



MAHARASHTRA SCOOTERS LTD.

29th ANNUAL REPORT 2003-2004

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29th Annual General Meeting:

Friday, 30th July, 2004 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 <i>Chairman</i> Prakash Mhaske D. S. Mehta Jayant H. Shah Madhur Bajaj Mrs. Sonia Sethi (upto 21-10-2003) V.H. Deshmukh (upto 08-04-2004) Bajirao R. Patil (upto 13-01-2004) Jaiprakash Chhajed (upto 13-01-2004) P.N. Patil (From 13-01-2004) B.N. Patil (From 13-01-2004) Rajshekhar S. Chadchankar (From 13-01-2004) S. R. Daund (From 18-05-2004)
Audit Committee	Jayant H. Shah <i>Chairman</i> D. S. Mehta Madhur Bajaj (From 21-10-2003) V.H. Deshmukh (Upto 08-04-2004) B. N. Patil (From 18-05-2004)
Shareholders'/Investors' Grievance Committee	Jayant H. Shah <i>Chairman</i> D. S. Mehta Madhur Bajaj (From 21-10-2003) V.H. Deshmukh (Upto 08-04-2004) B. N. Patil (From 18-05-2004)
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-Ninth Annual General Meeting of the shareholders of **MAHARASHTRA SCOOTERS LIMITED** will be held on **Friday, the 30th day of July, 2004 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, 2004 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 a dividend on Equity Shares.
3. To appoint a Director in place of Shri Jayant H. Shah, who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint a Director in place of Shri Madhur Bajaj, who retires by rotation and being eligible, offers himself for reappointment.
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.3,50,000/- (Rupees three lacs fifty thousand 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 an **Ordinary Resolution**:-
"RESOLVED that Shri Rajshekhar S. Chadchankar who was appointed by the Board of Directors of the Company as a Director, in the casual vacancy caused by the withdrawal of nomination of Shri Bajirao R. Patil on 13th January, 2004 and who vacates office at this annual general meeting under section 262 of the Companies Act, 1956 but who is eligible for reappointment and in respect of whom the Company has, as required by section 257 of the Companies Act, 1956, received a notice in writing from a member signifying his intention to propose him as a candidate for the office of Director, be and is hereby appointed a Director of the Company, liable to retire by rotation."
7. To consider and, if thought fit, to pass with or without modifications, the following resolution as an **Ordinary Resolution**:-
"RESOLVED that pursuant to the provisions of Section 269 and other applicable provisions (if any) of the Companies Act, 1956, the Company do hereby accord its approval and consent to the reappointment of Shri Ranjit Gupta as Manager of the Company for a further period of three years from 1-4-2004, with liberty to the Board to alter and vary the terms and conditions of his appointment in such manner as may be acceptable to Shri Ranjit Gupta, provided, however, that no remuneration would be payable by the Company to Shri Gupta during the said period of his appointment."

By Order of the Board
For MAHARASHTRA SCOOTERS LTD.

A. H. DAMLE
Company Secretary

Pune, 18th May, 2004

NOTES:

1. Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of item No.5, 6 & 7 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. The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, the 17th day of July, 2004 to Friday, the 30th day of July, 2004 both days inclusive for the purpose of Annual General Meeting and payment of dividend.
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 4th August, 2004 to those shareholders, whose names appear (a) As Beneficial Owners as at the end of the business of 16th July, 2004, 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 16th July, 2004.
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 17th July, 2004. 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 16th July, 2004. 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 payment is made through ECS, intimation regarding such remittance would be sent separately to the concerned shareholders.

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6. Pursuant to Section 205A 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 be transferred to the Investor Education and Protection Fund. Accordingly, the Company has transferred an amount of Rs.4,43,404/- which was lying unclaimed towards dividend for the year 1995-96 to the Investor Education and Protection Fund on 28th October, 2003.

The unclaimed dividends for the following accounting years will become due for transfer by the Company to the Investor Education and Protection Fund on the dates specified against each of the years:

Year	Date
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
2002-03	04-09-2010

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, information in respect of the Directors to be 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, either singly or in any combination, the appointment of auditors shall 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, the appointment of the Auditors and payment of remuneration to them requires approval of the shareholders by a Special Resolution.

Your Directors recommend the resolution for approval of the shareholders.

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

Item No. 6

Shri Rajshekhar S. Chadchankar was appointed by the Board of Directors of the Company as a Director, in the casual vacancy caused by the withdrawal of nomination of Shri Bajirao R. Patil on 13th January, 2004 and holds office until ensuing annual general meeting under section 262 of the Companies Act, 1956 and is eligible for reappointment. In respect of his appointment, the Company has, as required by section 257 of the Companies Act, 1956, received a notice in writing along with deposit from a member signifying his intention to propose him as a candidate for the office of the Director.

Brief profile and particulars of Shri Rajshekhar S. Chadchankar are given in the section of Corporate Governance incorporated in the Annual Report.

Your Directors recommend the resolution for approval of the shareholders.

None of the Directors of the Company except Shri Rajshekhar S. Chadchankar, is interested or concerned in the resolution.


Item No. 7

Shri Ranjit Gupta was appointed as Manager under the Companies Act, 1956 at the Annual General Meeting of the Company held on 16th July, 1999 for a period of five years with effect from 1st April, 1999. Subject to the approval of the shareholders, Shri Gupta was reappointed by the Board of Directors as Manager of the Company under the said Act, for a further period of three years with effect from 1st April, 2004 on the terms and conditions set out in the Resolution. No remuneration is payable to Shri Gupta, since he draws remuneration from his employers, Bajaj Auto Ltd.

The Resolution is commended for the approval of the shareholders at the meeting.

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, 18th May, 2004.



MAHARASHTRA SCOOTERS LTD.

DIRECTORS' REPORT TO THE MEMBERS

1. Your Directors have pleasure in presenting their Twenty-Ninth Annual Report and Audited Statement of Accounts for the year ended 31st March, 2004.

2. OPERATIONS:

2.1 The slide in the demand for geared scooters continued during the year under review. Production of scooters fell by 43% from **31,363** numbers during the previous year to **17,900** numbers during the year under review. Sale of scooters declined from **30,925** numbers in the previous year to **16,935** numbers during the year under review. The Company has been operating four days a week since January, 2001. Drop in Production and Sales resulted in margins remaining under pressure throughout the year under review.

2.2 Net Sales and Other Income during the year under review declined by 27% from Rs.632 million (inclusive of Rs.94 million as Other Income) during the previous year to Rs.462 million (inclusive of Rs.131 million as Other Income) during the year under review.

3. FINANCIAL RESULTS:

(Rs. in million)

	2003-04	2002-03
Net Sales and Other Income	462.24	631.60
Gross Profit before Interest and Depreciation	51.65	33.40
Interest	0.24	0.17
Profit before Depreciation	51.41	33.23
Depreciation	14.26	14.95
Profit before Tax	37.15	18.28
Provision for Taxation	—	2.10
Deferred Tax Asset / (Liability)	23.40	(12.80)
Net Profit	60.55	3.38
Disposable surplus after Adjustments for earlier years	62.03	8.64
Provision for Proposed Dividend	22.86	6.86
Provision for Dividend Distribution Tax	2.93	0.88
Balance carried to General Reserve	36.24	0.90

4. DIVIDEND:

4.1 Your Directors recommend for consideration of shareholders at the Annual General Meeting, payment of dividend of Rs.2.00 per Equity Share (20%) on 11,428,568 Equity Shares of Rs.10 each for the year ended 31st March, 2004. This dividend, if approved, will absorb Rs.22.86 million, apart from Dividend Distribution Tax of Rs.2.93 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, 2004 is given below:

6.1 Conservation of Energy:

As reported in earlier years, your Company continued to take several steps during the year under review to effect savings in the consumption of power, fuel, oil, water such as:

Control on maximum demand of electricity, maintaining power factor to almost unity, introduction of energy saving devices on shop floor, effective operation and use of biogas plant, vermi composting, solar heaters and recycling of treated effluent.

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 inter-action, 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:

6.3.1. During the year under review, the total foreign exchange earnings and outgo were Nil.

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, 2004 is given in **Annexure-I** to this report. (Please refer page no. 13)

8. QUALITY:

8.1 Surveillance Audit of QMS/ISO 9000 with new draft ISO 9001/2000 was successfully completed.

8.2 Implementation of TPM (Total Productive Maintenance) activities is in progress and positive results are visible in terms of space savings, improvement in house keeping and increased efficiency of machines. This has also helped in conservation of energy and control on consumption of resources.

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9. SAFETY, HEALTH AND ENVIRONMENT:

- 9.1 Various training programmes and activities for awareness towards safety including refresher course for 'Fire Fighting & Prevention of Fire' were arranged with in-house facilities, as a result, accident rate and severity rate has come down substantially.
- 9.2 Environment Audit is being carried out as stipulated.
- 9.3 As per directives from MPCB, Mumbai, your Company has become member of Mumbai Waste Management Ltd. for treatment and disposal of hazardous waste generated in the process of manufacture.

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, 2004, 3,905,769 numbers of equity shares comprising 34.18% of total paid-up capital have been dematerialised.

11. CASH FLOW STATEMENT:

- 11.1 A Cash Flow Statement for the year 2003-04 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 B.N. Patil and Shri Rajshekhar S. Chadchankar were appointed as Directors of the Company on 13th January, 2004 in the vacancy caused by the withdrawal of nomination of Shri Jaiprakash Chhajed and Shri Bajirao R. Patil by Western Maharashtra Development Corporation Ltd. Smt. Sonia Sethi resigned as Director of the Company from 21st October, 2003. In her place, Shri V.H. Deshmukh, Director of the Company was nominated as non-retiring Director. In the vacancy caused due to this change, Shri P.N. Patil (nominee of Western Maharashtra Development Corporation Ltd.) was appointed as a Director of the Company on 13th January, 2004.
- 14.2 Shri V.H. Deshmukh nominee of Western Maharashtra Development Corporation Ltd. resigned as a Director on 8th April, 2004 and in his place Shri S. R. Daund has been appointed as a Director with effect from 18th May, 2004.
- 14.3 Your Directors place on record appreciation of the valuable contribution made by Smt. Sonia Sethi, Shri Jaiprakash Chhajed, Shri Bajirao R. Patil and Shri V.H. Deshmukh during their tenure as Directors of the Company.
- 14.4 Shri Jayant H. Shah and Shri Madhur Bajaj retire by rotation and being eligible, offer themselves for reappointment as Directors.

- 14.5 Shri Rajshekhar S. Chadchankar who was appointed by the Board of Directors of the Company as a Director on 13th January, 2004, in the casual vacancy caused by the withdrawal of nomination of Shri Bajirao R. Patil holds office under section 262 of the Companies Act, 1956 until the ensuing annual general meeting and is eligible for reappointment. In respect of his appointment, the Company has, as required by section 257 of the Companies Act, 1956, received a notice in writing along with a deposit from a member signifying his intention to propose him as a candidate for the office of the Director.

15. REAPPOINTMENT OF MANAGER UNDER THE COMPANIES ACT, 1956:

- 15.1 Pursuant to Section 269 of the Companies Act, 1956, at the Annual General Meeting of the Company held on 16th July, 1999 Shri Ranjit Gupta was appointed as Manager for a period of five years with effect from 1st April, 1999. Subject to the approval of shareholders, Shri Gupta was re-appointed by the Board of Directors as Manager of the Company under the said Act, for a further period of three years with effect from 1st April, 2004, on the terms and conditions set out in the Resolution in the Notice for the ensuing Annual General Meeting. The Resolution is commended for the approval of the shareholders at the annual general meeting.

16. AUDITORS' REPORT:

- 16.1 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.

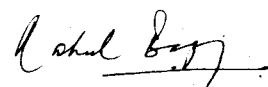
17. AUDITORS:

- 17.1 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 Western Maharashtra Development Corporation Limited holds 27% 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.
- 17.2 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, 2005. Government approval for the said appointment has been received.

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

- 18.1 Equity Shares of your Company have been voluntarily delisted from the Pune Stock Exchange Ltd. with effect from 6th October, 2003, pursuant to SEBI (Delisting of Securities) Guidelines, 2003.
- 18.2 Equity shares of your Company continue to be listed on the National Stock Exchange of India Ltd. and The Stock Exchange, Mumbai.

On behalf of the Board of Directors



Rahul Bajaj
Chairman

Pune, 18th May, 2004.



MAHARASHTRA SCOOTERS LTD.

REPORT ON CORPORATE GOVERNANCE

1. Company's Philosophy on Corporate Governance:

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

2. Board of Directors :

The Company is managed by a Board of Directors comprising a non-executive Chairman and eight non-executive Directors. Of these Directors, five 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, 2004:

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	7	1	6
Madhur Bajaj	Non-executive	8	2	2
Jayant H. Shah	Non-executive, Independent	2	-	1
Prakash Mhaske	Non-executive	3	-	-
Mrs. Sonia Sethi *	Non-executive	3	-	-
Jaiprakash Chhajed ±	Non-executive, Independent	2	-	-
Bajirao R. Patil ±	Non-executive, Independent	1	-	-
V.H. Deshmukh	Non-executive, Independent	9	-	-
P.N. Patil **	Non-executive, Independent	1	-	-
B.N. Patil **	Non-executive, Independent	3	-	-
R.S. Chadchankar **	Non-executive, Independent	1	-	-

♦ Directorships as stipulated under section 275 of the Companies Act, 1956.

* Ceased as Director with effect from 21st October, 2003.

± Ceased as Director with effect from 13th January, 2004.

** Appointed as Director on 13th January, 2004.

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

Director	Number of meetings		Attendance at the last AGM held on 25-7-2003
	Held	Attended	
Rahul Bajaj	5	5	Yes
D.S. Mehta	5	3	Yes
Madhur Bajaj	5	5	Yes
Jayant H. Shah	5	5	Yes
Prakash Mhaske	5	4	Yes
Mrs. Sonia Sethi +	3	Nil	No
Jaiprakash Chhajed *	3	1	Yes
Bajirao R. Patil *	3	2	Yes
V.H. Deshmukh	5	4	Yes
P.N. Patil	2**	Nil	Not Applicable
B.N. Patil	2**	2	Not Applicable
R.S. Chadchankar	2**	1	Not Applicable

+ Ceased as Director with effect from 21st October, 2003.

* Ceased as Director with effect from 13th January, 2004.

** Appointed as Director on 13th January, 2004.

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Table 3: No. of Board Meetings held and dates of meetings:

No. of Board Meetings held during the year 2003-04	Dates of Meetings
5	13-05-2003, 25-07-2003, 21-10-2003, 13-01-2004, 16-03-2004

Disclosure regarding Directors considered for appointment/re-appointment:

At the annual general meeting of the Company, Shri Jayant H. Shah, Shri Madhur Bajaj and Shri R.S. Chadchankar are retiring and being eligible for re-appointment are proposed to be re-appointed.

The brief particulars are as under:-

Shri Jayant H. Shah - Shri Shah has studied Commerce and Economics in Bombay and done a Middle Management Programme at Havard Business School, U.S.A.

Besides being on the Board of the Company for over two decades, he holds Directorships/committee positions in the following companies:-

Directorships:

- | | |
|-----------------------------------|-------------------------------|
| 1. Hind Rectifiers Ltd. | 5. Ashwamegh Motors Pvt. Ltd. |
| 2. Champion Electronics Pvt. Ltd. | 6. Ashwamegh Auto Pvt. Ltd. |
| 3. Yoshika Engineering Pvt. Ltd. | 7. Magnum Machine Pvt. Ltd. |
| 4. Finolex Finance Ltd. | |

Committee Positions:

Audit Committee of Finolex Finance Ltd. - Member

Audit Committee of Maharashtra Scooters Ltd. - Chairman

Shareholders'/Investors' Grievance Committee of Maharashtra Scooters Ltd. - Chairman

He has occupied top management positions in renowned companies, including as Chief Executive of Mukand Iron & Steel Ltd., Managing Director of Beco Engineering Co. Ltd., and Executive Director of Bajaj Auto Ltd.

He is the Past Chairman of Confederation of Engineering Industry, Western Region, Past President of Indian Machine Tool Manufacturers' Association and Past President of Bombay Industries Association.

He is the Chairman of Jankidevi Bajaj Gram Vikas Sanstha, a Trust formed by Bajaj Group which is conscious of the social responsibility of business and industry.

He has excelled himself in many social service activities and has won 'Service above Self Award', the highest award to a Rotarian from Rotary International.

Shri Madhur Bajaj - Shri Madhur Bajaj has completed schooling at Doon School, Dehra Dun in 1969 and obtained B.Com Degree from Sydenham College, Mumbai in 1973. He did his MBA at International Institute of Management Development (IMD), Lausanne, Switzerland in 1979.

He is currently the Vice-Chairman of Bajaj Auto Limited, the leader in the motorised two and three wheeler sector.

Besides being on the Board of the Company for over nine years he holds Directorships in the following companies:-

- | | |
|---------------------------------------|---|
| 1. Bajaj Auto Ltd. | 6. Fusion Investments & Financial Services Ltd. |
| 2. Bajaj Auto Finance Ltd. | 7. Catalyst Finance Ltd. |
| 3. Bajaj Electricals Ltd. | 8. Lineage Investments Ltd. |
| 4. Bajaj Auto Holdings Ltd. | 9. Madhur Securities Pvt. Ltd. |
| 5. Econium Investments & Finance Ltd. | |

He is the Past-Chairman of the Confederation of Indian Industry (Western Region) and the present National Council Member of the CII. He is the Chairman of CII's National Committee on Latin America as well as Primary Education Committee.

He is (i) the Vice-President of Mahratta Chamber of Commerce, Industries and Agriculture (MCCIA), the apex industries association of Pune (ii) the Vice-President of Society of Indian Automobile Manufacturers (SIAM), New Delhi and (iii) a member of the 'Advisory Council' of Department of Management Studies of the University of Pune.

Shri R.S. Chadchankar - Besides being on the Board of the Company, Shri Chadchankar holds directorship in Western Maharashtra Development Corporation Ltd. He is a Member of Solapur Municipal Corporation since 1997 and is a Transport & Civil Contractor.

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.



MAHARASHTRA SCOOTERS LTD.

3. Audit Committee:

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

Shri Madhur Bajaj, Director of the Company, was appointed as an additional member of the Audit Committee with effect from 21st October, 2003.

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), statutory auditors and cost 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, 2004 on 13th May, 2003, 25th July, 2003, 21st October, 2003 and 13th January, 2004.

While Shri Jayant H. Shah was present at all the four meetings of the Committee, Shri D.S. Mehta and Shri V.H. Deshmukh attended three meetings each. Shri Madhur Bajaj attended both the meetings held after his appointment as member of the Audit Committee.

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 the 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 2003-04 (in Rs.)			
			Sitting Fees	Salary & Perks	Commission	Total
Rahul Bajaj	Cousin of Madhur Bajaj	Chairman & Managing Director of Bajaj Auto Ltd., a promoter company	10,000	Nil	Nil	10,000
D.S. Mehta	None	Whole-time Director of Bajaj Auto Ltd., a promoter company	12,000	Nil	Nil	12,000
Madhur Bajaj	Cousin of Rahul Bajaj	Vice-Chairman & Whole-time Director of Bajaj Auto Ltd., a promoter company	16,000	Nil	Nil	16,000
Jayant H. Shah	None	None	20,000	Nil	Nil	20,000
Prakash Mhaske	None	Chairman of WMDC Ltd., a promoter company	8,000	Nil	Nil	8,000
Mrs. Sonia Sethi ±	None	Managing Director of WMDC Ltd., a promoter company	Nil	Nil	Nil	Nil
V.H. Deshmukh	None	Managing Director of WMDC Ltd., a promoter company	16,000	Nil	Nil	16,000
Jaiprakash Chhajed ±	None	None	2,000	Nil	Nil	2,000
Bajirao R. Patil ±	None	None	4,000	Nil	Nil	4,000
P.N. Patil *	None	None	Nil	Nil	Nil	Nil
B.N. Patil *	None	None	4,000	Nil	Nil	4,000
R.S. Chadchankar*	None	None	2,000	Nil	Nil	2,000

± ceased as Director during the year 2003-04.

* appointed as Director during the year 2003-04

During the year 2003-04, the Company did not advance any loans to any of the Directors.