |
| Total liabilities | 1,159.98 | - | 103,633.04 |
| Segment capital employed | 1,924.05 | 1,724,905.70 | 1,726,829.75 |
| Unallocated corporate assets /(liabilities) | - | - | (102,473.06) |
| Capital employed | 1,924.05 | 1,724,905.70 | 1,624,356.69 |
| Capital expenditure | 96.30 | - | 96.30 |
| Depreciation and write downs | 193.40 | - | 193.40 |
| Non cash expenses other than depreciation | - | - | - |

Notes to financial statements for the year ended 31 March 2022 (Contd.)

33 Employee benefits

Liability for employee benefits has been determined by an actuary, appointed for the purpose, in conformity with the principles set out in the Ind AS 19 the details of which are as hereunder.

Funded schemes

Gratuity :

The Company provides for gratuity payments to employees. The gratuity benefit payable to the employees of the Company is greater of the provisions of the Payment of Gratuity Act, 1972 and the Company's gratuity scheme. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The gratuity plan is a funded plan and the Company makes contributions to approved gratuity fund.

(₹ In Lakh)

As at 31 March

| Particulars | 2022 | 2021 |
|--|----------------|----------------|
| Amount recognised in Balance Sheet | | |
| Present value of funded defined benefit obligation | 371.21 | 368.39 |
| Fair value of plan assets | (398.13) | (393.53) |
| Net funded obligation | (26.92) | (25.14) |
| Expense recognised in the Statement of Profit and Loss | | |
| Current service cost | 15.47 | 15.80 |
| Interest on net defined benefit liability / (asset) | (1.88) | (1.31) |
| Total expense charged to Statement of Profit and Loss | 13.59 | 14.49 |
| Amount recorded as Other Comprehensive Income | | |
| Opening amount recognised in OCI outside Statement of Profit and Loss | 55.55 | 72.04 |
| Remeasurements during the period due to | | |
| Changes in financial assumptions | (3.90) | (2.94) |
| Experience adjustments | (4.37) | (15.63) |
| Actual return on plan assets less interest on plan assets | (0.37) | 2.08 |
| Closing amount recognised in OCI outside Statement of Profit and Loss | 46.91 | 55.55 |
| Reconciliation of net liability / (asset) | | |
| Opening net defined benefit liability / (asset) | (25.14) | (17.82) |
| Expense charged to Statement of Profit and Loss | 13.59 | 14.49 |
| Mortality Charges and Taxes | 0.05 | - |
| Amount recognised outside Statement of Profit and Loss | (8.64) | (16.49) |
| Employer contributions | (6.78) | (5.32) |
| Closing net defined benefit liability / (asset) | (26.92) | (25.14) |

Notes to financial statements for the year ended 31 March 2022 (Contd.)

33 Employee benefits (Contd.)

| Particulars | (₹ In Lakh) | |
|--|----------------|---------------|
| | As at 31 March | |
| | 2022 | 2021 |
| Movement in benefit obligation | | |
| Opening of defined benefit obligation | 368.39 | 411.68 |
| Current service cost | 15.47 | 15.80 |
| Interest on defined benefit obligation | 23.40 | 24.28 |
| Remeasurements due to: | - | - |
| Actuarial loss / (gain) arising from change in financial assumptions | (3.90) | (2.94) |
| Actuarial loss / (gain) arising on account of experience changes | (4.37) | (15.63) |
| Benefits paid | (27.78) | (64.80) |
| Closing of defined benefit obligation | 371.21 | 368.39 |

| Particulars | (₹ In Lakh) | |
|---|----------------|---------------|
| | As at 31 March | |
| | 2022 | 2021 |
| Movement in plan assets | | |
| Opening fair value of plan assets | 393.53 | 429.50 |
| Employer contributions | 6.78 | 5.32 |
| Interest on plan assets | 25.28 | 25.58 |
| Remeasurements due to: | | |
| Actual return on plan assets less interest on plan assets | 0.32 | (2.08) |
| Benefits paid | (27.78) | (64.80) |
| Closing fair value of plan assets | 398.13 | 393.53 |

| Particulars | As at 31 March | |
|------------------------|---------------------------------|-------------|
| | 2022 | 2021 |
| | Disaggregation of assets | |
| Insurer managed funds. | 100% | 100% |
| Others | - | - |
| Grand Total | 100% | 100% |

Notes to financial statements for the year ended 31 March 2022 (Contd.)

33 Employee benefits (Contd.)

Sensitivity Analysis

Gratuity is a lump sum plan and the cost of providing these benefits is typically less sensitive to small changes in demographic assumptions. The key actuarial assumptions to which the benefit obligation results are particularly sensitive to are discount rate and future salary escalation rate. The following table summarises defined benefit obligation at the end of the reporting period arising on account of an increase or decrease in the reported assumption by 100 basis points.

| Particulars | 31 March 2022 | | 31 March 2021 | |
|--------------------------------------|---------------|------------------------|---------------|------------------------|
| | Discount rate | Salary escalation rate | Discount rate | Salary escalation rate |
| Impact of increase in 100 bps on DBO | 359 | 382 | 354 | 380 |
| Impact of decrease in 100 bps on DBO | 385 | 362 | 384 | 357 |

These sensitivities have been calculated to show the movement in defined benefit obligation in isolation and assuming there are no other changes in market conditions at the accounting date. There have been no changes from the previous periods in the methods and assumptions used in preparing the sensitivity analysis.

Funding arrangement and policy

The money contributed by the Company to the fund to finance the liabilities of the plan has to be invested. The trustees of the plan have outsourced the investment management of the fund to insurance companies. The insurance companies in turn manage these funds as per the mandate provided to them by the trustees and the asset allocation which is within the permissible limits prescribed in the insurance regulations. There is no compulsion on the part of the Company to fully pre fund the liability of the Plan. The Company's philosophy is to fund the benefits based on its own liquidity and tax position as well as level of under funding of the plan.

The expected contribution payable to the fund under the plan next year is ₹ 13.00 lakh

Projected plan cash flow

The table below shows the expected cash flow profile of the benefits to be paid to the current membership of the plan:

| Particulars | Less than a year | Between 1 - 2 years | Between 2 -5 years | Over 5 years | Total |
|---------------------|------------------|---------------------|--------------------|--------------|--------|
| As at 31 March 2022 | 161.13 | 57.47 | 135.74 | 65.81 | 420.15 |
| As at 31 March 2021 | 98.90 | 94.46 | 151.09 | 96.76 | 441.21 |

(₹ In Lakh)

| Particulars | As at 31 March | |
|--|----------------|------|
| | 2022 | 2021 |
| Weighted average duration of defined benefit obligation (in years) | 5.84 | 6.06 |

Notes to financial statements for the year ended 31 March 2022 (Contd.)

33 Employee benefits (Contd.)

| Particulars | (₹ In Lakh) | |
|---|----------------|-------------|
| | As at 31 March | |
| | 2022 | 2021 |
| Principal actuarial assumptions (expressed as weighted averages) | | |
| Discount rate (p.a.) | 6.90% | 6.60% |
| Salary escalation rate (p.a.) | 6.00% | 6.00% |

The estimates of future salary increases, considered in actuarial valuation, takes into account, inflation, seniority, promotions and other relevant factors, such as demand and supply in the employment market.

Compensated absences :

| Particulars | (₹ In Lakh) | |
|--|----------------|-------------|
| | As at 31 March | |
| | 2022 | 2021 |
| Present value of unfunded obligations | 92.85 | 81.67 |
| Expense recognised in the Statement of Profit and Loss | 25.14 | 15.52 |
| Amount recorded as Other Comprehensive Income | - | - |
| Discount rate (p.a.) | 6.90% | 6.60% |
| Salary escalation rate (p.a.) | 6.00% | 6.00% |

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

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

| Particulars | (₹ In Lakh) | |
|---|----------------|-------------|
| | As at 31 March | |
| | 2022 | 2021 |
| Compensated absences expected to be settled after 12 months | 67.71 | 66.15 |

Notes to financial statements for the year ended 31 March 2022 (Contd.)

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

(₹ In Lakh)

| Name of related party and Nature of relationship | Nature of transaction | 2021-22 | | 2020-21 | |
|--|---|-------------------|--|-------------------|--|
| | | Transaction value | Outstanding amounts carried in the Balance Sheet | Transaction value | Outstanding amounts carried in the Balance Sheet |
| A Holding company, subsidiaries and fellow subsidiary: | | | | | |
| Bajaj Holdings & Investment Ltd. (Holds 51% shares of Maharashtra Scooters Ltd.) | Investment in equity (3,387,036 shares of ₹ 10 each) | - | 4,665.36 | - | 4,665.36 |
| | Contribution to equity (5,828,560 shares of ₹ 10 each) | - | (582.86) | - | (582.86) |
| | Dividend received | 4,403.14 | - | - | - |
| | Dividend paid | 2,914.28 | - | - | - |
| B Associates, joint ventures and investing parties: | | | | | |
| Bajaj Auto Ltd. | Investment in equity [6,964,277 shares (Previous year 6,774,072 shares) of ₹ 10 each] | - | 8,159.23 | - | 1,824.86 |
| | Dividend received | 9,483.70 | - | - | - |
| | Purchases | 0.78 | 0.95 | 4.68 | - |
| | Sales | 591.67 | 570.64 | 305.54 | 142.26 |
| | Services received | 10.26 | (5.96) | 9.48 | (3.69) |
| | Revenue expenses reimbursed | - | - | 14.00 | - |
| Bajaj Finserv Ltd. | Investment in equity (3,725,740 shares of ₹ 5 each) | - | 3,968.63 | - | 3,968.63 |
| | Dividend received | 111.77 | - | - | - |
| Bajaj Finance Ltd. | Investment in equity (18,974,660 shares of ₹ 2 each) | - | 5,006.76 | - | 5,006.76 |
| | Investment in non-convertible debentures | - | 21,000.00 | - | 16,000.00 |
| | Redemption received | - | - | 500.00 | - |
| | Dividend received | 1,897.47 | - | - | - |
| | Interest received | 1,142.35 | 933.54 | 751.26 | 684.35 |
| | Services received | 13.98 | - | 16.39 | - |
| Bajaj Housing Finance Ltd. | Investment in non-convertible debentures | - | 5,000.00 | - | 2,500.00 |
| | Interest received | 150.00 | 114.30 | - | 6.16 |
| C Key management personnel and their relatives: | | | | | |
| Sanjiv Bajaj | Sitting fee | 3.00 | - | 2.50 | - |
| Shrinivas Pathak - CEO | Remuneration | 43.44 | - | 35.96 | - |
| D Other entities/persons: | | | | | |
| Bajaj Allianz General Insurance Co. Ltd. | Insurance premiums paid | 7.56 | 9.19 | 6.40 | 8.97 |
| Yogesh J Shah | Sitting fee | 7.50 | - | 6.00 | - |
| Nareshkumar Patni | Sitting fee and travelling expenses | 6.00 | - | 5.00 | - |
| Lila Poonawalla | Sitting fee | 7.00 | - | 5.50 | - |
| Anish P Amin | Sitting fee | 4.50 | - | 3.50 | - |
| V Rajagopalan | Sitting fee | 3.00 | - | 2.50 | - |

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

Related parties as defined under clause 9 of the Ind As 24 'Related Party Disclosures' have been identified based on representations made by key managerial personnel and information available with the Company.

All above transactions are in ordinary course of business and on arms' length basis. All outstanding balances are unsecured and are repayable in cash.

Notes to financial statements for the year ended 31 March 2022 (Contd.)

35A Analytical ratios

| Particulars | Numerator | Denominator | As at 31 March | | % Change over 2021 |
|------------------------------------|---------------------------------------|------------------------|----------------|---------|--------------------|
| | | | 2022 | 2021 | |
| | | | (₹ In Lakh) | | |
| a Inventory turnover ratio | Material cost | Avg. inventory | 1.49 | 2.33 | -36% |
| b Trade receivables turnover ratio | Revenue from contracts with customers | Avg. trade receivables | 2.04 | 2.65 | -23% |
| c Trade payables turnover ratio | Purchases | Avg. trade payables | 8.32 | 5.44 | 53% |
| d Net capital turnover ratio | Total income | Avg. working capital | 1.75 | 0.22 | 690% |
| e Current ratio | Current Assets | Current liabilities | 17.23 | 9.31 | 85% |
| f Return on equity ratio | Profit after tax | Avg. net worth | 0.73% | 0.07% | 913% |
| g Net profit margin | Profit after tax | Total income | 73.39% | 28.69% | 156% |
| h Return on capital employed | Profit before tax | Avg. capital employed | 0.88% | 0.07% | 1091% |
| i Return on investments | Profit before tax | Avg. net worth | 0.88% | 0.07% | 1091% |
| j Operating profit margin | Operating profit | Net Sales & op. income | -28.26% | -39.04% | -28% |
| k Return on net worth | Profit after tax | Avg. net worth | 0.73% | 0.07% | 913% |
| l Debt equity ratio | Not applicable | | | | |
| m Debt service coverage ratio | Not applicable | | | | |

Explanation for change in the ratio by more than 25% as compared to the preceding year.

- a Inventory turnover has reduced due to higher work in progress in current year.
- b Lower debtors turnover ratio is due to higher despatches in last quarter of 2021-22.
- c Trade payables turnover ratio has increased due to increase in purchase and reduction in trade payables.
- d Net capital turnover ratio has increased due to higher total income.
- e Higher current ratio is due to increase in current investments.
- f Return on equity is higher due to increase in profit.
- g Net profit margin is higher due to increase in profit.
- h Return on capital employed is higher due to higher profit.
- i Return on investments is higher due to higher profit.
- j Operating loss has reduced due to increase in turnover.
- k Return on net worth is higher due to higher profit.

The Company is termed as an Unregistered Core Investment Company (CIC) as per Reserve Bank of India Guidelines dated 13 August 2020 and is not exposed to any regulatory imposed capital requirements. Thus, the following analytical ratios are not applicable to the Company:

1. Capital to risk-weighted assets ratio (CRAR)
2. Tier I CRAR
3. Tier II CRAR
4. Liquidity Coverage Ratio.

Notes to financial statements for the year ended 31 March 2022 (Contd.)

35B Other notes

- a. The Company has performed an assessment to identify transactions with struck off companies as at 31 March 2022 and no such company was identified.
- b. No funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ('Intermediaries'), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- c. No funds (which are material either individually or in the aggregate) have been received by the Company from any person(s) or entity(ies), including foreign entities ('Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- d. The Company has not traded or invested in crypto currency or virtual currency during the financial year.
- e. The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

36 Previous year figures

Previous year figures have been regrouped wherever necessary.

The accompanying notes are an integral part of the financial statements

In terms of our report of even date

On behalf of the Board of Directors

For Kirtane & Pandit LLP

Chartered Accountants

ICAI Firm Registration Number: 105215W/W100057

Shriniwas Pathak
Chief Executive Officer

Sanjiv Bajaj
Chairman

Suhas Deshpande

Partner

ICAI Membership Number: 31787

Anant Marathe
Chief Financial Officer

Sriram Subbramaniam
Company Secretary

V Rajagopalan
Director

Pune: 25 April 2022

5 years' highlights of Maharashtra Scooters Ltd.

| Particulars | (₹ In Lakh) | | | | |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|
| | 2021-22 Ind AS | 2020-21 Ind AS | 2019-20 Ind AS | 2018-19 Ind AS | 2017-18 Ind AS |
| SALES & EARNINGS: | | | | | |
| Net sales and other income excl excise | 19,446 | 3,071 | 21,383 | 9,593 | 8,212 |
| Gross profit before interest, depreciation and exceptional items | 17,420 | 1,098 | 19,362 | 7,595 | 6,209 |
| Profit after tax | 14,271 | 881 | 17,994 | 7,280 | 6,076 |
| Total Comprehensive Income * | 666,653 | 803,279 | (299,809) | 314,341 | 171,405 |
| ASSETS EMPLOYED: | | | | | |
| Net fixed assets | 1,251 | 1,428 | 1,533 | 1,469 | 1,253 |
| Investments at cost | - | - | - | - | - |
| Investments at fair value | 2,465,379 | 1,718,916 | 807,989 | 1,167,966 | 819,611 |
| Other assets (net) | 2,105 | 6,441 | 8,239 | 562 | 1,711 |
| Capital Employed | 2,468,735 | 1,726,785 | 817,761 | 1,169,997 | 822,575 |
| 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 | 52,018 | 43,455 | 42,562 | 36,025 | 33,286 |
| iv) Other reserves-FVTOCI-Equity instruments | 2,232,134 | 1,579,759 | 777,373 | 1,095,154 | 788,098 |
| Net Worth | 2,285,295 | 1,624,357 | 821,078 | 1,132,322 | 822,527 |
| Deferred tax (asset)/liability | 183,440 | 102,428 | (3,317) | 37,675 | 48 |
| | 2,468,735 | 1,726,785 | 817,761 | 1,169,997 | 822,575 |
| EQUITY SHARE DATA: | | | | | |
| Earning per equity share ₹ | 124.87 | 7.71 | 157.45 | 63.70 | 53.16 |
| Net worth per equity share ₹ | 19,996 | 14,213 | 7,184 | 9,908 | 7,197 |
| Dividend including interim dividend % | 800 | 500 | 500 | 330 | 330 |
| Dividend including tax ₹ | 9,143 | 5,714 | 6,889 | 4,547 | 4,547 |
| OTHERS: | | | | | |
| Employees | 102 | 102 | 106 | 108 | 114 |
| Employees' cost | 841 | 800 | 865 | 811 | 821 |

* Total Comprehensive Income includes Mark to Market (MTM) gain/loss on equity investments.



“It is important that all of us work honestly,
ethically and make all our choices consciously”.

- Rahul Bajaj



MAHARASHTRA SCOOTERS LTD.

MAHARASHTRA SCOOTERS LIMITED
C/o Bajaj Auto Ltd. Mumbai - Pune Road,
Akurdi, Pune - 411 035, India
www.mahascooters.com

BUSINESS RESPONSIBILITY REPORT

Section A General Information about the Company

| | | |
|----|--|---|
| 1 | Corporate Identification Number | L35912MH1975PLC018376 |
| 2 | Name of the Company | Maharashtra Scooters Limited |
| 3 | Registered Address | C/o Bajaj Auto Ltd., Mumbai-Pune Road, Akurdi, Pune 411035 |
| 4 | Website | www.mahascooters.com |
| 5 | Email Address | svpathak@bajajauto.co.in |
| 6 | Financial year reported | 1 April 2021 – 31 March 2022 |
| 7 | Sector(s) that the Company is engaged in | Investment (65996), Manufacture of Die Casting Dies, Fixtures (29295) |
| 8 | 3 key products/services manufactured/provided by the Company | Manufacture of Die Casting Dies and Fixtures, primarily for automobile industry |
| 9 | Total number of locations where business activity is undertaken by the Company | Two locations: Akurdi and Satara |
| 10 | Markets served by the Company | India |

Section B Financial details of the Company

| | | |
|---|--|--|
| 1 | Paid up capital (INR) | ₹ 1,143 lakh |
| 2 | Total turnover (INR) | ₹ 19,446 lakh |
| 3 | Total profit after tax (INR) | ₹ 14,271 lakh |
| 4 | Total spending on CSR as percentage of PAT (%) | ₹ 22.11 lakh 2% Net profit as per the CSR rules under the Companies Act 2013. |
| 5 | List of the activities in which expenditure in 4 above has been incurred | Health |

Section C Other details

| | | |
|---|--|--|
| 1 | Does the Company have any Subsidiary Company/Companies? | The Company does not have any subsidiary |
| 2 | Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s) | Not applicable |
| 3 | Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%] | No |

Section D BR information

| | | |
|----|---|--|
| 1a | Details of Director(s) responsible for BR | DIN 00014615 Sanjiv Bajaj Chairman |
| 1b | Details of the BR Head | DIN: Not Applicable Shriniwas Pathak CEO 02162-244668 svpathak@bajajauto.co.in |
| 2. | Principle-wise BR policy/policies | Included in this report |
| 3. | Governance related to BR | Included in this report |

Section E Principle-wise performance

| | | |
|---|----------------------------|-------------------------|
| 1 | Principle-wise performance | Included in this report |
|---|----------------------------|-------------------------|

Preface

As mandated by the Securities and Exchange Board of India (SEBI), India's top 1000 listed entities based on market capitalisation on the BSE and NSE, are required to submit a 'Business Responsibility Report' (BRR) along with their Annual Report for 2020-21. This report has been prepared in line with 'National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business' (NVGs), as released by the Ministry of Corporate Affairs in July 2011.

Maharashtra Scooters Limited ('MSL', 'the Company'), to whom the said requirement became applicable for the first time in the financial year 2016-17, presents its Sixth BRR in line with the NVGs and the BRR requirement of SEBI. MSL is a Core Investment Company, not requiring registration with RBI and is a subsidiary of Bajaj Holdings and Investment Limited. The business responsibility performance of the Company is assessed annually by MSL's Board of Directors.

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

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

In order to enable individuals to report violations of the Code of Conduct, cases of suspected or actual fraud, unethical behaviour, etc., without the fear of victimisation, MSL has established a Vigil Mechanism. The Director / employee can address the complaint to any member of the Enforcement Committee along with the available details and evidence. Also, suitable measures are in place to ensure safeguards against victimisation for employees who report any unethical behaviour. The Directors in all cases and employees in appropriate or exceptional cases have direct access to the Chairman of the Audit Committee.

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

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

MSL is aware about the role that sustainability plays in an organisation's long-term success. The Company is committed to providing goods that are safe and which imbibe sustainability throughout their life cycle. To this end, MSL has adopted policies that guide its actions at every step.

The Company has an Environment Policy, which underlines its commitment to eco-friendly and energy efficient operations, conservation of natural resources and reduction of waste.

In addition, the Company has a Safety & Health Policy which highlights MSL's commitment to a safe and healthy working environment for its employees. Training and awareness is provided to employees at each level with an aim to improve their physical, mental and social well-being.

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

As of 31 March 2022, MSL had a total employee strength of 125, consisting of 53 permanent staff, 49 permanent workmen, 22 trainees and 1 person working on contract basis. The Company did not have any women or specially-abled employees in FY 2021-22. MSL has a recognised workmen union and 100 per cent of the daily rated employees are its members.

MSL considers its employees to be the greatest operational strength of the Company. It is committed to employee welfare and engages with them on a regular basis. The Company invests in the growth and development of all its employees through relevant trainings.

The Company did not receive any complaint regarding child labour, forced labour, involuntary labour or sexual harassment in FY 2021-22 and none is pending as of 31 March 2022.

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

MSL is an equal opportunity employer and ensures that its remuneration practices are based on merit, irrespective of the person's ethnic background or gender. In addition, the Company practises affirmative action and ensures there is no discrimination of any type against socially disadvantaged sections at the work place.

Principle 5: Businesses should respect and promote human rights

MSL is compliant with all the applicable laws of the land that pertain to human rights and safeguards human rights of all its employees. The Company did not receive any complaint regarding violation of human rights in FY 2021-22.

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

As a responsible organization, MSL is dedicated to conduct its activities in a manner that protects the environment. Furthermore, the Company has identified and assessed the potential environmental risks that it faces. With a view to mitigating these risks, MSL has an Environment Policy as well as an Energy Policy in place. These policies enable the Company to work towards ensuring optimum and effective utilization of natural resources in its operations. Utilization of solar energy for canteen operations, generation of biogas and production of vermi-compost from waste at the Company's plant in Satara are some of the examples of environmental initiatives undertaken by MSL.

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

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

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

Principle 8: Businesses should support inclusive growth and equitable development

MSL is committed to the overall development of the society, especially those who are disadvantaged. To this end, the Company has adopted a Corporate Social Responsibility (CSR) Policy, which outlines the Company's responsibility as a corporate citizen and lays down the guidelines and mechanism for undertaking community welfare and sustainable development activities at large. This Policy applies to all CSR initiatives and activities taken up for the benefit of different segments of the society, specifically the deprived, under-privileged and differently abled persons.

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

MSL has consciously decided to design and implement Social Investments / CSR programs for rural India that work towards economic empowerment through grass-root capacity building and enriching value chains that encompass the disadvantaged sections of society.

In the financial year 2021-22, the Company was required, under section 135 of the Companies Act 2013, to spend a sum of ₹ 22.11 lakh, being 2% of its average net profit during the last three (3) financial years.

During the reporting year, the Company participated in the mass vaccination drive in PMC, PCMC and other locations by providing 2 lakh vaccines for COVID-19. The Company spent ₹ 22.50 Lakh towards this initiative during the year.

For more information, refer to the Report on CSR activities as contained in the Annual Report 2021-22.

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

MSL believes in consistently achieving excellence in product quality. The Company's Quality Policy underlines its commitment to provide excellent quality products and services with the aim of 'Maximum Customer Satisfaction' through continuous improvements in quality. The Company manufactures dies and fixtures as per specific customer requirements and hence relevant product details are provided to customers over and above the requirements.

There are no pending customer complaints or cases regarding unfair trade practices, irresponsible advertising and /or anti-competitive behaviour pending as of 31 March 2022.