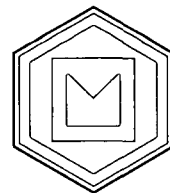


33rd  
ANNUAL  
REPORT  
2007-2008

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**MAHARASHTRA SCOOTERS LTD.**

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### **33rd Annual General Meeting:**

Tuesday, the 8th day of July, 2008 at 12.00 noon 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.**

<b>Board of Directors</b>	<b>Madhur Bajaj</b> <i>Chairman</i> <b>D. S. Mehta</b> <b>Jayant H. Shah</b> <b>Sanjiv Bajaj</b> <b>R.N. Joshi</b> (Upto 10-01-2008) <b>Mrs. Mary Neelima Kerketta</b> (From 10-01-2008) <b>V. H. Deshmukh</b> (Upto 10-01-2008) <b>S.S. Survase</b> (From 11-07-2007 to 10-01-2008) <b>P.R. Suryavanshi</b> (From 29-01-2008) <b>D.W. Patil</b> (From 29-01-2008) <b>R.K. Nikharge</b> (From 21-05-2008)
<b>Audit Committee</b>	<b>Jayant H. Shah</b> <i>Chairman</i> <b>D. S. Mehta</b> <b>V.H. Deshmukh</b> (Upto 10-01-2008) <b>P.R. Suryavanshi</b> (From 29-01-2008)
<b>Shareholders'/Investors' Grievance Committee</b>	<b>Jayant H. Shah</b> <i>Chairman</i> <b>D. S. Mehta</b> <b>Sanjiv Bajaj</b> <b>V.H. Deshmukh</b> (Upto 10-01-2008) <b>P.R. Suryavanshi</b> (From 29-01-2008)
<b>Company Secretary</b>	<b>A. H. Damle</b>
<b>Chief Executive</b>	<b>Ranjit Gupta</b>
<b>Senior Manager (Satara)</b>	<b>R. D. Haware</b>
<b>Senior Manager (Finance)</b>	<b>R. B. Laddha</b>
<b>Auditors</b>	<b>P. C. Parmar &amp; Co., Pune</b>
<b>Cost Auditor</b>	<b>A.P. Raman, Pune</b>
<b>Bankers</b>	<b>Central Bank of India</b>
<b>Registered Office</b>	<b>C/o. Bajaj Auto Limited</b> <b>Mumbai-Pune Road,</b> <b>Akurdi, Pune-411 035.</b>
<b>Works</b>	<b>Plot No. C-1, M.I.D.C. Area,</b> <b>Satara-415 004, Maharashtra.</b>



# MAHARASHTRA SCOOTERS LTD.

**Registered office:**  
C/o. Bajaj Auto Limited,  
Mumbai-Pune Road, Akurdi,  
Pune 411 035.

## NOTICE

NOTICE is hereby given that the Thirty Third Annual General Meeting of the shareholders of **MAHARASHTRA SCOOTERS LIMITED** will be held on **Tuesday, the 8th day of July, 2008 at 12.00 noon** 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, 2008 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 re-appointment.
4. 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 Taxes as applicable and out-of-pocket, travelling and living expenses."

### SPECIAL BUSINESS:

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 31 and other applicable provisions, if any, of the Companies Act, 1956 and subject to such approvals, consents, permissions and sanctions as may be necessary from the appropriate authorities or bodies, the Articles of Association of the Company be and are hereby altered in the manner and to the extent as is set out herein below:-  
In Article 2, the interpretation of "Bajaj" - "Bajaj" means "M/s. Bajaj Auto Ltd." be replaced as under:-  
"Bajaj" means  
(i) "Bajaj Auto Ltd." in Articles concerned with or dealing with technical know-how agreement between the Company and Bajaj Auto Ltd.; and  
(ii) "Bajaj Holdings & Investment Ltd." in all other articles having reference to "Bajaj".
6. To consider and, if thought fit, to pass with or without modifications, the following resolution as an **Ordinary Resolution**:-  
"RESOLVED that Shri Sanjiv Bajaj who was appointed by the Board of Directors of the Company as a Director with effect from 18th October, 2006, in the casual vacancy caused by the resignation of Shri Rahul Bajaj 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 Shri D.W. Patil who was appointed by the Board of Directors of the Company as a Director with effect from 29th January, 2008, in the casual vacancy caused by the withdrawal of nomination of Shri S.S. Survase, by Western Maharashtra Development Corporation Ltd. 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."

By Order of the Board  
For MAHARASHTRA SCOOTERS LTD.

**A. H. DAMLE**  
Company Secretary

Pune, 21st May, 2008.

**NOTES:**

1. Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of item Nos.4, 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. Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, the 1st day of July, 2008 to Tuesday, the 8th day of July, 2008 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 12th July, 2008 to those shareholders, whose names appear (a) As Beneficial Owners as at the end of the business of 30th June, 2008, 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 30th June, 2008.
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 30th June, 2008.  
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 30th June, 2008. 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 concerned shareholders.
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 had transferred the unclaimed dividend amounts for the years 1995-96 to 1999-2000 to the Investor Education and Protection Fund within the prescribed time limit.  
The unclaimed dividend for the accounting year 2000-01 will become due for transfer by the Company to the Investor Education and Protection Fund on 25th August, 2008.  
Shareholders, who have not encashed the Dividend Warrants for the said year 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 the 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 the Directors to be reappointed has been provided in the section on Corporate Governance incorporated in the Annual Report.



## MAHARASHTRA SCOOTERS LTD.

### Annexure to Notice Explanatory Statement

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

#### Item No. 4

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.

None of the Directors of the Company is concerned or interested in the Special Resolution aforesaid.

Your Directors recommend the resolution as a Special Resolution for the approval of Shareholders.

#### Item No. 5

In terms of the Scheme of Arrangement entered into by Bajaj Auto Ltd. with its Shareholders and approved by the Hon'ble High Court, Mumbai, the name of Bajaj Auto Ltd. joint promoter of the Company has been changed to Bajaj Holdings & Investment Ltd.

Interpretation clause of the Articles of Association of the Company mentions "Bajaj" – "Bajaj" means "M/s. Bajaj Auto Ltd.". To give effect to the change of name from Bajaj Auto Ltd. to Bajaj Holdings & Investment Ltd., it is proposed to alter the said clause as stated in the Special Resolution.

A copy of the Articles of Association of the Company with the proposed alteration incorporated therein will be available for inspection of the shareholders of the Company on any working day of the Company during office hours till the date of the Annual General Meeting.

Shri Madhur Bajaj, Shri D.S. Mehta and Shri Sanjiv Bajaj, Directors of the Company may be deemed to be concerned or interested in the said resolution, to the extent of the shares held by them in Bajaj Auto Ltd. and Bajaj Holdings & Investment Limited.

Your Directors recommend the resolution as a Special Resolution for the approval of Shareholders.

#### Item No. 6 & 7

Shri Sanjiv Bajaj and Shri D.W. Patil, who were appointed as Directors in the casual vacancies hold office until ensuing Annual General Meeting.

Brief profile and particulars of Shri Sanjiv Bajaj and Shri D.W. Patil are given in the section on Corporate Governance incorporated in the Annual Report.

Your Directors recommend the resolutions for approval of the shareholders.

None of the Directors of the Company except Shri Sanjiv Bajaj and Shri D.W. Patil are interested or concerned in the respective resolutions.

By Order of the Board  
For MAHARASHTRA SCOOTERS LTD.

**A. H. DAMLE**  
Company Secretary

Pune, 21st May, 2008.

## DIRECTORS' REPORT

### INTRODUCTION:

The Directors present their Thirty Third Annual Report and Audited Statement of Accounts for the year ended 31st March, 2008.

### OPERATIONS:

The manufacturing activity of the Company, during the year under review was limited to the manufacture of pressure die casting dies, jigs and fixtures primarily for two and three-wheeler industry.

During the year under review, Income from treasury operations was Rs.236.1 million against Rs.224.4 million during the previous year. Overall turnover was Rs.291.9 million as against Rs.305.7 million during the previous year.

### FINANCIAL RESULTS:

	(Rs. in million)	
	2007-08	2006-07
Net Sales and Other Income	291.9	305.7
Gross Profit before Interest and Depreciation	130.4	110.7
Interest	-	-
Depreciation	10.6	11.0
Profit before Tax	119.8	99.7
Provision for Taxation including Fringe Benefit Tax	0.1	0.9
Net Profit	119.7	98.8
Debit/(Credit) relating to earlier years – Taxation	2.1	(20.5)
Less: Adjustment on account of write down of net deferred tax assets	-	44.7
Disposable surplus after Adjustments for earlier years	117.6	74.6
Provision for Proposed Dividend (inclusive of Dividend Distribution Tax)	80.2	40.1
Balance carried to General Reserve	37.4	34.4

### DIVIDEND:

The Directors recommend for consideration of the shareholders at the ensuing Annual General Meeting, payment of dividend of Rs.6 per Equity Share (60%) on 11,428,568 Equity Shares of Rs.10 each for the year ended 31st March, 2008. The amount of dividend and the tax thereon aggregates to Rs.80.2 million.

Dividend paid for the year ended 31st March, 2007 was Rs.3 per share (30%). The amount of dividend and tax thereon aggregated to Rs.40.1 million.

### TECHNICAL KNOW-HOW AGREEMENT:

With very poor demand for geared scooters, Bajaj Auto Ltd. discontinued production of geared scooters and consequently supplies of CKD packs of geared scooters to the Company were stopped. Company had stopped production of geared scooters from 1st April, 2006. Hence, technical know-how agreement with Bajaj Auto Ltd., which expired on 31st December, 2007, has not been renewed.

### CHANGE IN NAME OF JOINT PROMOTER OF THE COMPANY:

In terms of the Scheme of Arrangement entered into by Bajaj Auto Ltd. (joint promoter of the Company) with its Shareholders and approved by the Hon'ble High Court, Mumbai, the name of Bajaj Auto Ltd. has been changed to Bajaj Holdings & Investment Ltd.

A Special Resolution for alteration of Articles of Association of the Company to give effect to the change in name of Bajaj Auto Ltd. has been incorporated in the Notice of the Annual General Meeting and is commended for the approval of the Shareholders.

### RESEARCH, DEVELOPMENT AND TECHNOLOGY ABSORPTION:

No expenditure has been incurred by the Company on Research and Development activities during the year under review.

### CONSERVATION OF ENERGY:

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

A 500 KVA transformer was installed to save on "No Load" losses, as the Company had reduced maximum contract demand for electricity from 1500 KVA to 400 KVA.

The Company has upgraded heat treatment furnaces to reduce electricity consumption and initial heating time.

Other measures taken to save energy were to:

control maximum demand of electricity, maintain power factor to almost unity, introduce energy efficient devices on shop floor, effectively operate and use biogas plant, solar heaters, recycle treated effluent and water harvesting.

### SAFETY, HEALTH AND ENVIRONMENT:

Various training programmes and activities for awareness towards safety were arranged.

The Company has taken adequate measures to reduce noise pollution inside the factory.

Environment Audit is being carried out as stipulated.

The Company has displayed its 'Safety & Health' Policy at the Factory Main Gate and made efforts to achieve 'Zero Accident' target during the year.



## MAHARASHTRA SCOOTERS LTD.

Small groups like Environmental Group, Energy Cell and Safety Committee are working effectively, which have helped in creating awareness towards legal and regulatory requirements.

### FOREIGN EXCHANGE EARNINGS AND OUTGO:

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

### CASH FLOW STATEMENT:

A Cash Flow Statement for the year 2007-08 is included in the annexed Statement of Accounts.

### DEPOSITORY:

Shares of the Company can be held and traded in electronic form both through National Securities Depository Ltd. (NSDL) and through Central Depository Services (I) Ltd. (CDSL). The Company's shares are tradable compulsorily in dematerialised form only. As on 31st March, 2008, 4,583,479 number of equity shares comprising 40.11% of total shareholding have been dematerialised.

### INDUSTRIAL RELATIONS:

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

### DIRECTORS:

Mrs. Mary Neelima Kerketta has been appointed as a non-retiring Director of the Company in place of Shri R.N. Joshi, whose nomination had been withdrawn by Western Maharashtra Development Corporation Ltd., the joint promoter of the Company, with effect from 10th January, 2008.

Shri P.R. Suryavanshi and Shri D.W. Patil have been appointed as Directors of the Company with effect from 29th January, 2008 filling the casual vacancies caused by the withdrawal of the nomination of Shri V.H. Deshmukh and Shri S.S. Survase by WMDC Ltd.

Shri R.K. Nikharge has been appointed as a Director of the Company with effect from 21st May, 2008 in the casual vacancy existing in the Board.

The Board places on record its appreciation of the services rendered by Shri R.N. Joshi, Shri V.H. Deshmukh and Shri S.S. Survase during their tenure as Directors of the Company.

Shri Jayant H. Shah, Director retires by rotation, and being eligible, offers himself for reappointment.

Shri Sanjiv Bajaj and Shri D.W. Patil who were appointed by the Board as Directors in the casual vacancies hold office until the ensuing Annual General Meeting and are eligible for reappointment.

### DIRECTORS' RESPONSIBILITY STATEMENT:

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.

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

### PARTICULARS OF EMPLOYEES:

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, 2008: NIL

### CORPORATE GOVERNANCE:

Pursuant to Clause 49 of the Listing Agreement with Stock Exchanges, a separate section titled "Corporate Governance" has been included in this Annual Report along with the section on Management Discussion and Analysis.

A certificate from the auditors of the Company concerning the Company's compliance of Corporate Governance is annexed to this Report as Annexure-I.

### AUDITORS' REPORT:

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.

### AUDITORS:

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, a Government Company, holds more than 25% of the subscribed capital of the Company, the appointment of Auditors and the payment of remuneration to them is required to be made by a Special Resolution, pursuant to Section 224-A of the Companies Act, 1956. The Shareholders are requested to appoint the Auditors and fix their remuneration.

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, 2009. Government approval for the said appointment has been obtained.

On behalf of the Board of Directors

Madhur Bajaj  
Chairman

Pune, 21st May, 2008.

## 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.

### BOARD OF DIRECTORS:

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

One casual vacancy in the Board caused due to withdrawal of its nominee by Western Maharashtra Development Corporation Ltd., joint promoter of the Company, has not yet been filled up.

Composition of the Board of Directors and the number of other Directorships and committee positions held by the Directors during the year ended 31st March, 2008:

Name	Executive/ Non-executive/ Independent	Other Directorships held *	Other Committee positions	
			As Chairman	As Member
Madhur Bajaj	Non-executive, Chairman	11	-	-
R.N. Joshi (Upto 10-01-2008)	Non-executive	2	-	-
D.S. Mehta	Non-executive	6	1	5
Jayant H. Shah	Non-executive, Independent	2	4	-
Sanjiv Bajaj	Non-executive	7	-	3
V. H. Deshmukh (Upto 10-01-2008)	Non-executive, Independent	2	-	-
S.S. Survase (From 11-07-2007 to 10-01-2008)	Non-executive, Independent	1	-	-
Mrs. Mary Neelima Kerketta (From 10-01-2008)	Non-executive	2	-	-
P.R. Suryavanshi (From 29-01-2008)	Non-executive, Independent	1	-	-
D.W. Patil (From 29-01-2008)	Non-executive, Independent	1	-	-

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

Attendance of Directors at the Board Meetings during the year ended on 31st March, 2008 and at the last AGM:

Name	Number of Board meetings		Attendance at the last AGM held on 11-7-2007
	Held	Attended	
Madhur Bajaj	4	4	Yes
R.N. Joshi (Upto 10-01-2008)	3	2	No
D. S. Mehta	4	2	Yes
Jayant H. Shah	4	3	No
Sanjiv Bajaj	4	4	Yes
V.H. Deshmukh (Upto 29-01-2008)	3	3	Yes
S.S. Survase (From 11-07-2007 to 29-01-2008)	2	2	Yes
Mrs. Mary Neelima Kerketta (From 10-01-2008)	1	-	Not applicable
P.R. Suryavanshi (From 29-01-2008)	-	-	Not applicable
D.W. Patil (From 29-01-2008)	-	-	Not applicable

The Board met four times during the year on 16th May, 2007, 11th July, 2007, 18th October, 2007 and 29th January, 2008.

### 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



## MAHARASHTRA SCOOTERS LTD.

Shareholders/Investors Grievance Committee, staff matters including senior appointments, significant labour and human relations matters and such other information.

The Board also reviewed, from time to time, the legal compliance report presented by the Chief Executive of the Company.

### Code of Conduct:

The Board has laid down a Code of Conduct for all Board Members and Senior Management of the Company. All Board Members and Senior Management Personnel have affirmed compliance with the Code as on 31st March, 2008. Annual Report of the Company contains a declaration to this effect signed by the Chief Executive.

### 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, Shri D.S. Mehta and Shri P.R. Suryavanshi. Shri Jayant H. Shah, Chairman of the Committee is an independent Director. All members of the Audit Committee are financially literate. Shri D.S. Mehta and Shri Jayant H. Shah have accounting/related financial management expertise.

During the year, Shri P.R. Suryavanshi has been appointed as a member of the Audit Committee in place of Shri V.H. Deshmukh who had resigned with effect from 29th January, 2008.

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

The committee met three times during the year on 16th May, 2007, 11th July, 2007 and 18th October, 2007.

Meeting of the Audit Committee scheduled on 29th January, 2008 could not be held for want of quorum. The Chairman of the Committee, therefore, decided to refer agenda of the Audit Committee Meeting to the meeting of the Board scheduled on the same date. While Shri V.H. Deshmukh was present at three meetings of the Committee, Shri Jayant H. Shah and Shri D.S. Mehta attended two meetings.

### Broad terms of reference and role of the Audit Committee:

- 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.
- Review with the management, matters required to be included in the Directors' Responsibility Statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956.
- Review with the management, the quarterly financial statements before submission to the Board for approval.
- Review with the management performance of statutory and internal auditors and adequacy of the internal control systems.
- Carrying out any other functions as mentioned in the terms of reference of the Audit Committee.

### Review of the information by the Audit Committee:

The Audit Committee reviews:

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

### 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 for attending the meetings of the Board and the Committee/s thereof.

### SHAREHOLDERS'/INVESTORS' GRIEVANCE COMMITTEE:

The Company has constituted a Shareholders'/Investors' Grievance Committee, comprising four non-executive Directors, two being independent Directors. The members of the Committee are Shri Jayant H. Shah, Shri D.S. Mehta, Shri Sanjiv Bajaj and Shri P.R. Suryavanshi. Shri Jayant H. Shah, Chairman of the Committee is an independent Director.

With effect from 29th January, 2008 Shri P.R. Suryavanshi has been appointed as a member of the Shareholders'/Investors' Grievance Committee in place of Shri V.H. Deshmukh who had since resigned.

The Committee specifically looks into the redressal of all shareholder and investor grievances at its meetings. The committee met once during the year on 29th January, 2008, which was attended by Shri Jayant H. Shah and Shri Sanjiv Bajaj. Shri Shyamprasad D. Limaye, Secretarial Auditor was also present at the meeting. The relevant details are as under:-

Name of Non-Executive Director heading the committee	: Shri Jayant H. Shah
Name and designation of Compliance Officer	: Shri A.H. Damle, Company Secretary
Number of shareholders' complaints received during the year	: 83
Number of shareholders' complaints not solved to the satisfaction of shareholders	: Nil
Number of share transfers pending for over 30 days as on 31-03-2008	: Nil