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MAHARASHTRA SCOOTERS LTD.

28th Annual Report 2002 - 2003

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28th Annual General Meeting :

Friday, 25th July 2003 at 12.30 p.m.
at the Registered Office

For Shareholders and proxies attending the meeting,
local transport is being arranged. For details, please
contact Registered Office.



MAHARASHTRA SCOOTERS LTD.

Board of Directors

Rahul Bajaj
Chairman
Prakash Mhaske
D. S. Mehta
Jayant H. Shah
Madhur Bajaj
B. V. Patil (Upto 07-01-2003)
Jaiprakash Chhajed
Bajirao R. Patil
Mrs. Sonia Sethi
V. H. Deshmukh (From 14-01-2003)

Audit Committee

Jayant H. Shah
Chairman
D. S. Mehta
B. V. Patil (Upto 07-01-2003)
V. H. Deshmukh (From 14-01-2003)

Shareholders'/Investors' Grievance Committee

Jayant H. Shah
Chairman
D. S. Mehta
B. V. Patil (Upto 07-01-2003)
V. H. Deshmukh (From 14-01-2003)

Company Secretary

A. H. Damle

Chief Executive

Ranjit Gupta

General Manager

S. R. Rege

Senior Manager (Finance)

R. B. Laddha

Auditors

P. C. Parmar & Co., Pune

Cost Auditor

A. P. Raman, Pune

Bankers

Central Bank of India

Registered Office

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

Works

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



MAHARASHTRA SCOOTERS LTD.

Registered office:

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

NOTICE

NOTICE is hereby given that the Twenty-Eighth Annual General Meeting of the shareholders of **MAHARASHTRA SCOOTERS LIMITED** will be held on **Friday, the 25th day of July, 2003 at 12.30 p.m.** at the Registered Office of the Company at C/o. Bajaj Auto Limited, Mumbai-Pune Road, Akurdi, Pune- 411 035 to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt the audited Balance Sheet as at 31st March, 2003 and Profit and Loss Account of the Company for the year ended on that date and the Directors' and Auditors' Reports thereon.
2. To declare dividend on Equity Shares.
3. To appoint a Director in place of Shri D.S. Mehta, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri V.H. Deshmukh, who retires by rotation and being eligible, offers himself for re-appointment.
5. To consider and, if thought fit, to pass with or without modifications, the following resolution as a **Special Resolution**:
"RESOLVED that pursuant to Section 224-A of the Companies Act, 1956, M/s. P.C. Parmar & Company, Chartered Accountants, Pune, the retiring Auditors of the Company, be and are hereby re-appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company on a remuneration of Rs.3,00,000/- (Rupees Three lacs only) plus Service Tax as applicable and out-of-pocket, travelling and living expenses."

SPECIAL BUSINESS:

6. To consider and, if thought fit, to pass with or without modifications, the following resolution as a **Special Resolution**:
"RESOLVED that pursuant to the provisions of the SEBI (Delisting of Securities) Guidelines, 2003, the resolution passed by the Board of Directors at its meeting held on 13th May, 2003 and all other applicable laws, rules, regulations and guidelines and subject to such other approvals, consents and permissions as may be necessary in this regard, the consent of the Company be and is hereby accorded to delist the Equity Shares of the Company from Pune Stock Exchange Limited."
"RESOLVED FURTHER that the Board of Directors of the Company be and is hereby authorised to take all such steps as may be necessary, proper and expedient to give effect to this resolution."

By Order of the Board
For MAHARASHTRA SCOOTERS LTD.

A. H. DAMLE
Company Secretary

Pune, 13th May, 2003

NOTES :

1. Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of Item No.5 and 6 is annexed.
2. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
3. Register of Members and Share Transfer Books of the Company will remain closed from Saturday, the 12th day of July, 2003 to Friday, the 25th day of July, 2003 both days inclusive.
4. If Dividend on shares as recommended by the Directors is approved at the meeting, payment of such dividend will be made on or after 31st July, 2003 to those shareholders, whose names appear (a) As Beneficial Owners as at the end of the business of 11th July, 2003, as per the list to be furnished by National Securities Depository Ltd. and Central Depository Services (I) Ltd. in respect of the shares held in electronic form and (b) As Members in the Register of Members of the Company, after giving effect to all valid share transfers lodged with the Company on or before 12th July, 2003.
5. Shareholders holding shares in physical form are requested to notify change of address, if any, to the company, immediately preferably along with their bank / ECS details, unless already notified, so as to reach the company on or before 12th July, 2003. Beneficial owners holding shares in electronic form are requested to notify any change in address, bank particulars, ECS particulars etc. to their respective depository participants and make sure that such changes are recorded by them correctly on or before 12th July, 2003. The particulars recorded with the depository participants will be considered for making the payment of dividend either by issuing payment instruments or by ECS. Shareholders are requested to take appropriate action in the matter, in their own interest, to avoid delay in receiving the payment of dividend.

Where dividend payments are made through ECS, intimations regarding such remittances would be sent separately to the shareholders.

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6. Pursuant to Section 205-A of the Companies Act, 1956, all unclaimed dividends upto the financial year 1994-95 have been transferred to the General Revenue Account of the Central Government. Shareholders, who have not encashed the Dividend Warrants for the said period, are requested to claim the amount from the Registrar of Companies, Maharashtra, Pune.

Consequent upon the amendment in Section 205A of the Companies Act, 1956 and introduction of Section 205C by the Companies (Amendment) Act, 1999, the amount of dividend remaining unclaimed for a period of seven years shall hereafter be transferred to the Investor Education and Protection Fund.

The unclaimed dividends for the following accounting years will be deposited by the Company in the Investor Education and Protection Fund on the dates specified against each of the years:

Year	Date
1995-96	03-10-2003
1996-97	05-09-2004
1997-98	04-10-2005
1998-99	27-08-2006
1999-2000	07-09-2007
2000-01	06-09-2008
2001-02	05-09-2009

Shareholders, who have not encashed the Dividend Warrants for the above years are, therefore, requested to immediately forward the same to the Company for payment.

7. Register of Contracts with Companies and Firms in which directors are interested under Section 301 of the Companies Act, 1956 will be open for inspection to the Members at the Registered Office of the Company on all working days, except on Sundays, between 11.00 a.m. and 2.00 p.m.
8. Register of Directors Shareholding under Section 307 of the Companies Act, 1956 will be open for inspection to the Members at the Registered Office of the Company during the period beginning fourteen days before the date of Annual General Meeting and ending three days after the date of its conclusion, during office hours.
9. Pursuant to clause 49 of the Listing Agreement with Stock Exchanges, the information in respect of directors being reappointed has been provided in the section of Corporate Governance incorporated in the Annual Report.

ANNEXURE TO NOTICE EXPLANATORY STATEMENT

(As required by Section 173(2) of the Companies Act, 1956)

Item No. 5

Section 224-A of the Companies Act, 1956 requires that in a Company in which not less than 25% of the subscribed share capital is held by the Government, Government companies, nationalised banks and public financial institutions referred to therein, the appointment of auditors is to be made by a special resolution. Since Western Maharashtra Development Corporation Limited, a Government Company, holds more than 25% of the subscribed share capital of the Company, appointment of the Auditors and payment of remuneration to them requires approval of the shareholders by a Special Resolution.

Your Directors recommend the resolutions for approval of the shareholders.

None of the Directors of the Company is interested or concerned in the resolution.

Item No.6

Equity Shares of your Company are at present listed on the National Stock Exchange of India Ltd. (NSE), The Stock Exchange, Mumbai (BSE) and Pune Stock Exchange Ltd. (PSE).

The shares of your Company listed on PSE in the year 1982 have been thinly traded for last many years and since last six years there has been no trading at all.

Securities and Exchange Board of India has issued Delisting of Securities Guidelines, 2003 providing for voluntary delisting of shares by the Companies from Stock Exchange/s subject to compliance with certain conditions, inter-alia, approval of shareholders by a Special Resolution passed at its general meeting.

As your Company complies with the stipulations contained in the guidelines, it is proposed to delist its equity shares from Pune Stock Exchange Ltd. Equity Shares of your company will, however, continue to remain listed on the NSE & BSE.

Your Directors recommend the resolution for approval of the shareholders.

None of the Directors of the Company is interested or concerned in the resolution.

By Order of the Board
For MAHARASHTRA SCOOTERS LTD.



A. H. DAMLE
Company Secretary

Pune, 13th May, 2003.



MAHARASHTRA SCOOTERS LTD.

DIRECTORS' REPORT TO THE MEMBERS

1. Your Directors have pleasure in presenting their Twenty-Eighth Annual Report and Audited Statement of Accounts for the year ended 31st March, 2003.

2. OPERATIONS:

2.1 The depressed market conditions in the geared scooter segment of the two-wheeler industry prevalent since the last several years continued in the year under review, owing to the shift in customer preference from scooters to motorcycles. Production of scooters was curtailed by 48% from 60,216 numbers during the previous year to 31,363 numbers during the year under review, due to the sharp drop in the sale of scooters from 61,456 numbers in the previous year to 30,925 numbers during the year under review. The Company has been operating 4 days a week since January, 2001. Drop in Production and Sales resulted in margins remaining under pressure throughout the year under review.

2.2 Sales and Other Income during the year under review dropped sharply by 45% from Rs.1313 million (inclusive of Rs.113 million as Other Income) during the previous year to Rs.718 million (inclusive of Rs.94 million as Other Income) during the year under review.

4. DIVIDEND:

4.1 Your Directors recommend for consideration of shareholders at the Annual General Meeting, payment of dividend of Rs.0.60 per Equity Share (6%) on 11,428,568 Equity Shares of Rs.10 each for the year ended 31st March, 2003. This dividend, if approved, will absorb Rs.6.85 million, apart from Dividend Distribution Tax of Rs.0.88 million.

5. DIRECTORS' RESPONSIBILITY STATEMENT:

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

- that in the preparation of annual accounts the applicable accounting standards have been followed.
- that the Directors have selected such accounting policies and have applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period.

c) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

d) that the Directors have prepared the annual accounts on a going concern basis.

6. DISCLOSURE OF SPECIAL PARTICULARS :

Information as per clause (e) of sub-section (1) of Section 217 of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 for the year ended 31st March, 2003 is given below:

6.1 Conservation of Energy :

In addition to the various measures introduced in the previous years, your Company took several steps during the year under review to effect savings in the consumption of power, fuel, oil, water and other energy sources viz:

- Introduction of energy saving devices such as use of CFL lamps, 70 Watt SV lamps in place of 250 Watt MV lamps, Ceiling Fans in place of Air-Circulators.
- Introduction of Water Harvesting
- Introduction of small groups with participation from workers to ensure optimum utilisation of systems, safe working, clean environment and awareness of modern work practices.

6.2 Technology Absorption, Adaptation and Innovation:

As reported in the past, your Company has a Technical Collaboration Agreement with Bajaj Auto Limited and through continuous interaction, such product and technology improvements achieved by their Research and Development Department as are relevant to the products of your Company are duly incorporated by your Company from time to time. As such,

no separate expenditure has been incurred by your Company on Research and Development activities during the year under review. Your Company has not imported any technology in view of the Technical Agreement with Bajaj Auto Limited.

6.3 Foreign Exchange Earnings and Outgo:

Your Company has not undertaken any activity relating to imports/exports during the year under review. As such foreign exchange earnings and outgo were nil during the year under review.

3. FINANCIAL RESULTS:

	(Rs. in million)	
	2002-03	2001-02
Sales and Other Income	718.46	1313.18
Gross Profit before Interest and Depreciation	33.39	66.82
Interest	0.17	0.73
Profit before Depreciation	33.22	66.09
Depreciation	14.95	21.77
Profit before Tax	18.27	44.32
Provision for Taxation	2.10	—
Deferred Tax Liabilities/(Assets)	12.80	(8.97)
Net Profit	3.37	53.29
Depreciation relating to earlier years written back	15.86	—
Provision for taxation relating to earlier years	10.60	2.90
Disposable surplus after Adjustments for earlier years	8.63	50.39
Provision for Proposed Dividend	6.85	11.42
Provision for Dividend Distribution Tax	0.88	—
Balance carried to General Reserve	0.90	38.97

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7. PARTICULARS OF EMPLOYEES:

- 7.1 Information as per sub-section (2A) of Section 217 of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 and forming part of the Directors' Report for the year ended 31st March, 2003 - NIL.

8. QUALITY:

- 8.1 Surveillance Audit of QMS/ISO 9002 was successfully completed in September, 2002.
- 8.2 Implementation of TPM (Total Productive Maintenance) activities have shown results in terms of increased efficiency of machines, control on consumption of resources, space saving and improved house keeping.

9. SAFETY, HEALTH AND ENVIRONMENT:

- 9.1 Your Company continues to accord high priority for ensuring highest safety standards in operations at every level. Through a declared policy on safety and health, accident rate and severity rate have come down drastically. Various training programmes to improve safety and environment awareness amongst the employees were organised during the year under review.
- 9.2 Your Company has displayed its 'Safety & Health' Policy at the Factory Main Gate and made efforts to achieve 'Zero Accident' target during the year.
- 9.3 Environment Audit is being carried out as stipulated.
- 9.4 Your Company has taken various measures to reduce Noise Pollution like introduction of silencers on spot welding machines, low setting of forklift horns, reduction in siren noise frequency and duration etc.

10. DEPOSITORY:

- 10.1 Shares of your Company can be held and traded in electronic form both through National Securities Depository Ltd. (NSDL) and through Central Depository Services (I) Ltd. (CDSL). Your Company's shares are tradable compulsorily in dematerialised form only. As on 31st March, 2003, 3,328,221 numbers of equity shares comprising 29.12% of total paid-up capital have been dematerialised.

11. CASH FLOW STATEMENT:

- 11.1 A Cash Flow Statement for the year 2002-03 is included in the annexed Statement of Accounts.

12. CORPORATE GOVERNANCE:

- 12.1 Pursuant to clause 49 of the Listing Agreement with Stock Exchanges, a separate section titled "A Report on Corporate Governance" has been included in this Annual Report.
- 12.2 A certificate from the auditors of the Company concerning the Company's compliance with the stipulations of clause 49 relating to Corporate Governance has been included in this Annual Report.

13. INDUSTRIAL RELATIONS:

- 13.1 Industrial relations continued to be cordial during the year under review.

14. DIRECTORS:

- 14.1 Shri V.H. Deshmukh, nominee of Western Maharashtra

Development Corporation Ltd. was appointed as a Director of the Company on 14th January, 2003 in the vacancy caused by the resignation of Shri B.V. Patil.

- 14.2 Your directors place on record appreciation of the valuable contribution made by Shri. B. V. Patil during his tenure as Director of the Company.

- 14.3 Shri D.S. Mehta and Shri V.H. Deshmukh retire by rotation and being eligible, offer themselves for re-appointment as Directors.

15. AUDITORS' REPORT:

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

16. AUDITORS:

- 16.1 The Auditors, M/s. P.C. Parmar & Company, Chartered Accountants, Pune, who retire at the conclusion of the ensuing Annual General Meeting are eligible for re-appointment. Since this is a Company in which Western Maharashtra Development Corporation Limited holds not less than 25% of the subscribed capital of the Company, the appointment of Auditors is required to be made by a Special Resolution, as required by section 224-A of the Companies Act, 1956. The Shareholders are requested to appoint the Auditors and fix their remuneration.

- 16.2 Shri A.P. Raman, Cost Accountant, Pune has been appointed as cost auditor to conduct the audit of Cost Accounts maintained by the Company for the year ending 31st March, 2004. Government approval in this regard has been obtained.

17. DELISTING OF EQUITY SHARES FROM PUNE STOCK EXCHANGE LTD:

- 17.1 Equity shares of your company are listed on National Stock Exchange of India Limited (NSE), The Stock Exchange, Mumbai (BSE) and Pune Stock Exchange Ltd.(PSE).
- 17.2 Since last few years, equity shares of your Company are not quoted on the PSE.
- 17.3 Securities and Exchange Board of India has issued Delisting of Securities Guidelines, 2003 which permit companies to voluntarily delist securities from the Stock Exchange/s, subject to certain conditions, inter-alia, obtaining prior approval of shareholders by a Special Resolution.
- 17.4 As your Company complies with the said conditions, the shareholders are requested to pass the proposed Special Resolution for delisting of shares from PSE.
- 17.5 Equity Shares of your company will continue to remain listed on the NSE & BSE.

On behalf of the Board of Directors



Rahul Bajaj
Chairman

Pune, 13th May, 2003.



MAHARASHTRA SCOOTERS LTD.

REPORT ON CORPORATE GOVERNANCE

1. Company's Philosophy on Corporate Governance:

Right from its inception, Maharashtra Scooters Limited (MSL) has firmly believed in the following guiding principles of good Corporate Governance:

- Good corporate governance relates to systems of supervision and monitoring which maximise long term shareholder value of a company, in addition to addressing the interests of all other stakeholders in the enterprise.
- Corporate Governance is a combination of four key elements viz.,
 - Transparency – a commitment that the business is managed along transparent lines.
 - Fairness – to all stakeholders in the company and especially to minority shareholders.
 - Disclosure – of all relevant financial and non-financial information in an easily understood manner.
 - Supervision and monitoring – of the company's activities by a professionally competent and independent Board of Directors
- It deals with building trust with employees, customers, suppliers, creditors, diverse investors and society – trust that the Company will be managed properly, while protecting and enhancing the capital of its investors and increasing corporate value for its stakeholders.

MSL has always strived to discharge its fiduciary obligations towards its shareholders. Over the last six years, the company has been steadily increasing the levels of disclosures in its annual reports, well beyond the requirements of the statutes. In light of the pro-active and progressive practices adopted by the Company in matters concerning Corporate Governance, Report on Corporate Governance as per clause 49, was included in the Annual Report two years ahead of the schedule.

2. Board of Directors :

The Company is managed by a Board of Directors comprising a non-executive Chairman and 8 non-executive directors. Of these directors, 4 are independent directors.

The composition of directors, the number of their other directorships/committee positions and their attendance at the board meetings during the year and at the last annual general meeting are given in the following tables:

Table 1: Composition of Board of Directors and number of other directorships and committee positions held as on 31st March, 2003:

Director	Executive/Non-executive/Independent	Other Directorships held *	Other Committee positions	
			As Chairman	As Member
Rahul Bajaj	Non-executive, Chairman	5	-	-
D.S. Mehta	Non-executive	8	1	5
Madhur Bajaj	Non-executive	8	-	-
Jayant H. Shah	Non-executive, Independent	2	-	1
Prakash Mhaske	Non-executive	3	-	-
Mrs. Sonia Sethi	Non-executive	3	-	-
B.V. Patil ±	Non-executive, Independent	1	-	-
Jaiprakash Chhajed	Non-executive, Independent	2	-	-
Bajirao R. Patil	Non-executive, Independent	1	-	-
V.H. Deshmukh **	Non-executive, Independent	9	-	-

* Directorships as stipulated under Section 275 of the Companies Act, 1956.

± Ceased as director with effect from 7th January, 2003.

** Appointed as director on 14th January, 2003.

Table 2 : Attendance of Directors at Board Meetings and at the last AGM:

Director	Number of meetings		Last AGM Attendance
	Held	Attended	
Rahul Bajaj	6	6	Yes
D.S. Mehta	6	4	Yes
Madhur Bajaj	6	6	Yes
Jayant H. Shah	6	5	Yes
Prakash Mhaske	6	2	Yes
Mrs. Sonia Sethi	6	5	No
B.V. Patil *	4	4	Yes
Jaiprakash Chhajed	6	4	Yes
Bajirao R. Patil	6	5	Yes
V.H. Deshmukh	2	2	**

* Ceased as director with effect from 7th January, 2003.

** Appointed as director after the last AGM.

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Table 3: Number of Board Meetings held and dates of meetings:

Number of Board Meetings held during the year 2002-03	Dates of Meetings		
6	10-05-2002, 22-10-2002,	26-07-2002, 14-01-2003,	13-09-2002, 11-03-2003

Disclosure regarding directors considered for appointment/re-appointment :

At the annual general meeting of the Company, Shri D.S. Mehta and Shri V.H. Deshmukh are retiring by rotation and being eligible are proposed to be re-appointed. Their brief particulars are as under:

Shri D.S. Mehta – Shri D.S. Mehta is a B.Com. (Hons) Graduate of Bombay University and an alumnus of Sydenham College, Mumbai. He is a Fellow Member of the Institute of Chartered Accountants of India and a Fellow Member of the Institute of Company Secretaries of India. He has been associated with the Bajaj Group of Companies since 1966 and he is currently whole-time Director of Bajaj Auto Limited, a leading two-wheeler and three-wheeler manufacturer. He has more than 37 years experience in corporate law, taxation, finance and investment.

He was a Member of the Working Group to re-draft the Companies Act, 1956. He was also a Member of the Economic Affairs Committee of the Confederation of Engineering Industry and Taxation Sub-Committee of FICCI.

He is a Honorary Director of Bharatiya Vidya Bhavan and President of Kasturba Health Society, Sewagram, Wardha, which runs a 650-bed Hospital and a full-fledged medical college with excellent research facility. He is Joint Managing Trustee of Saurashtra Trust, which owns and publishes leading Gujarati Newspapers and magazines. He is also the Chairman of Kasturba Gandhi National Memorial Trust, Indore, which has 450 centres spread over 23 States in the Country and works for the uplift of women and children. He is a Trustee of Gujarat Vidya Pith, Ahmedabad.

Besides being on the Board of the Company for over 27 years, he holds directorships in the following companies:

1. Bajaj Auto Ltd.
2. Mukand Ltd.
3. Bajaj Auto Finance Ltd.
4. Bajaj Auto Holdings Ltd.
5. Bajaj Hindustan Ltd.
6. Jeewan Ltd.
7. Monotona Tyres Ltd.
8. Hincan Holdings Ltd.
9. Bajaj Sevashram Pvt. Ltd.
10. Bachhraj & Co. Pvt. Ltd.
11. Jamnalal Sons Pvt. Ltd.
12. Sikkim Janaseva Pratisthan Pvt.Ltd.
13. Janmabhoomi Newspapers Education Foundation
14. Niche Financial Services Pvt. Ltd.
15. Bhoopati Shikshan Pratisthan
16. Mahakalp Arogya Pratisthan
17. Benchmark Asset Management Co.Pvt. Ltd.

Shri V.H. Deshmukh – Shri V.H. Deshmukh passed the Degree Examination in Electronics & Telecommunication Engineering from Govt. Engineering College, Pune in April, 1973. He thereafter served as a Lecturer at Govt. Engineering College at Aurangabad and Amravati from 1973 to 1978. He then entered Maharashtra State Public Services and joined the Industries Department of Govt. of Maharashtra in the year 1978. He has been working in the Industries Department of Govt. of Maharashtra for the last 25 years and has held many responsible positions such as General Manager, District Industries Centres at Buldhana, Amravati, Dhule and Thane and as Jt. Director of Industries, Aurangabad and Pune. He has also worked as Managing Director of Marathawada Development Corporation, Aurangabad. Presently he is holding the position of Jt. Director of Industries, Pune Region. In his official capacity, he has been associated with the work of employment generating entrepreneurship development, promotion of small and large scale industries, import and export of industrial goods etc. He has also undertaken various training programmes in Entrepreneurship Development and Project Appraisal in the Institutions such as NISIET, Hyderabad and YASHADA, Pune.

Besides being on the Board of the Company, he holds directorships in the following companies:

1. Western Maharashtra Development Corporation Ltd.
2. Kinwat Roofing Tiles Ltd.
3. Parbhani Krishi Gosamvardhan Ltd.
4. LICOM Ltd.
5. Godavari Garments Ltd.
6. Dairy Development Corporation of Marathawada Ltd.
7. Marathawada Ceramics Corpn. Ltd.
8. Ellora Milk Products Ltd.
9. Textile Corporation of Marathawada Ltd.



MAHARASHTRA SCOOTERS LTD.

Information placed before the Board of Directors:

The Board of the Company was presented with all the relevant and necessary information at their meetings such as production, sales, capital expenditure budgets, actual performance statistics, review of business, any legal proceedings by or against the Company, share transfer and demat compliance, quarterly financial results, minutes of the meetings of the Audit Committee and Shareholders/Investors Grievance Committee, staff matters including senior appointments, significant labour and human relations matters and such other information.

3. Audit Committee:

The Company has constituted an Audit Committee comprising three non-executive directors, two being independent directors. The members of the Committee are Shri Jayant H. Shah, Chairman, Shri D.S. Mehta and Shri V.H. Deshmukh. Shri D.S. Mehta has good financial and accounting knowledge.

Shri B.V. Patil ceased to be a member of the Committee with effect from 7th January, 2003 due to resignation from the Board. In his place, the Board has appointed Shri. V.H. Deshmukh as a member of the Committee.

The meetings of the Audit Committee are attended by the members and the invitees viz., Chief Executive, General Manager, Senior Manager (Finance), Manager (Internal Audit) and the statutory auditors. The Company Secretary acts as the Secretary to the Committee.

The broad terms of reference of the Audit Committee are as follows:

- Review of the Company's financial reporting process and its financial statements.
- Review of accounting and financial policies and practices.
- Review of the internal control and internal audit systems.
- Review of risk management policies and practices.

The committee met four times during the year ended 31st March, 2003 on 10th May, 2002, 26th July, 2002, 22nd October, 2002 and 14th January, 2003.

While Shri Jayant H. Shah was present at all the four meetings of the Committee, Shri D.S. Mehta and Shri B.V. Patil attended three meetings each.

4. Remuneration Committee :

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

Directors' interests in the Company :

Table 4 gives (a) full details of remuneration paid to each Director (b) their relationships with other Directors (where applicable), and (c) their business interests with either the Company or its Directors (where material).

Table 4 : Relationships of Directors, their business interests and remuneration paid :

Director	Relationship with Other Directors	Business relationship with the company, if any.	Remuneration paid/payable during 2002-03 (in Rs.)			
			Sitting Fees	Salary & Perks	Commission	Total
Rahul Bajaj	Cousin of Madhur Bajaj	Chairman & Managing Director of BAL, a promoter company	12,000	Nil	Nil	12,000
D.S. Mehta	None	Whole-time Director of BAL, a promoter company	14,000	Nil	Nil	14,000
Madhur Bajaj	Cousin of Rahul Bajaj	Vice-Chairman & Whole-time Director of BAL, a promoter company	12,000	Nil	Nil	12,000
Jayant H. Shah	None	None	20,000	Nil	Nil	20,000
Prakash Mhaske	None	Chairman of WMDC Ltd., a promoter company	4,000	Nil	Nil	4,000
Mrs. Sonia Sethi	None	Managing Director of WMDC Ltd., a promoter company	10,000	Nil	Nil	10,000
B.V. Patil ±	None	None	14,000	Nil	Nil	14,000
Jaiprakash Chhajed	None	None	8,000	Nil	Nil	8,000
Bajirao R. Patil	None	None	10,000	Nil	Nil	10,000
V.H. Deshmukh*	None	None	6,000	Nil	Nil	6,000

± ceased as director during the year 2002-03.

* appointed as director during the year 2002-03

During the year 2002-03, the Company did not advance any loans to any of the directors.