

42nd

**ANNUAL
REPORT
2016-2017**



MAHARASHTRA SCOOTERS LTD.



MAHARASHTRA SCOOTERS LTD.

42nd ANNUAL REPORT 2016-2017

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42nd Annual General Meeting:

Tuesday, 18 July 2017 at 12.15 p.m. at the Registered Office

The Company is arranging local transport for shareholders / proxies attending the meeting.
For further details, please contact Share Department at Registered Office on
Phone No.020 66106564

**Board of Directors**

Madhur Bajaj, *Chairman*

Mrs. Charu Desai (till 27 October 2016)

Naresh Patni

Ramesh K. Nikharge

Mrs. Richa Bagla (from 24 January 2017)

Sadashiv S. Survase

Sanjay S. Degaonkar

Sanjiv Bajaj

Vikram Kumar

Yogesh J. Shah

Audit Committee

Yogesh J. Shah, *Chairman*

Mrs. Charu Desai (till 27 October 2016)

Naresh Patni

Sanjay S. Degaonkar (from 24 January 2017)

Stakeholders Relationship Committee

Yogesh J. Shah, *Chairman*

Sanjiv Bajaj

Vikram Kumar

Nomination & Remuneration Committee

Yogesh J. Shah, *Chairman*

Naresh Patni

Sanjay S. Degaonkar

Corporate Social Responsibility Committee

Yogesh J. Shah, *Chairman*

Sadashiv S. Survase

Sanjiv Bajaj

Key Managerial Personnel

Rajeev D. Haware

Chief Executive Officer

R.B. Laddha

Chief Financial Officer

N.S. Kulkarni

Company Secretary

Statutory Auditor

P.C. Parmar & Co., Pune

Secretarial Auditor

Shyamprasad D. Limaye

Internal Auditor

Jayesh Kulkarni

Registered Office

C/o. Bajaj Auto Ltd.

Mumbai-Pune Road

Akurdi, Pune 411 035

Registrar and Share Transfer Agent

M/s. Karvy Computershare Pvt. Ltd.

Karvy Selenium Tower B, Plot 31-32

Gachibowli, Financial District

Nanakramguda, Hyderabad-500 032

Works

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

Satara-415 004, Maharashtra

Corporate Identification No. (CIN)

L35912MH1975PLC018376

Website

www.mahascooters.com

E-mail

investors_msl@bajajauto.co.in



CIN: L35912MH1975PLC018376

Registered office:

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

Pune 411 035.

www.mahascooters.com

E-mail: investors_msl@bajajauto.co.in

NOTICE

NOTICE is hereby given that the forty-second (42nd) Annual General Meeting of the shareholders of **MAHARASHTRA SCOOTERS LTD.** will be held on **Tuesday, 18 July 2017 at 12.15 p.m.** at the Registered Office of the Company at C/o. Bajaj Auto Ltd., Mumbai-Pune Road, Akurdi, Pune-411 035, to transact the following business:-

ORDINARY BUSINESS:

Item No.1

To consider and adopt the audited Balance Sheet as at 31 March 2017 and the Statement of Profit and Loss for the year ended on that date and the reports of the Board of Directors and Auditors thereon.

Item No.2

To declare a dividend on equity shares.

Item No.3

To appoint a Director in place of Shri Sanjiv Bajaj (DIN 00014615) who retires by rotation and being eligible, offers himself for re-appointment.

Item No.4

To appoint Auditors of the Company and to fix their remuneration and in this regard, to consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:-

"RESOLVED that pursuant to the provisions of section 139 and other applicable provisions of the Companies Act, 2013, read with Companies (Audit and Auditors) Rules, 2014, M/s. Kirtane & Pandit LLP, Chartered Accountants, Pune (ICAI Firm Registration No.105215W / W100057) be and are hereby appointed as Auditors of the Company, in place of M/s. P.C. Parmar & Co., the retiring auditors, to hold office from the conclusion of this Annual General Meeting until the conclusion of 47th Annual General Meeting, subject to ratification of their appointment by the members at every intervening Annual General Meeting, on a remuneration to be mutually agreed to between the Company and Auditors."

SPECIAL BUSINESS:

Item No.5

Appointment of Mrs. Richa Bagla (DIN 06654149) as an Independent Director

To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:-

"RESOLVED that pursuant to section 149 and other applicable provisions of the Companies Act, 2013, read with the Rules made thereunder, approval be and is hereby accorded to the appointment of Mrs. Richa Bagla (DIN 06654149), in respect of whom a notice in writing pursuant to section 160 of the Companies Act, 2013 has been received in the prescribed manner, as an Independent director on the Board of the Company, for a consecutive period of five years, effective from 24 January 2017 to 23 January 2022."

"RESOLVED further that pursuant to the provisions of section 149, 197 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, Mrs. Richa Bagla be paid such fees and remuneration as the Board may approve from time to time and subject to such limits, prescribed or as may be prescribed from time to time."

By Order of the Board
for MAHARASHTRA SCOOTERS LTD.

N.S. Kulkarni
Company Secretary

Pune, 16 May 2017

NOTES:

1. **EXPLANATORY STATEMENT:** Explanatory Statement pursuant to section 102 of the Companies Act, 2013 with respect to the Special Business set out in item No.5 is annexed.
2. **PROFILE OF DIRECTORS:** As required by Regulation 36(3) of the Listing Regulations, brief resume of the Directors seeking appointment / re-appointment is annexed hereto.
3. **PROXY:** *A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF AND THE PROXY NEED NOT BE A MEMBER. A PERSON CAN ACT AS PROXY ON BEHALF OF MEMBERS UPTO AND NOT EXCEEDING FIFTY AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY. FURTHER, A MEMBER HOLDING MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS PROXY FOR ANY OTHER PERSON OR MEMBER. THE INSTRUMENT APPOINTING PROXY MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME OF HOLDING THE MEETING.*

During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a member would be entitled to inspect the proxies lodged, at any time during the business hours of the Company, provided not less than 3 days written notice is given to the Company.

4. **NOTIFICATION BY MEMBERS:** Members holding shares in physical form are requested to notify change of address, if any, to the Share Transfer Agent (STA) of the Company, Karvy Computershare Private Ltd., Karvy Selenium Tower B, Plot No.31 & 32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad – 500 008, immediately.

Beneficial owners holding shares in electronic form are requested to notify any change in address, bank particulars, NECS particulars etc., to their respective depository participants. Bank details as furnished by the respective depository participants to the Company would be used for the purpose of distribution of dividend either through payment instrument or NECS. The Company would not entertain any request from such members for change / deletion of such Bank details.

5. **DIVIDEND:** Subject to the provisions of section 125 of the Companies Act, 2013, if dividend on equity shares as recommended by the Directors is approved at the meeting, payment of such dividend will be made from **24 July 2017 to 25 July 2017**, to those shareholders, whose names appear (a) as Beneficial Owners as at the end of the business hours of Friday, 7 July 2017 as per the list to be furnished by National Securities Depository Ltd. and Central Depository Services (I) Ltd., in respect of 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 Karvy Computershare P.Ltd., Hyderabad, the Share Transfer Agent (STA) of the Company on or before Friday, 7 July 2017.
6. **UNCLAIMED DIVIDEND:** Pursuant to the provisions of section 124(5) of the Companies Act, 2013, the amount of dividend for the financial year 2009-10 remaining unpaid for a period of seven (7) years shall become due for transfer to the Investor Education and Protection Fund (IEPF) established by the Central Government, on 17 August 2017.

Further, in terms of section 124(6) of the Act, in case of such shareholders whose dividends are unpaid for a **continuous period of 7 years**, the corresponding shares shall be transferred to the IEPF Demat Suspense Account.

Shareholders who have not claimed dividends in respect of the financial years from 2009-10 onwards are requested to approach the Company / STA for claiming the same as early as possible, to avoid transfer of the relevant shares to the IEPF Demat Suspense Account.

7. **BOOK CLOSURE:** Pursuant to the provisions of section 91 of the Companies Act, 2013, Register of Members and Share Transfer Books of the Company will remain closed from **Saturday, 8 July 2017 to Tuesday, 18 July 2017**, both days inclusive, for the purpose of Annual General Meeting and payment of dividend.
8. **INSPECTION OF RECORDS:** Register of Contracts or arrangement in which Directors are interested as stipulated under section 189 of the Companies Act, 2013 and Register of Directors and Key Managerial Personnel and their shareholding maintained under section 170 of the Companies Act, 2013 are open for inspection by members and others at the registered office of the Company on all working days during business hours. The said Registers shall also be produced at the commencement of annual general meeting and shall remain open and accessible during the continuance of the meeting to a person having the right to attend the meeting.
9. **GREEN INITIATIVE IN CORPORATE GOVERNANCE:** In terms of provisions of section 101 and 136 of the Companies Act, 2013 and Rules made thereunder, Members who have opted to receive the Notice convening the general meetings, Financial Statements, Directors' Report, Auditors' Report etc. in electronic form, by registering their e-mail addresses with the Company or whose e-mail addresses are made available to the Company by the



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Depositories, are being sent with such documents in the electronic form. These documents are also made available on the website of the Company viz., www.mahascooters.com. **As a Shareholder of the Company, you are entitled to be furnished, free of cost, with the copies of such documents upon receipt of requisition from you to that effect.**

10. **CORPORATE MEMBERS:** Corporate Members are requested to send in advance, duly certified copy of the Board Resolution / Power of Attorney authorizing their representative to attend the Annual General Meeting.
11. **NOMINATION:** Pursuant to section 72 of the Companies Act, 2013, members holding shares in physical form are advised to submit the nomination in the prescribed Form SH-13, available for download on the website of the Company, to the Company's Share Transfer Agent. In respect of shares held in electronic / demat form, the members are requested to contact their respective depository participant.
12. **REMOTE E-VOTING:** In terms of the provisions of section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of Listing Regulations, the Company is providing facility to exercise votes on the items of business given in the Notice through electronic voting system to such investors who are the members as on **11 July 2017**, being the "**cut-off date**" fixed for determining voting rights of members reckoned on the equity shares held by them as on that day, entitled to participate in the e-voting process. The Company has entered into an arrangement with M/s. Karvy Computershare P. Ltd., the Share Transfer Agent of the Company (Karvy) for facilitating e-voting, through their e-voting platform, <https://evoting.karvy.com>
13. Route map of venue of the meeting is provided on Page No.60 of Annual Report.

INSTRUCTIONS FOR E-VOTING:

A. FOR MEMBERS WHO RECEIVE NOTICE OF ANNUAL GENERAL MEETING THROUGH E-MAIL:

- i. Use the following URL for e-voting:
<https://evoting.karvy.com>
- ii. Enter the login credentials i.e. User-ID & Password mentioned in your e-mail. Your Folio No./DP ID Client ID will be your user ID. However, if you are already registered with Karvy for e-voting, you can use your existing User ID and Password for casting your votes.
- iii. After entering the details appropriately, click on LOGIN.
- iv. You will reach the Password change menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character. The system will prompt you to change your password. **It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.**
- v. You need to login again with the new credentials.
- vi. On successful login, the system will prompt you to select the EVENT i.e., **MAHARASHTRA SCOOTERS LTD.**
- vii. On the voting page, the number of shares (which represents the number of votes) as held by the shareholder as on the cut-off date will appear. If you desire to cast all the votes assenting / dissenting to the Resolution then enter all shares and click "FOR" / "AGAINST", as the case may be or partially in "FOR" and partially in "AGAINST". However, the total number in "FOR" / "AGAINST" taken together should not exceed your total shareholding as on the cut-off date. You may also choose the option "ABSTAIN", in which case the shares held will not be counted under either head.
- viii. Members holding multiple folios / demat account shall choose the voting process separately for each folios / demat account.
- ix. Cast your votes by selecting an appropriate option and click on SUBMIT. A confirmation box will be displayed. Click OK to confirm else CANCEL to modify. During the voting period, you can login any number of times till you confirm having voted on the resolution.
- x. Corporate / Institutional members (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF / JPG Format) of the relevant Board Resolution / Authority Letter etc. together with attested specimen signature of the duly authorized signatory (ies) who are authorized to vote, to the Scrutinizer through e-mail cssdlimaye@gmail.com. They may also upload the same in the e-voting module in their login. The scanned images of the above documents should be in the naming format "Corporate Name EVENT NO."
- xi. **Once you have cast your vote on a resolution, you will not be allowed to modify it subsequently.**
- xii. The Portal will remain open for voting from **Saturday, 15 July 2017 (9.00 a.m.) till Monday, 17 July 2017 (5.00 p.m.) and at the end of Remote e-voting period, the facility shall forthwith be blocked.**
- xiii. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for members and e-voting User Manual for members available at the download section of <https://evoting.karvy.com> or contact Karvy Computershare Pvt. Ltd. on 1800 345 4001 (toll free).

B. FOR MEMBERS WHO RECEIVE THE NOTICE OF ANNUAL GENERAL MEETING IN PHYSICAL FORM:

Members holding shares either in demat or physical mode who are in receipt of notice in physical form, may cast their votes using the e-voting facility for which the User Id and initial password are provided on the attendance slip. Please follow steps from Sl. No. (i) to (xii) under heading A above to vote through e-voting platform.

C. VOTING AT THE MEETING:

Members who have not cast their vote by Remote E-Voting can exercise their voting rights at the Annual General Meeting. The Company will make necessary arrangements by way of electronic voting for exercising the options of voting by the members of the Company.

The members who have cast their vote by remote e-voting prior to the Annual General Meeting may also attend the meeting, but shall not be entitled to cast their vote again at the meeting.

D. GENERAL INSTRUCTIONS:

The Board of Directors has appointed Shri Shyamprasad D. Limaye, Practising Company Secretary (FCS No. 1587 CP No.572) as the scrutinizer to the e-voting process and voting at the venue of the annual general meeting in a fair and transparent manner.

The scrutinizer shall, immediately after the conclusion of voting at the general meeting, first count the votes cast at the meeting, thereafter unlock the votes through e-voting in the presence of at least two (2) witnesses, not in the employment of the Company and make, not later than three (3) days from the conclusion of the meeting, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman of the Company, who shall countersign the same.

The scrutinizer shall submit his report to the Chairman, who shall declare the result of the voting. The results declared along with the scrutinizer's report shall be placed on the Company's website: www.mahascooters.com and on the website of Karvy – www.evoting.karvy.com, and shall also be communicated to the stock exchanges. The resolution shall be deemed to be passed at the annual general meeting of the Company scheduled to be held on Tuesday, 18 July 2017.

Annexure to Notice

BRIEF RESUME OF DIRECTORS SEEKING APPOINTMENT AT THE ANNUAL GENERAL MEETING PURSUANT TO REGULATION 36(3) OF LISTING REGULATIONS AND EXPLANATORY STATEMENT UNDER SECTION 102 OF THE COMPANIES ACT, 2013

Item No.3**Re-appointment of Shri Sanjiv Bajaj (DIN 00014615) as a Director**

Pursuant to the provisions of section 152 of the Companies Act, 2013, Shri Sanjiv Bajaj (DIN 00014615) retires by rotation and being eligible, offers himself for reappointment.

Details as required under Regulation 36(3) of Listing Regulations 2015 with respect to the appointment of Shri Sanjiv Bajaj are annexed to the Notice.

Apart from Shri Sanjiv Bajaj, none of the Directors, Manager and other Key Managerial Personnel of the Company or their relatives are concerned or interested in the above resolution.

Shri Sanjiv Bajaj is not disqualified from being appointed as a Director in terms of section 164 of the Companies Act, 2013.

The Board commends the resolution for the approval of Members.

Item No. 5**Appointment of Mrs. Richa Bagla (DIN 06654149) as an Independent Director**

In the vacancy caused by the resignation of Mrs. Charu Desai, an Independent Director, the Board of Directors at its meeting held on 24 January 2017, had appointed Mrs. Richa Bagla (DIN 06654149) as an Independent Director for a period of five (5) years, effective 24 January 2017 to 23 January 2022, subject to approval by the Members at the ensuing Annual General Meeting.

Mrs. Richa Bagla has furnished a declaration to the Company under section 149(7) of the Companies Act, 2013, confirming that she meets the criteria prescribed for Independent Directors pursuant to the provisions of section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the Listing Regulations and is not disqualified for being appointed as a Director pursuant to section 164 of the Companies Act, 2013.



MAHARASHTRA SCOOTERS LTD.

In the above backdrop, as required pursuant to the provisions of section 150(2) of the Companies Act, 2013, it is proposed to seek the approval of Members to the appointment of Mrs. Richa Bagla as an Independent director of the Company for a period of five consecutive years with effect from 24 January 2017 to 23 January 2022, as set out at item No.5 of the Notice. As stipulated under section 160 of the Companies Act, 2013, a Notice is received by the Company from a shareholder proposing the candidature of Mrs. Richa Bagla as an Independent Director.

None of the Directors/key managerial personnel and/or their relatives, except Mrs. Richa Bagla, is directly or indirectly concerned or interested, financially or otherwise, except to the extent of their respective shareholding, if any, in the Company, in the resolution set out in item No. 5 of the Notice.

Details as required under Regulation 36(3) of Listing Regulations 2015 with respect to the appointment of Mrs. Richa Bagla are annexed to the Notice.

The Board is of the opinion that Mrs. Richa Bagla possesses requisite skills, experience and knowledge relevant to the Company's business and it would be in the interest of the Company to continue to have her association with the Company as director.

Further, in the opinion of the Board, the proposed appointment of Mrs. Richa Bagla, fulfills the conditions specified in the Act and the Rules made thereunder and that her proposed appointment as an Independent Director is independent of the Management.

The Board recommends the resolution set forth under item No.5 of this Notice for the approval of the Members.

By Order of the Board
for MAHARASHTRA SCOOTERS LTD

N.S. Kulkarni

Company Secretary

Pune, 16 May 2017

Annexure to the Notice of Annual General Meeting

Brief resume of Directors seeking appointment / re-appointment at the Annual General Meeting pursuant to Regulation 36(3) of Listing Regulations

Name of Director	Mrs. Richa Bagla	Sanjiv Bajaj
DIN	06654149	00014615
Type	Independent Director	Nominee Director
Date of Birth	4 April 1976	02 November 1969
Date of Appointment	24 January 2017	18 October 2006
Educational Qualification	M.Sc (Zoology), IAS	B.E. Mechanical, M.Sc. Manufacturing System Eng., MBA (Harvard Business School)
Directorship held in other Public Ltd. Companies	Lokshahir Annabhau Sathe Development Corp. Ltd. Maharashtra State Small Scale Industries Development Corporation Ltd. Aurangabad Industrial Township Ltd.	Bajaj Allianz General Insurance Co.Ltd. - Chairman Bajaj Allianz Life Insurance Co. Ltd. - Chairman Bajaj Finance Ltd. - Vice Chairman Bajaj Finserv Ltd - Managing Director Bajaj Holdings and Investment Ltd. - Managing Director Bajaj Auto Ltd. Hindustan Housing Co.Ltd. Jeewan Ltd. Bajaj Auto Holdings Ltd.
Committee Positions held in other Companies	Nil	Audit Committee: Bajaj Allianz General Insurance Co.Ltd. Bajaj Allianz Life Insurance Co.Ltd. Bajaj Finance Ltd. Stakeholders' Relationship Committee: Bajaj Finserv Ltd. Bajaj Finance Ltd.
No. of shares held	Nil	Nil
Experience / expertise in functional areas	Public administration and management, quasi-judicial assignment, implementation of development projects and balanced regional development.	Business strategy and development, Leadership development, General management, Finance, Investments
Relationship with other Directors, inter-se	None	None
Meetings attended	100%	100%

DIRECTORS' REPORT

INTRODUCTION:

The Directors present their forty-second (42nd) Annual Report and Audited Financial Statements for the year ended 31 March 2017, prepared in due compliance of extant provisions of the Companies Act, 2013 and Schedule III thereto.

REVIEW OF OPERATIONS:

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

Sales attributed to manufacture of die casting dies, jigs and fixtures were marginally lower at ₹ 843.29 lakhs, as compared to ₹ 892.96 lakhs during the previous year.

The turnover of the Company during the year under review amounted to ₹ 2923.63 lakhs as against ₹ 11714.99 lakhs during the previous year, which included additional dividend received during that year by way of interim dividend and consequently, the figures are not strictly comparable.

CLASSIFICATION AS A CORE INVESTMENT COMPANY:

The Company continued to fulfill the criteria for being classified as a Core Investment Company (CIC) exempted from registration with Reserve Bank of India pursuant to section 45-IA of RBI Act, 1934. The continued classification of the Company as a Core Investment Company, however, had no significant impact on the operations / finances of the Company.

FINANCIAL HIGHLIGHTS:

(₹ in lakhs)

	<u>2016-17</u>	<u>2015-16</u>
Net sales and other income	2923.63	11714.99
Gross profit before depreciation	1425.20	10173.38
Depreciation	55.32	73.50
Profit before tax	1369.88	10099.88
Tax expense	148.00	116.00
MAT credit entitlement	(34.00)	(116.00)
Profit after tax	1255.88	10099.88
Earnings per Share (₹)	10.99	88.37

RECOMMENDATION ON DIVIDEND:

For the financial year ended 31 March 2017, the Directors are pleased to recommend for consideration of the Shareholders at the ensuing Annual General Meeting, payment of dividend @ ₹ 30 per share (300%) on 11,428,568 equity shares of ₹10 each. For the financial year ended on 31 March 2016, the Company had paid interim dividend @ ₹ 30 per share (300%), which was confirmed by the Shareholders as final dividend.

The amount of dividend inclusive of tax thereon for the financial year 2016-17 amounts to ₹ 4126.55 lakhs, same as paid during the financial year 2015-16.

SHARE CAPITAL:

The paid up Equity Share Capital as on 31 March 2017 was ₹ 11.42 crores. During the year under review, there was no public issue, rights issue, bonus issue or preference share issue, nor had the Company issued shares with differential voting rights or granted stock options or sweat equity.

PRESENTATION OF FINANCIAL STATEMENTS:

The financial statements for the year ended 31 March 2017 are prepared in due compliance of the Schedule III to the Companies Act, 2013.

CASH FLOW STATEMENT:

A Cash Flow Statement for the year 2016-17 is included in the annexed Statement of Accounts.

EXTRACT OF ANNUAL RETURN:

Pursuant to the provisions of section 92(3) of the Companies Act, 2013 and Rules framed thereunder, an extract of Annual Return as on 31 March 2017 in the prescribed Form No. MGT-9 is annexed to this Report (Annexure-I).

NUMBER OF MEETINGS OF THE BOARD:

There were four (4) meetings of the Board held during the year. Detailed information is given in the annexed Corporate Governance Report.

DIRECTORS' RESPONSIBILITY STATEMENT:

As required pursuant to clause (c) of sub-section (3) of section 134 of the Companies Act, 2013, the Directors, to the best of their knowledge and belief, state that -

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departure;
- (b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;
- (c) 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) the directors had prepared the annual accounts on a going concern basis;
- (e) the directors had laid down internal financial controls to be followed by the Company and that such internal financial controls were adequate and were operating effectively; and



- (f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

DETAILS IN RESPECT OF FRAUDS, IF ANY, REPORTED BY THE AUDITORS:

No offence involving fraud committed against the Company by officers or employees of the Company was reported by the Auditors to the Audit Committee or the Board pursuant to section 143(12) of the Companies Act, 2013.

STATEMENT ON DECLARATION GIVEN BY INDEPENDENT DIRECTORS:

All the Independent Directors have submitted declarations to the Company to the effect that they meet the criteria of independence as provided in sub-section (6) of section 149 of the Companies Act, 2013.

DIRECTORS' APPOINTMENT AND REMUNERATION POLICY:

Information regarding Directors' Remuneration Policy and criteria for determining the qualification, positive attributes, independence of a director and other matters provided under sub-section (3) of section 178 of the Companies Act, 2013 are contained in the Corporate Governance Report. The Policy is also available on the website of the Company i.e. www.mahascooters.com

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS:

The Company has not given any loans or provided any security. Full particulars of the investments made by the Company are provided in the Financial Statements attached to this Report.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

During the year under review, the Company had not entered into any transactions with the related parties which invoked the provisions of section 188 of the Companies Act, 2013, thereby necessitating its approval by the Board or prior approval of the Shareholders.

There being no such contract with related parties, which are 'material' in nature, there are no details to be disclosed in Form AOC-2, under the Companies Act, 2013.

Pursuant to the provisions of section 177 of the Companies Act, 2013 and Regulation 23 of the SEBI Listing Regulations, all Related Party Transactions were placed before the Audit Committee for its prior / omnibus approval.

The policy on Related Party Transactions as approved by the Board is uploaded on the Company's website, www.mahascooters.com

DETAILS PURSUANT TO RULE 8(3) OF THE COMPANIES (ACCOUNTS) RULES, 2014:

Conservation of energy	The Company continued to maintain power factor to unity throughout the year, resulting in getting maximum rebate in electricity bills. Company has initiated steps to introduce energy saving LED lamps in a phased manner all over the factory premises.
Technology absorption	No expenditure was incurred by the Company attributable to technology absorption during the year.
Expenditure on Research & Development	No expenditure was incurred by the Company attributable to Research & Development during the year.
Foreign exchange earnings and Outgo	The Company did not earn any foreign exchange, while the outgo was ₹ 36.15 lakhs.

ANNUAL EVALUATION OF THE BOARD, COMMITTEES AND INDIVIDUAL DIRECTORS:

Pursuant to provisions of the Companies Act, 2013 and Regulation 25(4) of the Listing Regulations, the Board has carried out an annual performance evaluation of its own performance, the Directors individually, as well as the evaluation of the working of its Committees. The manner in which formal annual evaluation was made is provided in the annexed Corporate Governance Report.

DETAILS OF DIRECTORS OR KEY MANAGERIAL PERSONNEL WHO WERE APPOINTED OR RESIGNED DURING THE YEAR:

- Mrs. Charu Desai, one of the Independent Directors of the Company and Woman Director on its Board resigned during the year, owing to personal reasons. The Board records its sincere appreciation of the valuable contribution made by Mrs. Charu Desai during her tenure on the Board.
- On the recommendations of Nomination and Remuneration Committee, the Board at its meeting held on 24 January 2017 appointed Mrs. Richa Bagla as an Independent Director / Woman Director, for a period of 5 years, effective 24 January 2017, subject to the approval of the Shareholders at the ensuing Annual General Meeting.