



MAHARASHTRA SCOOTERS LTD.

CIN-L35912MH1975PLC018376
 Regd. Office : C/o Bajaj Auto Limited,
 Mumbai-Pune Road, Akurdi, Pune 411 035 (India)
 Phone : 020-27472851, Fax : 020-27472764 27 June 2020
 Website : www.mahascooters.com

MSL/SH/SE/

Corporate Relations Department
 BSE Limited
 Phiroze Jeejeebhoy Towers
 Dalal Street, Fort
MUMBAI-400 001.

Corporate Relations Department
 National Stock Exchange of India Ltd.
 Exchange Plaza, 5th Floor
 Plot No.C/1, G Block
 Bandra-Kurla Complex, Bandra (E)
MUMBAI-400 051
 Scrip Symbol: **MAHSCOOTER**

Scrip Code: 500266

Email: corp.relations@bseindia.comEmail: cmlist@nse.co.in

Subject: Regulation 34 - Submission of Notice of the 45th Annual General Meeting (AGM) and Annual Report for the year ended 31 March 2020

Dear Sir/Madam,

This is further to our letter dated 18 May 2020, wherein the Company had informed that the AGM of the Company is scheduled to be held on 20 July 2020.

In terms of the requirements of Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed Notice of the ensuing 45th AGM of the Company and the Annual Report for the year ended 31 March 2020 as circulated to the shareholders through electronic mode today.

The said Notice and Annual Report are also placed on the Company's website www.mahascooters.com

Brief details of the 45th AGM of the Company are as below:

Date and Time of AGM	Monday, 20 July 2020, 12.15 p.m. IST
Mode	Video conference ('VC') / other audio-visual means ('OAVM')
Web-link for participation through video-conferencing	https://emeetings.kfintech.com/
Live Webcast of AGM	
Cut-off date for e-voting	Monday, 13 July 2020
E-voting start date and time	Friday, 17 July 2020, 9.00 a.m. IST
E-voting end date and time	Sunday, 19 July 2020, 5.00 p.m. IST
E-voting website	https://evoting.karvy.com

You are requested to take the above information on record.

Thanking you,

Yours truly,
 For Maharashtra Scooters Limited


 N.S. Kulkarni
 Company Secretary & Compliance Officer

Enc: As above



MAHARASHTRA SCOOTERS LTD.

CIN:L35912MH1975PLC018376

Registered Office:

Bajaj Auto Ltd. Complex,
Mumbai-Pune Road,
Akurdi, Pune 411 035

e-mail Id: investors_msl@bajajauto.co.in
www.mahascooters.com

Tel. No.: (020) 6610 6564

Fax : (020) 6633 4103

NOTICE

Notice is hereby given that the Forty Fifth Annual General Meeting of the shareholders of Maharashtra Scooters Limited will be held on Monday, 20 July 2020 at 12.15 p.m. through video conferencing ('VC')/other audio-visual means ('OAVM') to transact the following business:

ORDINARY BUSINESS

1. To consider and adopt the standalone financial statements of the Company for the financial year ended 31 March 2020, together with the Directors' and Auditors' Reports thereon.
2. To confirm the interim dividend of Rs. 50 per equity share of face value of Rs. 10 each as final dividend for the financial year ended 31 March 2020.
3. To appoint a director in place of Sanjivnayan Rahulkumar Bajaj (DIN 00014615), who retires by rotation in terms of section 152(6) of the Companies Act, 2013 and being eligible, offers himself for re-appointment as a Director, not liable to retire by rotation.

SPECIAL BUSINESS

4. **Appointment of V. Rajagopalan (DIN 02997795) as a Non-Executive Director of the Company, liable to retire by rotation.**

To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to provisions of section 152 and any other applicable provisions of the Companies Act, 2013 (hereinafter referred to as 'the Act'), the rules made thereunder and the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (hereinafter referred to as 'the Listing Regulations') and amendments thereto (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), V. Rajagopalan (DIN 02997795), who was appointed by the Board of Directors, based on the recommendation of Nomination and Remuneration Committee, as an additional director under section 161(1) of the Act and who vacates his office at this annual general meeting and in respect of whom a notice in writing pursuant to section 160 of the Act has been received in the prescribed manner, be and is hereby appointed as a Non-Executive Director of the Company, liable to retire by rotation.

RESOLVED FURTHER THAT pursuant to the provisions of section 197 and other applicable provisions of the Act and the Rules framed thereunder, V. Rajagopalan be paid such fees and remuneration and profit-related commission, if any, as the Board may approve from time to time and subject to such limits, prescribed or as may be prescribed from time to time."

5. **Appointment of Anish Praful Amin (DIN 00070679) as a Non-Executive Director of the Company, liable to retire by rotation.**

To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to provisions of section 152 and any other applicable provisions of the Companies Act, 2013 (hereinafter referred to as 'the Act'), the rules made thereunder and the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (hereinafter referred to as 'the Listing Regulations') and amendments thereto

Notice

(including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Anish Praful Amin (DIN 00070679), who was appointed by the Board of Directors, based on the recommendation of Nomination and Remuneration Committee, as an additional director under section 161(1) of the Act and who vacates his office at this annual general meeting and in respect of whom a notice in writing pursuant to section 160 of the Act has been received in the prescribed manner, be and is hereby appointed as a Non-Executive Director of the Company, liable to retire by rotation.

RESOLVED FURTHER THAT pursuant to the provisions of section 197 and other applicable provisions of the Act and the Rules framed thereunder, Anish Praful Amin be paid such fees and remuneration and profit-related commission, if any, as the Board may approve from time to time and subject to such limits, prescribed or as may be prescribed from time to time."

By order of the Board of Directors
For Maharashtra Scooters Limited



N.S. Kulkarni
Company Secretary

Pune: 18 May 2020

NOTES

1. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its circular dated 5 May 2020 read with circulars dated 8 April 2020 and 13 April 2020 (collectively referred to as "MCA Circulars") and SEBI circular dated 12 May 2020 permitted the holding of the Annual General Meeting ("AGM") through VC/OAVM facility, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ("the Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and MCA Circulars, the AGM of the Company is being conducted through VC/OAVM hereinafter called as "e-AGM".
2. The deemed venue for the forty fifth (45th) e-AGM shall be the registered office of the Company.
3. 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, 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.
4. 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 Scrutinizer by e-mail through its registered e-mail address to cssdlimaye@gmail.com with a copy marked to mohsin.mohd@kfintech.com.
5. Statement pursuant to section 102 of the Act forms part of this Notice. The board of directors at its meeting held on 18 May 2020 has decided that the special businesses set out under item No. 4 and 5, being considered 'unavoidable', be transacted at the 45th e-AGM of the Company.
6. Brief details of the directors, who are seeking appointment/re-appointment, are annexed hereto as per requirements pursuant to regulation 36(3) of the Listing Regulations and as per provisions of the Act.
7. The facility of joining the e-AGM through VC/OAVM will be opened 15 minutes before and will be open upto 15 minutes after the scheduled start time of the e-AGM, i.e. from 12.00 Noon to 12.30 pm 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.
8. Institutional Investors, who are members of the Company are encouraged to attend and vote at the forty fifth e-AGM of the Company.
9. An interim dividend at the rate of Rs. 50 per equity share of Rs. 10 each declared by the Board at its meeting held on 21 February 2020 has been paid to all the eligible members as on 4 March 2020, being the record date for the purpose of dividend.

The directors recommend for consideration of the shareholders the above referred interim dividend as final dividend for the financial year ended 31 March 2020.
10. As per the 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 interim dividend, which was declared on 21 February 2020 was paid through electronic mode, where the bank account details of the shareholders were available. Where dividend was paid through electronic mode, intimation regarding such remittance has been sent separately to the shareholders. In case where the dividend could not be paid through electronic mode, payment has been made through physical instrument such as banker's cheque or demand draft incorporating bank account details of such shareholders.
11. 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 changed, to Share transfer agent - KFin Technologies Pvt. Ltd ('KFin') and to their respective depository participants.
12. To avoid fraudulent transactions, the identity/signature of the members holding shares in electronic/demat form is verified with the specimen signatures furnished by NSDL/CDSL and that of members holding shares in physical form is verified as per the records of the share transfer agent of the Company. Members are requested to keep the same updated.
13. SEBI has mandated the submission of Permanent Account Number (PAN) by every person dealing in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their depository participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company or KFin.

Notice

14. In terms of section 101 and 136 of the Act, read together with the Rules made thereunder, the listed companies may send the notice of annual general meeting and the annual report, including Financial statements, Board Report, etc. by electronic mode. Pursuant to the said provisions of the Act read with MCA Circulars, Notice of the AGM along with the Annual Report 2019-20 is being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company/Depositories.

Members may note that the Notice and Annual Report for the year 2019-20 will also be available on the Company's website i.e. www.mahascooters.com, website of the Stock Exchanges i.e. BSE Limited at www.bseindia.com and National Stock Exchange of India Limited at www.nseindia.com and on the website of KFin at www.kfintech.com.

15. To receive shareholders' communications through electronic means, including Annual Reports and Notices, members are requested to kindly register/update their e-mail addresses with their respective depository participant, where shares are held in electronic form. where shares are held in physical form, members are advised to register their e-mail addresses with KFin by clicking on the link <https://karisma.kfintech.com/emailreg> Further, the Company has availed of services offered by NSDL to update e-mail addresses of shareholders of the Company who have not registered their e-mail addresses. Members are requested to respond to their messages and register their e-mail Id's and support the green initiative efforts of the Company.
16. Those members who have not registered their e-mail addresses and mobile nos. and in consequence could not be served the Annual Report and Notice of e-AGM, may temporarily get themselves registered with KFin, by clicking the link: <https://karisma.kfintech.com/emailreg> for sending the same. Members are requested to support our commitment to environmental protection by choosing to receive the Company's communication through email going forward.
17. With a view to helping us serve the members better, members who hold shares in identical names and in the same order of names in more than one folio are requested to write to the Company to consolidate their holdings in one folio.
18. SEBI vide its notification dated 8 June 2018 as amended on 30 November 2018, has stipulated that w.e.f. 1 April 2019, the transfer of securities (except transmission or transposition of shares) shall not be processed, unless the securities are held in the dematerialized form. The Company has complied with the necessary requirements as applicable including sending of letters to shareholders holding shares in physical form requesting them to demat their physical holdings.
19. To comply with the above mandate, members who still hold share certificates in physical form are advised to dematerialise their shareholding with a view to avail numerous benefits of dematerialisation, which include easy liquidity, ease of trading and transfer, savings in stamp duty and elimination of any possibility of loss of documents and bad deliveries.
20. 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.
21. The Company has been maintaining, inter alia, the following statutory registers at its registered office at Akurdi, Pune:
- Register of contracts or arrangements in which directors are interested under section 189 of the Act.
 - Register of Directors and Key Managerial Personnel and their shareholding under section 170 of the Act.

In accordance with the MCA circulars, the said registers shall be made accessible for inspection through electronic mode.

22. 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 17 July 2020 (9.00 a.m.) up to 18 July 2020 (5.00 p.m.) mentioning their name, demat account no./Folio no., e-mail Id, 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.
23. Pursuant to section 72 of the Act, members holding shares in physical form are advised to file nomination in the prescribed Form SH-13 (a copy of which is available on the website of the Company) with the Company's share transfer agent. In respect of shares held in electronic/demat form, the members may please contact their respective depository participant.
24. In terms of section 124(5) of the Act, dividend amount for the year ended 31 March 2013 remaining unclaimed for a period of 7 years shall become due for transfer in August 2020 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 in respect of the financial years from 2012-13 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.

25. For more details on shareholders' matters, please refer to the chapter on General Shareholder Information, included in the Annual Report.
26. Since the meeting will be conducted through VC/OAVM, the Route Map is not annexed in this Notice.
27. 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., Monday, 13 July 2020, such person may obtain the User ID and Password from KFin by e-mail request on mohsin.mohd@kfintech.com.
28. Alternatively, member may send signed copy of the request letter providing the e-mail 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 e-mail at the e-mail-id einward.ris@kfintech.com for obtaining the Annual Report and Notice of e-AGM.

29. 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 Listing Regulations, the Company is providing remote e-voting facility to exercise votes on the items of business given in the Notice through electronic voting system, to members holding shares as on Monday, 13 July 2020 (end of day), being the cut-off date fixed for determining voting rights of members entitled to participate in the remote e-voting process, through the e-voting platform provided by KFin or to vote at the e-AGM. Person who is not a member as on the cut-off date should treat this Notice for information purposes only.
- II. The details of the process and manner for remote e-voting are given below:
 - i. Initial password is provided in the body of the e-mail.
 - ii. Launch internet browser and type the URL: <https://evoting.karvy.com> in the address bar.
 - iii. Enter the log in credentials i.e. User ID and password mentioned in your e-mail. Your Folio No./DP ID Client ID will be your User ID. However, if you are already registered with KFin for e-voting, you can use your existing User ID and password for casting your votes.
 - iv. After entering the details appropriately, 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 of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,\$,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. Select Maharashtra Scooters Limited.
 - 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' and 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 log in 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 e-mail 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. Members can cast their vote online from 17 July 2020 (9.00 a.m.) till 19 July 2020 (5.00 p.m.). Voting beyond the said date shall not be allowed and the remote e-voting facility shall be blocked.
 - xiii. 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.karvy.com> or call KFin Technologies Pvt. Ltd. on 1800 345 4001 (toll free).

B. Voting at e-AGM:

- i. Only those members/shareholders, who will be present in the e-AGM through video conference facility and have not casted their vote through remote e-voting 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. Upon declaration by the Chairman about the commencement of e-voting at e-AGM, members shall click on the thumb sign on the left hand bottom corner of the video screen for voting at the e-AGM, which will take them to the 'instapoll' page.
- v. Members to click on the "Instapoll" icon to reach the resolution page and follow the instructions to vote on the resolutions.

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

- i. Members will be able to attend the e-AGM through VC/OAVM provided by KFin at <https://emeetings.kfintech.com/> by clicking on the tab 'video conference' and using their remote e-voting login credentials. The link for e-AGM will be available in members login where the EVENT and the name of the Company can be selected. Members who do not have User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the remote e-voting instructions mentioned under heading 'A' above.
- ii. Members are encouraged to join the meeting through Laptops with Google Chrome for better experience.
- iii. Further, members will be required to allow camera, if any, and hence use internet with a good speed to avoid any disturbance during the meeting.
- iv. 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. Use of a stable Wi-Fi or LAN connection can mitigate some of the technical glitches.
- v. 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 17 July 2020 (9.00 a.m.) up to 18 July 2020 (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. Please note that only questions of the members holding the shares as on cut-off date will be considered.
- vi. 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/>
- vii. Members who need technical assistance before or during the forty fifth e-AGM can contact KFin at emeetings@kfintech.com or Helpline: 1800 345 4001 (toll free).

D. General Instructions:

- i. The Board of Directors has appointed Shyamprasad D Limaye, Practising Company Secretary, (FCS No. 1587 CP No. 572) as the Scrutiniser to the e-voting process, to conduct voting in a fair and transparent manner.
- ii. The Chairman shall formally propose to the members participating through VC/OAVM facility to vote on the resolutions as set out in the Notice of the forty fifth e-AGM and announce the start of the casting of vote through the e-voting system of KFin.
- iii. The Scrutiniser shall, immediately after the conclusion of voting at the AGM, first count the votes cast at the meeting, thereafter unlock the votes through e-voting in the presence (either virtual or physical) of at least 2 (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.
- iv. The scrutiniser shall submit his report to the Chairman of the Company, who shall declare the results of the voting. The results declared along with the scrutiniser's report shall be placed on the Company's website at www.mahascooters.com and on the website of KFin <https://evoting.karvy.com> and shall also be communicated to the stock exchanges. The resolutions shall be deemed to be passed at the AGM of the Company.

ANNEXURE TO THE NOTICE

BRIEF RESUME OF DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING PURSUANT TO REGULATION 36(3) OF THE LISTING REGULATIONS AND PROVISIONS OF THE ACT.

ITEM NO. 3 OF THE NOTICE

Sanjivnayan Rahulkumar Bajaj (DIN 00014615)

In the matter of re-appointment of Sanjivnayan Rahulkumar Bajaj referred to in Item No. 3 of the Notice, the following disclosures are made for the information of the shareholders:

INFORMATION ABOUT THE APPOINTEE:

Sanjiv Bajaj plays an active role in running the Company. He provides visionary, long-term strategic direction to the various Bajaj group companies in order to deliver sustained profitable growth for its stakeholders, drives key strategic initiatives to future proof the group business from disruptions in business models, customer shifts, technology and evolving competition. He actively engages with and supports key stakeholders, regulatory bodies and industry forums in policy formulation with a balanced perspective. He conducts structured reviews of each business, monitoring progress on key planned initiatives, engaging with the CEOs of the individual businesses of the group on strategy in identifying projects of strategic importance to each business and the group. Succession planning for key managerial personnel, setting governance standards and driving group HR, digital and other initiatives are key elements of his contribution.

Sanjiv Bajaj has won many awards, including the prestigious ET Business Leader of the year India 2018 award by the Economic Times Group & Entrepreneur of the Year Award 2019 by All India Management Association (AIMA) Managing India Awards and EY Entrepreneur of the Year, India 2017. (the most prestigious business awards in India)

He was also elected as Chairman of the Confederation of Indian Industry (CII), Western region for FY 2019-20 and is now the Vice-President of CII for the year 2020-21. He was also appointed in the Monetary Authority of Singapore International Technology Advisory Panel for a period of two years with effect from 20 June 2018 and as a Member of the International Advisory Board of Allianz SE for a further period of three years commencing from 1 January 2019.

BRIEF RESUME:

Sanjiv Bajaj, 50, is B.E. (Mech), first class with distinction (8th on merit list) from the University of Pune, M. Sc (Manufacturing Systems Engg) with distinction from the University of Warwick, UK and MBA from Harvard Business School, USA. He is Non-Executive Chairman of your Company.

He is the Managing Director & CEO of Bajaj Holdings & Investment Limited and Chairman & Managing Director of Bajaj Finserv Limited. His role includes guiding the current businesses and building new ones in the financial services space.

MAJOR DIRECTORSHIPS:

1. Maharashtra Scooters Ltd.
2. Bajaj Holdings & Investment Ltd.
3. Bajaj Finserv Ltd.
4. Bajaj Finance Ltd.
5. Bajaj Auto Ltd.
6. Bajaj Allianz Life Insurance Company Ltd.
7. Bajaj Allianz General Insurance Company Ltd.
8. Bajaj Housing Finance Ltd.

* **Committee Chairmanships:** Nil

* **Committee Memberships:** 7 (seven)

Shareholding in the Company as on 31 March 2020: Nil

He is not related to any Director or Key Managerial Personnel of the Company.

* Chairmanship and membership of audit committee and stakeholders relationship committee are considered.

Notice

None of the directors, or key managerial personnel, or their relatives, except Sanjiv Bajaj, are concerned or interested, financially or otherwise, except to the extent of their respective shareholding, if any, in the Company.

There were major changes in the board due to change in promoters of the Company during the previous year. As permitted under the Companies Act, 2013, one director in the board can be non-retiring, while currently there is no non-retiring director. The board has recommended that Sanjiv Bajaj be made a non-retiring director.

The shareholders are requested to approve the appointment of Sanjiv Bajaj, as a director, not liable to retire by rotation.

The Board commends Item No. 3 of the Notice for approval by shareholders.

ITEM NO. 4 OF THE NOTICE

V. Rajagopalan (DIN 02997795)

As regards appointment of V. Rajagopalan referred to in Item No. 4 of the Notice, the following disclosures are made for the information of the shareholders:

V. Rajagopalan, born on 24 April 1956, was appointed by the Board of Directors of the Company at its meeting held on 24 July 2019 as an additional director in the capacity of Non-Executive Director with effect from 25 July 2019. He holds office until the ensuing AGM pursuant to section 161(1) of the Companies Act, 2013 ('the Act').

BRIEF PROFILE:

V. Rajagopalan is President (Legal & Taxation) of Bajaj Finserv Limited since 1 January 2009 and is spearheading the new business initiatives of the Group in the field of financial services. He is a Chartered Accountant by profession. In his present role, he is responsible for acquisitions & structuring initiatives besides treasury, regulatory and legal oversight at the corporate level for the group's financial services businesses.

MAJOR DIRECTORSHIPS:

1. Maharashtra Scooters Ltd.
2. Bajaj Finserv Health Ltd.
3. Bajaj Auto Holdings Ltd.
4. Bajaj Allianz Financial Distributors Ltd.
5. Bajaj Allianz Staffing Solutions Ltd.
6. Bajaj Electoral Trust

* **Committee Chairmanships:** Nil

* **Committee Memberships:** 1 (one)

Shareholding in the Company as on 31 March 2020: Nil

He is not related to any Director or Key Managerial Personnel of the Company.

During the year under review, no commission was paid to him by the Company.

None of the directors, or key managerial personnel, or their relatives, except V. Rajagopalan, are concerned or interested, financially or otherwise, except to the extent of their respective shareholding, if any, in the Company.

The Board commends Item No. 4 of the Notice for approval by shareholders.

* Chairmanship and membership of audit committee and stakeholders relationship committee are considered

ITEM NO. 5 OF THE NOTICE

Anish Praful Amin (DIN 00070679)

As regards appointment of Anish Praful Amin referred to in Item No. 5 of the Notice, the following disclosures are made for the information of the shareholders:

Anish Praful Amin, born on 5 March 1964, was appointed by the Board of Directors of the Company at its meeting held on 24 July 2019 as an additional director in the capacity of Non-Executive Director with effect from 25 July 2019. He holds office until the ensuing AGM pursuant to section 161(1) of the Companies Act, 2013 ('the Act').

BRIEF PROFILE:

Anish Praful Amin is President – Group Assurance, Risk and M&A of Bajaj Finserv Limited. He is a Chartered Accountant by profession. Prior to working with Bajaj group, he was a senior partner at Dalal & Shah (a member of the PwC International Network) and Price Waterhouse, Chartered Accountants (PWC). He has over 31 years of experience, including as a partner of Pricewaterhouse India for the last 10 years. He was a part of the assurance practice at Pricewaterhouse India and handled a practice comprising of wide ranging businesses including manufacturing, trading, media, finance and insurance. He was also their sector leader for the insurance industry. He has had exposure to compliance with accounting standards, company law matters and general regulatory frameworks.

MAJOR DIRECTORSHIPS:

1. Maharashtra Scooters Ltd.
2. Bajaj Finserv Health Ltd.
3. Bajaj Auto Holdings Ltd.

* **Committee Chairmanships and Memberships:** Nil

Shareholding in the Company as on 31 March 2020: Nil

He is not related to any Director or Key Managerial Personnel of the Company.

During the year under review, no commission was paid to him by the Company.

None of the directors, or key managerial personnel, or their relatives, except Anish Praful Amin, are concerned or interested, financially or otherwise, except to the extent of their respective shareholding, if any, in the Company.

The Board commends Item No. 5 of the Notice for approval by shareholders.

By order of the Board of Directors
For Maharashtra Scooters Limited



N.S. Kulkarni
Company Secretary

Pune: 18 May 2020

*Chairmanship and membership of audit committee and stakeholders relationship committee are considered

MAHARASHTRA SCOOTERS LIMITED
45th ANNUAL REPORT 2019-20



MAHARASHTRA SCOOTERS LTD.



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CORPORATE INFORMATION

Board of Directors

Sanjiv Bajaj
Chairman
Yogesh J. Shah
Naresh Patni
Anish P. Amin
(from 25 July 2019)
Mrs. Lila Poonawalla
(from 25 July 2019)
V. Rajagopalan
(from 25 July 2019)

Audit Committee

Yogesh J. Shah
Chairman
Naresh Patni
Mrs. Lila Poonawalla

Stakeholders Relationship Committee

Yogesh J. Shah
Chairman
Sanjiv Bajaj
V. Rajagopalan

Nomination and Remuneration Committee

Yogesh J. Shah
Chairman
Naresh Patni
Anish P. Amin
Mrs. Lila Poonawalla

Corporate Social Responsibility Committee

Yogesh J. Shah
Chairman
Sanjiv Bajaj
V. Rajagopalan

Risk Management Committee

Mrs. Lila Poonawalla
Chairperson
Yogesh J. Shah
Anish P. Amin
Shriniwas Pathak

Duplicate Share Certificate Issuance Committee

Sanjiv Bajaj
Chairman
Yogesh J. Shah
V. Rajagopalan

Key Managerial Personnel

Shriniwas Pathak
Chief Executive Officer
Anant Marathe
Chief Financial Officer
N.S. Kulkarni
Company Secretary

Statutory Auditors

Kirtane & Pandit LLP, Pune
Chartered Accountants

Secretarial Auditor

Shyamprasad D. Limaye
Practising Company Secretary

Registered Office

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

Works

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

Corporate Identification No. (CIN)

L35912MH1975PLC018376

Registrar and share transfer agent

KFin Technologies Pvt. Ltd.
Selenium Building,
Tower B, Plot No.31-32
Gachibowli, Financial District
Nanakramguda,
Hyderabad-500 032

DIRECTORS' REPORT

The Directors present their forty-fifth (45th) Annual Report and Audited Financial Statements for the year ended 31 March 2020.

During the year under review, pursuant to the Order passed by Hon'ble Supreme Court of India on 9 January 2019, Western Maharashtra Development Corporation Ltd. (WMDC), one of the promoters of the Company transferred its entire 27% stake in the Company to Bajaj Holdings and Investment Ltd. (BHIL), the other promoter, on 17 June 2019. Consequent to this transaction, WMDC ceased to be the promoter of the Company and the shareholding of BHIL, which was already holding 24% stake, increased to 51%. As a result, BHIL became the holding Company and this Company became its subsidiary. This transaction, however, had no significant impact on the finances or operations of the Company. Upon cessation of WMDC as a promoter of the Company, the protocol agreement entered into by WMDC and BHIL, the joint promoters in 1975, having becoming infructuous, was terminated with mutual consent.

Review of operations

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

The turnover of the Company during the year under review was ₹ 21,383.00 lakh, as against ₹ 9,592.52 lakh during the previous year. Income from investments aggregating to ₹ 19,561.90 lakh represented major portion of the turnover, which during the previous year was ₹ 7,728.82 lakh.

Continued classification as a Core Investment Company

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

Financial Highlights

Particulars	₹ In Lakh)	
	FY2020	FY2019
Gross sales and other income	21,383.00	9,592.52
Gross profit before depreciation	19,361.51	7,595.07
Depreciation	181.55	155.21
Profit before tax	19,179.96	7,439.86
Tax expenses	1,185.69	159.84
Profit after tax	17,994.27	7,280.02
Earnings per share (₹)	157.45	63.70

Dividend

The Board at its meeting held on 21 February 2020 declared an interim dividend of ₹ 50 per equity share (500%) for the year ended 31 March 2020, which was paid to all the eligible shareholders on 9 March 2020. The amount of dividend including tax thereon was ₹ 6,888.87 lakh.

The directors recommend for consideration of the shareholders at the ensuing annual general meeting, the above-referred interim dividend as final dividend for the financial year ended 31 March 2020.

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

Share capital

The paid-up equity share capital as on 31 March 2020 was ₹ 11.43 crore. During the year under review, there was no public issue, rights issue, bonus issue or preference share issue, nor had the Company issued shares with differential voting rights or granted stock options or sweat equity.

Presentation of financial statements

The financial statements of the Company for the year ended 31 March 2020 have been disclosed as per Division II of Schedule III to the Companies Act, 2013 ('the Act').

Cash flow statement

A Cash Flow Statement for the year 2019-20 is included in the annexed Statement of Accounts.

Annual Return

The extract of annual return as provided under section 92(3) of the Act, in the prescribed form MGT-9, is annexed to this Report and also displayed on the Company's website i.e. www.mahascooters.com

Number of meetings of the Board

Six (6) meetings of the Board were held during the financial year. Details of the meetings and attendance thereat form a part of the Corporate Governance Report.

Directors' Responsibility Statement

As required pursuant to clause (c) of sub-section (3) of section 134 and in compliance of section 134(5) of the Act, the directors, to the best of their knowledge and belief, state that -

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

- (c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the directors had prepared the annual accounts on a going concern basis;
- (e) the directors had laid down internal financial controls to be followed by the Company and that such internal financial controls were adequate and were operating effectively; and
- (f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Details in respect of frauds, if any reported by the Auditors

During the year under review, no frauds were reported by the auditors to the Audit Committee or the Board under section 143(12) of the Act.

Declaration given by Independent Directors

The Independent Directors have submitted declaration of independence, as required under section 149(7) of the Act, stating that they meet the criteria of independence as provided in section 149(6) of the Act, as amended and Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the SEBI Listing Regulations'), as amended.

The Board took on record the declaration and confirmation submitted by the Independent Directors regarding their meeting the prescribed criteria of independence, after undertaking due assessment of the veracity of the same as required under Regulation 25 of the SEBI Listing Regulations.

The Ministry of Corporate Affairs vide its circular dated 22 October 2019 further amended the Companies (Appointment and Qualification of Directors) Rules, 2014 by requiring an Independent Director to apply online, within 1 May 2020, to the Institute of Corporate Affairs for inclusion of his/her name in the data bank for such period till he/she continues to hold office of an independent director in any company. The Independent Directors were also required to submit a declaration of compliance in this regard. All the Independent Directors of the Company have submitted the declaration with respect to the same.

Policy on Director's appointment and remuneration

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

Particulars of loans, guarantees and investments

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

Particulars of contracts and arrangements with related parties

During the year under review, transactions with related parties were entered with the approval of the Audit Committee in line with provisions of the Act and the SEBI Listing Regulations.

All related party transactions entered into, during FY 2019-20 were on an arm's length basis and in the ordinary course of business under the Act and not 'material' under the Listing Regulations. None of the transactions required members' prior approval under the Act or the SEBI Listing Regulations. During FY 2019-20, there were no related party transactions requiring disclosure under section 134 of the Act.

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

Pursuant to Regulation 23 of the SEBI Listing Regulations, the Board, at its meeting held on 15 May 2019, has revised the policy on materiality of related party transactions and on dealing with related party transactions including clear threshold limits for various transactions with related parties. The said policy is hosted on the website of the company: www.mahascooters.com

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

Conservation of energy	The Company continued to maintain power factor to unity throughout the year, resulting in availing maximum rebate in electricity bills. Replacement of LED lamps/tubes all over the factory has also contributed to saving in electricity.
Technology absorption	No expenditure was incurred by the Company attributable to technology absorption during the year.
Expenditure on Research & Development	No expenditure was incurred by the Company attributable to Research & Development during the year.
Foreign exchange earnings and Outgo	The Company did not earn any foreign exchange, while the outgo was ₹ 146.20 lakh.

Annual evaluation of the performance of the Board, its Committees and Directors

Information on the manner in which formal annual evaluation has been made by the Board of its own performance and that of its Committees and individual directors is given in the Corporate Governance Report.

Directors and Key Managerial Personnel

- (i) Withdrawal of Nominations by Western Maharashtra Development Corporation Ltd. (WMDC) and Bajaj Holdings & Investment Ltd. (BHIL)

During the year under review, WMDC has withdrawn the nomination of Abhinandan More and Vishwanath L Rajale, as its Nominee Directors on the Board of the Company with effect from 3 July 2019. BHIL has also withdrawn the nomination of Madhur Bajaj, as its Nominee Director on the Board of the Company with effect from 3 July 2019. In his place, Sanjiv Bajaj was elevated as Chairman of the Company with effect from 4 July 2019. The board recorded its appreciation of the valuable services rendered by the outgoing Directors and in particular of the role played by the outgoing Chairman Madhur Bajaj, during their tenure in the Board.

- (ii) Resignation of Independent Directors

During the year under review, Sadashiv S. Survase, Sanjay S. Degaonkar and Vrushali Agashe, on account of change in the management of the Company, tendered their resignations as Independent Directors effective 3 July 2019.

- (iii) Appointment of Directors

The Board, at its meeting held on 24 July 2019, based on the recommendation of the Nomination and Remuneration Committee, appointed Mrs. Lila Poonawalla as an Independent director w.e.f. 25 July 2019 for a term of five consecutive years, subject to approval of shareholders at the general meeting. The shareholders, by way of Special Resolution passed through a Postal Ballot exercise on 9 September 2019, approved the appointment of Mrs. Lila Poonawalla as an Independent Director with effect from 25 July 2019 and her continuation as such on account of her attaining the age of 75 years on 16 September 2019, pursuant to Regulation 17(1A) of SEBI Listing Regulations.

The Board, at the aforesaid meeting, also appointed V. Rajagopalan and Anish P. Amin as additional and Non-Executive Directors effective 25 July 2019, subject to approval of shareholders at the general meeting.

- (iv) Re-appointment of Independent Directors

The Board, on 15 November 2019, by way of circular Resolution, re-appointed Yogesh J. Shah & Naresh Patni as Independent directors effective from 13 October 2019, for a period of five years, subject to approval of shareholders at the general meeting, after taking into account the report of performance evaluation and the recommendation of Nomination and Remuneration Committee. The shareholders, by way of Special Resolution passed through a Postal Ballot exercise, approved on 22 December 2019 the afore-mentioned appointments effective from 13 October 2019, and also for continuation of Naresh Patni as Independent Director beyond 13 May 2024 on account of his attaining the age of 75 years on that date.

The Board is of the opinion that Mrs. Lila Poonawalla, Yogesh J Shah and Naresh Patni have the necessary experience and expertise concerning the business of the Company. Based on the declarations submitted by them, the Board is also of the opinion that they possess the integrity to be appointed as Independent Directors of the Company.

- (v) Director liable to retire by rotation

In due compliance of the provisions of the Act, Sanjiv Bajaj (DIN: 00014615) retires by rotation as a director and being eligible, offers himself for re-appointment and is to be appointed as a Director, not liable to retire by rotation..

Changes in KMP:

A. Chief Financial Officer

Anant Marathe was appointed as Chief Financial Officer of the Company effective 1 July 2019, in place of R.B. Laddha, who had superannuated from the services effective 30 June 2019.

Anant Marathe also acts as CFO of Bajaj Holdings & Investment Ltd., the holding company.

B. Company Secretary

N.S. Kulkarni, Company Secretary, aged about 66 years, would be retiring on 30 June 2020 after being in the service of the company for about 43 years.

Considering above, Sriram Subbramaniam would be appointed as Company Secretary of your Company, effective 1 July 2020.

Sriram Subbramaniam also acts as Company Secretary of Bajaj Holdings & Investment Ltd., the holding company.

Postal Ballot

During the year under review, your Company has carried out 4 Postal Ballot exercises, details of which are given in the Corporate Governance Report.

Significant and material orders passed by the Regulators or Courts

During the year under review, there were no significant and material orders passed by the regulators or courts or tribunals, which may impact the going concern status of the Company and its operations in future.

COVID-19

Towards the end of March 2020, many of the States/Union Territories across the country in view of the heightened concern over the spread of Corona Virus ("COVID-19") issued directives inter-alia, to facilitate work from home for majority of its employees. In line with the lockdowns announced by the Central Government, all offices of the Company were closed from 23 March 2020 providing employees facility to "Work from Home" to ensure continuity of operations of the Company. The said closure(s) have adversely affected the operations of the Company and the impact of the same cannot be assessed at this point of time. However, this does not affect the going concern status of the Company.

Adequacy of internal financial controls with reference to the financial statements

The Company has documented its internal financial controls considering the essential components of various critical processes, physical and operational. This includes its design, implementation and maintenance, along with periodical internal review of operational effectiveness and sustenance, which are commensurate with the nature of its business and the size and complexity of its operations.

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

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

Risk Management Policy

Information on the development and implementation of a Risk Management Policy for the Company including identification therein of elements of risk, which in the opinion of the Board may threaten the existence of the Company, is given in the Corporate Governance Report.

Material changes and commitments

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

Corporate Governance

Pursuant to the SEBI Listing Regulations, a separate chapter titled 'Corporate Governance' has been included in this Annual Report, along with the reports on Management Discussion and Analysis and General Shareholder Information.

All the Board members and Senior Management personnel have affirmed compliance with the Code of Conduct for the year 2019-20. A declaration to this effect signed by the CEO of the Company is contained in this Annual Report.

The Chief Executive Officer and the Chief Financial Officer have certified to the Board with regard to the financial statements and other matters as required under regulation 17(8) of the SEBI Listing Regulations.

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.

As a part of green initiative, the BRR for financial year 2019-20 has been placed on the Company's website at www.mahascooters.com

A copy of the BRR will be made available to any member on request, by email.

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 the financial year 2019-20 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.

In addition to the above and pursuant to SEBI circular dated 8 February 2019, a report on secretarial compliance by Shyamprasad D Limaye for the financial year ended 31 March 2020 is being submitted to stock exchanges. There are no observations, reservations or qualifications in the said report.

Secretarial Standards of ICSI

Pursuant to the approval given on 10 April 2015 by Central Govt. to the Secretarial Standards specified by the Institute of Company Secretaries of India, the Secretarial Standards on Meetings of the Board of Directors (SS-1) and General Meetings (SS-2) came into effect from 1 July 2015. These Secretarial Standards were subsequently revised, effective from 1 October 2017. Your Company is in compliance with the said Standards.

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 Annual General Meeting till the conclusion of 47th Annual General Meeting, covering a term of five consecutive years.

The statutory audit report for the year 2019-20 does not contain any qualification, reservation or adverse remark or disclaimer made by statutory auditor.

Industrial relations

During the year under review, the industrial relations remained cordial and a new wage agreement was entered by the Company with workers union, valid through 31 March 2023.

Details of Directors and Employees remuneration

Details as required under the provisions of section 197(12) of the Act read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, 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 on request, as per provisions of section 136(1) of the said Act.

Internal complaints committee

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

Corporate Social Responsibility (CSR)

Detailed information on Corporate Social Responsibility Policy developed and implemented by the Company on CSR initiatives taken during the year pursuant to section 135 of the Act is given in the annual report on CSR activities annexed to this report.

Acknowledgement

The Board of Directors would like to express its gratitude and its appreciation for the support and co-operation from its members, authorities, regulators and banks.

The Board of Directors also places on record its sincere appreciation of the commitment and hard work put in by the Management and the employees of the Company and thank them for yet another excellent year.

On behalf of the Board of Directors

Sanjiv Bajaj
Chairman

Pune: 18 May 2020

Annual Report on CSR Activities

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

Introduction

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

Guiding Principles

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

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

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

CSR Policy

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

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

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

2. Composition of CSR Committee:

The Corporate Social Responsibility Committee of the Board of Directors of the Company consists of following members:

Yogesh J. Shah – Chairman	Independent Director
Sanjiv Bajaj – Member	Non-Independent Director
V. Rajagopalan – Member	Non-Independent Director

During the year under review, the Committee met once on 21 October 2019.

3. Average Net Profits of the Company for the last three financial years, preceding 2019-20 : ₹ 800.09 lakh

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

₹ 16.01 lakh

5. Details of CSR amount spent during the financial year:

- (a) Total amount to be spent during the financial year : ₹ 16.01 lakh
 (b) Total amount spent : ₹ 16.10 lakh
 (c) Amount unspent, if any, : Nil
 (d) Manner in which the amount spent during the financial year is detailed below:-

(₹ in Lakh)

Sr. No.	Name/Details of the implementing agency	CSR project/activity identified	Sector in which the project is covered	Location of project/ programme (Local area or State/District)	Amount outlay/approved	Amount spent direct/overheads	Cumulative expenditure up to 2019-20
1	Bramendra-swami High School	Construction of a new high school building	Education	Satara	16.10	16.10	16.10

Notes:

- The amount mentioned above as spent relates to amount spent through implementing agency.
- There is no expenditure on overheads in the above.

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

Shriniwas Pathak
Chief Executive Officer

Yogesh J. Shah
Chairman of CSR Committee

Extract of Annual Return (Form MGT-9)

As on the financial year ended on 31 March 2020

[Pursuant to section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. Registration and other details:

Corporate Identification Number (CIN)	L35912MH1975PLC018376
Registration Date	11 June 1975
Name of the Company	Maharashtra Scooters Ltd.
Category/Sub-category of the Company	Public Company/Limited by shares
Address of the Registered office & contact details	C/o. Bajaj Auto Ltd., Mumbai-Pune Road, Akurdi, Pune-411 035. Phone: 020 66106564 E-mail: kulkarnins@bajajauto.co.in investors_msl@bajajauto.co.in
Whether listed company	Yes (BSE and NSE)
Name, address and contact details of the Registrar and Transfer Agent, if any.	KFin Technologies Pvt. Ltd. Selenium Building, Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032
	<p>Contact persons M S Madhusudhan/Mohd. Mohsinuddin Tel No: (040) 6716 2222/1562040 67161562 Fax No: (040) 2300 1153 Toll Free No. 1800 345 4001 E-mail: einward.ris@karvy.com Website: www.kfintech.com</p>

II. Principal business activities of the company

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

Sr. No.	Name and Description of main products/services	NIC Code of the product/service	% to total turnover of the Company
1	Investment activity	6430	91.48
2	Manufacture of Die Casting Dies and Fixtures etc	2822	7.06

III. Particulars of holding, subsidiary and associate companies

Sr. No	Name of the Company	CIN	Holding/Subsidiary/Associate	% of shares held as on 31 March 2020	Applicable section
1	Bajaj Holdings & Investment Ltd.	L65993PN1945PLC004656	Holding	51.00%	2(46)

IV. Shareholding pattern (equity share capital breakup as percentage of total equity)

i) Category-wise shareholding

Category of shareholders	No. of Shares held at the beginning of the year as on 1 April 2019				No. of Shares held at the end of the year as on 31 March 2020				% change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
A. Promoters									
1 Indian									
a) Individual/HUF	0	0	0	0	0	0	0	0	0
b) Central Govt.	0	0	0	0	0	0	0	0	0
c) State Govt(s)	0	0	0	0	0	0	0	0	0
d) Bodies Corporates	5,828,560	0	5,828,560	51.00	5,828,560	0	5,828,560	51.00	0
e) Banks/FI	0	0	0	0	0	0	0	0	0
f) Any other	0	0	0	0	0	0	0	0	0
Sub-total (A)(1)	5,828,560	0	5,828,560	51.00	0	0	5,828,560	51.00	0
2 Foreign									
a) NRIs-Individuals	0	0	0	0	0	0	0	0	0
b) Other-Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corporates	0	0	0	0	0	0	0	0	0
d) Banks/FI	0	0	0	0	0	0	0	0	0
e) Any other	0	0	0	0	0	0	0	0	0
Sub-total (A)(2)	0	0	0	0	0	0	0	0	0
Total shareholding of Promoter (A)	5,828,560	0	5,828,560	51.00	5,828,560	0	5,828,560	51.00	0
B. Public Shareholding									
1 Institutions									
a) Mutual Funds	57,475	1,150	58,625	0.51	772	1,050	1,822	0.02	(0.50)
b) Banks/FI	64,113	568	64,681	0.57	3,003	568	3,571	0.03	(0.53)
c) Central Govt.	0	0	0	0	0	0	0	0	0
d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	352,202	0	352,202	3.08	345,102	0	345,102	3.02	(0.06)
g) Foreign Portfolio Investors	555,529	0	555,529	4.86	576,920	0	576,920	5.05	0.19
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)- Qualified Institutional Buyer	0	0	0	0	2,749	0	2,749	0	0
Sub-total (B)(1)	1,029,319	1,718	1,031,037	9.02	928,546	1,618	930,164	8.14	(0.88)
2 Non-Institutions									
a) Bodies Corporates									
i) Indian	1,080,264	1,419	1,081,683	9.46	1,034,250	1,019	1,035,269	9.06	(0.40)
ii) NBFC Registered with RBI	50	0	50	0	290	0	290	0	0
iii) Overseas	0	0	0	0	0	0	0	0	0

i) Category-wise shareholding (Contd.)

Category of shareholders	No. of Shares held at the beginning of the year as on 1 April 2019				No. of Shares held at the end of the year as on 31 March 2020				% change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
b) Individuals									
i) Individual shareholders holding nominal share capital up to ₹ 2 lakh	2,173,623	369,451	2,543,074	22.25	2,275,151	294,475	2,569,626	22.48	0.23
ii) Individual shareholders holding nominal share capital in excess of ₹ 2 lakh	634,458	0	634,458	5.55	713,045	0	713,045	6.24	0.69
c) Others (specify)									
i) Non Resident Indians	143,837	350	144,187	1.26	148,972	50	149,022	1.30	0.04
ii) Overseas Corporate Bodies	0	0	0	0	0	0	0	0	0
iii) Foreign Nationals	0	0	0	0	0	0	0	0	0
iv) Clearing Members	2,802	0	2,802	0.02	20,004	0	20,004	0.18	0.16
v) Trusts	3,011	0	3,011	0.03	21,199	0	21,199	0.19	0.16
vi) Investor Education and Protection Fund Authority	159,706	0	159,706	1.40	161,389	0	161,389	1.41	0.01
vii) Foreign Bodies - D R	0	0	0	0	0	0	0	0	0
Sub-total (B)(2)	4,197,751	371,220	4,568,971	39.98	4,374,300	295,544	4,669,844	40.86	0.88
Total Public Shareholding (B)=(B)(1)+(B)(2)	5,227,070	372,938	5,600,008	49.00	5,302,846	297,162	5,600,008	49.00	0
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	11,055,630	372,938	11,428,568	100.00	11,131,406	297,162	11,428,568	100.00	0

Note: Percentage in bracket represents negative percentage

ii) Shareholding of promoters and promoter group

Sr. No.	Shareholder's name	Shareholding at the beginning of the year as on 1 April 2019			Shareholding at the end of the year as on 31 March 2020			% change in shareholding during the year
		No. of shares	% of total shares of the Company	% of shares pledged/ encumbered to total shares	No. of shares	% of total shares of the Company	% of shares pledged/ encumbered to total shares	
1	Bajaj Holdings & Investment Ltd.	2,742,848	24.00	0	5,828,560	51.00	0	27
2	Western Maharashtra Development Corporation Ltd.	3,085,712	27.00	0	0	0	0	(27)

iii) Change in promoters' and promoter group shareholding

Sr. No.	Name of the promoter	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	At the beginning of the year 1 April 2019	5,828,560	51.00		
	Date-wise increase/(decrease)				
1	Western Maharashtra Development Corporation Ltd.				
	21-06-2019 - Sold	(3,085,712)	(27.00)	2,742,848	24.00
2	Bajaj Holdings & Investment Ltd.				
	21-06-2019 - Bought	3,085,712	27.00	5,828,560	51.00
3	At the end of the year 31 March 2020			5,828,560	51.00

iv) Shareholding pattern of top ten shareholders
(other than directors, promoters and holders of GDRs and ADRs)

Sr. No.	Particulars	Shareholding at the beginning of the year (1 April 2019)		Cumulative shareholding during the year (31 March 2020)	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	CD Equifinance Pvt. Ltd.				
	At the beginning of the year 1 April 2019	628,051	5.50		
	Date-wise increase/(decrease)				
	07/06/2019	35	0.00	628,086	5.50
	07/06/2019	(35)	(0.00)	628,051	5.50
	21/06/2019	(3,652)	(0.03)	624,399	5.46
	28/06/2019	(4,216)	(0.04)	620,183	5.43
	05/07/2019	(752)	(0.01)	619,431	5.42
	19/07/2019	(801)	(0.01)	618,630	5.41
	26/07/2019	(80)	(0.00)	618,550	5.41
	02/08/2019	(2,265)	(0.02)	616,285	5.39
	09/08/2019	1,465	0.01	617,750	5.41
	09/08/2019	(1,465)	(0.01)	616,285	5.39
	13/09/2019	(466)	(0.00)	615,819	5.39
	20/09/2019	(258)	(0.00)	615,561	5.39
	27/09/2019	(11,671)	(0.10)	603,890	5.28
	30/09/2019	(3,505)	(0.03)	600,385	5.25

iv) Shareholding pattern of top ten shareholders
(other than directors, promoters and holders of GDRs and ADRs) (Contd.)

Sr. No.	Particulars	Shareholding at the beginning of the year (1 April 2019)		Cumulative shareholding during the year (31 March 2020)	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	04/10/2019	(290)	(0.00)	600,095	5.25
	11/10/2019	(1,127)	(0.01)	598,968	5.24
	18/10/2019	(1,597)	(0.01)	597,371	5.23
	25/10/2019	(195)	(0.00)	597,176	5.23
	01/11/2019	(1,494)	(0.01)	595,682	5.21
	08/11/2019	(2,359)	(0.02)	593,323	5.19
	15/11/2019	(545)	(0.00)	592,778	5.19
	22/11/2019	(151)	(0.00)	592,627	5.19
	29/11/2019	(749)	(0.01)	591,878	5.18
	13/12/2019	(541)	(0.00)	591,337	5.17
	20/12/2019	(413)	(0.00)	590,924	5.17
	27/12/2019	(300)	(0.00)	590,624	5.17
	10/01/2020	(261)	(0.00)	590,363	5.17
	24/01/2020	(282)	(0.00)	590,081	5.16
	31/01/2020	(7)	(0.00)	590,074	5.16
	07/02/2020	(60)	(0.00)	590,014	5.16
	14/02/2020	(270)	(0.00)	589,744	5.16
	21/02/2020	(50)	(0.00)	589,694	5.16
	28/02/2020	(280)	(0.00)	589,414	5.16
	At the end of the year 31 March 2020			589,414	5.16
2	General Insurance Corporation of India				
	At the beginning of the year 1 April 2019	352,202	3.08		
	Date-wise increase/(decrease)				
	21/02/2020	(2,937)	(0.03)	349,265	3.06
	28/02/2020	(4,163)	(0.04)	345,102	3.02
	At the end of the year 31 March 2020			345,102	3.02
3	Acacia Partners, LP				
	At the beginning of the year and at the end of the year-No change during the year ended 31 March 2020	175,978	1.54	175,978	1.54

iv) Shareholding pattern of top ten shareholders
(other than directors, promoters and holders of GDRs and ADRs) (Contd.)

Sr. No.	Particulars	Shareholding at the beginning of the year (1 April 2019)		Cumulative shareholding during the year (31 March 2020)	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
4	Raamdeo Ramgopal Agrawal				
	At the beginning of the year				
	1 April 2019	167,741	1.47		
	Date-wise increase/(decrease)				
	01/11/2019	(300)	(0.00)	167,441	1.47
	07/02/2020	8,718	0.08	176,159	1.54
	At the end of the year 31 March 2020			176,159	1.54
5	Acacia Institutional Partners, LP				
	At the beginning of the year and at the end of the year-No change during the year ended 31 March 2020	166,036	1.45	166,036	1.45
6	Investor Education and Protection Fund Authority				
	At the beginning of the year 1 April 2019	160,931	1.41		
	Date-wise increase/(decrease)				
	17/05/2019	(400)	(0.00)	160,531	1.40
	24/05/2019	(250)	(0.00)	160,281	1.40
	31/05/2019	(100)	(0.00)	160,181	1.40
	28/06/2019	(50)	(0.00)	160,131	1.40
	19/07/2019	(133)	(0.00)	159,998	1.40
	26/07/2019	(300)	(0.00)	159,698	1.40
	02/08/2019	(800)	(0.01)	158,898	1.39
	09/08/2019	(300)	(0.00)	158,598	1.39
	23/08/2019	(42)	(0.00)	158,556	1.39
	06/09/2019	(568)	(0.00)	157,988	1.38
	27/09/2019	(1,236)	(0.01)	156,752	1.37
	30/09/2019	(568)	(0.00)	156,184	1.37
	11/10/2019	(967)	(0.01)	155,217	1.36
	01/11/2019	(200)	(0.00)	155,017	1.36
	06/12/2019	414	0.00	155,431	1.36
	20/12/2019	11,142	0.10	166,573	1.46
	27/12/2019	(500)	(0.00)	166,073	1.45
	03/01/2020	54	0.00	166,127	1.45
	24/01/2020	(1,200)	(0.01)	164,927	1.44

iv) Shareholding pattern of top ten shareholders
(other than directors, promoters and holders of GDRs and ADRs) (Contd.)

Sr. No.	Particulars	Shareholding at the beginning of the year (1 April 2019)		Cumulative shareholding during the year (31 March 2020)	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	07/02/2020	(664)	(0.01)	164,263	1.44
	14/02/2020	(400)	(0.00)	163,863	1.43
	06/03/2020	(35)	(0.00)	163,828	1.43
	13/03/2020	(800)	(0.01)	163,028	1.43
	At the end of the year 31 March 2020			163,028	1.43
7	Motilal Gopilal Oswal				
	At the beginning of the year 1 April 2019	139,615	1.22		
	Date-wise increase/(decrease)				
	01/11/2019	(316)	(0.00)	139,299	1.22
	07/02/2020	8,719	0.08	148,018	1.30
	At the end of the year 31 March 2020			148,018	1.30
8	Desai Brothers Ltd.				
	At the beginning of the year 1 April 2019	126,773	1.11		
	Date-wise increase/(decrease)				
	25/10/2019	5,200	0.05	131,973	1.15
	01/11/2019	5,705	0.05	137,678	1.20
	08/11/2019	10,812	0.09	148,490	1.30
	15/11/2019	2,901	0.03	151,391	1.32
	22/11/2019	4,523	0.04	155,914	1.36
	29/11/2019	5,585	0.05	161,499	1.41
	At the end of the year 31 March 2020			161,499	1.41
9	Chetan Sehgal				
	At the beginning of the year and at the end of the year-No change during the year ended 31 March 2020	87,246	0.76	87,246	0.76
10	Rathi Techservices Pvt. Ltd.				
	At the beginning of the year and at the end of the year-No change during the year ended 31 March 2020	60,424	0.53	60,424	0.53

v) Shareholding of Directors and Key Managerial Personnel

Sr. No.	Name of the Director/ Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	Yogesh J. Shah				
	At the beginning of the year and at the end of the year-No change during the year ended 31 March 2020	2,914	0.03	2,914	0.03
2	N.S. Kulkarni, CS				
	At the beginning of the year and at the end of the year-No change during the year ended 31 March 2020	1	0.00	1	0.00

Note:

(1) Shareholding of other Directors- Nil

(2) Shrinivas Pathak, CEO and Anant Marathe, CFO do not hold any shares in the Company

V. Indebtedness

Company was not having any secured loans/unsecured loans and deposits during the financial year 2019-20.

VI. Remuneration of the directors and key managerial personnel

A. Remuneration to Managing Director (MD), Whole-time Directors and/or Manager

(₹ in Lakh)

Sr. No.	Particulars of remuneration	Shrinivas Pathak, Manager and CEO	Total amount
1	Gross Salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	32.13	32.13
	(b) Value of perquisites u/s 17(2) of Income-tax Act, 1961	2.71	2.71
	(c) Profits in lieu of salary under section 17(3) of Income-tax Act, 1961	0	0
2	Stock Option	0	0
3	Sweat Equity	0	0
4	Commission		
	- as % of profit	0	0
	- others, specify...	0	0
5	Others, please specify	0	0
	TOTAL (A)	34.84	34.84
	Ceiling as per the Act		902.55

B. Remuneration to other directors

1. Independent Directors

(₹ In Lakh)

Sr. No	Particulars of remuneration	Naresh Patni	Sadashiv S. Survase	Sanjay S. Degaonkar	Vrushali Agashe	Yogesh J. Shah	Mrs. Lila Poonawalla	Total amount
1	Independent Directors							
	Fee for attending Board/committee meetings	4.40	0.40	0.20	0.40	5.40	2.50	13.30
	Commission	0	0	0	0	0	0	0
	Others, please specify	0	0	0	0	0	0	0
	Total (1)	4.40	0.40	0.20	0.40	5.40	2.50	13.30
2	Other Non-Executive Directors	Abhinandan More	Madhur Bajaj	Sanjiv Bajaj	Viswanath L. Rajale	Anish P. Amin	V. Rajagopalan	
	Fee for attending Board/committee meetings	0.40	0.20	3.10	0.40	2.50	2.00	8.60
	Commission	0	0	0	0	0	0	0
	Others, please specify	0	0	0	0	0	0	0
	Total (2)	0.40	0.20	3.10	0.40	2.50	2.00	8.60
	Total (B)=(1+2)							21.90
	Total Managerial Remuneration							56.74
	Overall Ceiling as per the Act							902.55

Note: Overall ceiling as per Act is not applicable to sitting fees paid to non-executive directors.

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

(₹ In Lakh)

Sr. No.	Particulars of remuneration	Key Managerial Personnel		Total amount
		Chief Financial Officer (CFO) (Apr-Jun 2019)	Company Secretary (CS)	
1	Gross Salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	10.75	24.69	35.44
	(b) Value of perquisites under section 17(2) of the Income-tax Act, 1961	0.69	2.67	3.36
	(c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	0	0	0
2	Stock Options	0	0	0
3	Sweat Equity	0	0	0
4	Commission			
	- as % of profit	0	0	0
	- others	0	0	0
5	Others	0	0	0
	TOTAL (C)	11.44	27.36	38.80

Note: R.B. Laddha, ex-CFO retired on 30 June 2019 and the current CFO is not paid any salary by the Company, since he gets his salary from BHIL, the holding Company.

VII. Penalties/Punishment/Compounding of offences:

During the year 2019-20, there were no penalties/punishment/compounding of offences under the Companies Act, 2013.

Remuneration Details under Rule 5 (1) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 (as amended) for the year ended 31 March 2020

Sr. No.	Name of Director/KMP	Ratio of Remuneration of director to Median Remuneration of employees	% increase in the financial Year
(A)	Executive Director	-	-
(B)	Non-executive directors	-	-
(C)	Key Managerial Personnel		
	Shriniwas Pathak, CEO	6.16	NA
	Anant Marathe, CFO	NA	NA
	N.S. Kulkarni, Company Secretary	4.84	0.00
(D)	Remuneration of Median Employee (other than whole-time directors)		40.66
(E)	Permanent employees as on 31 March 2020: 106		

1. No commission is paid to Non-Executive Directors for attending the meetings of the Board & Committees during the year under review and hence not applicable.
2. Shriniwas Pathak was CEO only for part of the year in 2018-19 and hence figures of 2018-19 & 2019-20 are not comparable.
3. The term 'Permanent Employees' does not include trainees, probationers and contract employees.

Notes on Disclosures under Rule 5

1. In 2019-20, the remuneration of median employee other than whole-time Directors increased by 40.66% over the previous year.
2. 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 No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

For the financial year ended 31 March 2020.

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, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31 March 2020, 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 2020, 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;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and share transfer agents) Regulations, 1993 regarding the Companies Act and dealing with client;

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

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

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

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

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

Adequate 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 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.

During the year, on 17/06/2019 Bajaj Holdings and Investment Ltd. (one of the promoters) acquired 30,85,712 equity shares of ₹ 10/- each from Western Maharashtra Development Corporation Ltd. (the other promoter of the Company), pursuant to Order of Hon'ble Supreme Court of India dated 09/01/2019. With such acquisition the Company has become subsidiary of Bajaj Holdings and Investment Ltd.

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

Pune: 18 May 2020

Shyamprasad D. Limaye
F.C.S. 1587 C.P. 572

Independent Auditors' Certificate on Corporate Governance

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, 2020 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
Firm Registration No. 105215W/W100057

Suhas Deshpande
Partner
Membership No. 031787
UDIN: 20031787AAAAAP7488

Pune: 18 May 2020

DECLARATION ON CODE OF CONDUCT

As required by clause 34(3) of the Listing Regulations, it is hereby affirmed that all the Board Members and Senior Management Personnel have complied with the Code of Conduct for the year ended 31 March 2020.

Shriniwas Pathak
Chief Executive Officer

Pune: 18 May 2020

Certificate

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

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

On the basis of examination of the books, minute books, forms and returns filed and other records maintained by the Company and declarations made by the directors and explanations given by the Company 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 as on 31 March 2020 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	SANJIV BAJAJ	00014615	Chairman, Non-Independent Director
2	NARESH BANSILAL PATNI	00045532	Independent Director
3	YOGESH JAYANT SHAH	00137526	Independent Director
4	MRS. LILA FIROZ POONAWALLA	00074392	Independent Director
5	V. RAJAGOPALAN	02997795	Non-Independent Director
6	ANISH P. AMIN	00070679	Non-Independent Director

Given on this 18 May 2020

UDIN : F001587B000249221

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

MANAGEMENT DISCUSSION AND ANALYSIS

a) Industry structure and developments

Maharashtra Scooters Ltd. (MSL), for three decades since its inception in 1975, had been operating in the geared scooter segment of the two-wheeler industry and consequently over the period it had developed adequate skills in the manufacture of pressure die casting dies, fixtures, die casting components etc. for two and three-wheelers. Since there was no market for geared scooters, the Company discontinued the production of geared scooters in April 2006, and production activity since then has been restricted to manufacture of pressure die casting dies, fixtures and die casting components etc.

b) Opportunities, Threats, Risks and Concerns

The Company ceased to manufacture geared scooters in April 2006 and since then, there has been no activity for manufacture of geared/non-geared scooters at its factory. The Company, however, continues to manufacture pressure die casting dies, fixtures and die casting components for automobiles industry. During the year, the Company continued taking steps to enhance its manufacturing capabilities. However, the manufacturing operations during the year were hit by a slowdown in the auto sector, initially due to slowing economy and further on account of start of the COVID-19 pandemic in the last quarter of the year.

c) Change in the status of the Company and business outlook

The change in the legal status of the Company is dealt with in the Director's Report. The Protocol agreement entered between Western Maharashtra Development Corporation Ltd. (WMDC) and Bajaj Holdings and Investment Ltd. (BHIL) ended during the year under review, after the transfer of stakes by WMDC to BHIL pursuant to the order of the Supreme Court. This change, however, has no significant impact on the foreseeable outlook of the Company. The loss of business opportunity on account of COVID -19 pandemic, as already mentioned earlier, is likely to adversely affect the outlook for the financial year 2020-21.

d) Segment-wise or product-wise performance

There being two reportable segments, segment-wise information is given under Note No.32.

e) Internal control systems and their adequacy

The Company has strong internal control systems, which have been found adequate by the Management of the Company. The Audit Committee reviews the internal control system/procedure periodically to ensure its adequacy and effectiveness.

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 2020, the Company had 51 permanent workers, 55 permanent staff and 59 trainees and persons working on contract basis.

h) Material financial and commercial transactions, where the Management has personal interest, which may have a potential conflict with the interest of the Company at large

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

i) Significant changes in financial ratios:

Particulars	Ratio in 2019-20	Ratio in 2018-19	Over 18-19	Remarks
Debtors Turnover Ratio	3.24	3.87	(16.20%)	Lower debtors turnover ratio is due to higher despatches in Q4 due to BS VI.
Inventory Turnover Ratio	2.28	5.09	(55.20%)	Lower inventory turnover ratio is due to dies that were ready, but could not be despatched due to lockdown.
Current Ratio	16.23	17.74	(8.50%)	
Operating Profit Margin (%)	(43.66)	(48.72)	(10.40%)	
Net Profit Margin (%)	84.15	75.89	10.90%	
Return on Net Worth (%)	2.19	0.64	240.90%	Return on Net worth is higher due to higher PAT upon higher dividend income and lower net worth upon fair value changes on equity investments.

CORPORATE GOVERNANCE

Corporate Governance is about promoting the fairness, transparency, accountability, commitment to values, ethical business conduct and about considering all stakeholders' interest while conducting the business. In accordance with the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations and amendments thereto, (hereinafter referred to as 'SEBI Listing Regulations'), given below are the corporate governance policies and practices of Maharashtra Scooters Ltd. (hereinafter referred to as the 'Company' or 'MSL') during the financial year 2019-20.

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

Philosophy:

The Company believes in and has always worked towards building trust with shareholders, employees, customers, suppliers and other stakeholders on the four key elements of corporate governance – transparency, fairness, disclosure and accountability. The commitment of MSL to the highest standards of good corporate governance practices predates SEBI and the provisions of the SEBI Listing Regulations.

Board of Directors:

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

Composition of the Board:

In compliance with the provisions of the SEBI Listing Regulations, the Company has a combination of independent directors and non-executive, non-independent directors with a woman independent director. The Company has a non-executive Chairman.

As on 31 March 2020, the Board of the Company consisted of six (6) directors, of whom three (3) were non-executive, independent (including one woman independent director) and three were non-executive and non-independent. The Board has no institutional nominee director. More particulars about the directors are mentioned in the Directors' Report.

According to regulation 17(1)(b) of the SEBI Listing Regulations, where the non-executive chairman is a promoter or is related to any promoter, at least one half of the Board of the Company should consist of independent directors. As Table 1 shows, this provision is complied with.

Reconstitution of Board:

During the year under review, pursuant to an Order passed by Hon'ble Supreme Court of India on 9 January 2019, Western Maharashtra Development Corporation Ltd. (WMDC), one of the promoters of the Company, since its inception in 1975, transferred its entire 27% stake to

Bajaj Holdings and Investment Ltd. (BHIL), the other promoter, on 17 June 2019. Consequent to this transaction, WMDC ceased to be a promoter of the Company and BHIL, which was already holding 24% stake, increased its stake to 51%, as a result of which BHIL has become the holding company of this Company. This transaction, however, had no significant impact on the finances or operations of the Company.

On account of the Company becoming a subsidiary of BHIL, the board of the Company was reconstituted, details of which are given in Table 1 below.

Number of meetings of the Board:

During the financial year ended 31 March 2020, the Board of Directors met six (6) times viz., on 15 May 2019, 3 July 2019, 24 July 2019, 21 October 2019, 28 January 2020 and 21 February 2020. The intervening gap between any two consecutive meetings was less than one hundred and twenty days.

Attendance record of Directors:

Attendance record of directors at the Board meetings held during the financial year ended 31 March 2020 and at the last AGM:

Table 1: Composition of the Board and attendance record of directors for 2019-20

Name of director	Category	Number of Board meetings attended	Attendance at the last AGM held on 24-Jul-19
Sanjiv Bajaj	Non-executive, Chairman	6/6	Yes
Yogesh J. Shah	Non-executive, independent	6/6	Yes
Naresh Patni	Non-executive, independent	6/6	Yes
Mrs. Lila Poonawalla*	Non-executive, independent	2/3	Not applicable
Anish P. Amin**	Non-executive, non-independent	3/3	Not applicable
V. Rajagopalan**	Non-executive, non-independent	3/3	Not applicable

* Appointed as independent director w.e.f. 25 July 2019.

** Appointed as non-executive directors w.e.f. 25 July 2019.

None of the director are related to each other.

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.

Non-executive directors' compensation:

The Board, considering the recommendation of Nomination and Remuneration Committee, at its meeting held on 24 July 2019, has revised the sitting fees, from ₹20,000 to ₹50,000, payable per meeting to all non-executive directors (including independent directors) for meetings of the Board and/or Committee's attended by them from and after 1 October 2019.

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

Information supplied to 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 regulation 17(7) read with Part A of Schedule II to the SEBI Listing Regulations. As stated elsewhere, the independent directors of the Company at their meeting held on 28 January 2020 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.

With a view to leveraging technology and moving towards paperless systems for the preservation of environment, the Company has now adopted a web-based application for transmitting Board/Committee papers. The Directors of the Company receive the agenda in electronic form through this secure application. The application meets high standards of security and integrity required for storage and transmission of Board/Committee agenda in electronic form.

Orderly succession to Board and Senior Management:

The Board of the Company satisfied itself that plans are in place for orderly succession for appointments to the Board and to Senior Management.

Directorships and memberships of Board Committees

Details of directorships and memberships in the various Committees as held by the directors of the Company are given in Table 2.

Table 2: Number of directorships/committee positions of directors as on 31 March 2020

Name of 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 Chairman)	As Chairman
Sanjiv Bajaj	5	5	9	7	-
Yogesh J. Shah	1	-	4	2	2
Naresh Patni	1	1	2	1	-
Mrs. Lila Poonawalla	2	8	-	6	3
Anish P. Amin	1	2	-	-	-
V. Rajagopalan	1	4	-	1	-

Notes: None of the directors holds office as a director, including as alternate director, in more than twenty companies at the same time. None of them has directorships in more than ten public companies. For reckoning the limit of public companies, directorships of private companies that are either holding or subsidiary company of a public company are included and directorships in dormant companies are excluded.

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

None of the directors was a member in more than ten Committees, nor a Chairman in more than five Committees across all companies, in which he was a director.

For the purpose of considering the limit of the committees on which a director can serve, all public limited companies, whether listed or not, have been included and all other companies including private limited companies, foreign companies and companies under section 8 of the Act have been excluded. Only Audit Committees and Stakeholders' Relationship Committees are considered for the purpose of reckoning committee positions.

Table 3: Name of equity listed entities where directors of the Company held directorships as on 31 March 2020

Name of director	Name of equity listed entities	Category of Director
Sanjiv Bajaj	Bajaj Auto Ltd.	Non-executive
	Bajaj Finserv Ltd.	Chairman & Managing Director, Executive
	Bajaj Finance Ltd.	Vice-Chairman, Non-executive
	Bajaj Holdings & Investment Ltd.	Managing Director & CEO, Executive
	Maharashtra Scooters Ltd.	Chairman, Non-executive
Yogesh J. Shah	Maharashtra Scooters Ltd.	Independent, Non-executive
Naresh Patni	Maharashtra Scooters Ltd.	Independent, Non-executive
Mrs. Lila Poonawalla	Maharashtra Scooters Ltd.	Independent, Non-executive
	Bajaj Auto Ltd.	Independent, Non-executive
Anish P. Amin	Maharashtra Scooters Ltd.	Non-executive
V. Rajagopalan	Maharashtra Scooters Ltd.	Non-executive

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.

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.

Maximum tenure of Independent Directors:

The maximum tenure of independent directors is in accordance with section 149(10) of the Act and regulation 25(2) of the SEBI Listing Regulations.

Formal Letter of Appointments to Independent Directors:

The Company issues a formal letter of appointment to independent directors in the manner as provided under section 149(8) of 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: www.mahascooters.com

Separate meeting of Independent Directors:

In compliance with schedule IV to the Act and regulation 25(3) of SEBI Listing Regulations, the independent directors held their separate meeting on 28 January 2020, without the attendance of non-independent directors and members of Management, to inter alia:

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

All independent directors were present at the meeting.

The independent directors present elected Yogesh J. Shah as Chairman for the meeting, deliberated on the above and expressed their satisfaction on each of the matters.

Performance Evaluation:

In terms of Regulation 19(4), read with section A (2) of Part D of Schedule II to SEBI Listing Regulations, the Company has framed a policy stipulating the criteria for evaluation of directors and the board. In light of SEBI's Guidance Note dated 5 January 2017 on Board Evaluation, the Nomination and Remuneration Committee and Board of Directors at their meeting held on 28 January 2018 revised the Policy containing criteria for performance evaluation.

In line with the amendment to section 178(2) of the Act, the Board of Directors of the Company at its meeting held on 28 January 2020 approved the evaluation of performance of the Board, its Committees and individual directors to be carried out by the Board only and not to be duplicated by the Nomination and Remuneration Committee, with the Committee only reviewing its implementation and compliance.

The performance evaluation process followed by the Company for the financial year 2019-20 was as under:

- Performance evaluation criteria for Board, Committees of the Board, Chairperson and Directors as approved by the Board at its meeting held on 13 October 2014, were revised on 16 May 2017 suitably in line with the Guidance Note of Board Evaluation by SEBI issued on 5 January 2017. The revised criteria are placed on the Company's website: www.mahascooters.com
- Based on the said revised criteria, rating sheets were filled by each of the directors towards the end of the period with regard to evaluation of the performance of the Board, its Committees, Chairperson and Directors (except for the director being evaluated) for the period under review.
- A consolidated summary of the ratings given by each of the director was then prepared, based on which a report of performance evaluation was prepared by the Chairman in respect of the performance of the Board, its Committees, Chairperson and Directors during the period under review.
- The report of performance evaluation so arrived at was then noted and discussed by the Nomination and Remuneration Committee and the Board at their meetings held on 28 January 2020.
- Details on the evaluation of Board, non-independent Directors and Chairperson of the Company as carried out by the independent directors at their meeting held on 28 January 2020 have been furnished in a separate para elsewhere in this Report.

Code of Conduct:

Regulation 17(5) of 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.

The Board has laid down a Code of Conduct for all Board members, including independent Directors and Senior Management of the Company. As mandated, the Code of Conduct is also posted on the website of the Company viz., www.mahascooters.com

As on 31 March 2020, all Board members/independent Directors and Senior Management personnel have affirmed compliance with the code. A declaration to this effect signed by the Manager (CEO) is given in this Annual Report.

Familiarisation program for Independent Directors:

With a view to familiarizing the independent directors with the Company's operations, as required under regulation 25(7) of the SEBI Listing Regulations, the Company has held various familiarisation programmes for the independent directors throughout the year on an ongoing and continuous basis.

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

The details of familiarisation programmes are placed at www.mahascooters.com

Board diversity Policy:

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

Whistle Blower Policy/Vigil Mechanism

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

The Whistle Blower Policy/Vigil Mechanism provides a mechanism for the director/employee to report without fear of victimisation, any unethical behaviour, suspected or actual fraud, violation of the Code of Conduct etc. violations and instances of leak of Unpublished Price Sensitive Information, which are detrimental to the organisation's interest. The mechanism protects whistle blower from any kind of discrimination, harassment, victimisation or any other unfair employment practice. The Company affirms that no employee has been denied access to the Audit Committee.

The directors in all cases and employees in appropriate or exceptional cases will have direct access to the Chairman of the Audit Committee. The said Policy is placed on the Company's website i.e. www.mahascooters.com

Dividend distribution policy:

As mandated under regulation 43A of the SEBI Listing Regulations for the top 500 companies as on 31 March 2016 by market capitalisation, the Board of Directors of the Company at its meeting held on 26 October 2016 adopted a Dividend Distribution Policy for the Company. The Policy sets out the parameters and circumstances that will be taken into account by the Board in determining the distribution of dividend to the shareholders.

As a green initiative, the Dividend Distribution Policy is hosted at www.mahascooters.com

A copy of the said Policy will be made available to any Shareholder on request by email.

Related party transactions:

All the related Party transactions (RPTs) which were entered into during the financial year were on arms' length basis and were in the ordinary course of business. These RPTs did not attract provisions of section 188 of the Act and were also not 'material' in nature as envisaged under regulation 23(4) of SEBI Listing Regulations.

During the financial year 2019-20, all RPTs were placed before Audit Committee for prior approval.

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

A statement showing the disclosure of transactions with related parties as required under Indian Accounting Standard 24 is set out separately in this Annual Report.

The revised policy on materiality of RPT's stipulating therein the threshold limits and also on dealing with RPT's was approved by the Board at its meeting held on 15 May 2019. The said policy is available at www.mahascooters.com

Details of 'material' transactions, if any, with related parties are disclosed with the Compliance Report on Corporate Governance filed with the Stock Exchanges.

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

Core Skills/Expertise/Competencies:

As stipulated under part C of 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.

As a green initiative, the Chart/matrix of such core skills/expertise/competence along with the names of directors who possess such skills is placed on website of the Company:

www.mahascooters.com

Audit Committee:

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

Table 4: Composition of the Audit Committee and attendance record of members for 2019-20

Name of director	Category	No. of Meetings attended
Yogesh J. Shah	Chairman – Independent Director	4/4
Naresh Patni	Member – Independent Director	4/4
Mrs. Lila Poonawalla*	Member – Independent Director	2/2

* Inducted as a Member of the Audit Committee w.e.f. 25 July 2019.

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

The terms of reference of Audit Committee, as revised pursuant to amended SEBI Listing Regulations and approved by Board at its meeting held on 15 May 2019, comply with the extant provisions of the Act and SEBI Listing Regulations, as applicable and are available on the Company's website: www.mahascooters.com

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

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

The committee met four times during the year on 15 May 2019, 24 July 2019, 21 October 2019 and 28 January 2020. The time gap between two meetings was not more than one hundred and twenty days.

Yogesh J. Shah, Chairman of the Audit Committee was present at the 44th Annual General Meeting of the Company held on 24 July 2019 to answer shareholders' queries.

The Audit Committee, inter-alia, reviews:

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

Nomination and Remuneration Committee:

The Board constituted the Nomination and Remuneration Committee of the Board at its meeting held on 13 October 2014 and the terms of reference for this committee were also approved by the Board in the said meeting in compliance with regulation 19 of SEBI Listing Regulations and section 178 of the Act. The terms of reference of the Committee were amended by the Board at its meeting held on 15 May 2019, to give effect to the amendment to SEBI Listing Regulations and the updated terms of reference of the committee are placed on the website of the Company viz., www.mahascooters.com

Table 5: Composition of the Nomination and Remuneration Committee and attendance record of members for 2019-20

Name of director	Category	No. of Meetings attended
Yogesh J. Shah	Chairman – Independent Director	3/3
Naresh Patni	Member – Independent Director	3/3
Anish P. Amin ¹	Member – Non-Executive Director	1/1
Mrs. Lila Poonawalla ²	Member – Independent Director	1/1

¹Appointed as a Member of the Committee w.e.f. 25 July 2019.

²Appointed as a Member of the Committee w.e.f. 15 November 2019.

On the recommendation of Nomination and Remuneration Committee, the Board has adopted the policy on appointment of directors/independent directors and key managerial personnel and remuneration payable to them. The Policy is directed towards a compensation philosophy and structure that will reward and retain talent and provides for a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

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

- i) Noting of resignation of Abhinandan More, Vishwanath L Rajale and Madhur Bajaj as Nominee Directors and of Sadashiv S. Survase, Sanjay S. Degaonkar and Vrushali Agashe as Independent Directors effective 3 July 2019.
- ii) Appointment of Mrs. Lila Poonawalla as an Independent Director and appointment of V. Rajagopalan and Anish P. Amin as Non-executive directors effective 25 July 2019.
- iii) Remuneration payable to Shrinivas Pathak as Chief Executive Officer.

The policy is placed at www.mahascooters.com

The committee met three times during the year on 15 May 2019, 24 July 2019 and 28 January 2020.

Risk Management Committee:

Pursuant to provisions of regulation 21 of SEBI Listing Regulations, top 500 listed companies by market capitalisation are required to constitute a Risk Management Committee and since the Company is listed in the top 500 listed companies by market capitalisation, at its meeting held on 15 May 2019, the Board has approved the constitution of a Risk Management Committee.

As required by regulation 17(9) of SEBI Listing Regulations, the Company has laid down a procedure to inform Board members about the risk assessment and minimisation procedures, to facilitate the Board to implement and monitor the risk management framework of the Company. During the year under review, the Company did not trade in nor had any exposure in commodities market.

During the year under review, the Committee met once on 28 January 2020.

Table 6: Composition of Risk Management Committee and attendance record of members for 2019-20

Name of member	Category	No. of Meetings attended
Sanjiv Bajaj*	Chairman – Non-executive Director	1/1
Yogesh J Shah	Member – Independent Director	1/1
Shriniwas Pathak	Member – Chief Executive Officer	1/1
Anish P. Amin	Member – Non-executive Director	1/1
Mrs. Lila Poonawalla**	Chairperson – Independent Director	N.A.

* Ceased to be a Member and Chairman of the Committee w.e.f. 28 January 2020.

** Inducted as a Member and Chairperson of the Committee w.e.f. 28 January 2020.

Duplicate Share Certificate Issuance Committee:

To meet the timeline stipulated under section 46 of the Act, read with rule 6 of the Companies (Share Capital and Debentures) Rules, 2014 and regulation 39 of SEBI Listing Regulations the Board at its meeting held on 2 February 2016 constituted a committee of the Board to approve the issuance of duplicate share certificates in lieu of original share certificates lost or misplaced.

Table 7: Composition of Duplicate Share Certificate Issuance Committee and attendance record of members for 2019-20

Name of director	Category	No. of Meetings attended
Sanjiv Bajaj	Chairman – Non-executive Director	1/1
Yogesh J Shah	Member – Independent Director	1/1
V. Rajagopalan	Member – Non-executive Director	1/1

During the year under review, the Committee met once on 28 January 2020, to approve the resolutions, including circular resolutions passed by the members approving the issue of duplicate share certificates.

Stakeholders Relationship Committee:

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

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

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

Table 8: Composition of Stakeholders Relationship Committee and attendance record of members for 2019-20

Name of director	Category	No. of Meetings attended
Yogesh J Shah	Chairman – Independent Director	1/1
Sanjiv Bajaj	Member – Non-executive Director	1/1
V. Rajagopalan	Member – Non-executive Director	1/1

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

The committee met once during the year on 28 January 2020.

Shyamprasad D. Limaye, Secretarial Auditor and the Company Secretary, who acts as Compliance Officer, was also present at the meeting.

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

Complaints attended and resolved during the year 2019-20:

Investors Complaints	Attended/Resolved during 2019-20
Pending at the beginning of the year	Nil
Received during the year	11
Disposed of during the year	11
Remaining unresolved at the end of the year	Nil

Subsidiary and Associate Companies:

The Company has no subsidiaries and no associates.

Remuneration of Directors:

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

In 2019-20, the Company did not advance any loans to any of the non-executive directors, and/or Manager. Details of remuneration paid/payable to directors during 2019-20 are provided in an annexure to the Directors' Report in section VI of Form MGT-9, i.e. extract of the Annual Return.

Compliances regarding insider trading:

Pursuant to SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company 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 the year 2018-19, SEBI has amended SEBI (Prohibition of Insider Trading) Regulations, 2015. In view of the amendment to the said Regulations, the Board of Directors, at its meeting held on 15 May 2019 revised the following:

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

Shareholding of Directors:

Information on shares held by directors in the Company as on 31 March 2020 is provided in an annexure to the Directors' Report in section IV(v) of Form MGT-9, i.e. extract of the Annual Return.

Management:

Management Discussion and Analysis is given as a separate chapter in the Annual Report. The senior management personnel of the Company have disclosed to the Board that they do not have any material financial and commercial transactions having personal interest, which may have a potential conflict with the interest of the Company.

General Body Meeting:

Location and time where last three AGMs were held:

AGM Number	Date and Time	Details of special resolution(s) passed at the Annual General Meetings, if any
42nd	18 July 2017 at 12.15 p.m.	None
43rd	16 July 2018 at 12.15 p.m.	Appointment of Ms. Vrushali Agashe as an Independent Director for the second term of five years
44th	24 July 2019 at 12.15 p.m.	None

Postal Ballot:

During the period under review, your Company has carried out 4 Postal Ballot exercises, details of which are given as under:

1. The following special resolutions were passed by way of postal ballot on 18 August 2019

Sr. No.	Particulars
1.	Approval for insertion of New Objects in the Main Objects clause of the Memorandum of Association of the Company.
2.	Approval for adoption of new Articles of Association of the Company.

2. The following special resolution was passed by way of postal ballot on 9 September 2019

Sr. No.	Particulars
1.	Approval to the appointment of Mrs. Lila Poonawalla (DIN-00074392) as an Independent Director with effect from 25 July 2019 and her continuation as such after attaining the age of 75 years.

3. The following special resolutions were passed by way of postal ballot on 22 December 2019

Sr. No.	Particulars
1.	Re-appointment of Yogesh Jayant Shah (DIN-00137526) as an Independent Director of the Company for a second term of five consecutive years with effect from 13 October 2019.
2.	Re-appointment of Naresh Patni (DIN-00045532) as an Independent Director of the Company for a second term of five consecutive years with effect from 13 October 2019 and his continuation as such after attaining the age of 75 years.

4. The following special resolution was passed by way of postal ballot on 10 March 2020

Sr. No.	Particulars
1.	Approval for limiting Foreign Portfolio Investors' (FPIs) investment at 24% of the equity paid-up share capital of the Company.

Means of communication:

Quarterly, half-yearly and annual financial results and other public notices issued for the shareholders are published in the newspapers i.e., Financial Express and Kesari.

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

Section 20 and 129 of the Act read with Companies (Accounts) Rules, 2014 permit companies to service delivery of documents electronically on the registered members'/shareholders' email addresses. The Company, during the year under review, sent documents, such as notice calling the general meeting, audited financial statements, Directors' Report, auditors' report etc.,

in electronic form at the email addresses provided by the shareholders and made available by them to the Company through the depositories. Shareholders desiring to receive the said documents in physical form continued to get the same in physical form, upon request, during the year under review.

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

CEO/CFO Certification:

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

Report on Corporate Governance:

This chapter, read together with the information given in the Directors' Report and the chapters on Management Discussion and Analysis and General Shareholder Information, constitute the compliance report on Corporate Governance during 2019-20. The Company has been regularly forwarding the quarterly compliance report to the Stock exchanges as required under regulation 27(2) of the SEBI Listing Regulations.

COMPLIANCE:

Auditors Certificate:

The Company has obtained a certificate from the auditors of the Company regarding compliance with the provisions relating to corporate governance laid down in regulation 34 read with schedule V to the SEBI Listing Regulation with the stock exchanges. This report is annexed to the Directors' Report for the year 2019-20 and will be sent to the stock exchanges along with the annual report.

Statutory Auditors

Kirtane & Pandit LLP are the Statutory Auditors of the Company. During the year under review, the total fees paid by the Company to them is ₹9.74 Lakh including out of pocket expenses.

COMPLIANCE OF MANDATORY AND DISCRETIONARY REQUIREMENT:

Mandatory:

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

Discretionary:

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

(a) Modified opinion(s) in audit report

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

(b) Reporting of Internal Auditor

The Internal Auditor reports directly to the Audit Committee.

GENERAL SHAREHOLDER INFORMATION

45th Annual General Meeting

Date	20 July 2020
Time	12.15 p.m.
Venue	The Company is conducting meeting through video conferencing ('VC')/ other audio-visual means ('OAVM') pursuant to the MCA circular. For details please refer to the Notice of AGM

The Ministry of Corporate Affairs vide its circular dated 8 April 2020, 13 April 2020 and 5 May 2020 has provided an option to Companies to conduct Annual General Meeting during the Calendar Year 2020 through "VC or OAVM" and send financial statements (including board's report, auditors report and other documents to be attached therewith) through email only.

Accordingly, the Annual report of the Company for the financial year 2020 along with Notice of e-AGM is being sent only by email to the members, and all other persons/entities entitled to receive the same and that the 45th Annual General Meeting will be convened through VC or OAVM.

Financial calendar

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

Registrar and Share transfer agent (STA)

The Company had appointed Karvy Computershare Pvt. Ltd., as its registrar and share transfer agent and accordingly, processing of share transfer/dematerialisation/rematerialisation and allied activities were outsourced to it in July 2008.

All operations of Karvy Computershare Pvt. Ltd. were transferred to Karvy Fintech Pvt. Ltd. with effect from 17 November 2018. Further, during the year under review, the name of Karvy Fintech Pvt. Ltd. was changed to KFin Technologies Pvt. Ltd. (hereinafter referred to as 'KFin') with effect from 5 December 2019. All the share registry services are now handled in the name of KFin.

All physical transfers (to the extent permitted), transmission, transposition, issue of duplicate share certificate(s), issue of demand drafts in lieu of dividend warrants etc. as well as requests for dematerialisation/rematerialisation are being processed at KFin. The work related to dematerialisation/rematerialisation is handled by KFin through connectivity with NSDL and CDSL.

Dividend

The Board of Directors had recommended an interim dividend of ₹ 50 per equity share (500%) for the financial year 2019-20, already paid on 9 March 2020. No final dividend is recommended by the Directors and that the interim dividend already paid is to be treated as final dividend, subject to the approval of Shareholders at the ensuing Annual General Meeting.

Dividend paid in the previous year was ₹ 33 per equity share (330%).

Payment of dividend

As per the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the 'SEBI Listing Regulations'), and SEBI Circular dated 20 April 2019, companies shall use any electronic mode of payment approved by the Reserve Bank of India for making payment to the members. Accordingly, the interim dividend which was declared on 21 February 2020 was paid through electronic mode, where the bank account details of the members were available. Where dividend payments were made through electronic mode, intimation regarding such remittance has been sent separately to the members. In case where the dividend cannot be paid through electronic mode, the same has been paid by warrants with bank account details printed thereon. In case of non-availability of bank account details, address of the members has been printed on the warrants.

Pursuant to aforesaid circular, the Company has been requesting its members holding shares in physical form to furnish details regarding their PAN and bank account for enabling payment of dividend through electronic mode. Members who are yet to respond are requested to provide the same at the earliest.

For enabling the payment of dividend in future through electronic mode, members holding shares in physical form are requested to furnish updated particulars of their bank account to KFin along with a photocopy of a cancelled cheque of the bank account and self-attested copy of PAN card. Beneficial owners holding shares in electronic form are requested to furnish their bank account details to their respective depository participants and ensure that such changes are recorded by them correctly. The request for updating particulars of bank account should be signed as per the specimen signature registered with KFin/depository participants, as the case may be.

Unclaimed dividends

Unclaimed dividends up to 1994-95 have been transferred to the general revenue account of the Central Government. Those who have not encashed their dividend warrants for the period prior to and including 1994-95 are requested to claim the amount from Registrar of Companies, Maharashtra, Pune, situated at PCNTDA Green Building, Block A, 1st and 2nd Floor, Near Akurdi Railway Station, Akurdi, Pune – 411044.

As per Section 124 and 125 of the Act read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('IEPF Rules, 2016') dividend not paid or claimed for seven consecutive years from the date of transfer to Unpaid Dividend Account are to be transferred to Investors Education and Protection Fund. Accordingly, the unpaid/unclaimed dividend for the financial year 2011-12 was transferred to the Fund in September 2019.

Unpaid/unclaimed dividend for the financial year 2012-13 shall become due for transfer to the said Fund in August 2020. Members are requested to verify their records and send their claim, if any, for the financial year 2012-13, before the amount becomes due for transfer to the Fund. Communication is being sent to the members, who have not yet claimed dividend for the financial year 2012-13, requesting them to claim the same as well as unpaid dividend, if any, for the subsequent years.

These details are also available on the website of IEPF
i.e. <https://www.iepf.gov.in/IEPF/services.html>

Unclaimed shares transferred to IEPF Authority

Pursuant to section 124(6) of the Act, 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, within a period of thirty days of such shares becoming due to be transferred to IEPF.

Accordingly, in due compliance of the provisions of rule 6(3) of IEPF Rules, 2016, the Company will send individual letters through Speed Post to such shareholders, whose dividend from the year 2012-13 has remained unclaimed, requesting them to claim the amount of unpaid dividend on or before 14 August 2020, being the due date for transfer of 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 and these details will also be made available on the Company's website at www.mahascooters.com

During the year under review, the Company transferred 11,196 equity shares of the face value of ₹ 10 each in respect of 53 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 www.mahascooters.com

As provided under these Rules, the shareholder would be allowed to claim such unpaid dividends and the shares transferred to the Fund by following the required procedure. The said IEPF Rules, 2016 and amendment thereunder are available on the Company's website at www.mahascooters.com

Shareholders are requested to get in touch with the compliance officer for further details on the subject at investors_msl@bajajauto.co.in

Share transfer system

SEBI amended regulation 40 of the SEBI Listing Regulations, prohibiting transfer of securities (except transmission or transposition of shares) in physical form from 1 April 2019. Accordingly, the Company had sent letters to members holding shares in physical form advising them to dematerialise their holdings. During FY2020, no shares were transferred in the physical form except for those for whom the transfer deed was lodged prior to 1 April 2019 and was returned due to deficiency in the document and were thus re-lodged post the 1 April 2019.

Share transfers received by KFin/Company are registered within 15 days from the date of receipt, provided the documents are complete in all respects. The total number of shares transferred in the physical category during FY2020 was 10,536, the details thereof were placed before the Board of Directors on a quarterly basis.

As per SEBI norms, efforts are underway to update Permanent Account Number (PAN) and Bank account details of its concerned Shareholder(s) and the Company has been requesting the shareholders to update their details from time to time. Members are requested to update these details with KFin/Company at the earliest.

Dematerialisation/rematerialisation of shares and liquidity

During 2019-20, 65,134 shares were dematerialised. There were no shares which was rematerialised, during the year 2019-20.

Particulars	Position as on 31 March 2020		Position as on 31 March 2019		Net change during 2019-20	
	No. of shares	% to total shareholding	No. of shares	% to total shareholding	No. of shares	% to total shareholding
Physical	297,162	2.60	372,938	3.26	(75,776)	(0.66)
Demat:						
NSDL	9,444,797	82.64	9,357,106	81.88	87,691	0.76
CDSL	1,686,609	14.76	1,698,524	14.86	(11,915)	(0.10)
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.	1st Floor, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001
2. National Stock Exchange of India Ltd. (NSE)	Exchange Plaza, Bandra-Kurla Complex, Bandra (E), Mumbai 400 051

Pursuant to the SEBI Listing Regulations, 2015, the Company has entered into Uniform Listing Agreement with BSE and NSE.

The listing fees payable for the financial year 2019-20 to each of the above stock exchanges have been paid in full by the Company.

Market price data

High, Low during each month in the financial year 2019-20 (₹)

Month	BSE		NSE	
	High	Low	High	Low
April 2019	3,957.00	3,452.50	3,959.90	3,534.25
May 2019	4,350.00	3,558.25	4,350.00	3,612.50
June 2019	4,775.00	4,214.05	4,786.00	4,210.00
July 2019	4,664.00	3,612.20	4,662.85	3,617.30
August 2019	4,084.90	3,641.15	4,089.45	3,645.00
September 2019	4,528.70	3,760.00	4,525.00	3,757.00
October 2019	4,730.00	4,340.70	4,746.00	4,310.85
November 2019	4,948.00	4,559.95	4,950.00	4,536.05
December 2019	4,730.70	4,306.00	4,751.95	4,350.00
January 2020	4,494.00	4,237.60	4,490.10	4,240.00
February 2020	4,820.00	4,240.00	4,833.20	4,210.15
March 2020	4,456.10	1,827.00	4,448.85	1,819.80

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

Share Price comparison

Performance in comparison to broad-based indices such as S&P BSE Sensex and S&P CNX Nifty during 2019-20	MSL Share	Down by	41.67% on BSE
		Down by	42.21% on NSE
	S&P BSE Sensex	Down by	23.80%
	S&P CNX Nifty	Down by	26.03%

Distribution of shareholding as on 31 March 2020

Distribution of shareholding across categories

Categories	No. of shareholders	No. of shares	% to total capital
Promoter [Bajaj Holdings & Investment Ltd.]	1	5,828,560	51.00
Mutual Funds	6	1,822	0.02
Foreign Portfolio - Corp	58	576,920	5.05
Resident Individuals	12,617	3,102,057	27.14
Insurance Companies	1	345,102	3.02
Banks	8	3,571	0.03
Non-Resident Indian Non-Repatriable	95	113,653	0.99
Bodies Corporates	290	1,035,269	9.06
I E P F	1	161,389	1.41
H U F	416	180,614	1.58
Others	239	79,611	0.70
Total	13,723	11,428,568	100.00

Distribution of shareholding according to size class as on 31 March 2020

Categories	No. of shares held	% to total shares	Number of shareholders	% to total shareholders
1 to 5000	2,313,271	20.24	13,619	99.24
5001 to 10000	356,396	3.12	51	0.37
10001 to 20000	351,273	3.07	25	0.18
20001 to 30000	221,694	1.94	9	0.07
30001 to 40000	243,215	2.13	7	0.05
40001 to 50000	42,894	0.38	1	0.01
50001 to 100000	147,670	1.29	2	0.01
100001 and above	7,752,155	67.83	9	0.07
Total	11,428,568	100.00	13,723	100.00

Shareholders' and investors' grievances

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

During the year, a letter was received from Investor/SEBI (SCORES) concerning one (1) complaint filed by a shareholder. In respect of the said complaint, reply was sent to Investor/Action Taken Report uploaded on SCORES and no complaint remained pending to be attended to/resolved.

As a step towards green initiative, the Company has availed services offered by Depositories (NSDL and CDSL) to update email addresses of shareholders of the Company who have not registered their email addresses. This would enable such shareholders to immediately receive various email communication from the Company from time to time including the Annual Report, dividend credit intimation, half-yearly communication etc.

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

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

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

Unclaimed Demat Suspense Account with HDFC Bank Ltd.

In accordance with the provisions contained in clause 5A of the erstwhile Listing Agreement as amended by SEBI vide circular dated 17 December 2010, the Company, during the year 2012-13, had sent three reminders to such shareholders, whose shares were lying 'Undelivered/ Unclaimed' with the Company, followed by opening of the unclaimed share suspense demat account with HDFC Bank Ltd.

Pursuant to regulation 39(4) of SEBI Listing Regulations, the Company, in due compliance of the prescribed procedure, had transferred 33,156 No. of unclaimed shares in respect of 238 shareholders to the Unclaimed Suspense Account opened with HDFC Bank Ltd. Voting rights on such shares are to remain frozen till the rightful owner claims the shares.

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

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

Sr. No.	Particulars	No. of shareholders	No. of shares
1	Aggregate No. of shareholders and the outstanding shares lying in the Unclaimed Suspense Account at the beginning of the year i.e. 1 April 2019	57	6,176
2	No. of shareholders who approached the Company for transfer of shares from the Unclaimed Suspense Account during the year 2019-20	2	400
3	No. of shareholders to whom shares were transferred from the Unclaimed Suspense Account during the year 2019-20	3	415
4	Transferred to Investor Education and Protection Fund Authority	-	-
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 2020	54	5,761

Nomination

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

Voting through electronic means

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

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

General Shareholder Information

The shareholders would therefore be able to exercise their voting rights on the items put up in the Notice of annual general meeting, through such e-voting method. 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 for determining voting rights of members shall be Monday, 13 July 2020 (end of day) and the remote E-voting shall be open from 17 July 2020 (9.00 a.m.) till 19 July 2020 (5.00 p.m.). The Board has appointed Shyamprasad Limaye, Practising Company Secretary as scrutinizer for the e-voting process.

Detailed procedure for remote e-voting is given in the notice of the 45th annual general meeting and also placed on the Company's website at www.mahascooters.com

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

Credit Rating

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

Address for correspondence

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

Share transfer agent

KFin Technologies Pvt. Ltd.

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

Contact Persons:

M.S. Madhusudan/Mohd. Mohsinuddin
Tel. No.: (040) 6716 1500
Fax No.: (040) 2300 1153
Direct No.040 6716 1562
E-mail: inward.ris@kfintech.com
Website: www.kfintech.com

Company

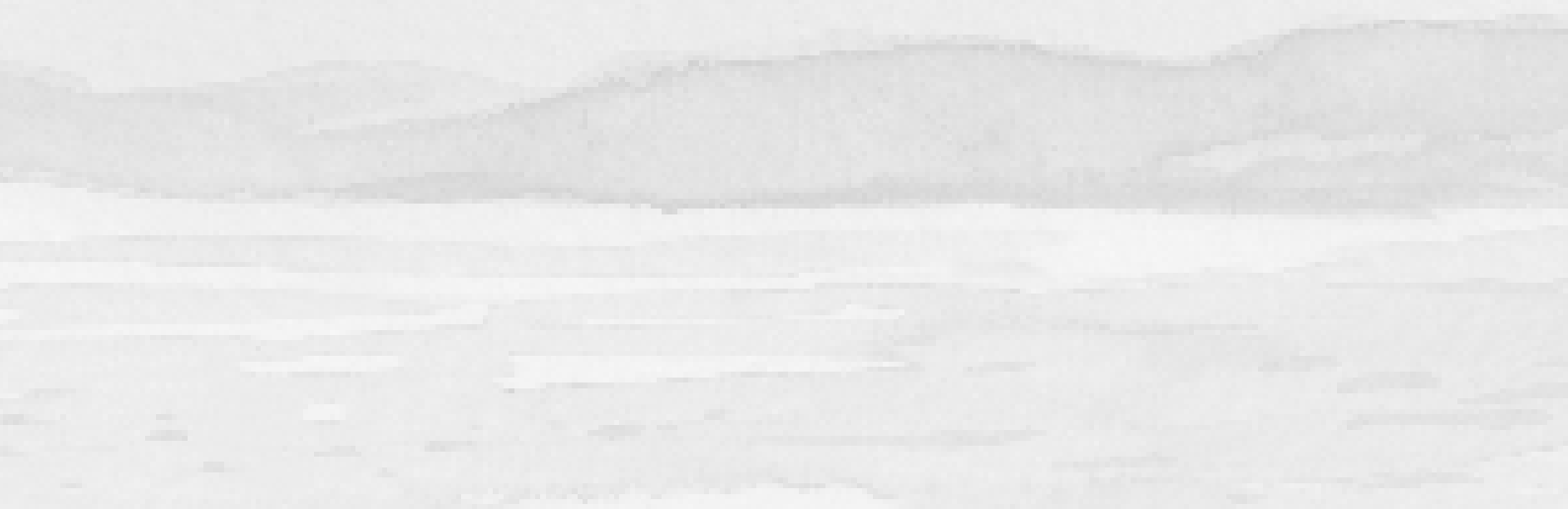
Maharashtra Scooters Ltd.

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

Company Secretary and Compliance Officer:

N.S. Kulkarni
Phone No.(020) 6610 6564 (till 30 June 2020)
Sriram Subbramaniam
Phone No.(020) 6610 7050 (from 1 July 2020)
E-mail: investors_msl@bajajauto.co.in
Website: www.mahascooters.com

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 2020, 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 2020, 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 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

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

financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters.

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

We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

1. As required by section 143(3) of the Act, based on our audit we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of the written representations received from the directors as on 31 March 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2020 from being appointed as a director in terms of section 164 (2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in 'Annexure A'. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:
In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
 - h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 30 to the financial statements
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government in terms of section 143(11) of the Act, we give in 'Annexure B' a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

Suhas Deshpande
Partner
Membership Number: 31787
UDIN: 20031787AAAAA06021

Pune: 18 May 2020

Annexure A to 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 2020 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 timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Annexure A to Independent Auditors' Report (Contd.)

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 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Suhas Deshpande
Partner
Membership Number: 31787
UDIN: 20031787AAAAA06021

Pune: 18 May 2020

Annexure B to 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)

1. In respect of the Company's property, plant and equipment:
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
 - (b) According to the information and explanations given to us, Property, plant and equipment were physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of physical verification of Property, plant and equipment is reasonable.
 - (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
2. As informed to us, the physical verification of inventory has been conducted by the management at reasonable intervals and no material discrepancies were noticed on such verification.
3. The Company has not granted any loans, secured or unsecured, to Companies, Firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act. Accordingly, paragraph 3(iii) of the Order is not applicable.
4. In our opinion and according to information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans given and investments made. Further the Company has not given any guarantee or security in connection with a loan to any other body corporate or person.
5. The Company has not accepted deposits during the year and does not have any unclaimed deposits as at 31 March 2020 and therefore, the paragraph 3 (v) of the Order is not applicable to the Company.
6. 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.
7. 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 2020 for a period of more than six months from the date they became payable.
 - (b) Details of disputed amounts of Income Tax, Sales Tax, Service Tax, Excise Duty and Value Added Tax as at 31 March 2020 are given below:

(₹ In Lakh)

<u>Name of the statute</u>	<u>Nature of dues</u>	<u>Amount under dispute</u>	<u>Period(s) to which the amount relates</u>	<u>Forum where dispute is pending</u>
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
Central Sales Tax Act, 1956	Sales Tax	31.60	2005-06	Maharashtra Sales Tax Tribunal, Mumbai
Income Tax Act, 1961	Income Tax	39.84	1997-98 and 1998-99	High Court at Mumbai
		3.19	1985-86 to 1991-92	Customs, Excise and Service Tax Appellate Tribunal, Mumbai
Central Excise Act, 1944	Excise Duty	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	Assistant Commissioner, Satara

Annexure B to Independent Auditors' Report (Contd.)

8. In our opinion and according to the information and explanations given to us, The Company did not have any outstanding loans or borrowings to financial institutions, banks and government and dues to debenture holders.
9. 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.
10. According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
11. In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
12. The Company is not a Nidhi Company and hence reporting under paragraph 3 (xii) of the Order is not applicable to the Company.
13. 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.
14. During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under paragraph 3(xiv) of the Order is not applicable to the Company.
15. 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.
16. According to the information and explanations given to us, and based on our examination of the records of the Company, the Company has been classified as a Core Investment Company not requiring registration with Reserve Bank of India pursuant to the provisions of section 45-IA of RBI Act, 1934 - Refer Note 33 to Ind AS financial statements.

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

Suhas Deshpande
Partner
Membership Number: 31787
UDIN: 20031787AAAAA06021

Pune: 18 May 2020

Balance Sheet

Particulars	Note No.	As at 31 March	
		2020	2019
(₹ In Lakh)			
ASSETS			
Non-current assets			
Property, plant and equipment	2	1,533.04	1,469.28
Capital work-in-progress	2	-	-
Financial assets			
Investments	3A	797,970.56	1,152,107.73
Loans	4	-	1.33
Other financial assets	5	11.00	7.82
Income tax assets (net)	6	58.11	277.20
Deferred tax assets (net)	14	3,317.01	-
Other non-current assets	6	30.12	30.12
		802,919.84	1,153,893.48
Current assets			
Inventories	7	335.64	150.99
Financial assets			
Investments	3B	10,017.75	15,857.75
Trade receivables	8	469.95	373.05
Cash and cash equivalents	9	7,515.96	39.69
Other bank balances	10	675.66	531.80
Loans	4	1.33	4.62
Other financial assets	5	562.25	444.99
Other current assets	6	79.71	109.78
		19,658.25	17,512.67
Total		822,578.09	1,171,406.15

Balance Sheet (Contd)

Particulars	Note No.	As at 31 March	
		2020	2019
(₹ In Lakh)			
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	11	1,142.86	1,142.86
Other equity	12	819,934.59	1,131,178.68
		821,077.45	1,132,321.54
LIABILITIES			
Non-current liabilities			
Other financial liabilities	16	7.80	-
Deferred tax liabilities (net)	14	-	37,674.77
Other non-current liabilities	15	146.59	422.30
Provisions	13	134.98	-
		289.37	38,097.07
Current liabilities			
Financial liabilities			
Trade payables			
Total outstanding dues of micro enterprises and small enterprises		34.35	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		72.03	16.70
Other financial liabilities	16	695.55	501.93
Other current liabilities	17	321.04	384.84
Provisions	13	88.30	84.07
		1,211.27	987.54
Total		822,578.09	1,171,406.15
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
Firm Registration Number: 105215W/W100057
Chartered Accountants

Suhas Deshpande
Partner
Membership Number: 31787
Pune: 18 May 2020

Anant Marathe
Chief Financial Officer

N. S. Kulkarni
Company Secretary

Sanjiv Bajaj
Chairman

V. Rajagopalan
Director

Statement of Profit and Loss

Particulars	Note No.	For the year ended 31 March	
		2020	2019
Sales		1,523.06	1,442.40
Other operating revenue		14.49	7.12
Revenue from operations	18	1,537.55	1,449.52
Other income	19	19,845.45	8,143.00
Total income		21,383.00	9,592.52
Expenses			
Cost of raw material and components consumed	20	938.95	779.47
Changes in inventories of finished goods and work-in-progress	21	(173.06)	(11.27)
Employee benefits expenses	22	864.52	810.36
Depreciation and amortisation expense	23	181.55	155.21
Other expenses	24	391.08	418.89
Total expenses		2,203.04	2,152.66
Profit before tax		19,179.96	7,439.86
Tax expense			
Current tax		254.00	293.00
Less: MAT credit entitlement		-	260.00
Net current tax		254.00	33.00
Tax debits pertaining to earlier years		21.52	66.71
Deferred tax		10.17	60.13
Provision for possible non-utilisation of MAT credit		900.00	-
Total tax expense	25	1,185.69	159.84
Profit for the year		17,994.27	7,280.02

Statement of Profit and Loss (Contd)

Particulars	Note No.	For the year ended 31 March	
		2020	2019
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Actuarial gains/losses of defined benefit plans		(29.01)	5.51
Tax impacts on above		6.92	(0.27)
Changes in fair value of equity instruments (FVOCI)		(359,675.77)	345,522.22
Tax impacts on above		41,895.03	(38,466.27)
Items that will be reclassified to profit or loss		-	-
Other comprehensive income for the year (net of tax)		(317,802.83)	307,061.19
Total comprehensive income for the year		(299,808.56)	314,341.21
Basic and diluted Earnings per share (in ₹)	26	157.45	63.70
(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
Firm Registration Number: 105215W/W100057
Chartered Accountants

Suhas Deshpande
Partner
Membership Number: 31787
Pune: 18 May 2020

Anant Marathe
Chief Financial Officer

Sanjiv Bajaj
Chairman

N. S. Kulkarni
Company Secretary

V. Rajagopalan
Director

Statement of Changes in Equity

A Equity share capital

(₹ In Lakh)

Particulars	Note No.	For the year ended 31 March	
		2020	2019
At the beginning of the year		1,142.86	1,142.86
Changes in equity share capital during the year		-	-
At the end of the year	11	1,142.86	1,142.86

B Other equity

(₹ In Lakh)

Particulars	Note No.	Reserves and surplus		Other Reserves	Total other equity
		General reserve	Retained earnings	FVOCI-Equity Instruments	
Balance as at 31 March 2018	12	25,827.10	7,459.41	788,097.62	821,384.13
Profit for the year		-	7,280.02	-	7,280.02
Other comprehensive income (net of tax)		-	5.24	307,055.95	307,061.19
Total comprehensive income for the year ended 31 March 2019		-	7,285.26	307,055.95	314,341.21
Transactions with owners in their capacity as owners					
Transfer from Retained earnings to General reserve		729.00	(729.00)	-	-
Final dividend, declared and paid during the year		-	(3,771.43)	-	(3,771.43)
Tax on final dividend		-	(775.23)	-	(775.23)
Balance as at 31 March 2019	12	26,556.10	9,469.01	1,095,153.57	1,131,178.68
Profit for the year		-	17,994.27	-	17,994.27
Other comprehensive income (net of tax)		-	(22.09)	(317,780.74)	(317,802.83)
Total comprehensive income for the year ended 31 March 2020		-	17,972.18	(317,780.74)	(299,808.56)
Transactions with owners in their capacity as owners					
Transfer from Retained earnings to General reserve		-	-	-	-
Final dividend, declared and paid during the year		-	(3,771.43)	-	(3,771.43)
Tax on final dividend		-	(775.23)	-	(775.23)
Interim dividend, declared and paid during the year		-	(5,714.28)	-	(5,714.28)
Tax on Interim dividend		-	(1,174.59)	-	(1,174.59)
Balance as at 31 March 2020	12	26,556.10	16,005.66	777,372.83	819,934.59
Summary of significant accounting policies followed by the Company	1				

In terms of our report of even date

On behalf of the Board of Directors

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

Suhas Deshpande
Partner
Membership Number: 31787
Pune: 18 May 2020

Anant Marathe
Chief Financial Officer

Sanjiv Bajaj
Chairman

N. S. Kulkarni
Company Secretary

V. Rajagopalan
Director

Statement of Cash Flows

(₹ In Lakh)

Particulars	For the year ended 31 March	
	2020	2019
A. Operating activities:		
Profit before tax	19,179.96	7,439.86
Adjustments		
Add:		
i) Depreciation and amortisation expense	181.55	155.21
ii) Loss on assets sold, demolished or discarded	1.49	0.56
	183.04	155.77
	19,363.00	7,595.63
Less:		
i) Investment income included in above		
Interest on fixed deposits	10.76	26.42
Interest on fixed income securities	1,079.01	912.14
Profit on sale of investments, net	519.87	523.34
Gain on valuation of Mutual funds	16.21	-
Dividend on long-term investments	17,964.31	6,243.44
Add: Amortisation of premium/discount on acquisition of fixed income securities, net	(28.26)	23.48
	19,561.90	7,728.82
ii) Surplus on sale of assets	0.16	88.10
	19,562.06	7,816.92
	(199.06)	(221.29)
Change in assets and liabilities		
i) Inventories	184.65	30.72
ii) Trade receivables	96.90	28.37
iii) Loans and other assets	111.26	(763.59)
iv) Liabilities and provisions	182.97	347.16
	575.78	(357.34)
Net cash from operating activities before income tax	(774.84)	136.05
Income Tax paid (refund) for earlier years	(385.79)	(218.41)
Income tax paid	312.31	289.23
Net cash from operating activities	(701.36)	65.23

Statement of Cash Flows (Contd)

(₹ In Lakh)

For the year ended 31 March

Particulars	2020	2019
B. Investing activities:		
i) Sale of investments	15,398.53	7,903.54
ii) Purchase of investments	(10,776.25)	(10,634.75)
iii) (Purchase)/sale of money market mutual funds, etc, net	(3,812.98)	446.13
iv) (Increase)/decrease in other bank balances	-	-
v) Purchase of fixed assets	(250.96)	(393.91)
vi) Sale of fixed assets	4.32	109.57
	562.66	(2,569.42)
vii) Investment income		
Interest on fixed income securities	1,079.01	912.14
Interest on fixed deposits	10.76	26.42
Dividend income on investments	17,964.31	6,243.44
	19,054.08	7,182.00
viii) (Increase)/decrease in interest receivable	(147.44)	(153.01)
Net cash from investing activities	19,469.30	4,459.57
C. Financing activities:		
i) Dividend paid	(9,341.85)	(3,754.97)
ii) Dividend distribution tax paid	(1,949.82)	(775.23)
Net cash from financing activities	(11,291.67)	(4,530.20)
D. Net change in cash and cash equivalents (A+B+C)	7,476.27	(5.40)
E. Cash and cash equivalents at the beginning of the year	39.69	45.09
F. Cash and cash equivalents at the year end (See Note 9)	7,515.96	39.69

Summary of significant accounting policies followed by the Company 1

In terms of our report of even date

On behalf of the Board of Directors

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

Suhas Deshpande
Partner
Membership Number: 31787
Pune: 18 May 2020

Anant Marathe
Chief Financial Officer

N. S. Kulkarni
Company Secretary

Sanjiv Bajaj
Chairman

V. Rajagopalan
Director

Notes to financial statements for the year ended 31 March 2020

Background

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

1 Summary of significant accounting policies followed by the Company

Basis of preparation

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

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

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

2) Revenue from contract with customer

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

The disclosures of significant accounting 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 and services taxes (GST),

Notes to financial statements for the year ended 31 March 2020 (Contd.)

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

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.
- 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.

Notes to financial statements for the year ended 31 March 2020 (Contd.)

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

B. Depreciation and amortisation

a) On Leasehold land

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

b) On other tangible assets

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

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

c) Impairment of assets

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.

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.

Notes to financial statements for the year ended 31 March 2020 (Contd.)

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

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

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

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

Subsequent Measurement

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

Subsequent measurement at amortised cost:

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

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

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

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

Subsequently measured at FVOCI:

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

Equity instruments included within the FVOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI). If the Company decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are 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.

Notes to financial statements for the year ended 31 March 2020 (Contd.)

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

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

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

Notes to financial statements for the year ended 31 March 2020 (Contd.)

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

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

6) Employee benefits

a) Privilege leave entitlements

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

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

b) Gratuity

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

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

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

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

c) Superannuation

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

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

e) Defined contribution to Employees Pension Scheme 1995 is made to Government Provident Fund Authority and recognised as employee benefit expense as and when due.

7) Taxation

a) Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, in accordance with the Income Tax Act, 1961 and the Income computation

Notes to financial statements for the year ended 31 March 2020 (Contd.)

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

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) Minimum Alternate Tax (MAT) in respect of a year is charged to the Statement of Profit and Loss as current tax for the year. The deferred tax asset is recognised for MAT credit available only to the extent that it is probable that the Company will pay normal income tax and thereby utilising MAT credit during the specified period, i.e., the period for which MAT credit is allowed to be carried forward and utilised. In the year in which the Company recognises MAT credit as an asset, it is created by way of credit to the Statement of Profit and Loss and shown as part of deferred tax asset. The Company reviews the 'MAT credit entitlement' asset at each reporting date and writes down the asset to the extent that it is no longer probable that it will pay normal tax during the specified period.
- d) 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.
- e) 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.
- f) 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 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.
- g) 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.
- h) 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.

Notes to financial statements for the year ended 31 March 2020 (Contd.)

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

10) Cash and cash equivalents

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

11) Earnings per share

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

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

12) Segment reporting

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

Notes to financial statements for the year ended 31 March 2020 (Contd.)

2 Property, plant and equipment

Current year

(₹ In Lakh)

Particulars	Gross block (a)			Depreciation				Net block	
	As at 1 April 2019	Additions	Deductions	As at 31 March 2020	As at 1 April 2019	For the year	Deductions	As at 31 March 2020	As at 31 March 2020
	Land freehold	0.02	-	-	0.02	-	-	-	-
Land leasehold	3.24	-	0.06	3.18	-	-	-	-	3.18
Buildings	570.02	-	-	570.02	532.12	0.59	-	532.71	37.31
Plant and machinery	2,495.81	250.96	1.21	2,745.56	1,091.59	177.29	0.13	1,268.75	1,476.81
Furniture and fixtures	28.76	-	-	28.76	20.18	1.64	-	21.82	6.94
Office equipments	4.47	-	-	4.47	4.21	0.01	-	4.22	0.25
Vehicles	31.34	-	8.95	22.39	16.28	1.96	4.38	13.86	8.53
Total tangible assets	3,133.66	250.96	10.22	3,374.40	1,664.38	181.49	4.51	1,841.36	1,533.04
Capital Work in Progress	-	-	-	-	-	-	-	-	-

Previous year

(₹ In Lakh)

Particulars	Gross block (a)			Depreciation				Net block	
	As at 1 April 2018	Additions	Deductions	As at 31 March 2019	As at 1 April 2018	For the year	Deductions	As at 31 March 2019	As at 31 March 2019
	Land freehold	0.02	-	-	0.02	-	-	-	-
Land leasehold	3.30	-	0.06	3.24	-	-	-	-	3.24
Buildings	570.02	-	-	570.02	531.50	0.62	-	532.12	37.90
Plant and machinery	2,432.63	387.14	323.96	2,495.81	1,250.44	150.16	309.01	1,091.59	1,404.22
Furniture and fixtures	25.02	6.77	3.03	28.76	21.41	1.41	2.64	20.18	8.58
Office equipments	4.47	-	-	4.47	4.20	0.01	-	4.21	0.26
Vehicles	39.02	-	7.68	31.34	14.32	2.95	0.99	16.28	15.06
Total tangible assets	3,074.48	393.91	334.73	3,133.66	1,821.87	155.15	312.64	1,664.38	1,469.28
Capital Work in Progress	-	-	-	-	-	-	-	-	-

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

Notes to financial statements for the year ended 31 March 2020 (Contd.)

3 Investments

Particulars	(₹ In Lakh)	
	As at 31 March	
	2020	2019
A) Non-Current Investments:		
In Fully Paid Equity Shares:		
Quoted:		
6,774,072 Shares of ₹ 10 each of Bajaj Auto Ltd.	136,995.45	197,200.01
18,974,660 Shares of ₹ 2 each of Bajaj Finance Ltd.	420,440.52	573,983.47
3,725,740 Shares of ₹ 5 each of Bajaj Finserv Ltd.	171,056.17	262,182.19
3,387,036 Shares of ₹ 10 each of Bajaj Holdings & Investment Ltd.	60,917.54	115,719.78
Fair Value as at 31 March	789,409.68	1,149,085.45
Other Investments:		
In Fully paid Debentures:		
Quoted:		
- (50) 7.62% Non-Convertible Debentures of ₹ 1,000,000 each of Bajaj Finance Ltd. - 15Jun 2020	-	494.68
350 (250) 9.224% Non-Convertible Debentures of ₹ 1,000,000 each of Bajaj Finance Ltd. - 05 May 2022	3,549.94	2,527.60
100 (-) 8.5383% Non-Convertible Debentures of ₹ 1,000,000 each of Bajaj Finance Ltd. - 07 Jun 2022	1,018.98	-
100 (-) 8.113% Non-Convertible Debentures of ₹ 1,000,000 each of Bajaj Finance Ltd. - 08 July 2022	1,010.94	-
300 (-) 7.35 % Non-Convertible Debentures of ₹ 1,000,000 each of Bajaj Finance Ltd. - 08 July 2022	2,981.02	-
Amortised cost as at 31 March	8,560.88	3,022.28
Total (A)	797,970.56	1,152,107.73
B) Current Investments:		
In Fully paid Debentures:		
Quoted:		
- (750) 9.00% Non-Convertible Debentures of ₹ 1,000,000 each of Bajaj Finance Ltd. -12 Dec 2019	-	7,494.62
- (150) 7.65% Non-Convertible Debentures of ₹ 1,000,000 each of Bajaj Finance Ltd. -10 Jan 2020	-	1,489.13
- (200) 7.49% Non-Convertible Debentures of ₹ 1,000,000 each of Bajaj Finance Ltd. -30 Jan 2020	-	1,981.08
50 (-) 7.62% Non-Convertible Debentures of ₹ 1,000,000 each of Bajaj Finance Ltd. -15 Jun 2020	498.74	-
Amortised cost as at 31 March	498.74	10,964.83

Notes to financial statements for the year ended 31 March 2020 (Contd.)

3 Investments (Contd)

Particulars	(₹ In Lakh)	
	As at 31 March	
	2020	2019
In Certificate of Deposit:		
Unquoted:		
- (2,500) Certificate of Deposit of ₹ 100,000 each of NABARD 06Mar2020	-	2,332.13
2,500 (-) Certificate of Deposit of ₹ 100,000 each of Axis Bank Ltd. CD 7AUG20	2,446.55	-
2,500 (-) Certificate of Deposit of ₹ 100,000 each of SIDBI CD 24JUL20	2,453.42	-
Amortised cost as at 31 March	4,899.97	2,332.13
In Commercial papers:		
Unquoted:		
- (200) Commercial papers of ₹ 500,000 each of Kotak Mahindra Investment Ltd 364 days 01 Aug 2019	-	973.81
- (200) Commercial papers of ₹ 500,000 each of Aditya Birla Finance Ltd. 364 days 13Aug2019	-	971.63
Amortised cost as at 31 March	-	1,945.44
In Mutual Fund Units:		
Quoted:		
- (7,474) Units of HDFC Liquid Fund Direct Plan - Growth option ₹ 1000 each	-	274.92
- (1,23,158) Units of ICICI Prudential Liquid Fund Plan - (Growth) of ₹ 100 each	-	340.43
1,960,087 (-) Units of ICICI Prudential Overnight Fund Plan - (Growth) of ₹ 100 each	2,111.97	-
104,381 (-) Units of IDFC Cash Fund Direct Plan - (Growth) of ₹ 1000 each	2,507.07	-
Fair Value as at 31 March	4,619.04	615.35
Total (B)	10,017.75	15,857.75
Total (A+B)	807,988.31	1,167,965.48

Particulars	Book Value as at 31 March		Market Value as at 31 March	
	2020	2019	2020	2019
Quoted	803,088.34	1,163,687.91	803,285.77	1,163,773.14
Unquoted	4,899.97	4,277.57	NA	NA
Total	807,988.31	1,167,965.48		

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 2020 (Contd.)

4 Loans

Particulars	(₹ In Lakh)			
	Non-current		Current	
	As at 31 March			
	2020	2019	2020	2019
Loans to Ex-employees	-	1.33	1.33	4.62
	-	1.33	1.33	4.62

5 Other financial assets

Particulars	(₹ In Lakh)			
	Non-current		Current	
	As at 31 March			
	2020	2019	2020	2019
Prepaid Gratuity (See note 35)	-	-	17.82	48.28
Interest receivable on investments	-	-	543.51	396.15
Interest receivable on loans, deposits etc.	-	-	0.92	0.56
Security deposits	11.00	7.82	-	-
	11.00	7.82	562.25	444.99

6 Other assets

Particulars	(₹ In Lakh)			
	Non-current		Current	
	As at 31 March			
	2020	2019	2020	2019
(Unsecured, good, unless stated otherwise)				
Advances recoverable in cash or kind				
Unsecured considered good	-	-	8.37	7.55
	-	-	8.37	7.55
Other loans and advances				
VAT refund receivable	30.12	30.12	-	-
Advance income-tax (net of provision for tax)	58.11	277.20	-	-
GST credit receivable	-	-	71.34	102.23
	88.23	307.32	71.34	102.23
	88.23	307.32	79.71	109.78

Notes to financial statements for the year ended 31 March 2020 (Contd.)

7 Inventories

Particulars	(₹ In Lakh)	
	As at 31 March	
	2020	2019
Raw materials and components	57.31	46.18
Work-in-progress	274.38	101.32
Finished goods	-	-
Stores	3.43	2.92
Loose tools	0.52	0.57
	335.64	150.99

8 Trade receivables

Particulars	(₹ In Lakh)	
	As at 31 March	
	2020	2019
(Unsecured, considered good unless stated otherwise)		
Good	469.95	373.05
Significant increase in credit risk/impaired.	-	-
	469.95	373.05

9 Cash and cash equivalents

Particulars	(₹ In Lakh)	
	As at 31 March	
	2020	2019
Balances with banks	215.93	39.60
Deposits with residual maturity for Less than 3 months	7,300.00	-
Cash on hand	0.03	0.09
	7,515.96	39.69

10 Other bank balances

Particulars	(₹ In Lakh)	
	As at 31 March	
	2020	2019
Unclaimed dividend accounts	580.66	436.80
Deposits with residual maturity for Less than 12 months	95.00	95.00
	675.66	531.80

Notes to financial statements for the year ended 31 March 2020 (Contd.)

11 Equity share capital

Particulars	(₹ In Lakh)	
	As at 31 March	
	2020	2019
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
	<u>1,200.00</u>	<u>1,200.00</u>
Issued, subscribed and Fully paid-up shares:		
11,428,568 Equity shares of ₹ 10 each	1,142.86	1,142.86
	<u>1,142.86</u>	<u>1,142.86</u>

a. Reconciliation of the shares outstanding at the beginning and at the end of the year

Particulars	As at 31 March 2020		As at 31 March 2019	
	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	-	-	-	-
Ousting at the end of the year	<u>11,428,568</u>	<u>1,142.86</u>	<u>11,428,568</u>	<u>1,142.86</u>

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 2020		As at 31 March 2019	
	Nos.	% Holding	Nos.	% Holding
Equity shares of ₹ 10 each fully paid				
Bajaj Holdings & Investment Ltd.	5,828,560	51.00%	2,742,848	24.00%
Western Maharashtra Development Corporation Ltd.	-	-	3,085,712	27.00%
CD Equifinance Pvt. Ltd.	589,414	5.16%	628,051	5.50%

Notes to financial statements for the year ended 31 March 2020 (Contd.)

12 Other Equity

Particulars	(₹ In Lakh)	
	As at 31 March	
	2020	2019
Reserves and surplus		
General Reserve		
Balance as at the beginning of the year	26,556.10	25,827.10
Add: Transferred from retained earning	-	729.00
Balance as at the end of the year	26,556.10	26,556.10
Retained earnings		
Balance as at the beginning of the year	9,469.01	7,459.41
Profit for the year	17,994.27	7,280.02
Items of other comprehensive income recognised directly in retained earnings		
Actuarial gains/losses of defined benefit plans	(22.09)	5.24
Less: Appropriations		
Transfer to General reserve	-	729.00
Final dividend, declared and paid during the year	3,771.43	3,771.43
Tax on final dividend	775.23	775.23
Interim dividend paid	5,714.28	-
Tax on interim dividend	1,174.59	-
Total appropriations	11,435.53	5,275.66
Balance as at the end of the year	16,005.66	9,469.01
Other Reserves		
Equity instruments through other comprehensive income		
Opening Balance	1,095,153.57	788,097.62
Add: During the year	(317,780.74)	307,055.95
Balance as at the end of the year	777,372.83	1,095,153.57
	819,934.59	1,131,178.68

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 investment in equity securities in other comprehensive income. These changes are accumulated in FVOCI 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 2020 (Contd.)

13 Provisions

Particulars	(₹ In Lakh)			
	Non-current		Current	
	As at 31 March			
	2020	2019	2020	2019
Provision for employee benefits				
Provision for compensated absences (see note 35)	-	-	88.30	79.00
	-	-	88.30	79.00
Other provisions				
Provision for tax (net of tax paid in advance)	134.98		-	5.07
	134.98	-	-	5.07
	134.98	-	88.30	84.07

14 Deferred tax liabilities (net)

Particulars	(₹ In Lakh)	
	As at 31 March	
	2020	2019
Deferred tax liabilities		
On account of timing difference in net block as per books and as per Income tax	151.10	141.21
Defined benefit plan - OCI	(2.58)	4.34
Financial instruments		
Amortisation of premium/discount on acquisition of fixed income securities	-	4.37
Fair valuation of Mutual Funds	4.94	0.22
Fair valuation of Equity Instruments	-	38,466.27
	4.94	38,470.86
Gross deferred tax liabilities	153.46	38,616.41
Deferred tax assets		
On account of timing difference in Retiral and other benefits:		
Uncovered liability towards gratuity	1.95	6.78
Bonus provisions	10.19	9.59
Provision for privilege leave	25.71	23.00
MAT Credit Entitlement	-	900.00
	37.85	939.37
Financial instruments		
Amortisation of premium/discount on acquisition of fixed income securities	3.86	-
Longterm capital loss on bonds	-	2.27
Fair valuation of Equity Instruments	3,428.76	-
	3,432.62	2.27
Gross deferred tax assets/(liability)	3,470.47	941.64
	(3,317.01)	37,674.77

Notes to financial statements for the year ended 31 March 2020 (Contd.)

14 Deferred tax liabilities (net) (Contd)

Movement in deferred tax liabilities

(₹ In Lakh)

Particulars	Property, plant and equipment	Financial instruments	Retail and other benefits	MAT credit entitlement	Total
At 1 April 2018	83.79	(1.94)	(33.75)	(640.00)	(591.90)
Charged/(credited)					
To profit and loss	57.42	4.26	(1.55)	(260.00)	(199.87)
To other comprehensive income	-	38,466.27	0.27	-	38,466.54
At 31 March 2019	141.21	38,468.59	(35.03)	(900.00)	37,674.77
Charged/(credited)					
To profit and loss	9.89	(1.24)	1.52	900.00	910.17
To other comprehensive income	-	(41,895.03)	(6.92)	-	(41,901.95)
At 31 March 2020	151.10	(3,427.68)	(40.43)	-	(3,317.01)

On an assessment of its ability to utilise the available MAT credit, the management has determined MAT credit of ₹ 900 lakh (previous year ₹ Nil) may be unlikely to be set off/adjusted in the future periods due to significant changes in the Income Tax Act, 1961 during the financial year. Hence the MAT credit of a similar amount has been provided for in the Statement of Profit and Loss.

15 Other non-current liabilities

(₹ In Lakh)

Particulars	As at 31 March	
	2020	2019
Annuity payable to Ex-employees	146.59	422.30
	146.59	422.30

16 Other financial liabilities

(₹ In Lakh)

Particulars	Non-current		Current	
	As at 31 March			
	2020	2019	2020	2019
Security deposits	-	-	0.25	0.25
Unclaimed dividend	-	-	580.66	436.80
Employees benefits payable	7.80	-	114.64	64.88
	7.80	-	695.55	501.93

Notes to financial statements for the year ended 31 March 2020 (Contd.)

17 Other current liabilities

Particulars	(₹ In Lakh)	
	As at 31 March	
	2020	2019
Annuity payable to Ex-employees	275.91	298.33
Advance received from customers	25.58	64.80
Taxes and duties payable	4.84	5.96
Other payables	14.71	15.75
	<u>321.04</u>	<u>384.84</u>

18 Revenue from operations

Particulars	(₹ In Lakh)	
	For the year ended 31 March	
	2020	2019
Revenue from operations		
Sale of product	1,523.06	1,442.40
Other operating revenue		
Scrap sale	14.49	7.12
Revenue from operations (gross)	<u>1,537.55</u>	<u>1,449.52</u>

19 Other income

Particulars	(₹ In Lakh)	
	For the year ended 31 March	
	2020	2019
Investment income:		
Interest income from bank fixed deposits	10.76	26.42
Interest income from fixed income securities	1,375.14	1,327.73
Amortisation of (premium)/discount on acquisition of fixed income securities, net	(28.26)	23.48
	<u>1,357.64</u>	<u>1,377.63</u>
Dividend income on investments	17,964.31	6,243.44
Profit/(loss) on sale of investments, net	49.24	(2.22)
Gain on valuation/Surplus on redemption of mutual fund, net	190.71	109.97
	<u>19,561.90</u>	<u>7,728.82</u>
Others:		
Interest - others	259.63	318.91
Miscellaneous receipts	7.20	7.17
Surplus on sale of assets	0.16	88.10
Provision no longer required	16.56	-
	<u>283.55</u>	<u>414.18</u>
	<u>19,845.45</u>	<u>8,143.00</u>

Notes to financial statements for the year ended 31 March 2020 (Contd.)

20 Cost of raw material and components consumed

Particulars	(₹ In Lakh)	
	For the year ended 31 March	
	2020	2019
Raw materials and boughtout Items	938.95	779.47
	938.95	779.47

21 (Increase)/decrease in inventories

Particulars	(₹ In Lakh)		
	For the year ended 31 March		
	2020	2019	(Increase)/ decrease
Inventories at the end of the year			
Work-in-progress	274.38	101.32	(173.06)
	274.38	101.32	(173.06)
Inventories at the beginning of the year			
Work-in-progress	101.32	90.05	(11.27)
	101.32	90.05	(11.27)
	(173.06)	(11.27)	

22 Employee benefits expenses

Particulars	(₹ In Lakh)	
	For the year ended 31 March	
	2020	2019
Salaries, wages and bonus to employees	707.19	665.93
Contribution to provident and other funds	73.12	77.98
Staff welfare expenses	84.21	66.45
	864.52	810.36

23 Depreciation and amortisation expense

Particulars	(₹ In Lakh)	
	For the year ended 31 March	
	2020	2019
Depreciation on property, plant and equipment	181.49	155.15
Amount written off against leasehold land	0.06	0.06
	181.55	155.21

Notes to financial statements for the year ended 31 March 2020 (Contd.)

24 Other expenses

Particulars	(₹ In Lakh)	
	For the year ended 31 March	
	2020	2019
Stores and tools consumed	63.08	52.83
Power, fuel and water	115.79	121.33
Repairs to buildings	0.25	8.18
Repairs to machinery	23.32	32.02
Others repairs	24.96	29.60
Insurance	5.77	6.52
Rates and taxes	4.33	4.33
Payment to auditor	9.74	10.54
Directors' fees and travelling expenses	22.89	12.81
Legal and Professional charges	36.32	29.90
Expenditure towards Corporate Social Responsibility (CSR) activities	16.10	13.00
Miscellaneous expenses	67.04	97.27
Loss on assets sold,demolished,discarded and scrapped	1.49	0.56
	391.08	418.89
Payment to auditor		
As auditor:		
Audit fee	7.50	7.50
Limited review	1.25	1.25
In other capacity:		
GST Audit	0.50	1.00
VAT Audit	-	0.25
Other services - certification fees	0.20	0.20
Reimbursement of expenses	0.29	0.34
	9.74	10.54
Expenditure towards Corporate Social Responsibility (CSR) activities		
Gross amount required to be spent by the Company during the year	16.01	12.00
a) Amount spent is cash during the year:		
i) On construction/acquisition of any asset	-	-
ii) On purposes other than (i) above	16.10	12.00
b) Amount spent during the year in respect of previous year	-	1.00
	16.10	13.00

Notes to financial statements for the year ended 31 March 2020 (Contd.)

25 Tax expense

Particulars	(₹ In Lakh)	
	For the year ended 31 March	
	2020	2019
(a) Tax expense		
Current tax		
Current tax on profits for the year	254.00	293.00
Less: MAT credit entitlement	-	(260.00)
Adjustments for current tax of prior periods	21.52	66.71
Total current tax expense	275.52	99.71
Deferred tax		
Decrease/(increase) in deferred tax assets	3.79	2.91
(Decrease)/increase in deferred tax liabilities	6.38	57.22
Total deferred tax expenses/(benefit)	10.17	60.13
Provision for possible non-utilisation of MAT credit	900.00	-
Tax expenses	1,185.69	159.84
(b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate		
Profit before tax	19,179.96	7,439.86
Tax-MAT at the Indian tax rate of 21.5488% (Prev year: 20.5868%)	4,134.00	1,604.00
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
- Rate difference on Defined benefit plan-Gratuity	(9.00)	2.00
- Disallowance of estimated expenditure to earn tax exempt income	-	33.00
- Adjustments for current tax of prior periods	21.52	66.71
- Others MAT credit (entitlement)/Provision	900.00	(260.00)
Tax effect of amounts which are deductible (non taxable) in calculating taxable income:		
- Tax-free dividend on equity shares	(3,871.00)	(1,346.00)
On account of timing difference		
- Net block as per books and as per Income tax	9.89	57.42
- Unrealised gain - mutual funds	4.72	(0.20)
- Uncovered liability towards gratuity	4.83	(0.31)
- Bonus provisions	(0.60)	(0.72)
- Provision for privilege leave	(2.71)	(0.52)
- Amortisation of premium/discount on acquisition of fixed income securities	(8.23)	6.73
Long term capital loss	2.27	(2.27)
Tax expense	1,185.69	159.84

Notes to financial statements for the year ended 31 March 2020 (Contd.)

26 Earning per share (EPS)

Particulars	(₹ In Lakh)	
	For the year ended 31 March	
	2020	2019

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

a. Profit for the year (₹ in lakh)	17,994.27	7,280.02
Weighted average number of shares outstanding during the year (nos)	11,428,568	11,428,568
b. Earnings per share (Basic and Diluted) in ₹	157.45	63.70
Face value per share in ₹	10.00	10.00

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

Particulars	31 March 2020			31 March 2019		
	FVPL	FVOCI	Amortised Cost	FVPL	FVOCI	Amortised Cost
Financial assets						
Investments						
- Equity Shares	-	789,409.68	-	-	1,149,085.45	-
- Bonds and debentures	-	-	9,059.62	-	-	13,987.11
- Liquid mutual funds	4,619.04	-	-	615.35	-	-
- Certificate of Deposit	-	-	4,899.97	-	-	2,332.13
- Commercial Papers	-	-	-	-	-	1,945.44
Trade receivables	-	-	469.95	-	-	373.05
Loans	-	-	1.33	-	-	5.95
Other financial assets	-	-	573.25	-	-	452.81
Cash and cash equivalents	-	-	7,515.96	-	-	39.69
Other bank balances	-	-	675.66	-	-	531.80
Total financial assets	4,619.04	789,409.68	23,195.74	615.35	1,149,085.45	19,667.98
Financial liabilities						
Trade payables	-	-	106.38	-	-	16.70
Other financial liabilities	-	-	703.35	-	-	501.93
Total financial liabilities	-	-	809.73	-	-	518.63

Notes to financial statements for the year ended 31 March 2020 (Contd.)

27 Fair value measurement (Contd)

ii) Fair value hierarchy

This section explains the judgments and estimates made in determining the fair values of the financial

Financial assets measured at fair value - recurring fair value measurements at 31 March 2020

(₹ In Lakh)

Financial assets	Notes	Level 1	Level 2	Level 3	Total
Financial Investments at FVOCI					
Equity Shares	3	789,409.68	-	-	789,409.68
Financial Investments at FVPL					
Liquid mutual funds	3	4,619.04	-	-	4,619.04
Financial Investments at FVOCI					
		-	-	-	-
Total financial assets		794,028.72	-	-	794,028.72

Financial Assets which are measured at amortised cost for which fair values are disclosed at 31 March 2020

(₹ In Lakh)

Financial assets	Notes	Level 1	Level 2	Level 3	Total
Bonds and debentures	3	9,059.62	-	-	9,059.62
Certificate of deposit	3	4,899.97	-	-	4,899.97
Commercial Papers	3	-	-	-	-
Total financial assets		13,959.59	-	-	13,959.59

Financial assets measured at fair value - recurring fair value measurements at 31 March 2019

(₹ In Lakh)

Financial assets	Notes	Level 1	Level 2	Level 3	Total
Financial Investments at FVOCI					
Equity Shares	3	1,149,085.45	-	-	1,149,085.45
Financial Investments at FVPL					
Liquid mutual funds	3	615.35	-	-	615.35
Financial Investments at FVOCI					
		-	-	-	-
Total financial assets		1,149,700.80	-	-	1,149,700.80

Financial Assets which are measured at amortised cost for which fair values are disclosed at 31 March 2019

(₹ In Lakh)

Financial assets	Notes	Level 1	Level 2	Level 3	Total
Bonds and debentures	3	13,987.11	-	-	13,987.11
Certificate of Deposit	3	2,332.13	-	-	2,332.13
Commercial Papers	3	1,945.44	-	-	1,945.44
Total financial assets		18,264.68	-	-	18,264.68

Notes to financial statements for the year ended 31 March 2020 (Contd.)

27 Fair value measurement (Contd)

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.

Valuation Techniques used to determine fair value

Valuation Techniques used to determine fair value include

- Liquid mutual funds and certain bonds and debentures at NAV's/rates declared and/or quoted
- For other bonds and debentures values with references to prevailing yields to maturity matching tenures, quoted on sites of credible organisation such as FIMMDA (Fixed Income Money Market and Derivative Association of India)/ valuation by ICRA
- Commercial papers and certificate of deposits, being short-term maturity papers, amortised cost is assumed to be the fair value

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

(₹ In Lakh)

Particulars	As at 31 March 2020		As at 31 March 2019	
	Carrying Amount	Fair value	Carrying Amount	Fair value
Financial assets				
Investments				
Bonds and debentures	9,059.62	9,257.06	13,987.11	14,072.34
Certificate of Deposit	4,899.97	4,899.97	2,332.13	2,332.13
Commercial Papers	-	-	1,945.44	1,945.44
Total financial assets	13,959.59	14,157.03	18,264.68	18,349.91

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.

Notes to financial statements for the year ended 31 March 2020 (Contd.)

28 Financial risk management

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

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

Risk	Exposure arising from	Measurement	Management
Credit Risk	Cash and cash equivalents, financial assets and trade receivables	Credit ratings, Ageing analysis	Diversification of counterparties, investment limits, check on counterparties basis credit rating and no. of overdue days
Liquidity Risk	Other liabilities	Maturity analysis	Maintaining sufficient cash/cash equivalents and marketable securities

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

Credit risk

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

Credit Risk Management

For financial assets the company has an investment policy which allows the company to invest only with counterparties having credit rating equal to or above AA+ and P1+. The company reviews the creditworthiness of these counterparties on an on-going basis. Another source of credit risk at the reporting date is from trade receivables as these are typically unsecured. This credit risk has always been managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to whom credit is extended in the normal course of business. The company estimates the expected credit loss on the basis of past data and experience. Expected credit losses of financial assets receivable in the next 12 months are estimated on the basis of historical data provided the company has reasonable and supportable data. On such an assessment the expected losses are nil or negligible, and hence no further provision than that already made is considered necessary.

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

Liquidity Risk

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

Notes to financial statements for the year ended 31 March 2020 (Contd.)

28 Financial risk management (Contd.)

Particulars	(₹ In Lakh)	
	As at 31 March	
	2020	2019
The Company had net working capital funds	18,446.98	16,525.13
Which includes;		
i) Cash and cash equivalents	7,515.96	39.69
ii) Current investments	10,017.75	15,857.75

Contractual maturities of significant financial Liabilities as on 31 March 2020 and 31 March 2019 are as follows:

Maturities of financial liabilities

Particulars	(₹ In Lakh)		
	Less than or equal to 1 year	More than 1 year	Total
As on 31 March 2020			
Trade payables	106.38	-	106.38
Other financial liabilities	695.55	7.80	703.35
Total non-derivative liabilities	801.93	7.80	809.73
As on 31 March 2019			
Trade payables	16.70	-	16.70
Other financial liabilities	501.93	-	501.93
Total non-derivative liabilities	518.63	-	518.63

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	
	2020	2019
Equity	821,077.45	1,132,321.54
Less: Tangible and other assets	4,659.91	(36,311.32)
Working capital	8,429.23	667.38
Investments in debt and similar investments	807,988.31	1,167,965.48

Notes to financial statements for the year ended 31 March 2020 (Contd.)

29 Capital management (Contd)**b) Dividends**

Particulars	(₹ In Lakh)	
	As at 31 March	
	2020	2019
Dividends recognised in the financial statements		
Final dividend for the year ended 31 March 2019 of ₹ 33 (31 March 2018 - ₹ 33) per equity share, declared and paid	3,771.43	3,771.43
Interim dividend for the year ended 31 March 2020 of ₹ 50 (31 March 2019 - ₹ Nil) per equity share, declared and paid	5,714.28	-
Dividends not recognised at the end of the reporting period		
No final dividend has been recommended by the Directors for the year ended 31 March 2020. Directors had recommended the payment of a final dividend of ₹ 33 for the year ended 31 March 2019. The proposed dividend declared in the previous year was subject to the approval of shareholders in the ensuing annual general meeting.	-	3,771.43

30 Contingent liabilities

Particulars	(₹ In Lakh)	
	As at 31 March	
	2020	2019
a) Claims against the Company not acknowledged as debts	4.55	4.45
b) Excise and Customs demand - matters under dispute and claims for refund of Excise Duty, if any, against Excise Duty refund received in the earlier year	20.29	20.29
c) Sales Tax matters under dispute	428.34	1,114.99
d) Income-Tax matters under dispute		
i) Appeal by Company	-	-
ii) Appeal by Department	39.84	39.84
	39.84	39.84

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

31 Capital and other commitments

Particulars	(₹ In Lakh)	
	As at 31 March	
	2020	2019
Capital commitments, net of capital advances	-	55.89

Notes to financial statements for the year ended 31 March 2020 (Contd.)

32 Segment information

Segment information based on standalone financial statements.

Segment wise revenue, results and capital employed for the year ended 31 March 2020

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

- i. Manufacturing
- ii. Investments

Particulars	(₹ In Lakh)		
	Manufacturing	Investments	Total
Revenue			
Sales and other income	1,562.92	19,561.90	21,124.82
Unallocable	-	-	258.18
Total income	1,562.92	19,561.90	21,383.00
Segment result	(639.12)	19,560.90	18,921.78
Unallocable	-	-	258.18
Tax expense	-	-	1,185.69
Profit for the year	(639.12)	19,560.90	17,994.27
Segment assets			
Segment assets	3,276.32	815,926.65	819,202.97
Unallocated corporate assets	-	-	3,375.12
Total assets	3,276.32	815,926.65	822,578.09
Segment liabilities			
Segment liabilities	1,365.66	-	1,365.66
Unallocated corporate liabilities	-	-	134.98
Total liabilities	1,365.66	-	1,500.64
Segment capital employed			
Segment capital employed	1,910.66	815,926.65	817,837.31
Unallocated corporate assets/(liabilities)	-	-	3,240.14
Capital employed	1,910.66	815,926.65	821,077.45
Capital expenditure	250.96	-	250.96
Depreciation and write downs	181.55	-	181.55
Non cash expenses other than depreciation	-	-	-

Segment information based on standalone financial statements.

Notes to financial statements for the year ended 31 March 2020 (Contd.)

32 Segment information (Contd)

Segment information based on standalone financial statements.

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

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

- i. Manufacturing
- ii. Investments

Particulars	(₹ In Lakh)		
	Manufacturing	Investments	Total
Revenue			
Sales and other income	1,546.26	7,728.82	9,275.08
Unallocable	-	-	317.44
Total income	1,546.26	7,728.82	9,592.52
Segment result	(602.40)	7,724.82	7,122.42
Unallocable	-	-	317.44
Finance costs	-	-	159.84
Profit for the year	(602.40)	7,724.82	7,280.02
Segment assets	2,672.15	1,168,457.00	1,171,129.15
Unallocated corporate assets	-	-	277.00
Total assets	2,672.15	1,168,457.00	1,171,406.15
Segment liabilities	1,404.77	-	1,404.77
Unallocated corporate liabilities	-	-	37,679.84
Total liabilities	1,404.77	-	39,084.61
Segment capital employed	1,267.38	1,168,457.00	1,169,724.38
Unallocated corporate assets/(liabilities)	-	-	(37,402.84)
Capital employed	1,267.38	1,168,457.00	1,132,321.54
Capital expenditure	393.91	-	393.91
Depreciation and write downs	155.21	-	155.21
Non cash expenses other than depreciation	-	-	-

Notes to financial statements for the year ended 31 March 2020 (Contd.)

33 The company has been classified as a Core Investment Company, not requiring registration with RBI pursuant to the provisions of section 45-IA of the RBI Act, 1934, and thus is exempted from the requirement of registration with Reserve Bank of India under section 45 -IA of the Reserve Bank of India Act, 1934.

34 Amount of borrowing costs capitalised as per Ind AS 23 during the year was **Nil**.

35 Employee benefits

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

Funded schemes

Gratuity

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

Particulars	As at 31 March	
	2020	2019
(₹ In Lakh)		
Amount recognised in Balance Sheet		
Present value of funded defined benefit obligation	411.68	422.07
Fair value of plan assets	(429.50)	(470.35)
Net funded obligation	(17.82)	(48.28)
Expense recognised in the Statement of Profit and Loss		
Current service cost	14.46	17.36
Interest on net defined benefit liability/(asset)	(4.01)	(1.73)
Total expense charged to Statement of Profit and Loss	10.45	15.63
Amount recorded as Other Comprehensive Income		
Opening amount recognised in OCI outside profit and loss account	43.03	48.54
Remeasurements during the period due to		
Changes in financial assumptions	(6.99)	3.07
Experience adjustments	36.86	(9.63)
Actual return on plan assets less interest on plan assets	1.05	1.05
Closing amount recognised in OCI outside Statement of Profit and Loss	73.95	43.03
Reconciliation of net liability/(asset)		
Opening net defined benefit liability/(asset)	(48.28)	(42.83)
Expense charged to profit and loss account	10.45	15.63
Amount recognised outside profit and loss account	29.01	(5.51)
Employer contributions	(9.00)	(15.57)
Closing net defined benefit liability/(asset)	(17.82)	(48.28)

Notes to financial statements for the year ended 31 March 2020 (Contd.)

35 Employee benefits (Contd.)**Funded schemes** (Contd.)**Gratuity** (Contd.)

Particulars	(₹ In Lakh)	
	As at 31 March	
	2020	2019
Movement in benefit obligation		
Opening of defined benefit obligation	422.07	490.98
Current service cost	14.46	17.36
Interest on defined benefit obligation	28.90	33.87
Remeasurements due to		
Actuarial loss/(gain) arising from change in financial assumptions	(6.99)	3.07
Actuarial loss/(gain) arising on account of experience changes	36.86	(9.63)
Benefits paid	(83.62)	(113.58)
Closing of defined benefit obligation	411.68	422.07

Particulars	(₹ In Lakh)	
	As at 31 March	
	2020	2019
Movement in plan assets		
Opening fair value of plan assets	470.35	533.81
Employer contributions	9.00	15.57
Interest on plan assets	32.91	35.60
Remeasurements due to		
Actual return on plan assets less interest on plan assets	0.87	(1.05)
Benefits paid	(83.62)	(113.58)
Closing fair value of plan assets	429.50	470.35

Particulars	As at 31 March	
	2020	2019
	Disaggregation of assets	
Insurer managed funds.	100%	100%
Others	-	-
Grand Total	100%	100%

Notes to financial statements for the year ended 31 March 2020 (Contd.)

35 Employee benefits (Contd.)

Funded schemes (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.

Financial assets	As at 31 March 2020		As at 31 March 2019	
	Discount rate	Salary escalation rate	Discount rate	Salary escalation rate
Impact of increase in 100 bps on DBO	396	425	407	435
Impact of decrease in 100 bps on DBO	429	399	438	410

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 plan next year is ₹ 16.00 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:

	Less than a year	Between 1 - 2 years	Between 2 -5 years	Over 5 years	Total
31 March 2020	94.80	80.04	206.78	128.60	510.22
31 March 2019	160.50	20.47	201.70	165.07	547.74

Particulars	As at 31 March	
	2020	2019
Weighted average duration of defined benefit obligation (in years)	6.46	8.74

Notes to financial statements for the year ended 31 March 2020 (Contd.)

35 Employee benefits (Contd.)

Funded schemes (Contd.)

Sensitivity Analysis (Contd.)

Particulars	As at 31 March	
	2020	2019
Principal Actuarial Assumptions (Expressed as Weighted Averages)		
Discount rate (p.a.)	6.40%	7.60%
Salary escalation rate (p.a.)	6.00%	8.00%

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

Compensated absences

Particulars	(₹ In Lakh) As at 31 March	
	2020	2019
Present value of unfunded obligations	88.30	79.00
Expense recognised in the Statement of profit and loss	14.79	18.64
Amount recorded as Other Comprehensive Income	-	-
Discount rate (p.a.)	6.40%	7.60%
Salary escalation rate (p.a.)	6.00%	8.00%

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

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

Particulars	(₹ In Lakh) As at 31 March	
	2020	2019
Compensated absences expected to be settled after 12 months	73.51	60.36

Notes to financial statements for the year ended 31 March 2020 (Contd.)

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

		(₹ In Lakh)			
Name of related party and Nature of relationship	Nature of transaction	2019-20		2018-19	
		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 and Investment Ltd. (holds 51% shares current year and 24% shares previous year of Maharashtra Scooters Ltd.)	Contribution to equity (3,387,036 shares of ₹ 10 each)	-	4,665.36	-	4,665.36
	Purchase of shares by BHIL 5,828,560 (2,742,848) shares of ₹ 10 each)	-	(582.86)	-	(24.00)
	Dividend received	2,455.60	-	1,354.81	-
	Dividend paid	4,837.70	-	905.14	-
Western Maharashtra Development Corporation Ltd. (Investing party - holds Nil shares current year and 27% shares of Maharashtra Scooters Ltd.)	Purchase of shares by WMDC (3,085,712 shares of ₹ 10 each)	-	-	-	27.00
	Dividend paid	-	-	1,018.28	-
B Associates, joint ventures and investing parties					
Bajaj Auto Ltd.	Contribution to equity (6,774,072 shares of ₹ 10 each)	-	1,824.86	-	1,824.86
	Dividend received	12,193.33	-	4,064.44	-
	Purchases	2.72	-	-	-
	Sales	235.42	50.69	16.91	0.56
	Services received	10.29	(1.99)	12.47	(3.14)
	Revenue expenses reimbursed	7.00	-	7.00	-
Bajaj Finserv Ltd.	Contribution to equity (3,725,740 shares of ₹ 5 each)	-	3,968.63	-	3,968.63
	Dividend received	279.43	-	65.20	-
Bajaj Finance Ltd.	Contribution to equity (18,974,660 shares of ₹ 2 each)	-	5,006.76	-	5,006.76
	Investment in non-convertible debentures	-	9,000.00	-	14,000.00
	Redemption received	11,000.00	-	500.00	-
	Dividend received	3,035.95	-	758.99	-
	Interest received	1,110.72	-	1,023.90	-
	Services received	14.03	-	11.59	-
C Key management personnel and their relatives					
Madhur Bajaj	Sitting fees	0.20	-	0.80	-
Sanjiv Bajaj	Sitting fees	3.10	-	1.20	-
D Other entities/persons					
Bajaj Allianz General Insurance Co. Ltd.	Insurance premium paid	6.08	6.77	5.91	6.40
Nareshkumar Patni	Sitting fee and travelling expenses	5.04	-	2.61	-
Yogesh J Shah	Sitting fee	5.40	-	2.60	-
Sadashiv S Survase	Sitting fee and travelling expenses	0.48	-	0.95	-
Vrushali Agashe	Sitting fee and travelling expenses	0.48	-	0.72	-
Abhinandan More	Sitting fee and travelling expenses	0.56	-	0.24	-
Vishwanath L Rajale	Sitting fee	0.40	-	1.00	-
Sanjay Deogankar	Sitting fee and travelling expenses	0.23	-	2.68	-
Anish P Amin	Sitting fee	2.50	-	-	-
V Rajagopalan	Sitting Fee	2.00	-	-	-
Lila Poonawalla	Sitting Fee	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 2020 (Contd.)

37 According to the records available with the Company, dues payable to entities that are classified as the Micro and Small Enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 during the year is ₹ 34.35 lakh (Previous Year: ₹ Nil) . Further, no interest has been paid or was payable to such parties under the said Act during the year. Dues to micro, small and medium enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Company.

38 Previous year figures

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
Firm Registration Number: 105215W/W100057
Chartered Accountants

Suhas Deshpande
Partner
Membership Number: 31787
Pune: 18 May 2020

Anant Marathe
Chief Financial Officer

N. S. Kulkarni
Company Secretary

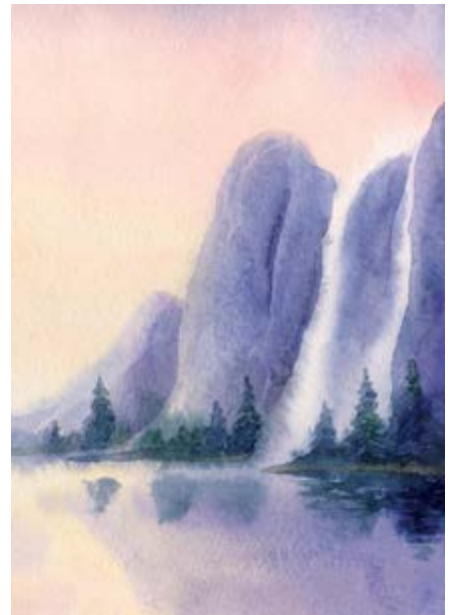
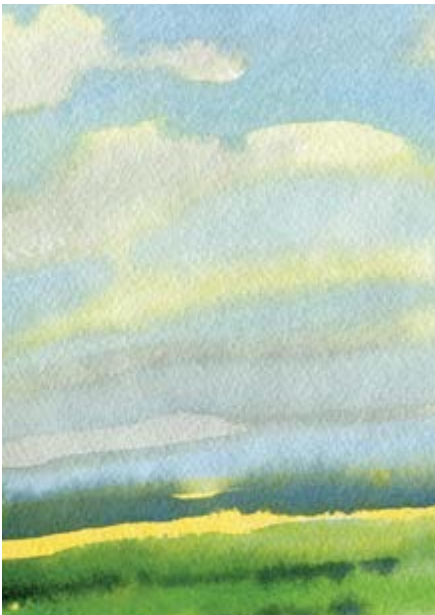
Sanjiv Bajaj
Chairman

V. Rajagopalan
Director

5 years' highlights of Maharashtra Scooters Ltd.

Particulars	(₹ In Lakh)				
	2019-20	2018-19	2017-18	2016-17	2015-16
SALES AND EARNINGS:					
Net sales and other income excl excise	21,383	9,593	8,212	2,924	11,715
Gross profit before interest, depreciation and exceptional items	19,362	7,595	6,209	1,425	10,173
Profit after tax	17,994	7,280	6,076	1,256	10,100
Total Comprehensive Income	(299,809)	314,341	171,405	-	-
ASSETS EMPLOYED:					
Net fixed assets	1,533	1,469	1,253	705	718
Investments at Cost	-	-	-	28,328	28,037
Investments at fair value	807,989	1,167,966	819,611	-	-
Net Working Capital	8,239	562	1,711	3,422	2,445
Capital Employed	817,761	1,169,997	822,575	32,455	31,199
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) General Reserve & surplus	42,562	36,025	33,286	31,312	30,056
iv) Reserves-FVOCI-Equity instruments	777,373	1,095,154	788,098	-	-
Net Worth	821,078	1,132,322	822,527	32,455	31,199
Deferred tax (asset)/liability	(3,317)	37,675	48	-	-
	817,761	1,169,997	822,575	32,455	31,199
EQUITY SHARE DATA:					
Earning per equity share ₹	157.45	63.70	53.16	10.99	88.37
Net worth per equity share ₹	7,184	9,908	7,197	284	273
Dividend including interim dividend	500%	330%	330%	300%	300%
Dividend including tax ₹	6,889	4,547	4,547	4,127	4,127
OTHERS:					
Number of employees	106	108	114	106	102
Employees' cost	865	811	821	813	802





MAHARASHTRA SCOOTERS LTD.

MAHARASHTRA SCOOTERS LIMITED

C/o. Bajaj Auto Ltd.

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