

45th ANNUAL REPORT

2016-17

Anything that moves...
...moves better with Scooters India Limited



Scooters India Limited

(A Government of India Enterprise)

An ISO 9001 Company

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SCOOTERS INDIA LTD.
Serving the Common man Since 1972



BOARD OF DIRECTORS

Functional Directors

Shri Renati Sreenivasulu	Chairman & Managing Director	06.10.2016 till date
Ms. Vinita Srivastava	Chairman & Managing Director (Additional Charge)	23.02.2016 to 05.10.2016
Shri Pravin Agrawal	Chairman & Managing Director (Additional Charge for a period of 2.5 months while Ms. Vinita Srivastava was on UK tour for study)	14.04.2016 to 30.06.2016
Shri Rahul Bali	Director (Technical)	02.04.2013 to 01.02.2017

GOI Nominee Directors:

Shri AM Manichan	GOI, Part Time Official Director	23.09.2014 to till date
Shri Pravin Agrawal	GOI, Part Time Official Director	23.04.2015 to till date

STATUTORY AUDITOR

DS Shukla & Company,
Chartered Accountants,
GF-2, Ekta Apartment,
125, Chandralok Colony,
Lucknow (UP)

REGISTERED OFFICE & WORKS

Lucknow-Kanpur Road
(16th Mile Stone),
Post Bag No. 23 (GPO)
(PO) Sarojini Nagar,
Lucknow – 226008

REGISTRAR & TRANSFER AGENT

Skyline Financial Services
Private Limited,
D-153/A, 1st Floor,
Okhla Industrial Area,
Phase – I,
New Delhi – 110020
PH. 011- 26812682, 83 & 84
Fax 011- 26812682

INTERNAL AUDITORS

1. Vimal Dixit & Associates, Chartered Accountants,
65/75, Chitwapur Road, Opp. Vikas Deep Building,
Station Road, Lucknow-226001 (Uttar Pradesh)
2. Jayaswal & Associates, Chartered Accountants,
A-160, II Floor, Vikas Marg, Shakarpur, Delhi – 92
3. B. Manjula, Chartered Accountants,
305 A, Pavani Anusuya Towers,
Opp. Huda Complex, Tarnaka,
Secunderabad – 500017, Telangana
4. Meharia & Associates, Chartered Accountants,
Room No. 35, 5th Floor, Martin Burn Building,
1, RN Mukherjee Road, Kolkata – 700001
5. Vikas N Gunjal & Associates, Chartered Accountants,
B/203, Anand Yatri CHSL, Vitthal Rukhmini Nagar,
Diva-Dativali Road, Diva (East) Thane – 400612

STOCK EXCHANGES

BSE Limited,
1st Floor, Phiroze Jijibhoy Towers,
Dalal Street, Mumbai - 400001

DIRECTORS' REPORT

Dear Shareholders,

The Board of Directors of your Company is pleased to present the **45th Annual Report** on the business and operations of the Company together with the audited Balance Sheet and statement of Profit and Loss Account and Auditors' Report thereon for financial year ended 31st March, 2017.

1. PRODUCTION REVIEW:

The Production performance for the year is shown below in physical terms:

Description	(Nos.)	
	2015-16	2016-17
Three Wheelers	8176	6540

The reduced numbers of physical production may be seen in context of the ongoing capex installations during the year under reference.

2. SALES REVIEW:

The Sales performance for the year is shown below:

Description	2015-16		2016-17	
	Physical (In Nos.)	Financial (₹ in lakhs)	Physical (In Nos.)	Financial (₹ in lakhs)
Three Wheelers	9326	13513.41	6349	10300.56
Spares		270.81		337.95
Petrol, Diesel, Lubricants etc.		1419.93		216.93
Other Sales		6.42		-
TOTAL		15210.57		10855.44

3. FINANCIAL REVIEW:

The salient features of the Company's financial results for the year under review are as follows:

Description	(₹ in lakhs)	
	2015-16	2016-17
a) Profit/Loss before Depreciation, Interest, Taxes, Prior Year Items & Other Income	(52.06)	(1178.44)
b) Profit/Loss before Depreciation, Interest, Taxes, & Other Income	(52.06)	(1179.30)
c) PBDIT	901.60	(756.54)
d) Profit/(Loss) for the Year	548.38	(1027.67)



During the year under report:

- (1) Loss before depreciation, interest, taxes, prior year items & other income increased by Rs. 1126.38 lakhs as compared to the previous year.
- (2) Loss before depreciation, interest, taxes, & other income increased by Rs. 1127.24 Lakhs as compared to the previous year.
- (3) Profit before depreciation, interest & taxes, decreased by Rs. 1658.14 lakhs as compared to the previous year.
- (4) Net profit for the year decreased by Rs. 1576.05 lakhs as compared to the previous year.

4. OPERATIONAL REVIEW

During the year under report the operations of the company remained under stress due to constraints in marketing and disruption in supplies, leading to lower production, sales & profits. Further the Ministry of Road Transport and Highways vide notification no. GSR – 643(E) dated 19.08.2015 amended Rule 115 of Central Motor Vehicles Rules, 1989 to provide that the Mass Emission Standards for Bharat Stage IV shall come into force all over the country in respect of vehicles manufactured on or after the 1st April, 2017. Hon'ble Supreme Court of India in I.A.NO. 487/2017, I.A. NO. 491/2017, I.A. NO. 494/2017, I.A. NO. 489/2017, I.A. NO. 495/2017 in Writ Petition (Civil) No.13029/1985 in M C Mehta Vs. Union of India & Others vide order dated 29.03.2017 held that:

- a) On and from 1st April, 2017 such vehicles that are not BS-IV compliant shall not be sold in India by any manufacturer or dealer, that is to say that such vehicles whether two wheeler, three wheeler, four wheeler or commercial vehicles will not be sold in India by any manufacturer or dealer on and from 1st April, 2017.
- b) All the vehicle registering authorities under the Motor Vehicles Act, 1988 are initially prohibited for registering such vehicles on and from 1st April, 2017 that do not meet BS-IV emission standards, except on proof that such a vehicle has already been sold on or before 31st March, 2017.

Due to the above change the operations during the initial part of the current year 2017-18 were also under stress. The Company has got type approval of few models of BS-IV vehicles, however liquidity crunch further stressed the operations.

1MW Roof Top Solar Power Plant has been installed and shall commence operations soon, which will lead to substantial savings in energy cost.

5. CONTRIBUTION TO NATIONAL EXCHEQUER

The company has contributed a sum of Rs. 2167.26 lakhs (towards duties & taxes) to the exchequer during the period under review vis-à-vis Rs. 3480.60 lakhs lakhs during previous financial year.

**6. EXPORTS**

The company has not made any exports during the period under review. Further the royalty income during the year by way of foreign exchange remittances also remained nil, in view of ongoing legal cases.

7. EXPENDITURE ON ADVERTISEMENT AND PUBLICITY:

An expenditure of Rs. 13.06 lakhs was incurred on account of advertisement and publicity in the year.

8. STATUS OF REPAYMENT OF LOAN FROM GOI

In terms of Cabinet approval the existing term plan & non-plan loan as of 31st March, 2012 of Rs 85.21 Crores (Plan loan – Rs 1.93 Crores & Non-plan - Rs. 83.28 crores) has been converted into equity share capital of Rs. 85.21 crores by issue of 8.52 crores equity shares of Rs. 10/- each at par and further the Equity share Capital of the Company has been reduced by 85.21 crores by cancellation of aforesaid Rs. 85.21 crores equity share capital held by Government of India in terms of BIFR Order dated 24.06.2013. The existing interest Accrued as on 31st March, 2012 amounting to Rs. 2,367 Lacs on GOI loan (Plan loan of Rs. 193 lakhs & Non-plan loan of Rs. 8328 lacs) has been written off against accumulated losses and no further interest has been provided on the aforesaid loan from 31st March, 2012 onwards. No provision of interest on Non-Plan loan of Rs. 189 lakhs released during the financial year 2012-13 has been made. This matter has been taken up with Department of Heavy Industry/ Board of Industrial & Financial Reconstruction for maintaining the status quo. After review an adjustment may be made ex-post facto. The Government of India, Ministry of Industries & Public Enterprises, Department of Heavy Industry released funds by way of interest free plan loan amounting to Rs. 2000.00 lakhs during the financial year 2013-14 for working capital under an approved revival package of Scooters India Limited by Cabinet/Misc. Application approved by BIFR. As per sanction 23.7.2013 the Moratorium period for the loan is 3 years and Installment commence from 31.3.2015. The company sought by way of Reliefs & Concessions in the Draft Rehabilitation Scheme (DRS) submitted to Operative Agency (SBI) for submission of BIFR for recovery of 5 installments commencing from 23.7.2016 onwards i.e. 3 years from date of sanctioning ie. beginning w.e.f. 23.7.2016.

9. AUDITORS' REPORT

M/s D S Shukla & Company, Chartered Accountants have been appointed by the Comptroller And Auditor General of India, as Statutory Auditors of the Company for the year 2016-17. The Statutory Auditors' Report on the accounts of the Company for the financial year ended 31st March, 2017 are enclosed at **Annexure-2**.

The Accounts of the Company were submitted to the Comptroller And Auditor General of India for their report under section 143(5) of the Companies Act, 2013 and their report is appended as **Annexure-3**.

The Comptroller And Auditor General of India, has appointed M/s Dhawan & Madan, Chartered Accountants, as Statutory Auditors of the Company for the year 2017-18.



10. MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED FROM 01.04.2017 TO DATE:

No material change and commitment have been made by the company from 01.04.2017 to date that has adverse effect on the financial position.

11. MANAGEMENT DISCUSSION AND ANALYSIS:

(A) MISSION, VISION & OBJECTIVE

VISION Scooters India's vision is to grow as a recognized automotive company, with market presence in public transport provision in Goods, Passenger & Special Purpose Carriers in India & abroad.

MISSION Our mission is to build on the reliability we possess in niche markets and evolve into an economic enabler with stronger after-market support for our customers who trust us when plying our vehicles in service.

OBJECTIVE

- To prosper into defined areas delineated by the revival plan in 2013
- To achieve 2 % decrease in cost, and rationalize input materials expense.
- Growing resources & JV partners to fill strategic gaps in skills and operations.
- To reduce energy input per unit of production with renewables.

(B) MARKET SCENARIO

(i). The total number of 3-Wheelers produced and sold in the domestic market by manufacture in India during the year 2016-17 as against 2015-16 is given below:

Category	Production (In Nos.)	
	April'15- March'16	April'16- March'17
Passenger Carrier	834253	670978
Goods Carrier	99851	112171
Total	934104	783149
	Domestic Sales (In Nos.)	
Passenger Carrier	440978	402034
Goods Carrier	97230	109624
Total	538208	511658

Note: Sales excluding Export of 404441 nos. in 2015-16 and 271894 nos. in 2016-17

Source: SIAM

Scooters India Limited has been a pioneer in bringing out various models of 3-Wheelers running on Diesel, Electric, LPG and CNG for applications as both passengers and load carrier versions. Company has played an important role in popularization of 3- Wheelers of larger capacity in the country. With focused efforts and approach, SIL has achieved sales of 6348 nos. in 2016-17. By achieving these sales, SIL has utilized 74.61% of their capacity. This has also resulted in decreasing the SIL market share from 1.74 % in 2015-16 to 1.23 % in 2016-17.

The company continues to be the leader in larger capacity of vehicles i.e. passenger carrier (6+1) segment and goods carrier exceeding 1 ton of vehicles. The market share of company is 100% in 2016-17 (SIL sales 1847 nos. out of 1847 nos.).

(ii). 3-Wheelers growth drivers in future are as under:

- ❖ Rapid development of infrastructure and focus of both Central as well as State Govt. on infrastructure mainly on roads, the demand of 3-wheeler may see an upward trend in coming years. The demand driver for 3-Wheelers are its affordability as an economical viable transport solution. However the demand for 3-Wheeler passenger carrier depends on the availability of permits issued by Local RTO's.
- ❖ Increased demand from semi urban & rural areas for 3-Wheelers because of its high product maneuverability and drivability.
- ❖ Suitability of 3-Wheelers for congested Indian roads and tropical conditions.
- ❖ Self employment opportunity for a large no of youths especially with the Govt. focus on various schemes for the unemployed youths.
- ❖ 3-Wheelers of smaller capacity are in great demand in load carrier segment because of increase in organizing retail marketing across the country which requires faster and economical transportation.
- ❖ 3-Wheeler is a low cost transport solution to daily commuting passenger. Hence the market for 3-wheeler shall continue to be there because of higher cost of transportation in other modes of transport like taxi, contract carriages, buses etc.
- ❖ 3-Wheeler are also better earning opportunity for unemployed youths. With a minimum expenditure i.e Rs. 45,000 – 50,000 (margin money), one can start earning Rs.300-400 per day right from the day one of purchasing a new 3-Wheeler.

(C) Resources and Liquidity:

In view of the continuing cash losses, the company's liquidity position was under strain.

**(D) Quality:**

Your company is an ISO 9001:2000 company. The company has taken several initiatives including manufacturing of no problem vehicle and up-gradation of its products to ensure that the best quality products are made available to its customers. Vehicle reliability has improved significantly which has generated goodwill leading to better sales.

(E) Opportunities & Threats:**E1. Opportunities:**

- Growing automobile sector
- Untapped markets – of South, West, East & Exports
- Developing hub and spoke transportation model
- Increasing allocation of funds for poverty alleviation under various Govt. Schemes like PMRY, SC/ST, NREGS etc.
- Rapidly growing awareness about vehicular pollution leading to policy formulation for increase use of alternate fuel vehicles
- Options for technology infusion
- Rapidly growing network for CNG/LPG supply
- Replacement market of 4W SCV, like Tata Ace.

E2. Threats :

- Government regular focus and thrust on pushing 3W e- rickshaws
- Increase in product substitution effect by rapidly growing 4Wheel Small Commercial Vehicle
- Increased competition both from organized and unorganized players
- Strict enforcement of the pollution norms and Passenger Vehicle permits
- Increased customer expectations
- Rising interest and fuel cost could dampen demand for company's products.
- Volatility in Raw Materials prices/input and difficulty in passing on cost increase.

(F) Future Outlook:**Challenges faced by the Company:**

- The need for consistency in quality demands for enhanced investment in R&D and upgradation of plant & machinery. Existing over-lived plant & machinery is a cause of concern.
- Manpower cost in the company is still high and so is the average age profile of the employees. While your company needs to reduce its manpower cost at the same time it also needs to infuse fresh blood.
- Retention of young officers who joined in the last couple of years is difficult as private/other PSUs are offering substantially higher remuneration. Young



executives are regularly leaving for greener pastures.

- Though 3-wheelers as an industry continue to grow but increase in competition and availability of 4-wheelers in 1.0 ton and sub 1.0 ton category is expected to aggravate the extremely competitive scenario and impact the volumes and margins.
- Strict regulatory laws concerning pollution and their strict implementation by banning sale of diesel vehicles in certain states shall act as deterrent for company growth.
- SIL has lesser presence in small 3-wheeler segment which has strong market preference. In this segment contribution is lower and competition is higher as established players viz. Piaggio, Mahindra etc. dominate the market.
- Employees' aspiration for effecting revision in salary and wages.

(J) Strategic Road Map:

Although there has been negative growth in three wheeler segment of Auto sector in India, the performance of your company has also not been well in comparison to the previous year. Your company is evaluating various new product development options to cater to various market segments with a view to higher production and sales.

(iii) Status Before BIFR

On 18th February, 2010, BIFR has declared the Company as sick industrial company in terms of the provisions of section 3(1)(o) of the Sick Industrial Companies (Special Provisions) Act, 1985 (SICA) on reference being made after full erosion of the Networth of the Company, as per annual accounts for the year ended at 31st March, 2009. BIFR approved the miscellaneous application filed by the Company for seeking necessary permission/appropriate directions for reliefs & concessions enabling issue of shares, restructuring of balance sheet and for release of funds for capital expenditure and working capital in line with the cabinet decision for revival of SIL. The Draft Rehabilitation Scheme (DRS) was submitted by Co Operating Agency (SBI) for submission with BIFR. BIFR in its hearing dated 15.09.2015 directed that SIL ceases to be a sick industrial company, with in the meaning of Section 3(1)(o) of the SICA as its net worth has turned positive and It is, therefore, discharged from the purview of SICA/BIFR.

12. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:

Your company is an ISO 9001: 2000 certified which focuses on quality management system. A statement giving details of conservation of energy, technology absorption, foreign exchange earnings and outgo in accordance with the Section 134 (3) (m) of the Companies Act, 2013 read with Rule 8 of The Companies (Accounts) Rules, 2014 is provided at **Annexure-1, 1-A and 1-B** to this report.



13. PARTICULARS OF EMPLOYEES:

Information under Sec. 197(12) of the Companies Act, 2013 read with rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 be treated as NIL as none of the employee of the company is getting salary more than the prescribed limit.

14. INDUSTRIAL RELATIONS:

During under period under review i.e. 01.04.2016 to 31.03.2017, the industrial relation in the company remained normal. No. agitation and strike took place during the aforesaid period.

15. TRAINING AND DEVELOPMENT:

Employees of the Company are the most important constituent and Company understands that without their motivation and development the Company can not progress. The Company has been analyzing developmental needs in technical and managerial areas and provides requisite training and exposure to the employees at all levels in the area on Professional Excellence through Motivation, etc. employees were trained during 01/04/2016 to 31/03/2017 on course of vigilance, environmental Hazards & its Management in Industry and Integration of CPSEs/ autonomous bodies under department of Heavy Industry RTI online portal.

Programme Details	Officers	Staffs	Workmen	Trainees	Total
Internal	NIL	-	-	-	NIL
External	4	-	-	-	4
Total	4	-	-	-	4

16. VIGILANCE:

Vigilance group continues to function with particular emphasis on the aspects of preventive and corrective vigilance. Strict vigil was exercised over various activities as part of Preventive Vigilance measures and suggestions were made to the Management for system improvement. Company also observed Vigilance Awareness Week from 31.10.2016 to 05.11.2016.

17. HUMAN RESOURCE DEVELOPMENT:

Employees of the Company are the most important constituent and Company understands that without their motivation and development Company can not progress. The Company has been analyzing developmental needs in technical and managerial areas and provides requisite training and exposure to the employees at all levels in the area on Professional Excellence through Motivation, Advance Engine Combustion & Diagnostics, Competence Building for Effective Management, Healthcare Services, Part Programming for CNC Machines, Leadership Strategies for Building Excellence, Quest for Excellence Imperatives for India PSUs, Health, Safety, Environment Protection through Legal Reforms & technological Innovations, Building & Leading Effective Teams, Safety Engineering & Management, Value Based Management, Legal framework for Cost Audit Compliances, Finance for Non-finance Executives, International Commercial Practices, Energy Conservation, House Keeping etc.



18. HINDI IMPLEMENTATION:

Official Language Implementation Committee monitors and reviews the progress of implementation of the Annual Programme issued by Department of Official Language, Ministry of Home Affairs, Government of India. Hindi Divas is commemorated every year by observing official language week in the month of September. Various competitions are organized for employees and winners are felicitated on Republic Day.

19. RESERVATION FOR SCHEDULED CASTES & SCHEDULED TRIBE:

As on 31.03.2017 the total strength of the company is 259. Out of these, 72 employees belong to Scheduled Castes and 01 employee to Scheduled Tribe.

20. DIRECTORS, KEY MANAGERIAL PERSONNEL, APPOINTED AND RESIGNED

Ministry of Heavy Industries & Public Enterprises, Department of Heavy Industry, Government of India nominated Shri Pravin Agarwal, Director, DHI for discharge of duties of CMD SIL during the absence of Smt. Vinita Srivastava, the then CMD w.e.f. 14.04.2016 to 30.06.2016, for attending Chevening Fellowship at Oxford.

Government of India, Ministry of Heavy Industries & Public Enterprises, Department of Heavy Industry has vide its Order No. F. No.:1(1)/2016-PE-VI dated 26th September, 2016, appointed Shri Renati Sreenivasulu as Chairman & Managing Director of SIL for the period of five years or till the date of his superannuation or until further orders, which ever is earliest. Shri Renati Sreenivasulu has joined as Chairman & Managing Director of SIL w.e.f. 06.10.2016 and Mrs. Vinita Srivastava, Director, Ministry of Heavy Industries & Public Enterprises, Department of Heavy Industry, Government of India has relinquished the charge of Chairperson & Managing Director w.e.f. 05.10.2016.

In pursuance of the Order No. F. No. 3(15)/2012-PE-VI dated February 01, 2017 issued by Ministry of Heavy Industries & Public Enterprises, Department of Heavy Industries, Mr. Rahul Bali, as per his request dated 06.10.2016 for joining back parent organization Oil and Natural Gas Corporation Limited (ONGC) before completion of his five years lien (effective from 02.04.2013 vide letter no. File No. 3-15/2012 – PE VI dated 04.01.2013), has been relieved from the position of Director (Technical), Scooters India Limited (SIL) w.e.f. the evening of 01.02.2017.

The Board records the appreciation for contribution made by Smt. Vinita Srivastava, CMD & Shri Rahul Bali, D(T) during their association with the Company.

The Company is not having Independent Directors as well as women Director in terms of the provisions of the Companies Act, 2013 & Listing agreement. However the matter has been taken up the with Ministry for filling up the vacant positions of Independent Directors, women Director as well as Director (Finance) on the Board.

Government of India, Ministry of Heavy Industries & Public Enterprises, Department of Heavy Industry vide its letter No. 20-9/1998-PE-VI dated 02.03.2016 has conveyed the appointment of Shri Ram Krishna Swarnkar, IPS (UP:96), as Chief Vigilance officer for an initial deputation tenure of 3 years, which is extendable for further period of 2 years in the same organization or three years on transfer to another organization after completion of initial 3 years with prior approval of CVC & DOPT. He



has joined the Company w.e.f. July 05, 2016.

21. INDEPENDENT DIRECTOR'S DECLARATION:

Directors on the Board of the Company are appointed by the Administrative Ministry. SIL has been requesting the Ministry to appoint the independent directors. The appointment of Independent directors is yet to be made by the Ministry. During the year there was no independent director on the board of the Company. Thus, the declaration pertaining to independent director does not apply.

22. DISCLOSURE ON REAPPOINTMENT OF INDEPENDENT DIRECTORS:

During the year there was no independent director on the Board of the Company. Hence, disclosure pertaining to reappointment of independent directors does not apply.

23. NUMBER OF MEETINGS OF THE BOARD

The Board met eight times during the financial year, the details of which are given in the Corporate Governance Report that forms part of this Annual Report. The intervening gap between any two meetings was within the period prescribed by the Companies Act, 2013 and the Listing Agreement.

24. COMPANY'S POLICY ON DIRECTORS' APPOINTMENT & REMUNERATION INCLUDING CRITERIA FOR DETERMINING QUALIFICATIONS, ATTRIBUTES, INDEPENDENCE ETC.:

The Board of Directors of the Company are appointed by the Government of India as per guidelines issued by the Department of Public Enterprises (DPE), Government of India from time to time. The remuneration of Managing Director/Whole time Director is fixed as per grade and other terms and conditions issued by the DPE. The Government Directors on the Board of the Company draw their remuneration from Government of India and not from the Company. The independent directors, if any, are paid the sitting fee only (within the limits prescribed under the Companies Act), as per Articles of Association, besides reimbursement of the expenses to attend the meeting. No other remuneration is paid to the independent directors.

As regards, the appointment and remuneration of Key Managerial Personnel and other employees, the appointment of all employees below board level is made as per Recruitment & Promotion Rules of the Company and remuneration is paid to them as per DPE guidelines.

In absence of Independent Directors on the Board, the Nomination & Remuneration Committee (NRC) has also not been constituted. The other matters relating to remuneration, if any, are placed directly to the Board of Directors.

25. ANNUAL EVALUATION OF PERFORMANCE OF BOARD, ITS COMMITTEE AND DIRECTORS:

The Company enters into MoU with the Administrative Ministry in the month of March every year for the next financial year. Before signing the MoU the targets are negotiated with the Company in detail by the MoU Task Force constituted by the DPE. For



evaluation of the performance of the Managing Director by the Administrative Ministry, a weightage of 75% is given for the achievement of MoU parameters by the Company. The evaluation of performance of the Company against MoU parameter is done by DPE every year and MoU score is communicated by it to the Company through the Administrative Ministry.

26. MANAGING DIRECTOR RECEIVING COMMISSION OR REMUNERATION FROM HOLDING OR SUBSIDIARY COMPANY:

The Company has no holding or subsidiary company, hence not applicable.

27. RATIO OF DIRECTORS' REMUNERATION TO MEDIAN EMPLOYEES' REMUNERATION AND OTHER DISCLOSURES:

During the year, the remuneration of Director (Technical) was Rs. 20.22 lac and median employee's remuneration was Rs. 4.15 lac. The Director (Technical) remuneration comes to 487.23% of median employees' remuneration. **(Annexure – 7)**

28. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

As per the requirement of section 186(4) of Companies Act, 2013, particulars of loans given, investments made, guarantees given or securities provided along with the purpose for which the loan or guarantee or security is proposed to be utilized by the recipient are provided in the financial statements on page number 71. The Company is in compliance with the limits as prescribed under Section 186 of Companies Act, 2013 read with rule 11 of the Companies (Meeting of Board and its Powers) Rules, 2014.

29. PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES

All contracts / arrangements / transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis.

Particulars of contracts or arrangements with related parties referred to in section 188(1) of the Companies Act, 2013, are presented in **Annexure 8** to the Directors' Report in Form AOC 2.

30. DIRECTORS' RESPONSIBILITY STATEMENT:

In accordance with the provisions of section 134(3)(c) of the Companies Act, 2013 your Directors confirm that:

- a) in preparation of the annual accounts for the year ended March 31, 2017, the applicable accounting standards read with the requirements set out under Schedule III of the Act have been followed and that there are no material departures from the same;
- b) they have 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 ended on March 31, 2017 and of the profit of the Company for



- year ended on that date;
- c) they have taken proper and sufficient care, to the best of their knowledge and ability, for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
 - d) they have prepared the annual accounts on a going concern basis;
 - e) they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively to the best of their knowledge and ability; and
 - f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and are operating effectively.

31. ADEQUACY OF INTERNAL CONTROL:

The Company has proper and adequate system of internal controls to ensure that all activities are monitored and controlled against any unauthorized use of disposal of assets, and that the transactions are authorized, recorded and reported correctly.

The Company ensures adherence to all internal control policies and procedures as well as compliance with all regulatory guidelines. The Company has in place adequate internal financial controls with reference to financial statements. The Statutory Auditors of the Company tested such controls and no reportable material weakness in the design or operation was observed.

32. FIXED DEPOSITS:

The Company has not accepted any deposits under the provisions of the Companies Act, 2013 during the year.

33. SECRETARIAL AUDITOR

M/s Amit Gupta & Associates, Practicing Company Secretaries were appointed as secretarial auditors of the Company for the year 2016-17 as required under Section 204 of the Companies Act, 2013 and Rules made thereunder. The secretarial audit report in Form MR-3 for FY 2016-17 forms part of the Directors Report and is placed at **Annexure – 5**. Regarding comments/qualifications in the said report, it is submitted that the Company has taken up matter regarding appointment of Independent Directors/women Director with DHI and with the said appointments the Board shall become duly constituted in accordance with the provisions of the Companies Act, 2013 & Listing agreement and necessary compliances regarding constitution of various Committees viz. Audit Committee, Nomination & Remuneration Committee etc. shall also be made. Further the Company is in process of filing of necessary returns with the Registrar of Companies, Kanpur.

34. CORPORATE GOVERNANCE:

A Certificate from M/s D S Shukla & Co, Auditors of the Company regarding compliance of conditions of Corporate Governance as stipulated under regulation 34(3) of the



SEBI Listing regulations, 2015 along with the report on Corporate Governance is attached as **Annexure – 4** to this report.

35. SIGNIFICANT AND MATERIAL ORDERS

There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and the Company's operations in future.

36. AUDIT COMMITTEE AND VIGIL MECHANISM

In view of non appointment of Independent Directors by GOI, the Company is not having Audit Committee pursuant to requirement of section 177(1) of Companies Act, 2013 read with Rule 6 of the Companies (Meeting of Board and its Powers) Rules, 2014 and Regulation 18 of the SEBI Listing Regulations, 2015 & erstwhile clause 49 of Listing Agreement.

The Vigil Mechanism of the Company, which also incorporates a Whistle Blower Policy in terms of the Listing Agreement may be accessed on the Company's website at the link: <http://www.scootersindia.com>. The policy includes appointment of a Whistle Officer who will look into the matter, conduct detailed investigation and take appropriate disciplinary action. Protected disclosures can be made by a whistle blower through an e-mail, or dedicated telephone line or a letter to the Whistle Blower Officer. During the year under review, no employee was denied access to Whistle Blower Officer.

37. EXTRACT OF ANNUAL RETURN

Extract of Annual Return of the Company is annexed herewith as **Annexure - 6** to this Report.

38. ISSUE OF SHARES WITH DIFFERENTIAL RIGHT, SWEAT EQUITY, EMPLOYEE STOCK OPTION:

The Company has not issued any share with differential right, sweat equity, employee stock option during the year, hence, not applicable.

39. RISK MANAGEMENT

SIL aims to have a formalised and systematic approach for managing risks across the Company. It encourages knowledge and experience sharing in order to increase transparency on the key risks to the Company to the extent possible. This approach increases risk awareness, and ensures proper management of risks as part of the daily management activities.

The policy on Risk Management may be accessed on the Company's website at the link: <http://www.scootersindia.com>. The objective of the Company's risk management process is to support a structured and consistent approach to identify, prioritize, manage, monitor and report on the principal risks and uncertainties that can impact its ability to achieve its strategic objectives. The Company has introduced several initiatives for risk management including the introduction of audit functions and processes to identify and create awareness of risks, optimal risk mitigation and efficient management of internal control and assurance activities.

**40. LISTING**

The Company is listed at BSE Limited and has connectivity from both National Securities Depository Limited (NSDL) & Central Depository Services Limited (CDSL). Delhi Stock Exchange Limited, Delhi has been de-recognized by SEBI vide its order dated November 19, 2014. The Company has paid due listing fees with the stock exchange.

41. CORPORATE SOCIAL RESPONSIBILITY

SIL strongly believes in concept of sustainable development and is committed to operate and grow its operations in a socially and environmentally responsible way.

As per the Companies Act, 2013, all companies with a net worth of Rs. 500 crore or more, or turnover of Rs. 1,000 crore or more or a net profit of Rs. 5 crore or more during any financial year are required to constitute a Corporate Social Responsibility (CSR) committee of the Board of Directors comprising of three or more directors, at least one of whom should be an independent director and such company shall spend at least 2% of the average net profits of the company's immediately preceding three financial years on CSR activities. The Company has duly constituted a Corporate Social Responsibility (CSR) Committee pursuant to the requirement of Section 135(1) of Companies Act, 2013 and the Rules made thereunder. However in absence of an Independent Director Committee constitution is not proper. Accordingly to conserve the resources for business operations the Company has decided not to spend any amount towards Corporate Social Responsibility during the year under report.

42. ACKNOWLEDGEMENT:

The Board of Directors would like to express their grateful appreciation for the sincere support and co-operation extended by its Bankers, Financial Institutions, Dealers and Suppliers. The Directors would also like to express their sincere thanks for the co-operation and advice received from Govt. of India, particularly, Deptt. Of Heavy Industry and Public Enterprises, BIFR, BRPSE, the State Govt. and the local authorities for their continued support, co-operation and guidance.

Your Directors wish to place on record their deep sense of appreciation for the devoted services of employees and are deeply grateful to the shareholders for reposing the confidence and faith in us.

For and on behalf of the Board

Renati Sreenivasulu

DIN: 07634253

Chairman & Managing Director

Scooters India Limited, Lucknow -226008

Place: New Delhi

Date: August 04, 2017

**I. CONSERVATION OF ENERGY:****(a) Measures being taken****Compressors**

- Judicious usage of all resources including compressed air, water & power etc.
- Periodic servicing of suction filters, moisture traps, unloader and delivery valves.

Water

- Monitoring of control of water wastage.
- Recycling of cooling water.
- Arresting of Water & Air leakages on continuous basis.

Power

- Reduction of Contract Demand from 500kVA to 3000kVA by optimizing the Maximum Demand by Shift Managements, etc.
- Overhauling & Changing of Transformer Oil with fresh Transformer Oil of 02 nos. 5MVA Main Transformer, 05nos. 1500kVA. 01no. 500kVA & 01no. 560kVA Distribution Transformers.
- Replacement of 50 nos. old Conventional motors with New IE2 motors.
- Replacement of 22nos. 15HP (over rated) Mono-Block pumps with New 7.5HP, Energy Efficient EFFI, Mono-Block Pumps for air cooling system.
- Installation of 05nos. new VFDs in the Die Casting Shop & Paint Shop to optimize the use of motors & conserve energy.
- Stopping usage of heaters during winter seasons for personal Heating Purpose.
- Reduction in operation Time of FDVs by 01 Hour in order to Conserve Energy.
- Stopping of water Sprinklers in FDVs during Humid Seasons to Conserve Energy.
- Operation of 30HP water pump to fill SIL Over Head Tank has been restricted from 3-Shift to 2-Shifts only.
- Operation Hours of 04nos. of 120 HP Compressors has been reduced by 10 Hour in a week by proper planning in order to conserve energy.
- Arresting of Water & Air leakages on continuous basis.
- Energy unit consumed during FY 2016-17 reduced to 3929800 kWh(Unit) as against 4159800 kWh(Unit) consumed during FY 2015-16.

(b&c) Impact of Energy Consumption Measures, Total energy consumption and energy consumption per unit of production as per Form 'A' in respect of industries specified in the scheme thereto

The Company has reduced its energy cost. The details are given in attached Annexure 1-A.

II) TECHNOLOGY ABSORPTION:

Efforts made in technology absorption attached as Annex.1-B.

III) FOREIGN EXCHANGE EARNINGS AND OUTGO:**Efforts and initiative in relation to exports:**

Foreign Exchange earned by way of export of goods was ₹ NIL in 2016-17 as compared to ₹ NIL during previous financial year.

Annexure-1A

Form for Disclosure of particulars with respect to Conservation of Energy

Description		2015-16	2016-17
A	Power and fuel consumption		
1.	Electricity		
	a) <u>Purchased</u> Unit*		392980034700974 8.830
	Total Amount (Rs.)	4159800	
	Rate/Unit (Rs.)	390572639.38921	
		1020	12201.720
	b) <u>Own Generation</u>	0.9107	33.706
	i) Through Diesel Generator Unit*	57.5701	NA
		NA	NIL
		NIL	NIL
	Units per litre of diesel oil	NIL	NIL
	Cost per Unit (Rs.)	NIL	
	ii) Through Steam Turbine/Gen Unit* Unit per litre of diesel oil Cost/Unit (Rs.)		
2.	Coal	N.A.	N.A.
	Quantity (Ton)	NIL	NIL
	Total Cost	NIL	NIL
	Average rate	NIL	NIL
3	a) Furnace Oil		
	Quantity (Ton)	49.510	44.49 1285984.00 Rs.28.91
	Total Amount (Rs.)	1284091.4225.936	per Kg 18.00 KIts.
	Average Rate per Kg.(Rs.)	50.00	1837489.00
	b) Light Diesel Oil	1804409.34	
	Quantity (Kilo litres)		Rs.46.53 per lit.
	Total Amount (Rs.)	36.088	
	Average Rate per Kg.(Rs.)		
4.	Others/internal generation (Please give details)	N.A.	N.A.
	Quantity	NIL	NIL
	Total Cost	NIL	NIL
	Rate/Unit	NIL	NIL
B	Consumption per unit of production		
	Description	Standards (if any)	2015-16
			2016-17
	Production (in Nos.)	—	8176 508.7818
	Electricity (Unit)	—	—
	Furnace Oil (Ton)	—	NIL
	Light Diesel Oil (Kilo litres)	—	NIL
	Coal (specify quality)	—	NIL
	Others (specify)	—	

*Unit denotes KWH

**Higher KWH/Vehicle because of low number of production



Form for disclosure of particulars with respect to technology absorption

Research & Development (R&D)		
01	Specific areas in which R&D carried out by the company	<ul style="list-style-type: none"> Developed and manufactured Pilot batch of complete body built vehicles for 3-wheeler models of VIKRAM 450D, 750D, 1000CG and VIKRAM 1500 CG in both Load Carrier and Passenger Carrier variants. Development of Non Metallic Internal Mud Guard (Wheel Arch) with the help of M/s CIPET (Central Institute of Plastics Engg. & Technology,) Lucknow is completed and prototype sample made. Some modifications & corrections is done based on feedback incorporated & finalized the design. The same will be used for regular production of BSIV vehicles.
02	Benefits derived as a result of the above R&D	<ul style="list-style-type: none"> Customer feedback taken and with suitable changes incorporated and the same to be implemented in BSIV vehicles.
03	Future Plan of Action	<ul style="list-style-type: none"> Upgradation & Regularization of all vehicle models and its variants for BSIV norms compliance. Development of Electric Vehicle as per market requirement. Concept vehicle with Dry Type Single plate Clutch System on Small platform is made and put under Endurance Trials for regularization in future. Product upgrades with Self Adjusting Brake System is put under Endurance Trials. Standardization of Electrical items, Rubber and Plastic Parts is to be carried out & implemented at regular intervals.
04	Expenditure on R&D a) Capital b) Recurring c) Total d) Total R&D Expenditure as a percentage of Total turnover	Nil ₹23.46 lakhs ₹23.46 lakhs 0.22%
Technology absorption ,adaption and innovation		
01	Efforts in brief, made towards technology absorption ,adaption and innovation	Officers and Staff of the R&D have been sponsored for Exhibition (Auto-Expo), demonstration of the new contemporary automotive products, expositions and association with Testing agencies like ARAI, ICAT, and GCL for development of BSIV compliant automotive products.
02	Benefits derived as a result of the above efforts e.g. product improvement, cost reduction ,product development etc.	Exercises in Value Engineering carried out for improvement, reliability, cost and weight reduction in the existing products.
03	In case of imported technology imported technology (imported during the last five years reckoned from the beginning of the financial year) following information may be furnished: a) Technology imported b) Year of Import c) Has technology been fully absorbed? d) If not fully absorbed, areas where this has not been taken place, reasons therefore and future plan of action	Nil

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SCOOTERS INDIA LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of Scooters India Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2017, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rules there under.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies, making judgments and estimates that are reasonable and prudent, and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.



We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Basis of Qualified Opinion

1. *Attention is invited to note 40 and 46 forming part of the Financial Statement, regarding repayment of principal and interest on non plan loan of ₹ 189 lakhs received by the company from the Government of India at an interest rate of 13.50% per annum. The company has not provided interest over it as it has filed an application for freezing of the interest, with the Ministry of Heavy Industry however Ministry approval on the same is pending and has yet not been approved further total interest including the penalty accrued and unpaid is ₹ 129.86 lakhs. till 31st March 2017, since the final outcome is still awaited therefore the impact is unascertained.*
2. *Attention is invited to note 42 forming part of the Financial Statement, where the company has increased its Authorised capital from ₹ 7500 lakhs to ₹ 25000 lakhs, however share issue expense with respect to payment of fees to the Ministry of Corporate Affairs ("MCA") pursuant to rule 12 of the Companies (Registration of Offices and Fees) Rules, 2014, of ₹ 131.25 Lakhs has not been paid nor provided in the books of accounts, as explained to us by the management, the MCA has so far not allowed the increase in Authorized capital without payment of fees as the company is claiming exemption for the fees on account of relief given by BIFR in its order dated 19th June 2013, since the final outcome is still awaited the impact is unascertainable.*

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the matters described in Paragraph 1 and 2 of the Basis of Qualified opinion paragraph, the said financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :

- (a) In the case of Balance Sheet, of the state of affairs of the Company as at March 31, 2017.
- (b) In the case of the statement of Profit and Loss, of the loss for the year ended on that date; and
- (c) In the case of the Cash Flow Statement, of the cash flow for the year ended on that date.

Emphasis of Matter

We draw attention to the following matters in the Notes to the financial statements:

- (a) Attention is invited to Note No. 1 Para 7a, to the financial statement where the company has made a 0.5% adhoc provision on the value of closing stock of raw material and components, stores spares and consumables for redundancy. In the absence of adequate record for waste and reasonable estimates of its net realisable value, we are unable to comment upon the adequacy of these provisions.
- (b) Attention is invited to Note No. 34, to the financial statement the balances in accounts



of parties, contractors, Government Department etc including those balances appearing under current assets, Loan and Advances and current liabilities are subject to confirmation and reconciliation the financial Statement do not include the impact of adjustment, if any, which may arise out of the confirmation and reconciliation process.

- (c) Attention is invited to Note No. 41, to the financial statement where the company has not provided for the arrears to the employees who were on the pay roll of the company as on 01-04-2013, as the approval is awaited from GOI and pending outcome of the proceeding before the Central Government Industrial Tribunal, Lucknow
- (d) Attention is invited to Note No. 9, to the financial statement regarding other current liabilities which includes provision for Payment of Bonus to employees of ₹ 50.97 lakhs provided in line with Payment of Bonus Act, however said bonus is not paid and contravenes the provision of Section 19 of the said Act.

Our opinion is not modified in respect of these matters.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of sub section (11) of Section 143 of the Act, we give in the 'Annexure-A', a statement on the matters specified in the paragraph 3 and 4 of the order.
2. We are enclosing our report in terms of Section 143 (5) of the Act, on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, in the 'Annexure-B' on the directions and sub-directions issued by Comptroller and Auditor General of India.
3. As required by Section 143 (3) of the Act, we report that :
 - (a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - (d) in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with relevant rules issued there under;
 - (e) on the basis of the written representations received from the directors as on 31 March 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2017 from being appointed as a director in terms of Section 164 (2) of the Act;
 - (f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in 'Annexure- C'; and



- (g) with respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us :
- i) the Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer to Note No. 31 to the financial statements;
 - ii) the Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any,- Refer to Note No. 6 and 10 to the financial statements;
 - iii) there has been no amount that is required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv) the Company has provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November, 2016 to 30 December, 2016 and based on audit procedures and relying on the management representation we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management. Refer Note No. 17 to the financial statements.

Place: Lucknow

Date: 29th May 2017

For D.S.Shukla & Co.
Chartered Accountants
(FRN No. 000773C)

Shreeharsh Shukla
(Partner)
M.No.: -408990



ANNEXURE A TO INDEPENDENT AUDITORS' REPORT OF EVEN DATE TO THE MEMBERS OF SCOOTERS INDIA LIMITED, LUCKNOW ON THE ACCOUNTS OF THE COMPANY FOR THE YEAR ENDED 31ST MARCH 2017

On the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of our audit, we report that:

- (i)
 - (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - (b) The Company has a regular programme of physical verification of its fixed assets. In accordance with this programme, fixed assets were verified during the year by an external Cost Management Accountants firm and no material discrepancies were noticed on such verification.
 - (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii) As explained to us, the company has a regular program of physical verification of Inventories, the physical verification of the inventory (excluding Inventory with third parties) have been carried out by external Cost Management Accountants firm and no material discrepancies were noticed on such verification.
- (iii) According to information and explanations given to us, the Company has not granted any loan Secured or unsecured, to the companies, firms, limited liability partnerships or other parties covered in register maintained under section 189 in the Act.
- (iv) In our opinion and according to the information and explanations given to us, the Company has not granted any loan investments, guarantees, and security covered under section 185 or 186 of the Act , accordingly clause (iv) of the order are not applicable to the company for the year ended March 2017.
- (v) The company has not accepted any deposits from the public.
- (vi) The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for the goods manufactured by the Company.
 - (a) As per records, the Company is regular in depositing undisputed statutory dues including Provident Fund, Employee State Insurance, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and any other statutory dues, to the extent applicable to it with the appropriate authorities and as informed no undisputed amount were outstanding as at 31st March, 2017 for a period of more than six month the date of becoming payable, except the following:

Sl. No.	Name of the dues	Nature of the dues	Period	Amount (₹ lakhs)
1	Kerala sales Tax Act	State sales Tax	92-93,93-94 & 94-95	4.22
			Total	4.22



- (b) The disputed statutory dues aggregating Rs. 1546.14 lakhs and indeterminate interest that have not been deposited on account of matters pending before appropriate authorities are as under:

Sl No.	Name of the dues	Nature of the dues	Forum where dispute is pending	Period	Amount (₹ lakhs)
1. (a)	State Sales Tax Act	Entry Tax & Penalty Taxes	Commissioner of Commercial Taxes	97-98 to 06-07	113.77
(b)	State Sales Tax Act	Entry Tax & Penalty	Tribunal	03-04, 04-05 & 05-06	10.55
2. (a)	Central Excise & Service Tax	Service Tax	Commissioner (Appeals)	October 2002- March 2007	3.22 & 6.49 Penalty & Indeterminate Interest
(b)	Central Excise & Service Tax	Service Tax	Assistant Commissioner	2014-15	0.74 & 0.74 Penalty & Indeterminate Interest
(c)	Central Excise & Service Tax	Central Excise	Assistant Commissioner	April 2010- September 2010	0.74 & 0.74 Penalty & Indeterminate Interest
(d)	Central Excise & Service Tax	Central Excise	Additional Commissioner	2005-06 to 2008-09	2.48 & 2.48 Penalty & Indeterminate Interest
(e)	Central Excise & Service Tax	Central Excise	Tribunal Allahabad	August 2008 to March 2013	1.10 & 1.10 Penalty & Indeterminate Interest
3.	Income Tax Act	Income Tax	Dy. Commissioner of Income Tax, Range VI, Lucknow	F.Y. 2001-02 to 2008-09, 2013-14 & 2015-16	1401.99
TOTAL					1546.14 & Indeterminate Interest

- (viii) *In our opinion and according to information and explanations given to us, the company has not defaulted in repayment of dues to financial institutions or bank or debentures holders, except for the term loan provided by the Government of India which the*



company has not repaid as the matter is being taken up with the Department of Heavy Industry for maintaining the status quo.

- (ix) The company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year however the company has raised term loan in earlier year which has been applied for the purpose for which they have been raised.
- (x) Based upon the audit procedures performed and information given to us, we report that no fraud on or by the company has been noticed or reported during the year by management. However, as explained to us by the management that in the Financial Year 2008-09 Board of Directors revealed that a commercial agreement was executed by the then CMD without the authority of the Board and after due consideration the board decided to refer the matter to the appropriate authority for future action, however no action on the same was reported to us.
- (xi) Being a Government Company, pursuant to Notification No. G.S.R. ,463(E) dated 5th June 2015 issued by Government of India Provisions of Section 197 of the Act are not applicable to the company.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) *According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are not in compliance with Section 177 of the Act as the company has not formed an audit committee* however the company has complied with Section 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act 1934.

Place: Lucknow
Date: 29th May 2017

For D.S.Shukla & Co.
Chartered Accountants
(FRN No. 000773C)

Shreeharsh Shukla
(Partner)
M.No.:-408990



ANNEXURE B TO INDEPENDENT AUDITORS' REPORT OF EVEN DATE TO THE MEMBERS OF SCOOTERS INDIA LIMITED, LUCKNOW ON THE ACCOUNTS OF THE COMPANY FOR THE YEAR ENDED 31ST MARCH 2017

Directions under section 143(5) of Companies Act, 2013

- 1. Whether the Company has clear title/lease deeds for freehold and leasehold land respectively? If not, please state the area of freehold and leasehold for which title/lease deeds are not available.**

The company has clear title of lease hold land located in 16, Milestone at Lucknow Kanpur road, ad measuring 147.50 Acres vide lease hold agreement dated 5th Oct 1974 for the land of 125.29 acres and dated 10th August 1976 for the land of 22.209 acres with U.P. state Industrial department corporation, Kanpur for a period of 90 Years.

- 2. Please report whether there are any cases of waiver/write off of debts/loans / interest etc., if yes, the reasons there of and the amount involved.**

As informed, the company has not waived/written off any debts/loans /interest etc. However the company has made provisions for doubtful debt against receivables of ₹ 25.24 lakhs the reason for the provision as explained to us is non recovery of the said amounts from the respective parties and the amount is due and unrecovered since long the same is disclosed in Note No. 27 of the Financial Statement for the year ended 31st March 2017.

- 3. Whether proper records are maintained for inventories lying with third parties & assets received as gift from Gov. or other authorities.**

Proper records have been maintained for such inventories of ₹ 32.72 lakh which are lying with the third parties. However they are subject to adjustments, if any on reconciliation as most of the balances have not been confirmed and further physical verification for such inventory was not conducted by the company. The same has been disclosed in Note No. 15 and 34 of the Financial Statement for the year ended 31st March 2017.

Sub-Direction under section 143(5) of Companies Act, 2013- Nil

Place: Lucknow
Date: 29th May 2017

For D.S.Shukla& Co.
Chartered Accountants
(FRN No. 000773C)

Shreeharsh Shukla
(Partner)
M.No.:-408990



ANNEXURE C TO INDEPENDENT AUDITORS' REPORT OF EVEN DATE TO THE MEMBERS OF SCOOTERS INDIA LIMITED, LUCKNOW ON THE ACCOUNTS OF THE COMPANY FOR THE YEAR ENDED 31ST MARCH 2017

Report on the Internal Financial Controls under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

We have audited the internal financial controls over financial reporting of Scooters India Limited ('the Company') as of 31 March 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the 'Guidance Note') and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

- (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of the Management and directors of the Company; and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place: Lucknow
Date: 29th May 2017

For D.S.Shukla & Co.
Chartered Accountants
(FRN No. 000773C)

Shreeharsh Shukla
(Partner)
M.No.:-408990



Management Representation

Comments	Management Reply
<p><u>Qualified Opinion</u></p> <p>1. Attention is invited to footnote 3 to the audited financial results, regarding repayment of principal and interest on non plan loan of '189 lakhs received by the company from the Government of India at an interest rate of 13.50% per annum the company has not provided interest over it as it has filed an application for freezing of the interest, with the Ministry of Heavy Industry however Ministry approval on the same is pending and has yet not been approved further total interest including the penalty accrued and unpaid is '129.86 lakhs. till 31st March 2017 since the final outcome is still awaited therefore the impact is unascertained.</p>	<p>1. No liability is construed by the company as evidenced by Note No. 40 of notes to accounts of financial year 2016-17 wherein the matter of repayment of principal & interest on non-plan loan sanctioned during financial year 2012-13 of ' 189 Lakhs has been taken up with Department of Heavy Industry for maintaining the status quo. As per legal opinion obtained by the company, notwithstanding the order of BIFR discharging the company from its purview, the relief and concessions as sanctioned in the miscellaneous application no. 316/2013 would continue to be valid and operative.</p>
<p>2. Attention is invited to footnote 3 to the audited financial results, where the company has increased its Authorised capital from ' 7500 lakhs to ' 25000 lakhs, however share issue expense with respect to payment of fees to the Ministry of Corporate Affairs ("MCA") pursuant to rule 12 of the Companies (Registration of Offices and Fees) Rules, 2014), Of ' 131.25 Lakhs has not been paid nor provided in the books of accounts as explained to us by the management, the MCA has so far not allowed the increase in Authorised capital without payment of fees as the company is claiming exemption for the fees on account of relief given by BIFR in its order dated 19th June 2013, since the final outcome is still awaited the impact is unascertainable.</p>	<p>2. No liability is construed by the company as evidenced by Note No. 42 of notes to accounts of financial year 2016-17 wherein, pending the resolution of issue of increasing the authorized share capital, wherein exemption of filling fees has been sought in line with reliefs provided by BIFR, no liability in this regard has been recognized in the annual accounts.</p>

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF SCOOTERS INDIA LIMITED FOR THE YEAR ENDED 31 MARCH 2017.

The preparation of financial statements of Scooters India Limited for the year ended 31 March 2017 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditors appointed by the Comptroller and Auditor General of India under section 139(5) of the Companies Act, 2013 are responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by the vide their Audit Report dated 29 may, 2017.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under section 143(6)(a) of the Act of the financial statements of Scooters India Limited for the year ended 31 March 2017. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records. On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditors' report.

**For and on the behalf of the
Comptroller & Auditor General of India**

**(Nandana Munshi
Director General of Commercial Audit
& Ex-officio Member, Audit Board - II,
New Delhi**

Place: New Delhi

Date : 08.08.2017

CORPORATE GOVERNANCE

The company's philosophy of Corporate Governance is aimed at safeguarding and adding value to the interest of its various stakeholders including that of shareholders, lenders, employees and public at large. SIL is committed to good Corporate Governance to ensure that all functions of the Company are discharged in professionally sound and competent manner. SIL has also adopted the Guidelines issued by DPE on Corporate Governance.

1. A) SIL'S PHILOSOPHY ON CORPORATE GOVERNANCE

Over the past few years, the transition in the Indian business environment, coupled with liberalization and changing market conditions, has led to a fundamental shift in the Management's approach to enhancing shareholder value. In this context corporate governance has attained paramount importance for ensuring fairness, transparency, accountability & responsibility to all stakeholders. Company believes that all its operations and actions must serve the underlying goal of enhancing overall shareholder value over a sustained period of time.

B. Code of Business Conduct & Ethics

The Board of Directors of the company have adopted a Code of Conduct and Ethics for Directors and Senior Management incorporating best practices in Corporate Governance. The Code is also available on website of the company www.scootersindia.com. In terms of Regulation 26(3) of the SEBI Listing regulations, 2015 a confirmation from the CMD/CEO and CFO regarding compliance with the code by all the Directors and Senior Management is given in Annexure.

C. Whistle Blower Policy

Scooters India Limited has formulated a Whistle Blower Policy to establish procedures for the submission of complaints or concerns regarding financial statement disclosures, accounting, internal accounting controls, auditing matters or unethical behavior, actual or suspected fraud or violations of the Company's Code of Conduct.

D. CEO/CFO Certification

In terms of regulation 17(8) of the SEBI Listing Regulations, 2015 the Certification by CMD/CEO and CFO of the financial statement has been obtained and attached as **Annexure 4A**.

E. Compliance Certificate of the Auditors

Scooters India Limited has annexed to this report a Certificate obtained from the Statutory Auditors M/s D S Shukla & Co., Chartered Accountants regarding compliance of conditions of Corporate Governance as stipulated in Regulation 34(3) of the SEBI Listing Regulations, 2015. (**Annexure – 4B**)

2. BOARD OF DIRECTORS

The Board of Directors of the Company as on 31.03.2017 is comprise of three directors, two of whom are part time official Director, nominated by Govt. of India. Executive directors on the Board of SIL includes only Chairman & Managing Director.

**A. List of Directors**

Name of Director	Tenure	No. of other Director ship	No. of other Committee-ship	
			Member	Chairman
Whole time Functional Director				
Smt. Vinita Srivastava, CMD	23.02.2016 – 05.10.2016	2	-	-
Shri Renati Sreenivasulu, CMD	06.10.2016 till date			
Shri Rahul Bali, Director (Technical)	02.04.2013-01.02.2017	-	1	-
Shri Pravin Agrawal (Additional Charge)	14.4.2016 to 30.6.2016			
Part-time Non Executive Director (Official)				
Shri AM Manichan, Director, GOI Nominee	25.09.2014 - till date	2	-	-
Shri Pravin Agrawal, Director, GOI Nominee	23.04.2015- till date	-	-	-

The matter of induction of independent director on the Board has been taken up with the Govt. of India.

S. N.	Name of Directors	238BM dated 8.4.16	239BM dated 26.5.16	240BM dated 4.8.16	241BM dated 9.8.16	242BM dated 2.09.17	243BM dated 13.10.16	244BM dated 11.11.16	245BM dated 3.02.17	AGM dated 30.9.16
	Total Strength ->	4	4	4	4	4	4	4	3	3
1	Mr.Renati Sreenivasulu, CMD	NA	NA	NA	NA	NA	P	P	P	NA
2	Ms.Vinita Srivastava, CMD	P	A	P	P	P	NA	NA	NA	A
3	Mr.Rahul Bali, D (T)	P	P	P	P	A	P	P	NA	P
4	Mr. AM Manichan, Director	P	P	P	P	P	P	P	P	-
5	Mr.Pravin Agrawal, Director	P	P	P	P	P	P	P	P	P

B) Presence of Directors in Board Meetings and Annual General Meeting held during the year

P: Present, A: Absent, NA: Not Applicable

There has not been a gap of over four months between two Board Meetings and at least one Board Meeting was held in each quarter of the financial year.



C) Information supplied to the Board

The board is presented with all the relevant information on various vital matters affecting the working of the company, as well as those that require deliberation at the highest level. Extensive information is provided on various critical items such as:

- ❖ Production, sales and capital expenditure budgets and updates,
- ❖ sales, investments and financial performance statistics,
- ❖ review of zone-wise business,
- ❖ quarterly Results of the company,
- ❖ staff matters, including senior officers appointments and extensions,
- ❖ legal proceedings by or against the company including show cause, demands, notices etc.,
- ❖ share transfer and demat compliance,
- ❖ minutes of Meetings of Audit Committee and other Committee of the Directors
- ❖ R&D efforts of the company,
- ❖ labour matters and human resources issues,
- ❖ any material default in financial obligation to and by the company or substantial non-payment for goods sold by the company,
- ❖ vigilance and related matters,
- ❖ write-off and disposal of capital items,
- ❖ legal compliance reporting system and other such matters,
- ❖ fatal or serious accidents, dangerous occurrence, any material effluent or pollution problems
- ❖ transactions involving payment towards goodwill, brand equity or intellectual property

3. COMMITTEES OF THE BOARD

A. Audit Committee & Shareholders/Investors Grievance Committee

In view of absence of Independent Directors on the Board of the Company, the Company is presently not having functional Audit/Shareholders/Investors Grievance Committee. The Company has taken up matter regarding the appointment of Independent Directors on the Board, with the Government of India, accordingly the Committees shall be constituted again after their appointment.

4. GENERAL BODY MEETINGS:

The last three Annual General Meetings of the company were held as under:-

S.No.	Year	Location	Date	Time
1	2015-2016	Registered office of the company at Lucknow-Kanpur Road (16 th Mile Stone), Sarojini Nagar, Lucknow-226008	September 30, 2016	11:30 AM
2	2014-2015	Registered office of the company at Lucknow-Kanpur Road (16 th Mile Stone), Sarojini Nagar, Lucknow-226008	September 23, 2015	11:30 AM
3	2013-2014	Kisan Mandi Bhawan Auditorium, Gomti Nagar, Lucknow – 226 010	September 25, 2014	3.00 PM

**Special Resolution (if any) & Postal Ballot:**

AGM Date	Special Resolution	Whether put through Postal Ballot	Details of Voting Pattern	Person who conduct Postal Ballot
25.9.2014	TWO	NO	NA	NA
23.9.2015	TWO	NO	NA	NA
30.9.2016	ONE	NO	NA	NA

- Procedure for Postal Ballot is as per the guidelines.
- No Special Resolution is proposed to be conducted through Postal Ballot.

5. REMUNERATION POLICY:

The following are the details of the remuneration paid to Directors for the year 2016-17:

Amount in Rs.

Name	Designation & Period	Sitting Fee	Salary (Rs.)	Benefit & Contribution to PF/Pension /Others	Total
Mr. Renati Sreenivasulu	CMD /6.10.2016 – till date	-	1070669	80628	1151297
Ms. Vinita Srivastava	CMD /23.2.2016 – 5.10.2016	-	-	-	-
Mr. Rahul Bali	D(T)/ 2.4.2013 - 1.2.2017	-	1632881	389171	2022052
			2703550	469799	3173349

Apart from the Sitting Fees which is paid in accordance with the Articles of Association of the company, all other remuneration paid to Directors are in compliance with Govt. orders issued from time to time.

6. GENERAL SHAREHOLDER INFORMATION:**Annual General Meeting:**

- Date and Time : September 28, 2017
- Financial Calendar : 1st April, 2016 to 31st March, 2017
- Venue : Registered Office of the Company at: Post Bag No. 23, GPO, Sarojini Nagar, Lucknow – 226 008
- Book Closure date
- Listing of Equity : BSE, DSE (de-recognized w.e.f 19.11.2014)
- Stock code : 505141



Registrar & Transfer Agent : Sky Line Financial Services Private Limited
D-153/A, 1st Floor, Okhla Industrial Area, Phase - 1
New Delhi -110020

Dematerialization of Shares : CDSL : 356978 as on 31.03.2017
NSDL : 41931619 as on 31.03.2017
Physical : 43097658 as on 31.03.2017

Outstanding GDR/ADRs/ : NIL
Warrants or any Convertible
Instruments, Conversion
Date and likely impact on
Equity

Plant Location : Lucknow- Kanpur Road, 16th Kms. MileStone,
Post BagNo.23(G.P.O) P.O. Sarojini Nagar,
Lucknow-226008.

Address for Investor : Lucknow- Kanpur Road
Correspondence (16th Mile Stone), Post Bag No.23(G.P.O)
P.O. Sarojini Nagar, Lucknow-226008

SUMMARY OF SHARE PRICES OF SCOOTERS INDIA LIMITED (MONTHLY)
Scrip Code:505141
Company: SCOOTERS IND For the Period: April 2016 to March 2017

Month	Open	High	Low	Close	No. of Shares	No. of Trades	Total Turnover	Deliverable Quantity	% Deli. Qty to Traded Qty	Spread	
										H-L	C-O
Apr 16	25.75	26.35	24.25	25.40	6,962	87	1,73,932	6,962	100.00	2.10	-0.35
May 16	25.00	26.60	22.65	22.80	23,060	221	5,60,556	23,060	100.00	3.95	-2.20
Jun 16	23.00	26.95	22.80	26.95	31,169	199	7,77,204	31,169	100.00	4.15	3.95
Jul 16	27.80	36.65	25.50	36.65	92,758	492	30,04,394	92,758	100.00	11.15	8.85
Aug 16	38.45	43.00	30.95	32.30	75,071	654	27,91,735	75,071	100.00	12.05	-6.15
Sep 16	30.85	44.85	30.70	40.85	1,29,621	461	50,51,289	1,29,621	100.00	14.15	10.00
Oct 16	38.85	44.15	38.55	42.80	1,18,677	534	48,30,360	1,18,677	100.00	5.60	3.95
Nov 16	41.05	41.90	31.80	35.55	28,540	187	10,60,630	28,540	100.00	10.10	-5.50
Dec 16	33.85	44.50	33.85	38.15	78,405	269	32,19,092	78,405	100.00	10.65	4.30
Jan 17	36.30	44.30	36.30	39.30	91,572	349	37,64,192	91,572	100.00	8.00	3.00
Feb 17	39.15	42.25	37.20	39.90	26,738	170	10,58,938	26,738	100.00	5.05	0.75
Mar 17	38.00	43.95	36.55	40.00	1,05,030	512	42,60,487	1,05,030	100.00	7.40	2.00

7. DISCLOSURES:

- Disclosures on materially significant related party transactions i.e. transactions of the Company of material nature, with its promoters, the directors or the management, their subsidiaries or relatives etc. that may have potential conflict with the interests of the company at large. Company had no related party transaction except remuneration paid to the Directors.
- Details of non-compliance by the Company, penalties, structures imposed on the Company by Stock Exchanges or SEBI, or any statutory authority, on any matter related to capital markets, during the last 3 years. None
- No person has been denied access to Audit Committee

8. MEANS OF COMMUNICATION:

A) Quarterly Results (Approved in the meetings held on 26.5.2016, 9.8.2016, 13.10.2016 & 3.2.2017)	The Company has published the Quarterly Results in Financial Express & Business Standard
B) Management Discussion & Analysis	This forms part of Directors' Report which is posted to the shareholders of the company
C) Website	www.scootersindia.com



9. SHARE TRANSFER SYSTEM

The Company has signed agreement with both NSDL and CDSL on 18th Jan.2002 and 25th Feb.2002 respectively. The company has been allotted ISIN Code No. INE 959E01011 and since then the trading of company's shares is being done in dematerialized form. The company has appointed M/s Skyline Financial Services Pvt. Ltd. D-153/A, 1st Floor, Okhla Industrial Area, Phase - 1 New Delhi -110020, as its Registrar and Transfer Agent (RTA).

10. DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH, 2017

Share or Debenture holding Nominal Value	Number of Shareholders	% to Total Numbers	Share or Debenture holding Amount	% to Total Amount
1	2	3	4	5
Up To 5,000	8288	94.53	9157110	1.07
5001 To 10,000	282	3.22	2408240	0.28
10001 To 20,000	99	1.13	1546580	0.18
20001 To 30,000	35	0.4	914420	0.11
30001 To 40,000	21	0.24	767570	0.09
40001 To 50,000	11	0.13	518510	0.06
50001 To 1,00,000	15	0.17	1090400	0.13
1,00,000 and Above	17	0.19	837419720	98.08
Total	8768	100	853822550	100

Category	%age
1. Central Government	93.74
2. Nationalized Banks & Financial Institutions	0.03
3. Corporate Bodies	0.15
4. Indian Public and Others	6.08
Total	100

11. ANY QUERY ON ANNUAL REPORT

Secretarial Department, Scooters India Limited, Lucknow- Kanpur Road (16th Mile Stone), Post Bag 23(G.P.O) P.O. Sarojini Nagar, Lucknow-226008.

Renati Sreenivasulu
DIN: 07634253
Chairman & Managing Director
Scooters India Limited, Lucknow -226008

CERTIFICATE UNDER REGULATION 17(8) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATION, 2015

1. We have reviewed financial statements and the cash flow statement for the year 2016-17 and that to the best of our knowledge and belief :
 - i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii) These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
3. We accept responsibility for establishing and maintaining controls and that we have evaluated the effectiveness of the internal control systems of the company and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
4. We have indicated to the auditors and the Audit Committee:
 - i) significant changes in internal control during the year ;
 - ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or and employee having a significant role in the company's internal control system.
5. We confirm that all Directors and Members of the Senior Management have affirmed compliance with SIL's Code of Business Conduct & Ethics.

Renati Sreenivasulu
DIN: 07634253
Chairman & Managing Director
Scooters India Limited, Lucknow -226008

Place : New Delhi

Dated : August 04, 2017

**Annexure-4B****CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE**

To,
The Members,
Scooters India Limited,
(CIN - L25111UP1972GOI003599)
Lucknow

1. We have examined the compliance of conditions of Corporate Governance by Scooters India Limited ("the Company"), for the year ended on March 31, 2017, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46 (2) and paragraphs C, D and E of Schedule V of the SEBI Listing Regulations.
2. The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. In our opinion and to the best of our information and according to the explanation given to us, we certify that the company has complied with the condition of Corporate Governance as stipulated in the above mentioned Listing Agreement / Listing Regulations as applicable, subject to, composition of the Board of Directors and constitution of Audit and other Committees because of no nomination of Independent Directors by Government of India in the Board of Scooters India limited further the company has not made appointment of Company Secretary, compliance officer and Chief Financial Officer.
4. We state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For and on behalf of
D. S. Shukla & Co.
Chartered Accountants
FRN:000773C

Partner
M. No. 408990

Place : Lucknow

Dated : August 04, 2017



FORM NO. MR.3
SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2016

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members,
SCOOTERS INDIA LIMITED,
(CIN - L25111UP1972GOI003599)
Lucknow - Kanpur Road, (16th Mile Store), Sarojini Nagar, Lucknow - 226 008, Uttar Pradesh, India

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s SCOOTERS INDIA LIMITED (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit,

We hereby report that in our opinion

The company has, during the audit period covering the financial year ended on 31st March, 2017 complied with the statutory provisions listed hereunder and also

- i. That the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2017 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made there under;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and



External Commercial Borrowings - **Not applicable as the Company has not made any such transaction during the financial year under review;**

- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; (w.e.f. 15.05.2015)
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009- **not applicable as the Company has not made any public offer of securities during the period under review;**
 - d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999/Securities And Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (effective 28th October 2014) - **Not applicable as the Company has not granted any options during the financial year under review**
 - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 - **not applicable as the Company has not issued any listed debt securities during the period under review;**
 - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client - **Not Applicable as the Company is not registered as Registrar to Issue and Share Transfer Agent during the financial year under review;**
 - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 - **Not applicable as the Company has not delisted/propose to delist its equity shares from any stock exchange during the financial year under review;**
 - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 - **Not applicable as the Company has not bought back/propose to buyback any of its securities during the financial year under review.**
- vi. The following other laws as may be applicable specifically to the company:
 - (a) Motor Vehicles Act 1988 and the Central Motor Vehicles Rules, 1989 to the extent of product certification before production and from time to time primarily in respect of three wheelers manufactured by the Company.
 - (b) The Environment Protection Act, 1986
 - (c) The Water (Prevention and Control Pollution) Act, 1974
 - (d) The Air (Prevention and Control Pollution) Act, 1981

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India; and
- (ii) Listing Agreements entered into by the Company with BSE Limited.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above, subject to the following observations:

1. Where as in terms of the provisions of Section 149(4) & 149(5) of the Companies Act, 2013 read with rule 4 of the Companies (Appointment And Qualification Of Directors) Rules, 2014 and regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) regulations, 2015, the Company was required to appoint Independent Directors on the Board of the Company the Company could not comply with the same. However as informed by management the Company being a Government Company has requested its administrative ministry for making necessary appointments.
2. Where as in terms of the provisions of Section 149(1) of the Companies Act, 2013 read with rule 3 of the Companies (Appointment and Qualification of Directors) Rules, 2014 and regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) regulations, 2015, the Company was required to appoint at least one Women Director on the Board of the Company latest by 31st March, 2015, the Company could not comply with the same. However the appointment of women director on the Board has been made w.e.f. 23.02.2016 by way of its CMD on additional charge basis to hold office till 05.10.2016.
3. Whereas in terms of the provisions of Section 177(1) of the Companies Act, 2013 read with rule 6 of the Companies (Meetings of Board and Its Powers) Rules, 2014, and regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) regulations, 2015 the Company was required to constitute an Audit Committee of the Board, the Company could not comply with the same. However as informed by management the Company being a Government Company has requested its administrative ministry for expediting the process for appointment of requisite number of Independent Directors, so that necessary compliance regarding Audit Committee can be made.
4. Whereas in terms of the provisions of Section 178(1) of the Companies Act, 2013 read with rule 6 of the Companies (Meetings of Board and Its Powers) Rules, 2014 and regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) regulations, 2015 the Company was required to constitute a Nomination & Remuneration Committee of the Board, the Company could not comply with the same. However as informed by management the Company has requested its administrative ministry for expediting the process for appointment of requisite number of Independent Directors, so that necessary compliance regarding Nomination & Remuneration



Committee can be made.

5. Whereas in terms of the provisions of Section 203 of the Companies Act, 2013, the Company was required to have certain Key Managerial Personnel (KMP). The Company has not appointed any person as Company Secretary and compliance officer in terms of the provisions of Section 204 of the Companies Act, 2013 and regulation 6 of the SEBI (Listing Obligations and Disclosure Requirements) regulations, 2015.
6. The Company has not filed/filed with delay few forms/returns required to be submitted with the Registrar of Companies, Kanpur and delays in certain statutory updations at its website.

We further report that:

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors. However the Board of Company has no Independent Directors/Women Director (except during 23.02.2016 to 05.10.2016), where as in terms of the provisions of Section 149(4), 149(5) & 149(1) of the Companies Act, 2013 read with rule 4 of the Companies (Appointment And Qualification Of Directors) Rules, 2014 and the SEBI (Listing Obligations and Disclosure Requirements) regulations, 2015, the Company is required to have Independent Directors & women Director on the Board of the Company. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were generally sent at least seven days in advance, however we have noted delay in sending agenda papers in few cases, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.

We further report that the systems and processes in the company require further strengthening and improvements, considering the size and operations of the company to enable effective monitoring and ensuring of compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the :

- 1) Ministry of Road Transport and Highways vide notification no. GSR - 643(E) dated 19.08.2015 amended Rule 115 of Central Motor Vehicles Rules, 1989 to provide that the Mass Emission Standards for Bharat Stage IV shall come into force all over the country in respect of vehicles manufactured on or after the 1st April, 2017. Hon'ble Supreme Court of India in I.A.NO. 487/2017, I.A. NO. 491/2017, I.A. NO. 494/2017, I.A. NO. 489/2017, I.A. NO. 495/2017 in Writ Petition(Civil) No.13029/1985 in M C



Mehta Vs. Union of India & Others vide order dated 29.03.2017 held that:

- a) On and from 1st April, 2017 such vehicles that are not BS-IV compliant shall not be sold in India by any manufacturer or dealer, that is to say that such vehicles whether two wheeler, three wheeler, four wheeler or commercial vehicles will not be sold in India by any manufacturer or dealer on and from 1st April, 2017.
- b) All the vehicle registering authorities under the Motor Vehicles Act, 1988 are prohibited for registering such vehicles on and from 1st April, 2017 that do not meet BS-IV emission standards, except on proof that such a vehicle has already been sold on or before 31st March, 2017.

**For Amit Gupta & Associates
Company Secretaries**

Amit Gupta

Proprietor

Membership No. : F5478

C.P. No. 4682

Date: 04.08.2017

Place: Lucknow

Note: This report should be read with the letter of even date by the Secretarial Auditors.



To,

The Members,

SCOOTERS INDIA LIMITED,

Lucknow - Kanpur Road, (16th Mile Store), Sarojini Nagar, Lucknow - 226 008, Uttar Pradesh, India

Our Report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about Form No. MGT. 9 the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Where ever required, we have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For Amit Gupta & Associates

Company Secretaries

Amit Gupta

Proprietor

Membership No. : F5478

C.P. No. 4682

Date: 04.08.2017

Place: Lucknow

**Form No. MGT. 9
Extract of Annual Return**

(As on the financial year ended on March 31, 2017)

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

I. REGISTRATION AND OTHER DETAILS:

- | | | |
|------|---|---|
| i. | CIN | L25111UP1972GOI003599 |
| ii. | Registration Date | 07th SEPTEMBER, 1972 |
| iii. | Name of the Company | SCOOTERS INDIA LIMITED |
| iv. | Category/Sub-Category of the Company | Public Company/Limited by shares |
| v. | Address of the Registered office and contact details | Sarojini Nagar, Lucknow - 226 008,
Phone No.: +91-522-2476242
Fax No.: +91-522-2476190
Email: companysecretary@scootersindia.com
Website: www.scootersindia.com |
| vi. | Whether listed company | Yes, on following exchanges:
1) BSE Limited.
2) Delhi Stock Exchange Limited (de-recognized w.e.f. 19.11.2014) |
| vii. | Name, Address and Contact details of Registrar and Transfer Agent | M/s. Skyline Financial Services P Limited,
D-153/A, First Floor,
Okhla Industrial Area, Phase - I,
New Delhi - 110020
Phone: 011-26812682
Fax: 011-26812681
Website: www.skylinerta.com |

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

The business activities contributing 10% or more of the total turnover of the Company is stated:-

Sr. No.	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the company
1	VIKRAM 3Wheeler	35913	94.89%
2	Spare Parts	35914	3.11%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and Address of The Company	CIN/GLN	Holding/ Subsidiary /Associate	% of shares held	Applicable Section
1.	NIL	NIL	NIL	NIL	NIL



IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i. Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year March 31, 2017				No. of Shares held at the end of the year March 31, 2016year				% Change during the
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A.Promoter	-	-	-	-	-	-	-	-	-
1) Indian	-	-	-	-	-	-	-	-	-
a) Individual/HUF	-	-	-	-	-	-	-	-	-
b) Central Govt.	37644029	42390000	80034029	93.74	37644029	42390000	80034029	93.74	NIL
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp	-	-	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A)(1)	37644029	42390000	80034029	93.74	37644029	42390000	80034029	93.74	NIL
2) Foreign	-	-	-	-	-	-	-	-	-
g) NRIs-Individuals	-	-	-	-	-	-	-	-	-
h) Other-Individuals	-	-	-	-	-	-	-	-	-
i) Bodies Corp.	-	-	-	-	-	-	-	-	-
j) Banks / FI	-	-	-	-	-	-	-	-	-
k) Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A)(2)	-	-	-	-	-	-	-	-	-
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	100	22150	22250	0.03	100	22150	22250	0.03	NIL
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt.(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	2250	2250	0.00	-	2250	2250	0.00	NIL
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (SNIF)	3361461	-	3361461	3.94	3361461	-	3361461	3.94	NIL
Sub-total(B)(1)	3361561	24400	3385961	3.97	3361561	24400	3385961	3.97	NIL

Category of Shareholders	No. of Shares held at the beginning of the year March 31, 2017				No. of Shares held at the end of the year March 31, 2016				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
2. Non Institutions	-	-	-	-	-	-	-	-	-
a) Bodies Corp.									
(i) Indian									
(ii) Overseas	119984	6549	126533	0.15	119285	6549	125834	0.15	0.00
b) Individuals									
(i) Individual share-holders holding nominal share capital upto Rs. 2 lakh	916704	676709	1593413	1.87	874034	672709	1546743	1.81	(0.07)
(ii) Individual share holders holding nominal share capital in excess of Rs 2 lakh	132630	-	132630	0.16	163433	-	163433	0.19	0.03
c) Others									
i) NRI	38685	-	38685	0.05	39739	-	39739	0.05	0.00
ii) Market Maker	-	-	-	-	-	-	-	-	-
iii) Others	71004	-	71004	0.08	86516	-	86516	0.10	0.02
Sub-total (B)(2)	1279007	683258	1962265	2.30	1283007	679258	1960286	2.30	NIL
Total Public Share holding (B)=(B)(1)+(B)(2)	4640568	707658	5348226	6.27	4644568	703658	5348226	6.27	NIL
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total	42284597	43097658	85382255	100	42288597	43093658	85382255	100	NIL


ii. Shareholding of Promoters

Sr. No	Shareholder's Name	Shareholding at the beginning of the year March 31, 2016			Shareholding at the end of the year March 31, 2017			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares pledged/ encumbered to total shares	No. of Share	% of total Shares of the company	% of pledged/ encumbered	
1.	President of India	80034029	93.74	-	80034029	93.74	-	NIL
	Total	80034029	93.74	-	80034029	93.74	-	NIL

iii. Change in Promoters' Shareholding: No Change

Sr. No	Name of Shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	President of India	80034029	93.74	80034029	93.74

iv. Shareholding pattern of top ten shareholders (other than directors and promoters)

Sl. No.	Name of shareholders	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	Special National Investment Fund	3361461	3.94		
	Opening balance				
	change	-	0.00	3361461	3.94
	Closing balance	3361461	3.94	3361461	3.94
2.	Sachin Ramesh Mahtre	86520	0.10		
	Opening balance				
	change	-	0.00	86520	0.10
	Closing balance	86520	0.10	86520	0.10
3.	MSPL Limited	54100	0.06		
	Opening balance				
	Change - 23.12.2016	(300)	0.00	53800	0.06
	31.03.2017 (1885)		51915		
	Closing balance	51915	0.06	51915	0.06
4.	Aditi Dilip Shete	31637	0.04		
	Opening balance				
	change	-	0.00	31637	0.04
	Closing balance	31637	0.04	31637	0.04
5.	Lal Tolani	37387	0.04		
	Opening balance				
	change	-	0.00	37387	0.04
	Closing balance	37387	0.04	37387	0.04



6.	Anil Ganeshmal Shah				
	Opening balance	14911	0.02		
	change	-	0.00	14911	0.02
	Closing balance	14911	0.02	14911	0.02
7.	Rajkumar Nema				
	Opening balance	14753	0.02		
	change	-	0.00	14753	0.02
	Closing balance	14753	0.02	14753	0.02
8.	Jitendra C Badiyani				
	Opening balance	13500	0.02		
	change	-	0.00	13500	0.02
	Closing balance	13500	0.02	13500	0.02
9.	Dhirendra Yadav				
	Opening balance	12701	0.01		
	change	-	-	12701	0.01
	Closing balance	12701	0.01	12701	0.01
10.	Manjulalta Senapati				
	Opening balance	0	0.00		
	change				
	Purchase (22/07/16)	10982		10982	0.01
	Sale (29/07/16)	-100		10882	0.01
	Purchase (07/10/16)	5028		15910	0.02
	Sale (21/10/16)	-100		15810	0.02
	Sale (11/11/16)	-100		15710	0.02
	Sale (13/01/17)	-100		15610	0.02
	Purchase (17/03/17)	200		15810	0.02
	Purchase (24/03/17)	1000		16810	0.02
	Purchase (31/03/17)	14024		30834	0.04
	Closing Balance	30834	0.04	30834	0.04

V. INDEBTEDNESS

Indebtedness of the Company is as follows:

Rs. In lakhs

	Secured Loans excluding deposits (Overdraft Against Fixed Deposits)	Unsecured Loans	Deposits	Total
i) Principal Amount	886.03	2189.00	NIL	3075.03
ii) Interest due but not paid	NIL	NIL	NIL	NIL
iii) Interest accrued but not due	NIL	NIL	NIL	NIL
Total (i+ii+iii)	886.03	2189.00	NIL	3075.03
Change in Indebtedness during the financial year				
- Addition	389.72	NIL	NIL	389.72
- Reduction	NIL	400.00	NIL	400.00
Net Change	389.72	(400.00)	NIL	(10.28)
Indebtedness at the end of the financial year March 31, 2017				
i) Principal Amount	1275.75	1789.00	-	3064.75
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	1275.75	1789.00	-	3064.75



VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl. No.	Particulars of Remuneration	Amount in INR		
		Rahul Bali, Director	Renati Sreenivasulu (CMD) (Technical)	Total
1.	Gross salary	1632881	1070669	2703550
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961			
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	389171	80628	469799
	(c) Profits in-lieu of salary under section 17(3) Income-tax Act, 1961			
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission - as % of profit - others			
5.	Others	-	-	-
	Total(A)	2022052	1151297	3173349
	Ceiling as per the Act	*N/A	*N/A	*N/A

*being a Government Company

B. Remuneration to other directors: No Remuneration/Sitting fees is paid to any other Director (including Non Executive Directors)

C. Remuneration to Key Managerial Personnel Other Than MD/Manager/WTD

Sr. No.	Particulars of Remuneration		Total
1.	Gross salary		
	a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961		
	b) Value of perquisites u/s 17(2) Income-tax Act, 1961		
	c) Profits in-lieu of salary under section 17(3) Income-tax Act, 1961		
2.	Stock Option	-	-
3.	Sweat Equity	-	-
4.	Commission		
	- as % of profit	-	-
	- others, specify...	-	-
5.	Others, please specify	-	-
	Total		

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

There are no penalties, punishments or compounding of offence on directors or on Company or any other officer in default for the year ended as on March 31, 2017.

For and on behalf of Board of Directors
Renati Sreenivasulu
DIN: 07634253
Chairman & Managing Director
Scooters India Limited, Lucknow -226008

Place: New Delhi
Date: August 04, 2017

Annexure - 7

Particulars of Employees

Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

(Amt. In Lakhs)

Name(s) of Whole time Directors	Designation	Remuneration in year 2016-17 (in Rs.)	Remuneration in year 2015-16 (in Rs.)	% increase in remuneration	Ratio of remuneration to median remuneration of employees	Ratio of the remuneration to Net Profit (2016-17)
Rahul Bali (up to 01.02.2017)	Director (T)	20.22	23.71	N.A	*487.23%	N.A.
Renati Sreenivasulu (w.e.f. 06.10.2016)	CMD	11.51	Nil	N.A	*277.35%	N.A.

* part of year employment only

(Amt. In Lakhs)

Name(s) of Independent Directors	Remuneration in year 2016-17	Remuneration in Year 2015-16 (In Rs.)	% increase in remuneration
NIL	NIL	NIL	NIL

(Amt. In Lakhs)

Name(s) of Independent Directors	Remuneration in year 2016-17 (In Rs.)	Remuneration in Year 2015-16 (In Rs.)	% increase in remuneration
NIL	NIL	NIL	NIL

(Amt. In Lakhs)

Name of KMP	Remuneration in Year 2016-17	Remuneration in year 2015-16	% increase in remuneration	Ratio of the remuneration to Net Profit (2016-17)
	-	-	-	-

- i. The median remuneration of employees in the year 2016-17 and 2015-16 is Rs. 414971 and Rs. 4,24,238.00 respectively. The percentage decrease in the median remuneration is 2.18%.
- ii. The Company has 259 number of permanent employees on the rolls of the Company as on the year ended at March 31, 2017.



- iii. The Company's Net Loss stood at Rs. 10.28 crores at the year ended as on March 31, 2017 as compared to Profit of Rs. 5.48 crores for the year ended on March 31, 2016. The percentage of growth in the Net profit of the Company is (-) 287.59%. The growth in the remuneration of WTD and KMP was Nil % & Nil% respectively in year 2017 as compared to 2016. The increase in remuneration was as per DPE guidelines.
- iv. Variation in the Market Capitalisation and Price Earnings ratio as at the closing of current year 2017 and previous year 2016 are as under.

	2016-17	2015-16
Market Cap	34154.20 lacs	21985.93 lacs
Price Earnings Ratio	Nil	40.23

- v. During the year under report, no employee received remuneration in excess of highest paid directors.
- vi. There were no employees during the year under report whose disclosure is required under rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

FORM NO. AOC. 2**Particulars of contracts/arrangements entered with related parties**

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

This form discloses the particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto.

1. Details of contracts or arrangements or transactions not at arm's length basis:

There are no contracts or arrangements entered during the year under report, which were not at arm's length basis.

2. Details of material contracts or arrangement or transactions at arm's length basis:

The contracts or arrangements entered during the year under report at arm's length basis are as follows:

Name(s) of the related party	Nature of relationship Arrangement/ Transaction	Nature of contract/ Arrangement/ Transaction	Duration of the contract/	Salient terms	Amount
NIL	NIL	NIL	NIL	NIL	NIL

For and on behalf of Board of Directors

Renati Sreenivasulu

DIN: 07634253

Chairman & Managing Director

Scooters India Limited, Lucknow -226008

Place: New Delhi

Date: August 04, 2017

Balance Sheet as at 31st March, 2017

Particulars	Note No.	AS AT	AS AT
		31.03.2017	31.03.2016
		₹ in Lakhs	₹ in Lakhs
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	2	8,538.39	8,538.39
(b) Reserves and Surplus	3	304.02	1,331.69
(2) Non-Current Liabilities			
(a) Long-term borrowings	4	1,389.00	1,789.00
(b) Other Long term liabilities	5	206.82	207.52
(c) Long term provisions	6	258.93	396.73
(3) Current Liabilities			
(a) Short-term borrowings	7	1,275.75	886.03
(b) Trade payables	8	1,960.91	2,518.74
(c) Other current liabilities	9	1,590.51	1,885.83
(d) Short-term provisions	10	255.21	254.37
Total		15,779.54	17,808.30
II. Assets			
(1) Non-current assets			
(a) Fixed assets	11		
(i) Tangible assets		1,097.23	1,112.74
(ii) Capital work-in-progress		30.85	151.33
(b) Non-current investments	12	-	-
(c) Deferred tax assets (net)	13	-	-
(d) Long term loans and advances	14	100.36	98.29
(2) Current assets			
(a) Inventories	15	6,605.48	8,049.46
(b) Trade receivables	16	78.21	114.57
(c) Cash and Bank Balances	17	5,280.57	5,613.60
(d) Short-term loans and advances	18	2,483.16	2,539.82
(e) Other current assets	19	103.68	128.49
Total		15,779.54	17,808.30

Accompanying Notes 1 to 48 are an integral part of the Financial Statements

(R.S. Tiwari)
HOD (Finance)

(A.M. Manichan)
Director
DIN - 7046352

(R. Sreenivasulu)
Chairman and Managing Director
DIN - 07634253

In terms of our report of even date
For D.S.Shukla & Co.
FR No. - 000773C
Chartered Accountants

Place: Lucknow
Date: 29th May 2017

(Shreeharsh Shukla)
M. No.- F408990


Profit and Loss Statement for the Year Ended 31st March, 2017

	Note No.	Year Ended 31.03.2017 ₹ in Lakhs	Year Ended 31.03.2017 ₹ in Lakhs
I. Revenue from operations			
Gross Sales	20	10,855.44	15,204.15
Less: Excise Duty		1,211.11	1,301.12
Net Sales		9,644.33	13,903.03
II. Other Operating Revenue	21	-	6.42
III. Other Income	22	422.76	953.66
IV. Total Revenue (I +II+III)		10,067.09	14,863.11
V. Expenses:			
Cost of materials consumed	23	5,440.83	7,635.11
Cost of sales at petrol pump	23	208.54	1,379.75
(Accretion)/Decretion to Stock	24	983.12	51.09
Employee benefit expense	25	3,211.66	3,665.78
Depreciation	11	164.28	189.22
Finance Cost	26	80.86	135.12
Other expenses	27	981.88	1,238.68
Prior year items	28	0.86	-
	Total	11,072.03	14,294.75
Less: Expenditure included in above capitalized		3.26	8.90
VI. Total Expenses		11,068.77	14,285.85
VII. Profit before tax (IV - V)		(1,001.68)	577.26
VIII. Tax expense: 29			
(1) Current tax		-	28.88
(2) Deferred tax		-	-
(3) Income Tax pertaining to Previous Years		25.99	
IX. Profit/(Loss) for the period (VI - VII)		(1,027.67)	548.38
X. Earning per equity share:			
(1) Basic	30	(1.20)	0.64
(2) Diluted	30	(1.20)	0.64

Accompanying Notes 1 to 48 are an integral part of the Financial Statements

(R.S. Tiwari)
HOD (Finance)

(A.M. Manichan)
Director
DIN - 7046352

(R. Sreenivasulu)
Chairman and Managing Director
DIN - 07634253

In terms of our report of even date
For D.S.Shukla & Co.
FR No. - 000773C
Chartered Accountants

Place: Lucknow
Date: 29th May 2017

(Shreeharsh Shukla)
M. No.- F408990

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2017
PURSUANT TO CLAUSE 32 OF THE LISTING AGREEMENT**

Particulars	Year Ended 31.03.2017 ₹ in Lakhs	Year Ended 31.03.2016 ₹ in Lakhs
Cash flow from operating activities :		
Net Profit/(Loss) before Tax	(1,001.68)	577.26
Adjustment for :		
- Depreciation		
(i) For Current Year	164.28	189.22
(ii) For Prior Period	-	-
-Prior Year items	-	-
-Loss Written off	-	-
-Provision for Loss in Value of Investment	-	-
-Provision / Written off for Doubtful Debts	25.59	0.39
-Provision for Inventory Obsolescence	-	8.42
-Excess Provision Written Back	(10.99)	(308.11)
-Interest Income	(374.16)	(616.38)
-Interest Paid	80.86	135.12
-(Profit)/Loss in exchange rate change	-	-
-(Profit)/Loss on sale of fixed assets	-	(591.34)
Operating profit before working capital changes	(1,116.10)	(14.08)
Adjustment for :		
-Trade receivables	10.81	51.72
-Inventories	1,452.48	132.48
-Other current assets	24.81	46.50
-Long Term Loans & advances	(2.07)	(48.64)
-Short Term Loans & advances	56.66	(678.43)
-Other Long Term Liabilities	(0.70)	(1.50)
-Trade payables	(555.44)	(557.37)
-Other Current Liabilities	(320.26)	117.04
-Capital Reserve	-	-
-Provisions	(136.96)	(187.96)
Cash generated/(loss) from operations :	(586.77)	(1,140.24)
Less Taxes Paid;		
Provision for Income Tax	25.99	28.88
Net cash from operating activities	(612.76)	(1,169.12)
Cash flow from Investing activities		
-Increase in fixed assets / capital expenditure	(28.29)	(165.17)
-Sale/ Adjustments of fixed assets	-	-
- Interest Income	374.16	616.38
- Other Fixed deposit with banks realised/(made)	(238.87)	93.22
-(Loss)/Gain in exchange rate	-	-
Net cash used in investing activities	107.00	544.43
Cash flow from financing activities		
-Interest paid	(80.86)	(135.12)
-Increase in share capital	-	-
- Repayment of term loan to G.O.I	(400.00)	-
-Receipt of long term loan from-G.O.I.	-	-
-Settlement of GOI Loan	-	-
-Viability Gap Funding from MNRE	25.00	-
-(Decrease)/ Increase in cash credit limits	389.72	(173.91)



Net cash used in financing activities	(66.14)	(309.03)
Net increase / (decrease) in cash and cash equivalents	(571.90)	(933.72)
Cash and cash equivalents (Opening balance)	2,556.09	3,489.81
Cash and cash equivalents (Closing balance)	1,984.19	2,556.09

Notes to the Cash Flow Statement

1. Cash Flow Statement has been prepared on Indirect Method as per Accounting Standard 3 on Cash Flow Statement issued by Institute of Chartered Accountants of India

2. Cash and Cash Equivalent:

	(₹ in lakhs)	
Cash and cash equivalents	2016-17	2015-16
Cash in hand	1.05	1.89
Cheques in hand	-	-
Balance with Banks		
Current accounts	23.27	97.86
Deposit with Bank with original maturity of less than 3 months	1959.87	2456.34
	1984.19	2556.09

(R.S. Tiwari)
HOD (Finance)

(A.M. Manichan)
Director
DIN - 7046352

(R. Sreenivasulu)
Chairman and Managing Director
DIN - 07634253

In terms of our report of even date
For D.S.Shukla & Co.
FR No. - 000773C
Chartered Accountants

Place: Lucknow
Date: 29th May 2017

(Shreeharsh Shukla)
M. No.- F408990



Annexed to and forming part of the Accounts

Note No.- 1

ACCOUNTING POLICIES

1. SYSTEM OF ACCOUNTING:

(i) Basic assumptions:

The accounts have been prepared under historical cost convention on accrual basis and as per applicable Mandatory Accounting Standards.

(ii) Going concern:

Accounts have been prepared on the principle applicable to a going concern.

(iii) Use of Estimates:

The preparation of financial statements requires management to make certain estimates and assumptions that affect the amounts reported in the financial statement and notes thereto. Differences between actual results and estimates are recognized in the period in which they materialize.

(iv) All assets & liabilities has been classified as current & non-current as per Company's normal operating cycle & other criteria set out in the Schedule III of Companies Act 2013.

2. a) FIXED ASSETS:

(i) Fixed Assets are stated at original cost and are inclusive of all expenses to bring them to a state of use.

(ii) Land is valued at original cost.

(iii) The cost of the leasehold land is amortized over the lease span.

(iv) The tools manufactured departmentally costing individually Rs.5000 and below and/ or having estimated average useful life of 5 years and below being of consumable nature are accounted for as revenue expenditure under relevant natural heads

(v) Construction period expenses exclusively attributable to projects are capitalized.

b) LEASE RENTALS:

Rental expenses in respect of Leased premises and equipment are charged to the Statement of Profit and Loss.

Rental incomes on assets given on operating lease on an accrual basis over the lease term are recognized in the Statement of Profit and Loss.

c) BORROWING COST:

Borrowing cost directly attributable in relation to acquisition, construction of assets that takes substantial period of time to get ready for its intended use are capitalised as part of the cost of such assets upto the date when such assets are ready for intended use. Other borrowing costs are charged as expenses in Profit & Loss Account in the year in which they are incurred.



d) **INTANGIBLE ASSETS:**

Intangible assets are stated at cost of acquisition less accumulated amortization. Technical Knowhow is amortised over the useful life of the underlying plant. Computer Software is amortised over a period of 5 years. Amortisation is done on straight line basis

e) **IMPAIRMENT OF FIXED ASSET:**

The carrying values of fixed assets of the identified cash generating units (CGU) are reviewed for impairment at each Balance Sheet date. When events or changes in circumstances indicate that the carrying values may not be recoverable and the carrying amount exceeds the estimated recoverable amount, the assets of the CGU are written down to the recoverable amount and the impairment loss is recognized in the profit and loss account.

3. DEPRECIATION:

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

Depreciation on other tangible fixed assets is charged on straight-line method in accordance with Schedule II of Companies Act 2013, as amended from time to time, except

- (a) Plant, Machinery, Equipment, and Jigs & Fixtures costing individually Rs. 5000 and below are depreciated fully in the year of purchase.
- (b) In case of tools where average estimated useful life is greater than five years but less than ten years, depreciation is charged @ 20% as was being done prior to introduction of Schedule II.

Depreciation is not provided on assets which have been declared surplus and are not in use. These are distinctively shown under Fixed Assets at net realizable value.

4. INVESTMENTS:

- (i) Current Investments are valued at cost or market value whichever is lower.
- (ii) Non Current Investments are valued at cost. However, in case of permanent diminution in the value of investments, suitable provision is made in the books of accounts.
- (iii) Income from dividend is recognized in books of accounts when the right to receive such dividend is established.

5. INVENTORIES:

- (i) Raw materials, components, stores & spares, tools, consumables and other stocks are valued at cost (net of CENVAT) determined on FIFO Basis. Scrap and disposable goods are valued at estimated realizable value.
- (ii) Stock-in-trade is valued at lower of cost or net realizable value.
- (iii) Work-in-progress is valued at cost. Where the jobs are in progress their conversion cost is taken at 50% of the standard cost regardless of the stage of completion. Completed jobs including jobs pending inspection are valued at cost or realizable



value whichever is less.

- (iv) Customs duty on bonded material is allocated to the cost of goods and equipment.
- (v) Expenditure on stationery, uniform, medicine etc. is charged off to revenue at the time of receipt. But the stock remaining at the year end are credited to the revenue account at cost and shown as closing stock.

6. DUTIES ON BONDED STOCK:

Excise duty on finished stocks lying in bond is provided for, on the assessable value applicable for each product.

7. PROVISIONS

a) PROVISION FOR REDUNDANCY/OBSOLESCENCE:

A general provision for redundancy is made at 0.5% of the value of closing inventory of raw materials and components, stores and spares and loose tools and consumables. Wherever necessary, additional provision for redundancy/Obsolescence of inventory is made in individual cases keeping in view estimated realizable value.

b) PROVISION FOR DOUBTFUL DEBTS:

As a measure of conservatism generally provision is being made for Debtors where there is no transaction for three years or where the company has initiated legal case against defaulting debtors.

c) PROVISION FOR WARRANTY CLAIMS:

The estimated liability for product warranties is recorded when products are sold. These estimates are established using historical information on the nature, frequency and average cost of warranty claims and management estimates regarding possible future incidence based on corrective actions on product failures. The timing of outflows will vary as and when warranty claim will arise.

The Company accounts for the provision for warranty on the basis of the information available with the Management duly taking into account the current and post technical estimates.

8. CENVAT:

Cenvat credit on eligible Revenue / Capital purchase is taken on receipt of such materials.

9. SALES:

Sales are set up as per the Sale of Goods Act. They represent value of goods sold at the ex-factory price plus incidentals like freight, insurance etc. embedded in the sale price.

10. ACCOUNTING FOR INCOME AND EXPENDITURE:

Income and expenditure are accounted for in the current year on accrual basis under natural heads of account.

**11. FOREIGN EXCHANGE VARIATION:**

All transactions denominated in foreign currencies are translated at the rate of exchange on the day of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling on the balance sheet date. Exchange differences arising on foreign currency transactions at the time of translation or settlement are included in the profit and loss account.

12. RETIREMENT BENEFITS:

Contribution to Provident Fund is made to the company's provident fund trust. The fund is compared to aggregate liability and shortfall if any is additionally contributed by the company and recognized as expenses.

Gratuity and Leave Encashment liability is ascertained on actuarial valuation. However, any excess/deficit in funds managed by LIC in case of Gratuity as compared to the actuarial liability is recognized as asset/liability immediately and the consequent gain/loss arising from such valuation is charged to revenue in the year in which they arise.

Leave encashment for retiring employees is being settled by the Company through its own resources & the company does not maintain fund with LIC for the same. The excess/deficit in actuarial valuation is recognized as assets/liabilities immediately and consequent gain/loss arising from such valuation is charged to revenue in the year in which they arise.

13. RESEARCH AND DEVELOPMENT:

Expenditure relating to product approvals including type approvals, consistency of production approvals from testing agencies and materials specifically procured for development of products are charged as Research & Development Expenses and other expenditure of Research and Development are charged off to the Profit and Loss Account under natural heads of accounts. Expenditure which results in creation of capital asset is taken to fixed assets and depreciation is provided as applicable. Prototype vehicles submitted to testing agencies are booked under finished goods.

14. ACCOUNTING OF GOVERNMENT GRANT:

- (i) Government Grant of revenue nature is accounted for in the Profit and Loss Account under the head other income to the extent the expenditure is charged to revenue as and when incurred.
- (ii) In case of any specific Government grant the treatment in the books of accounts is made on the basis of specific stipulation for the same

15. JOBS DONE FOR INTERNAL USE:

Jobs done for internal use are valued on the basis of technical estimates of material and conversion cost and are distinctly shown as a consolidated deduction from expenditures included in Profit & Loss Account.

16. TAXES ON INCOME:

Provision for current tax is made in accordance with the provisions of the Income Tax Act, 1961.

Deferred Tax on account of timing difference between taxable income and accounting income is provided considering the tax laws enacted or substantively enacted up to the Balance Sheet date.

17. PROPOSED DIVIDEND

Dividend is provided in the books of accounts as proposed by the Board of Directors, pending approval at the Annual General Meeting.

18. CONTINGENT LIABILITIES AND COMMITMENTS:

- A. Show Cause Notices issued by various Government Authorities are not considered as Obligation.
- B. When the demand notices are raised against such show cause notices and are disputed by the Company, these are classified as disputed obligations.
- C. The treatment in respect of disputed obligations, in each case, are as under:
 - a) a provision is recognised in respect of present obligations where the outflow of resources is probable;
 - b) all other cases are disclosed as contingent liabilities unless the possibility of outflow of resources is remote.

D. Capital Commitments:

Estimated amount of contracts remaining to be executed on capital accounts are considered for disclosure.

Note No.- 2

Share Capital

	As at 31.3.2017 ₹ In Lakhs	As at 31.3.2016 ₹ In Lakhs
Authorised Capital 25,00,00,000 Equity Shares (Previous Year 25,00,00,000) of ₹ 10 each.	<u>25,000.00</u>	<u>25,000.00</u>
Issued Capital 8,53,85,500 Equity Shares (Previous year 8,53,85,500) of ₹ 10 each	<u>8,538.55</u>	<u>8,538.55</u>
Subscribed and Fully Paid up Capital 8,53,82,255 Equity Shares* (Previous year 8,53,82,255) of ₹ 10 each	<u>8,538.23</u>	<u>8,538.23</u>
Forfeited Shares	<u>0.16</u>	<u>0.16</u>
	<u>8,538.39</u>	<u>8,538.39</u>



*Of the subscribed and paid up capital 9,05,000 shares(Previous year 9,05,000 shares) of ₹10 each allotted to the Government of India during 1972-73 &1975-76 as fully paid pursuant to a contract without payment being received in cash.

- a. The reconciliation of the number of shares outstanding as on 31 st March 2017 are as follows :

Particulars	Equity Shares	
	Number	₹
Shares outstanding at the beginning of the year	85,385,500.00	8,538.55
Shares Issued during the year	-	-
Shares outstanding at the end of the year	85,385,500.00	8,538.55

31900000 shares at ₹ 10/- each has been issued during financial year 2013-14 under reference against receipt of ₹ 3190.00 lakhs for CAPEX in terms of Revival package sanctioned by Cabinet Committee of Government of India.

- b. Shares in the company held by each shareholder holding more than 5 percent shares specifying the number of shares held are as follows:

Name of Shareholder	As at 31 March 2017		As at 31 March 2016	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Government of India	80034029	93.74	80,034,029.00	93.74

- c. Terms/Rights attached to Equity Shares

The company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share.

Note No.- 3

Reserves and Surplus

	As at 31.3.2017 ₹ In Lakhs	As at 31.3.2016 ₹ In Lakhs
Reserves		
Capital Reserve *	4.90	4.90
	<u>4.90</u>	<u>4.90</u>

Surplus

Opening Balance	1,326.79	778.41
Less: Depreciation Adjustment as per Companies Act 2013	-	-
	<u>1,326.79</u>	<u>778.41</u>
Add: Net Profit/(Loss) During The Year	(1,027.67)	548.38
Closing Balance	<u>299.12</u>	<u>1,326.79</u>
	<u>304.02</u>	<u>1,331.69</u>

*Share forfeiture adjustment during 1980-81 was ₹ 4.90 lakhs

Note No.- 4
Long Term Borrowings

	As at 31.3.2017 ₹ In Lakhs	As at 31.3.2016 ₹ In Lakhs
Unsecured Loan from Related Party	1,389.00	1,789.00
Loans from Government of India*	<u>1,389.00</u>	<u>1,789.00</u>

*Refer Note No. 46

Note No.- 5
Other Long Term Liabilities

	As at 31.3.2017 ₹ In Lakhs	As at 31.3.2016 ₹ In Lakhs
Trade Payable	-	-
Other Payable:		
Advances	1.90	1.90
Security Deposits	204.92	205.62
	<u>206.82</u>	<u>207.52</u>

In absence of information from all the vendors with regard to their registration (filing of memorandum) under The Micro, Small Medium Enterprises Development Act, 2006, the information is NIL.

**Note No.- 6****Long Term Provisions**

	As at 31.3.2017 ₹ In Lakhs	As at 31.3.2016 ₹ In Lakhs
Provision for Retirement Benefits		
Gratuity	-	-
Leave Encashments	258.93	396.73
	258.93	396.73

- a. Liability for Gratuity & Leave Encashment has been determined by an actuary, appointed for the purpose, in conformity with the principles set out in Accounting Standard 15 the details of which are given in Note No. 39.

Note No.- 7**Short Term Borrowings**

	As at 31.3.2017 ₹ In Lakhs	As at 31.3.2016 ₹ In Lakhs
Secured		
Loans and advances from Banks *		
Indian Overseas Bank	1,275.75	886.03
	1,275.75	886.03

*Overdraft facility from Indian Overseas Bank are secured by hypothecation of inventories/book debts/fixed deposits. The overdraft is repayable on demand & carries interest as notified by bank from time to time.

Note No.- 8**Trade Payables**

	As at 31.3.2017 ₹ In Lakhs	As at 31.3.2016 ₹ In Lakhs
Acceptances	358.97	487.37
Other Trade Payable	358.97	487.37

MSME	1.80	-
Other Payables*	1,600.14	2,031.37
(comprising of Sundry Creditors (General, Ancilliary and Others)	<u>1,601.94</u>	<u>2,031.37</u>
	<u>1,960.91</u>	<u>2,518.74</u>

*In absence of information from vendors with regard to their registration (filing of memorandum) under The Micro, Small Medium Enterprises Development Act, 2006, the information is NIL.

Note No. - 9

Other Current Liabilities

	As at 31.3.2017 ₹ In Lakhs	As at 31.3.2016 ₹ In Lakhs
Advances and Deposits @	153.96	109.57
Unspent Balance against Workmen Housing Colony*	41.99	41.45
Other Liabilities and Payables** (Comprising of Salary & Wages, Liability for Expenses and Grants)	994.56	1,334.81
	<u>1,190.51</u>	<u>1,485.83</u>
Related Party Current Maturities of Long Term Loan From GOI***	400.00	400.00
	<u>400.00</u>	<u>400.00</u>
	<u>1,590.51</u>	<u>1,885.83</u>

@ Include ₹ 1.26 lakhs (Previous year ₹ 1.26 lakhs) on account of advance deposited by workmen for allotment of House in Workmen's Colony.

*Refer Note No. 31 (v). The details are as follows:

Amount recovered so far from workmen	148.03	147.49
Less : Expenditure on Workmen's Housing Colony	<u>106.04</u>	<u>106.04</u>
	<u>41.99</u>	<u>41.45</u>

**Includes Payable to Workmen Housing Colony ₹ 3.94 lakhs (Previous Year ₹ 3.87 lakhs).

***Scooters India Ltd. has been allotted 1MW of grid connected Solar PV Power project under scheme of Ministry of New & Renewal Energy with viability gap funding (VGF). The first tranche of Rs. 25 lakhs of Rs. 50 lakhs as VGF has been sanctioned & released to the



company under the scheme during the current financial year 2016-17. The remaining gap funding shall be received after completion certificate is obtained and compliance of other stipulations.

*** Refer Note No. 46

Note No.- 10

Short Term Provision

	As at 31.3.2017 ₹ In Lakhs	As at 31.3.2016 ₹ In Lakhs
Provision for Retirement Benefits		
Gratuity	-	-
Leave Encashments	182.73	215.59
	182.73	215.59
Provision for Others		
Warranty	17.60	9.90
Income Tax	54.88	28.88
	255.21	254.37
a. Liability for Gratuity & Leave Encashment has been determined by an actuary, appointed for the purpose, in conformity with the principles set out in Accounting Standard 15 the details of which are given in Note No. 39		
b. The details of provision for warranty are given below:		
		(₹ In Lakhs)
Particulars	2016-17	2015-16
Opening Balance	9.90	9.01
Add: Provision for the year (net) including additional/less provision for earlier years	8.51	5.45
Total	18.41	14.46
Less: Payment/Debits	0.81	4.56
Closing Balance	17.60	9.90

c. The tax expenses of ₹ 25.99 lakhs relates to previous financial year 2015-16. The Company provided for income tax liability of ₹ 28.88 lakhs in the annual accounts of Financial Year 2015-16, the tax liability upon filling of Income tax return was assessed to ₹ 54.88 lakhs difference of ₹25.99 lakhs towards short provision has been recognised as Income tax for earlier years during the financial year 2016-17.



**Note No.- 11
Fixed Assets**

DESCRIPTION	GROSS BLOCK AT COST						ACCUMULATED DEPRECIATION					NET BLOCK	
	AS AT 01.04.2016	Additions during the year			AS AT 31.03.2017	AS AT 01.04.2016	FOR THE YEAR	Retained Earnings	Impairment Loss/ Reversal of Impairment Loss	AS AT 31.03.2017	AS AT 31.03.2017	AS AT 01.04.2016	
		Acquisition through Business Combina- tion	Other Addition	Total Addition during the year									Deduction/ Adjustment/ Transfer
A Tangible Assets													
Lease Hold Land*	12.58	-	-	-	12.58	5.94	0.14	-	-	6.08	6.50	6.64	
Building (including,Roads Services & Tubewell	405.10	-	0.42	0.42	405.52	352.57	1.25	-	-	353.82	51.70	52.53	
Plant and Machinery	2,799.23	-	144.46	144.46	2,943.69	2,085.00	114.87	-	-	2,199.87	743.82	714.23	
Special Tools	1,863.17	-	3.26	3.26	1,866.43	1,675.40	26.43	-	-	1,701.83	164.60	187.77	
Handling Equipment	113.32	-	0.63	0.63	113.32	102.04	0.91	-	-	102.95	10.37	11.28	
Furniture & Fixtures	326.21	-	0.63	0.63	326.84	305.01	3.80	-	-	308.81	18.03	21.20	
Office Equipments	61.03	-	-	-	61.03	58.24	0.09	-	-	58.33	2.70	2.79	
Electrical Equipments Installation & Fittings	238.06	-	-	-	238.06	178.52	8.94	-	-	187.46	50.60	59.54	
Vehicles	154.17	-	-	-	154.17	100.21	7.85	-	-	108.06	46.11	53.96	
TOTAL	5,972.87	-	148.77	148.77	6,121.64	4,862.93	164.28	-	-	5,027.21	1,094.43	1,109.94	
B Assets Not in Use**	54.18	-	-	-	54.18	51.38	-	-	-	51.38	2.80	2.80	
B Intangible Assets													
C Capital Work in Progress													
Capital items awaiting installation													
-Tangible	18.92	-	0.15	0.15	17.20	-	-	-	-	-	17.20	18.92	
- Intangible	8.92	-	-	-	8.92	-	-	-	-	-	8.92	8.92	
Construction work in progress	4.73	-	-	-	4.73	-	-	-	-	-	4.73	4.73	
Assets under inspection	118.76	-	-	-	118.76	-	-	-	-	-	118.76	118.76	
TOTAL	151.33	-	0.15	0.15	30.85	-	-	-	-	-	30.85	151.33	
D Intangible Assets Under Development													
	-	-	-	-	-	-	-	-	-	-	-	-	

Amount in ₹ lakhs

Note : 1. Amount of Borrowing Cost Capitalised during the year is NIL (Previous Year - NIL)

2. Plant, Machinery, Equipment, and Jigs & Fixtures costing individually Rs. 5000 and below are depreciated fully in the year of purchase. In case of tools where average estimated useful life is greater than five years but less than ten years, depreciation is charged @20% as was being done prior to introduction of Schedule II.

3. During the financial year 2015-16, the componentization on Fixed Asset has been carried out in accordance with provision of The Companies Act 2013, the impact of which is nil.

* The land has been taken on lease for a period of 90 years ie. 125.29 acres w.e.f. 5th October, 1974 & 22.209 acres w.e.f. 10th August, 1976.

** The Fixed Assets amounting to ₹ 41.53 lakhs in which are not in active use has been recorded at its book value which is lower of its net realizable value in the financial year 2015-16.

**Note No.- 12****Non Current Investments**

	As at 31.3.2017 ₹ In Lakhs	As at 31.3.2016 ₹ In Lakhs
Investment at cost (Unquoted fully paid)		
UP Instruments Limited		
1,55,030 Equity Shares (Previous Year 1,55,030 Equity Shares) of ₹ 10 each	15.50	15.50
UP Tyres & Tubes Limited		
5,22,800 Equity Shares (Previous Year 5,22,800 Equity Shares) of ₹ 10 each	52.28	52.28
Co-operative Electric Supply Society Limited		
5,700 Equity Shares (Previous Year 5,700 Equity Shares) of ₹ 10 each	0.57	0.57
	68.35	68.35
Less : Provision for estimated loss in value	68.35	68.35

- a. The Government of India approved participation in the equity share capital of M/s U.P. Instruments Ltd. (A State Government Undertaking) to the extent of ₹ 15.68 Lakhs, i.e., 49% of equity share capital and the Company/Nominees have so far invested ₹ 15.50 lakhs towards equity share capital (Previous year ₹ 15.50 lakhs). The Company has been intimated that all assets including land, building and plant & machinery of UPIL has been sold through Committee constituted by U.P State Government. Accordingly, the possible loss for the investment of ₹ 12.71 lakhs during 1996-1997 & ₹ 2.79 lakhs during 2004-2005 has been provided for in the Accounts.
- b. The Government of India approved participation in the equity shares of M/s UP Tyres & Tubes Ltd.(UPTT) (A State Government Undertaking) to the extent of ₹ 52.28 lakhs, i.e., 49% of their equity share capital and the Company/Nominees have so far invested ₹ 52.28 lakhs towards equity share capital (Previous year ₹ 52.28 lakhs). As the net worth of UPTT has become negative, the estimated realisable value of the shares is considered as Nil. Accordingly, possible loss in the investment (₹ 52.28 lakhs) has been provided for in the Accounts during 1996-1997.
- c. The company invested ₹ 0.57 lakh in the shares of The Co-operative Electric Supply Society Limited in the year 1984. In absence of any information regarding the net worth of the company, a provision for the same has been made in the year 2006-2007.

Note No.- 13
Deffered Tax Assets

	As at 31.3.2017 ₹ In Lakhs	As at 31.3.2016 ₹ In Lakhs
(A) Deferred tax liability		
On account of timing difference with regard to depreciation.	204.64	151.59
Total A	<u>204.64</u>	<u>151.59</u>
(B) Deferred tax Assets		
On account of timing difference with regard to disallowance of provision in Income Tax.	239.14	212.85
On account of timing difference with regard to unabsorbed depreciation, scientific research expenditure and carry forward losses	2,309.87	2,000.35
Total B	<u>2,549.01</u>	<u>2,213.20</u>
Deferred Tax Assets (B-A)	<u>2,344.37</u>	<u>2,061.61</u>

In consideration of prudence, the above deferred tax assets aggregating to ₹ 2344.37 lakhs (Previous Year ₹ 2061.61 lakhs) has not been recognized by the Company in the financial statements in the current year, since it is not virtually certain whether the Company will have sufficient taxable income in near future against which such deferred tax assets can be realized. The same would be considered at appropriate time keeping in view the availability of sufficient future taxable income against which Deferred Tax Assets can be realized.

Note No.- 14
Long Term Loans and Advances

	As at 31.3.2017 ₹ In Lakhs	As at 31.3.2016 ₹ In Lakhs
(Advances recoverable in cash or kind or for value to be received)		
1 Unsecured considered good :		
a) Deposits	81.09	80.81
b) Others	19.27	17.48
2 Unsecured Considered doubtful	4.07	4.07
	<u>104.43</u>	<u>102.36</u>
Less : Provision for doubtful advances	4.07	4.07
	<u>100.36</u>	<u>98.29</u>

**Note No.- 15****Inventories**

	As at 31.3.2017 ₹ In Lakhs	As at 31.3.2016 ₹ In Lakhs
Raw Materials and Components*	1,453.55	1,818.56
Stores and Spares	238.13	240.93
Loose Tools and Consumables*	434.70	487.27
Work-in-progress @	875.40	2,414.10
Finished goods @	3,449.73	2,919.65
Material-in-transit	1.99	26.12
Material under Inspection	3.51	2.85
Disposal Stores	297.21	271.71
Other Stocks #	8.68	34.18
	<u>6,762.90</u>	<u>8,215.37</u>
Less : Provision for Inventory Obsolescence	135.79	144.28
Provision for material lying with sub Contractor doubtful of recovery	21.63	21.63
	<u>6,605.48</u>	<u>8,049.46</u>

*Raw - materials, loose tools and consumables lying with sub - contractors amount to ₹ 32.72 lakhs (Previous year ₹ 43.14 lakhs). The Company held no security in respect of material lying with third parties/contractors to the tune of ₹ 32.72 lakhs (Previous year ₹ 43.14 lakhs.)

Other Stocks includes Petrol Pump of ₹ 0.14 lakhs (PreviousYear ₹ 25.04 lakhs)

@ Refer Note No. 45

a. Provision available for material doubtful of recovery is ₹ 21.63 lakhs (Previous year ₹ 21.63 lakhs).

Note No.- 16
Trade Receivables

	As at 31.3.2017 ₹ In Lakhs	As at 31.3.2016 ₹ In Lakhs
Unsecured		
(i) Debts outstanding for a period exceeding 6 months from the date it becomes due		
a) Considered good	56.50	70.85
b) Considered doubtful	418.71	407.51
	<u>475.21</u>	<u>478.36</u>
(ii) Other debts considered good	<u>21.71</u>	<u>43.72</u>
	496.92	522.08
Less : Provision for doubtful debts	<u>418.71</u>	<u>407.51</u>
	<u>78.21</u>	<u>114.57</u>

- (i) b). Legal proceedings are in progress for recovery of outstanding in case of 35 parties, the amount involved, as on 31-3-2017 is ₹ 406.69 Lakhs (Previous year 36 parties amounting to ₹ 406.87 lakhs) against which provision has been made. The company has also initiated legal proceeding against FWL for recovery of royalty dues and protection of SIL rights in Lambretta Trademark and expenditure of ₹ 39.78 lakhs (previous year ₹ 42.07 lakhs) has been incurred during the year under report.
- (ii) Other debts considered good includes amount of ₹ 9.19 lakhs (previous year ₹ 34.55 lakhs) outstanding against M/s Amausi Motors Limited, Lucknow and ₹ 8.26 lakhs (previous year ₹ 11.56 lakhs) outstanding against M/s Sarvanan Auto Works, Chennai. M/s Amausi Motors Limited, Lucknow has entered into arrangement with the Company to settle the outstanding as on 31.03.2003 amounting to ₹ 162.51 lakhs in a piecemeal manner wherein the Company has recovered a total of ₹ 153.32 lakhs out of which ₹ 25.36 lakhs (previous year ₹ 18.07 lakhs) recovered during the financial year 2016-17 and balance is recoverable in the coming years. The Company recovered ₹ 3.30 lakhs (previous year ₹ 3.60 lakhs) from Sarvanan Auto Works, Chennai and balance is recoverable in the coming years.

**Note No.- 17****Cash and Bank Balances**

	As at 31.3.2017 ₹ In Lakhs	As at 31.3.2016 ₹ In Lakhs
Cash and Cash Equivalents		
Cash in hand #	1.05	1.89
Cheques in hand	-	-
Balance with Banks		
Current accounts	23.27	97.86
Deposit with Bank with original maturity of less than 3 months*	1,959.87	2,456.34
	<u>1,984.19</u>	<u>2,556.09</u>
Other Bank Balances		
Fixed deposits with banks held as margin money or security against borrowings, guarantees and other commitments	3,281.74	3,042.93
Deposit with Bank with original maturity of less than 12 months held for other commitments**	14.64	14.58
	<u>3,296.38</u>	<u>3,057.51</u>
	<u>5,280.57</u>	<u>5,613.60</u>

*includes ₹ 1957.47 lakhs (previous year ₹ 2454.14 lakhs) earmarked for Capital Expenditure.

**includes ₹ 13.59 lakhs (previous year ₹ 13.59 lakhs) has been frozen by Indian Overseas Bank in connection with order of court in one legal case.

#Disclosure on Specified Bank Notes

During the year, the Company had Specified Bank Notes (SBNs) or other denomination notes as defined in the MCA notification, G.S.R. 308(E), dated March 30, 2017. The details of SBNs held and transacted during the period from November 8, 2016 to December 30, 2016, the denomination-wise SBNs and other notes as per the notification are as follows :

₹ in Lakhs

Particulars	SBN*	Other Denomination Notes	Total
Closing Cash in hand as on 08.11.2016	0.35	0.33	0.68
Add: Permitted Receipts	-	1.66	1.66
Less: Permitted Payments	-	1.19	1.19
Less: Amount Deposited in Bank	0.35	0.07	0.42
Closing Cash in hand as on 30.12.2016	-	0.73	0.73

*The term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the 8th November, 2016.

Note No.- 18
Short Term Loans And Advances

	As at 31.3.2017 ₹ In Lakhs	As at 31.3.2016 ₹ In Lakhs
(Advances recoverable in cash or kind or for value to be received)		
1 Secured considered good	0.01	0.01
2 Unsecured considered good :		
a) Deposits	37.29	25.91
b) Others	2,445.86	2,513.90
	(comprising of Advance to LIC, Staff Advance and other advances to parties/vendors)	
3 Unsecured Considered doubtful	125.36	111.36
	2,608.52	2,651.18
Less : Provision for doubtful advances	125.36	111.36
	2,483.16	2,539.82

Note No.- 19
Other Current Assets

	As at 31.3.2017 ₹ In Lakhs	As at 31.3.2016 ₹ In Lakhs
Interest accrued on Term deposits	103.68	128.49
	103.68	128.49

Note No.- 20
Revenue From Operation

	As at 31.3.2017 ₹ In Lakhs	As at 31.3.2016 ₹ In Lakhs
Three-Wheeler	10,300.56	13,513.41
Spare-parts	337.95	270.81
Petrol,Diesel, Lubricants etc.*	216.93	1,419.93
	10,855.44	15,204.15



*Includes 10,779.30 ltrs.of petrol, diesel, oil etc. value ₹ 6.32 lakhs (Previous year 29,319.80 ltrs. Value ₹ 16.83 lakhs) consumed for internal use till 8th November 2016. The company owned petrol pump (HPCL) has been temporarily leased for operations to HPCL w.e.f. 8th November 2016. However formal agreement has not been registered and is subject to approval and finalisation. Further since the rental or other income is indeterminable for want of formal agreement, the same is not recognised in profit & loss accounts.

Note No.- 21

Other Operating Revenue

	As at 31.3.2017 ₹ In Lakhs	As at 31.3.2016 ₹ In Lakhs
Miscellaneous Items & Scrap	-	6.42
	<u>-</u>	<u>6.42</u>

Note No.- 22

Other Income

	As at 31.3.2017 ₹ In Lakhs	As at 31.3.2016 ₹ In Lakhs
Miscellaneous Receipts		
Sale of :		
a) Empties	-	3.30
Interest on :		
a) Term deposits	352.90	610.10
b) Others	21.26	6.28
Excess Provision written back	10.99	308.11
Other receipts	37.61	25.87
(comprising of rent received, petrol pump recovery, etc.)		
TOTAL	<u>422.76</u>	<u>953.66</u>

Note No.- 23
Consumption of Materials

	As at 31.3.2017 ₹ In Lakhs	As at 31.3.2016 ₹ In Lakhs
(I) Consumption of Materials :		
a) Raw Materials and Components		
Opening Stock	1,818.56	1,926.54
Add : Purchases	5,075.82	7,527.14
	<u>6,894.38</u>	<u>9,453.68</u>
b) Less :		
i) Closing Stock	1,453.55	1,818.56
ii) Shortages in inventory written off	-	0.01
	<u>1,453.55</u>	<u>1,818.57</u>
c) Consumption of Materials (a - b)	<u>5,440.83</u>	<u>7,635.11</u>
(II) Petrol Pump		
a) Opening Stock	25.04	23.97
Add : Purchases	183.99	1,381.20
	<u>209.03</u>	<u>1,405.17</u>
b) Less : i) Closing Stock	0.14	25.04
ii) Shortages written off	0.35	0.38
	<u>0.49</u>	<u>25.42</u>
c) Cost of sales at Petrol Pump (a - b)	<u>208.54</u>	<u>1,379.75</u>
a. The consumption of material is derived as a balancing figure by adding opening inventory with purchases during the year and deducting closing inventory.		

Note No.- 24
Accretion / (Decretion) to Stock

	As at 31.3.2017 ₹ In Lakhs	As at 31.3.2016 ₹ In Lakhs
Opening Stock		
Finished Goods	2,919.65	4,346.48
Work-in-progress	2,414.10	1,053.34
Disposal Stores	271.71	256.73
	<u>5,605.46</u>	<u>5,656.55</u>
Closing Stock		
Finished Goods	3,449.73	2,919.65
Work-in-progress	875.40	2,414.10
Disposal Stores	297.21	271.71
	<u>4,622.34</u>	<u>5,605.46</u>
(Accretion) / Decretion	(A-B) <u>983.12</u>	<u>51.09</u>

**Note No.- 25****Employees' Benefit Expenses**

	As at 31.3.2017 ₹ In Lakhs	As at 31.3.2016 ₹ In Lakhs
Salaries , Wages and Bonus*	2,241.16	2,818.87
Contribution to Provident and Other Funds	654.12	495.65
Staff Welfare Expenses	316.38	351.26
Total	3,211.66	3,665.78

*Includes stipend paid to the trainees/apprentices ₹ 86.94 lakhs (Previous year ₹ 67.30 lakhs)

Note : Refer Note No.-41 regarding interim relief & revision of pay.

Note No.- 26**Finance Cost**

	As at 31.3.2017 ₹ In Lakhs	As at 31.3.2016 ₹ In Lakhs
Interest on Loans and advances from :		
Banks	80.86	135.12
	<u>80.86</u>	<u>135.12</u>

Note No.- 27**Other expenses of Manufacturing, Administration and Selling & Distribution**

	As at 31.3.2017 ₹ In Lakhs	As at 31.3.2016 ₹ In Lakhs
Consumption of stores, Spares and Tools	204.01	214.52
Power & fuel	348.90	399.45
Rent	33.33	32.67
Repairs: a) Building	5.82	5.03
b) Plant & Machinery	30.73	29.79
c) Others	26.95	34.03
Insurance	4.25	3.67
Rates and Taxes	21.43	17.60
Miscellaneous Expenses	14.99	25.66
Research and Development	23.46	26.78
Excise Duty with Cess	41.53	80.83
Postage, Telegram and Telephone	14.41	16.43
Travelling Expenses	30.16	36.14

Printing and Stationery	10.28	12.07
Board Meeting Expenses	0.25	0.37
Legal Expenses	46.96	56.31
Consultancy Charges	32.18	19.07
Vehicle Running and Maintenance	2.27	4.58
Bank Charges	15.26	38.87
Demands and Interest on Taxes	3.25	1.94
Advertisement & Sales Promotion Expenses	13.06	18.31
Freight & Packing Expenses	1.26	115.69
Service Expenses (Free Coupon/After Sales Service)	22.41	32.51
Entry Tax	9.14	7.55
Bad and Doubtful Debts, Advances and others written off	0.35	0.39
Provision for doubtful debts /advances	25.24	-
Provision for Inventory obsolescence	-	8.42
Total	981.88	1,238.68

Note No.- 28
Prior Year Items (Net)

	As at 31.3.2017 ₹ In Lakhs	As at 31.3.2016 ₹ In Lakhs
Interest & Penalties on taxes	0.86	-
	<u>0.86</u>	<u>-</u>

Note No.- 29
Tax Expenses

	As at 31.3.2017 ₹ In Lakhs	As at 31.3.2016 ₹ In Lakhs
Income Tax current Year	-	28.88
Income Tax pertaining to Earlier Years	25.99	-
	<u>25.99</u>	<u>28.88</u>

The tax expenses of ₹25.99 lakhs relates to previous financial year 2015-16. The Company provided for income tax liability of ₹28.88 lakhs in the annual accounts of Financial Year 2015-16, the tax liability upon filling of Income tax return was assessed to ₹54.88 lakhs difference of ₹25.99 lakhs towards short provision has been recognised as Income tax for earlier years during the financial year 2016-17.

**Note No.- 30****Earning Per Share (EPS)**

	As at 31.3.2017 ₹ In Lakhs	As at 31.3.2016 ₹ In Lakhs
Profit as per Profit & Loss Account (₹ in lakhs)	(1,027.67)	548.38
Average number of Equity Shares (Face value ₹ 10 each)	85,382,255.00	85,382,255.00
Basic & Diluted Earning per share (in ₹)	<u>(1.20)</u>	<u>0.64</u>

Note No.- 31**Contingent Liabilities & Commitments**

	As at 31.3.2017 ₹ In Lakhs	As at 31.3.2016 ₹ In Lakhs
Company is contingently liable for		
(i) Claims against the Company not acknowledged as debts.		
(a) Consumer Forum Cases (Refer Point No.A)	Indeterminate	Indeterminate
(b) Cases of Private Parties.	77.08 excluding interest wherever applicable	73.35 excluding interest wherever applicable
(c) In connection with guarantee/ Indemnity given by SIL to OBC (Refer Point No B.)	462.65	402.30
(d) SIL vs ESIC (Refer Point No. C).	27.34	27.34
(e) Punjab National Bank vs SIL (Refer Point No. D).	213	213
(f) Demand Notices raised by Central Excise and Service Tax Authorities.	19.83 Plus Interest Indeterminate	24.27 Plus Interest Indeterminate
(g) Demand Notices raised by Income Tax Authorities of previous years for which appeals are pending before the competent authorities. However based upon appeals filed by the company seeking relief, the Hon'ble High Court of Judicature, Allahabad (Lucknow Bench) has decided appeals for Assessment year 2002-03 to 2009-10 wherein	1401.99	943.12

substantial reliefs have been given. Consequently the demands are likely to nullify after appellate order.

(ii) Unfavorable Arbitration award in the matter between Ordnance Factory Board and the Company. (Refer Point No. E)	23.85+Interest thereon	23.85+Interest thereon
(iii) Counter claim of M/s UPSICL (Refer Point No. F)	9.27 Plus Interest Indeterminate	9.27 Plus Interest Indeterminate
(iv) Employees' Cases pending before various Court		
(a) In Labour Court	48 Nos. & Amount Indeterminate	45 Nos. & Amount Indeterminate
(b) In Others	68 Nos. & Amount Indeterminate	94 Nos. & Amount Indeterminate
(v) The Workmen Housing Colony (Refer Point No. G)	2412.00	2412.00

Point No. A

The amount involved in 9 cases of consumers is estimated at ₹ 10 lakhs & remaining 63 cases of Consumer is Indeterminate (previous year amount of 62 cases was indeterminate). An amount of ₹ 1.43 lakhs (previous year ₹ 1.40 Lakhs) has been deposited against 5 cases with relevant authorities under protest.

Point No. B

Scooters India Limited filed a writ petition in case of SIL Vs Oriental Bank of Commerce (OBC) before the High Court, Lucknow Bench in 2011 against the order passed by the Debt Recovery Appellate tribunal as the Committee of Disputes was dissolved by the Hon'ble Supreme Court order resulted in pending of the approval for approaching Court.

Point No. C

Employee State Insurance Corporation (ESIC) demanded ESI contribution of the employees from SIL in contravention of the judgment and order dated 22.06.2005 passed in SIL vs BIFR & Others and Appeal No. 304 of 2002 by tribunal AAIFR. The case is pending before High Court, Lucknow Bench. The company has not recognized liability of ₹ 27.34 lakhs (previous year ₹ 27.34 lakhs) in the books of accounts and it is shown as contingent liability.

Point No. D

Punjab National Bank filed a case against SIL for the recovery against indemnity provided by SIL for loan availed by UP Tyres and Tubes. The case is pending before DRT Lucknow.



The company has not recognized liability of ₹ 213 lakhs (previous year ₹ 213 lakhs) in the books of accounts and it is shown as contingent liability.

Point No. E

In the matter of arbitration case between Ordnance Factory Board and the Company, a representation was made in 2011 to the Ministry for reviewing the order passed by the Law Secretary being arbitrary. The representation is still pending. Since the Law Secretary has not considered the issue on the merit as pointed out by the Committee on Disputes and, therefore, pending further action, the company has not recognized liability of ₹ 23.85 lakhs plus interest thereon (previous year ₹ 23.85 lakhs plus interest thereon) in the books of accounts and it is shown as contingent liability.

Point No. F

UPSICL and Scooters India Limited jointly sponsored a scheme for the development of Ancillary Estate in the Amausi Industrial Area, Lucknow. SIL had claimed an amount of ₹ 43.05 lakhs spent on behalf of UPSICL towards such Ancillary Estate, whereas UPSICL has made a counter claim of ₹ 9.27 lakhs plus interest. Pending resolution of the issue the matter went into arbitration in the year 1985, the outcome of which is still awaited and pending clarity on the matter, the company has not recognized counter claim as liability.

Point No. G

The Company is in physical possession of the land measuring 41 bigha, 3 biswa and 18 biswansi acquired for Workmen's Housing colony under "Own Your House Scheme". The compensation determined by the Land Acquisition Officer of U.P Government amounting to ₹ 2.29 lakhs was paid by the Company. However, subsequently, some land owners entered into litigation for higher compensation before Nagar Mahapalika Tribunal against the State Government. The U.P State Government has filed an appeal before the Hon'ble High Court challenging the order of the Tribunal and final decision is still awaited. The Company has also been impleaded as a party to the said appeal. The additional liability on the part of the Company, if any, is not ascertainable.

As regards ceiling land measuring 24 bigha, 13 biswa and 16 biswansi, which is in physical possession of the Company, the Govt. of U.P. issued an order dated 3rd August, 2000 giving above land to the Company for the purpose of Workmen Housing colony under "Own Your House Scheme" on lease for 90 years in consideration @ ₹ 4000 per bigha, amounting to ₹ 4.55 lakhs including premium. Payment was made but returned subsequently by U.P Government. Thereafter, U.P Government revised their earlier order vide their letter No.919 (1) 1-12/2003-9151/87-92 dated 8.5.2003 demanding market price of Rs.2412 lakhs, which was contested by the Company. A recovery notice for ₹ 2412 lakhs in addition to collection charges was issued by Tehsildar, Lucknow.

Aggrieved by the recovery notice, Company filed writ petition in Hon'ble High Court. The Court stayed recovery notice and ordered the Company to pay a sum of ₹ 4.55 lakhs to District Magistrate, Lucknow. It has been complied with. Final decision of the Court is awaited.

As regards another Forest land for Workmen Housing colony under "Own Your House Scheme" measuring 4 bighas and 13 biswa, which is in physical possession for 90 years

lease, the execution of conveyance deed with the State Government is pending due to delay in completion of procedural formalities.

The land held for Workmen Housing colony under "Own Your House Scheme" shall be transferred to workmen after complying with legal and other procedural formalities. Accordingly, the same has not been included in our Fixed Assets Schedule.

Note No.- 32

	As at 31.3.2017 ₹ In Lakhs	As at 31.3.2016 ₹ In Lakhs
Estimated amount of contracts (net of advances) remaining to be executed on Capital Accounts and not provided for.	409.51	441.00

Note No.- 33

Sales-tax assessment both under UPVAT and CST has been completed up to the Financial year 2013-14. The Income-tax assessment has been completed up to assessment year 2014-15 (financial year ended on March 31, 2014).

Note No.- 34

The balances in the debtors/creditors accounts, claims recoverable, loans and advances, assets/materials with third parties are subject to adjustments, if any, on reconciliation for most of the above balances. Details/confirmation of various deposits relating to Electricity, Customs-duty, Port Trust, Octroi, Sales-tax, Landlord and certain parties are not available/obtained.

Note No.- 35

The Company is in physical possession of property at 64-65, Najafgarh Road, New Delhi where Regional Office, North Region is located, leased out to Scooters India Limited by M/s Ganesh Flour Mills Ltd. (since nationalized and vested in H.V.O.C. Ltd.). The lease agreement with M/S Ganesh Flour Mills Ltd. has expired in 1982-83. As there is no contractual document between the two Companies and based on legal opinion, no liability towards lease rent/royalty has been provided. The Company on record offered for one time settlement of ₹ 53.80 lakhs for transfer of land which has not been provided in the accounts pending clarity/decision in the matter.

Note No.- 36

The Company is principally engaged in the business of manufacturing and sale of motor vehicles and spare-parts (Automobile). Accordingly, there are no other reportable segments as per AS-17 on segment accounting.

Note No.- 37

As per guidelines issued under AS-28 "Impairment of Assets", the company has assessed and found that no indication of impairment exists in relation to assets as on 31-03-2017.

**Note No.- 38**

Related party disclosure as required by AS-18

- (a) List of related parties during the financial year 2016-17 (Till 31.03.2017)

I. Government of India**II. Whole-Time Directors**

Shri Renati Sreenivasulu, Chairman & Managing Director (From 06th October 2016)

Shri Rahul Bali, Director (Technical) (From 02nd April 2013 to 01st February 2017)

III. Part-Time Directors

Smt. Vinita Srivastava, Chairman-cum-Managing Director (From 23rd February 2016 to 05th October 2016)

Shri Pravin Agrawal, Director (From 23rd April 2015)*

Shri A.M. Manichan (From 23rd September 2014)

*Shri Pravin Agarwal, Director, has taken the charge of acting Chairman-cum-Managing Director in absence of Smt. Vinita Srivastava, i.e., from 23rd February 2016 to 30th June 2016.

- (b) Transaction with related parties

(₹ In Lakhs)

Sl. No	Nature of Transaction	Persons having control over the Company	Remuneration
1.	Remuneration to Directors	-	31.73
2.	Total	-	31.73

Note No.- 39

Liability for Gratuity & Leave Encashment has been determined by an actuary, appointed for the purpose, in conformity with the principles set out in Accounting Standard 15 the details of which are given as under:

(₹ in Lakhs)

Amount To be Recognized in Balance Sheet	Gratuity (Funded) As at 31.03.2017	Leave Encashment (Unfunded) As at 31.03.2017	Gratuity (Funded) As at 31.03.2016	Leave Encashment (Unfunded) As at 31.03.2016
	Present Value of Funded Obligation	1199.72	441.65	1835.16
Fair Value of Plan Assets	(1667.16)	-	(2547.94)	-
<i>Net Liability</i>	(467.44)	441.65	(712.78)	612.32

Amounts in Balance sheet

Liability	(467.44)	441.65	(712.78)	612.32
Assets	-	-	-	-
Net Liability	(467.44)	441.65	(712.78)	612.32

Expenses to be Recognized in the statement of Profit & Loss

Current Service cost	42.56	26.57	89.42	66.36
Interest on Defined Benefit Obligation	139.10	46.41	176.95	45.51
Expected Return on Plan Assets	(212.75)	-	(240.23)	-
Net Actuarial Losses / (Gains)	276.42	120.59	(310.37)	156.07
Recognised in Year				
Total Included in "Employees' Emoluments"	245.34	193.58	(284.23)	267.94
Actual Return on Plan Assets	168.09	-	231.02	-

Reconciliation of Benefit Obligations & Plan Assets For the Period

Change in Defined Benefit Obligation				
Opening Defined Benefit Obligation	1835.16	612.32	2780.57	830.05
Current Service Cost	42.56	26.57	89.42	66.36
Interest Cost	139.10	46.41	176.95	45.51
Actuarial Losses / (Gain)	231.77	120.60	(319.58)	156.07
Benefits Paid	(1048.87)	(364.25)	(892.21)	(485.67)
Closing Defined Benefit Obligation	1199.72	441.65	1835.16	612.32

Change in Fair Value of Assets

Opening Fair Value of Plan Assets	2547.93	-	3206.17	-
Expected Return on Plan Assets	212.75	-	240.23	-
Actuarial Gain / (Losses)	(44.65)	-	(9.21)	-
Contributions by Employer	-	364.25*	-	485.67
Benefits Paid	(1048.87)	(364.25)	(889.25)	(485.67)
Closing Fair Value of Plan Assets	1667.16	-	2547.94	-



Summary of the Actuarial Assumptions	Gratuity (Funded) As at 31.03.2017	Leave Encashment (Unfunded) As at 31.03.2017	Gratuity (Funded) As at 31.03.2016	Leave Encashment (Unfunded) As at 31.03.2016
	Discount Rate	6.88%	6.88%	7.58%
Expected Rate of Return on Assets	8.25%	N.A.	8.35%	N.A.
Salary Escalation Rate – Senior Staff	5.5%	5.5%	5.5%	5.5%
– Junior Staff	5.5%	5.5%	5.5%	5.5%

*Payment done by Scooters India Limited to Retiring Employees.

The salary escalation assumption rate of 5.5% has been taken based on interest rate, inflation, etc.

The Board of Directors, in their 230th meeting held on 12.06.2014 inter-alia decided & approved to discontinue the funding of Leave Encashment & to utilize the funds received from LIC in respect of Leave Encashment fund for Company's operations. Accordingly the company meets the retirement benefits of Leave Encashment from own resources.

Note No.- 40

The Company was declared sick under section 3(1)(o) of the SICA, by BIFR in its meeting held on February 18, 2010, consequent to the reference made by the Company, due to erosion of its net worth as on March 31, 2009. The Cabinet committee, GOI approved the revival package of ₹ 20,196 lakhs, which inter-alia includes the infusion of fresh funds, conversion of plan & non plan loan in to equity & waiver of interest. The Draft Rehabilitation Scheme (DRS) was under preparation by Operating Agency (SBI) and was to be submitted in due course before BIFR for sanction. However Pending finalization of DRS & sanction by the Hon'ble BIFR, the Miscellaneous application filed by the Company for early implementation of revival package was approved by BIFR in its hearing dated June 19, 2013, in terms of section 18 and 32A of SICA, which inter-alia envisaged Increase in Authorised Share Capital from ₹ 7500 lakhs to ₹ 25000 lakhs, Conversion of Plan & Non Plan Loan of ₹ 8521.12 lakhs in to Equity, Issue & allotment of Equity shares against share application money pending allotment of ₹ 1049 lakhs, Reduction of Equity Share Capital against Accumulated losses by ₹ 8521.12 lakhs, write off of Interest accrued & due and Interest accrued but not due on Plan & Non Plan Loan of ₹ 2637.60 lakhs against accumulated losses & Non provision of interest on Non Plan Loan of ₹ 189.00 lakhs released during the financial year 2012-13 as also for Income Tax, if any required under section 115JB of the Income Tax Act, 1961 regarding Minimum Alternate Tax for the book profit. The matter of repayment of principal & interest on non-plan loan sanctioned during financial year 2012-13 of ₹ 189 Lakhs has been taken up with Department of Heavy Industry for maintaining the status quo. The Company has incorporated the same in its books of account w.e.f. FY 12-13.

On 15th September 2015, Hon'ble bench of BIFR, New Delhi has discharged the Company from BIFR on submission made by Operating Agency (State Bank of India) to the effect that Networth of the Company as on 31st March, 2014 has turned positive. The BIFR discharged

the company from purview of SICA with inter-alia the following directions:

- a. The Company M/s Scooters India Limited ceases to be a sick industrial company, within the meaning of section 3(1)(o) of the SICA as its net worth has turned positive. It is therefore, discharged from the purview of SICA/BIFR.
- b. The Board discharges SBI from the responsibility of OA to the board.
- c. All secured creditors, statutory authorities are at a liberty to recover their dues, if any, according to law.

As per legal opinion obtained by the company, notwithstanding the order of BIFR discharging the company from its purview, the relief and concessions as sanctioned in the miscellaneous application no. 316/2013 would continue to be valid and operative.

In the above results, status quo of treatment of non-plan loan of ₹ 189 lakhs regarding nonpayment of principal & non provision of interest has been maintained as the same has been taken up with Government of India on a regular basis & is still under their consideration.

Note No.- 41

The Board in its 224th meeting held on May 28, 2013 approved the implementation of negotiated pay scale (2002) of workmen. Accordingly the Company provided in financial year 2013-14 for total recoverable amount which was estimated around ₹ 125.83 lakhs and total payable amount which was estimated around ₹ 42.25 lakhs. Against the said amount, around ₹ 1.87 lakhs, ₹ 16.28 lakhs and ₹ 12.82 lakhs have been recovered in financial year 2014-15, 2015-16 and 2016-17 respectively and NIL has been paid during the financial year 2013-14 to 2016-17.

Regarding revision of Officers w.e.f. 01.01.2007, the proposal of implementation of revision with cutoff date 01.04.2013 for all officers on the rolls of the Company on 01.04.2013, has been forwarded to the Ministry for consideration. Regarding revision of workmen w.e.f. 01.01.2007 for all workmen on the rolls of the Company on 01.04.2013, the consent for implementation of wage revision with a cutoff date 01.04.2013 had been sought from workmen of the Company. The revision (2007) of Officers is still awaiting approval of Government of India.

Pending finalization of wage revision of workmen and resolution of cases filed by unions including Staff & Officers Associations before the Central Government Industrial Tribunal, Lucknow vide Case No. 36/2012, the revision for workmen, staff & officers could not be concluded.

Interim relief is being paid to all employees w.e.f. January 2015.

The above Interim Relief is being paid against the final adjustment, if any, from increase in the salary/wages/arrear on accounts of pay/wage revision 2007. During the financial year 2016-17 ₹ 254.29 lakhs (previous year ₹ 333.68 lakhs) has been paid on account of Interim Relief.

The interim relief being paid w.e.f. 01.01.2015 is recognized as expenditure in the Profit & Loss Account. Pending approval of revision proposal for officers, staff & workmen from Government of India, the arrears, if any, had not been considered.

**Note No.- 42**

During the financial year 2013-14, the GOI released ₹ 3190.00 lakhs as equity for capital expenditure under the approval of revival package of SIL by Cabinet/BIFR.

The interest of ₹ 128.11 lakhs earned by way of Fixed Deposits on these funds of was remitted to GOI In line with the then direction issued vide GOI Letter No.F.No. 3(15)/2013-PE-VI dated 31st March 2014.

The company however represented against the above & GOI have intimated vide letter F.No. 3(15)/2013-PE-VI dated 05th March 2015 that the amount has been released as equity investment in SIL, the question of payment of interest earned to Govt. of India does not arise. Interest already credited to GOI cannot be refunded now.

In view of this, SIL have adjusted the interest already credited to GOI against the installment payment of working capital plan loan of ₹ 2000 lakhs due on 23.07.2016 and remitted ₹ 271.89 lakhs (₹ 400 lakhs minus ₹ 128.11 lakhs)

The Company is in the process of filing necessary returns of allotment in respect of issue of share capital of ₹ 3190 lakhs to Government of India. The company is also in the process of filing necessary Return for increasing authorised Share capital from ₹ 75 Crores to ₹ 250 Crores. Pending the resolution of issue of increasing the authorized share capital, wherein exemption from filling fees has been sought in line with reliefs provided by BIFR, no liability in this regard has been recognized in the annual accounts.

Note No.- 43

Based on BIFR order dated 22.06.2013, the Board of SIL in their 225th meeting held on 12.07.2013 effected Reduction of Equity Share Capital of the company held by the Government of India by ₹ 8521.12 lakhs as on 31st March 2013 against Accumulated Losses, in line with business plan for revival of SIL, which was further ratified by the share holders of the Company in their 41st Annual general meeting held on 30th September, 2013.

Note No.- 44

In conformity with AS-19, the Company's significant leasing arrangements are in respect of operating lease for premises (residential, office, stores, godowns etc.). These leasing arrangements are in the nature of cancellable lease which are usually renewable by mutual consent on mutually agreeable terms. The aggregate lease rentals of ₹ 33.33 lakhs (Previous year ₹ 32.67 lakhs) payable are charged as "Rent".

Note No.- 45

The Ministry of Road Transport and Highways vide notification no. GSR-643(E) dated 19.08.2015 amended Rule 115 of Central Motor Vehicles Rules, 1989 to provide that the Mass Emission Standards for Bharat Stage IV shall come into force all over the country in respect of vehicles manufactured on or after the 1st April, 2017.

The Company as on 31.03.2017 is carrying 2159 nos. three wheelers under finished goods stock and 136 nos. of three wheelers under work in progress under different models compliant to BS-III standards as per Central Motor Vehicles Rule (CMVR). As regards these vehicles, the company proposes to liquidate the stock through both conversion to BS-IV compliant

vehicles and exports to market in Africa, Sri Lanka, Bangladesh etc.

This was noted and approved by the Board of Directors in their 246th meeting held on 02.05.2017.

Since the above order is admissible on or after 01.04.2017 therefore the classification of these inventories are not changed as all these inventories are also proposed to be exported. Further clarity of its liquidation would establish suitable classification which shall be made in subsequent period if required, based on future development.

The Company intends to pass on the conversion cost in entirety for each model of BS-III 1500 CG and 1000 CG vehicles for which type approval have been received from ARAI is to customers. Further the Company also proposes to maintain parity in price for be the converted and new model of three wheelers of BS-IV in the market.

However the type approval for Diesel vehicles of three wheelers is still awaited from ARAI. The position of the conversion cost shall emerge only after the type approval is obtained. The company intends to similarly pass on the impact of conversion cost to the customer in totality.

The spare parts of three wheelers (BS-III) vehicles both diesel & CNG models are lying in inventory of spare parts in inventory of Raw Material and components, W.I.P. valuing ₹ 74.32 lakhs have been classified under spare parts on marketable as such.

**Note No.- 46****Loans From Government of India**

Particulars	Loan Amount	Rate of Interest (Normal/ Penal)	Month of Last Installment Due	Default up to 31.03.2017			Outstanding as on 31.03.2017			Outstanding as on 31.03.2016		
				Principal	Normal Interest	Penal Interest	Principal	Normal Interest	Penal Interest	Principal	Normal Interest	Penal Interest
				Plan Loan	2,000.00	Interest Free	July-2020	-	-	-	1,600.00	-
Non Plan Loan	165.00	13.50%/2.75%*	July-2017	**	-	-	165.00	-	-	165.00	-	-
	24.00	13.50%/2.75%*	July-2017	**	-	-	24.00	-	-	24.00	-	-
Total	2,189.00			-	-	-	1,789.00	-	-	2,189.00	-	-
Less: Included in Current Maturities (Note No. 9)							400.00	-	-	400.00	-	-
Less: Interest Accrued & Due on Government of India Loan (Note No. 9)							-	-	-	-	-	-
Amount Included in Note No. 4							1,389.00	-	-	1,789.00	-	-

*Based on BIFR approval through miscellaneous application the Company has not made any provision for interest on Non Plan loan of ₹ 189 lakhs.

**NIL amount is not shown under default upto 31.03.2016 & current maturities as the matter has been taken up with Department of Heavy Industry/Board of Industrial & Financial Reconstruction for maintaining the status quo.

In accordance with the Board's decision in their meeting held on 8th April 2016, and in the background of letter F.No. 3(15)/2013-PE-VI dated 5th March 2015, the interest on CAPEX funds temporarily deployed as FDR remitted to Government of India in April 2014 amounting to Rs. 128.11 lakhs shall be adjusted against the installment of Rs. 400.00 lakhs due on 23rd July 2016 of repayment of principal. Accordingly necessary adjustments have been carried out in the books of accounts.

Note No.- 47
Additional information pursuant to Schedule III part II of the Companies Act, 2013
1. Stock and Turnover for the year ended Mar 31,2017

	At Commencement		Stocks		Turnover	
			At Close			
	Nos	₹ in Lakhs	Nos	₹ in Lakhs	Nos	₹ in Lakhs
Vikram Three Wheeler	2,268 (3,418)	2,852.35 (4,280.37)	2,459 (2,268)	3,319.01 (2852.35)	6,349 (9,326)	10,300.56 (13,513.41)
Spares and Components	- (-)	67.30 (66.10)	- (-)	130.72 (67.30)	- (-)	337.95 (270.81)
Petrol Pump stock* (Quantity Ltrs.)	43,809 (38,909)	25.04 (23.97)	774 (43,809)	0.14 (25.04)	366,482 (2,409,798)	216.93 (1,419.93)

Explanatory Notes :

*Includes value of empty drums, containers etc lying in Petrol Pump stock.

- (1) Figures in brackets relate to previous year.
- (2) Practical/Achievable capacity has reduced to 12500 Nos. against installed capacity of 16500 Nos. during the year 2015-16 as per the report of chartered engineer.
- (3) Petrol Pump turnover represents the sale of Diesel, Petrol & Other Oil & Lubricants. The Company purchased 3,24,000 ltrs. of Diesel/ Petrol upto 8th November 2016 (Previous financial Year 24,15,376 ltrs). There has been evaporation loss of 553.60 ltrs. (Previous Year 677.10 ltrs.).
- (4) The company owned petrol pump (HPCL) has been temporarily leased for operations to HPCL w.e.f. 8th November 2016. However formal agreement has not been registered and is subject to approval and finalisation. Further since the rental or other income is indeterminable for want of formal agreement, the same is not recognised in profit & loss accounts.
- (5) Turnover includes the following export sales

	2016-17		2015-16	
	Nos	₹ in Lakhs	Nos	₹ in lakhs
Spares & components	-	18.24	-	-

Note : Export sales includes deemed export of ₹18.24 lakhs (Previous Year ' NIL).

2. C.I.F. Value of Imports, Expenditure and Earnings in foreign currencies.

	2016-17	2015-16
	₹ in Lakhs	₹ in Lakhs
A. C.I.F.Value of imports		
Spare parts /Components	-	4.23
Capital goods	-	-
Others	1.20	1.67
	<u>1.20</u>	<u>5.90</u>



		2016-17 ₹ in Lakhs		2015-16 ₹ in Lakhs	
B. Expenditure in foreign currencies					
On account of royalty, know-how, professional, consultation fees, interest, provisions and others.		-		-	
		<u>-</u>		<u>-</u>	
C. Earnings in foreign currencies					
Export of goods calculated on F.O.B. Basis.*		-		-	
		<u>-</u>		<u>-</u>	
Explanatory Notes :					
1.	Earnings in foreign currencies are after adjustment of gain or loss on exchange rate as applicable.				
*	Export Sales does not include Deemed Export.				
3. Details of Raw Materials consumed					
(i) Raw Materials (including spare parts) and Components.					
		2016-17		2015-16	
Materials	Unit	Qty.	Value	Qty.	Value
			(₹ in Lakhs)		(₹ in Lakhs)
Ferrous	Kg.	806,644	285.94	1,049,685	334.91
	Mtrs	39,524	114.05	77,110	205.74
Non-ferrous	Kg.	76,050	101.91	136,350	182.71
B.O.S.F.	-	-	1,524.57	-	2,124.48
Tyres & Tubes	Nos	52,610	365.23	73,230	538.30
Spare-parts Components	-	-	3,049.13	-	4,248.97
			<u>5,440.83</u>		<u>7,635.11</u>
(ii) Value of imported and indigenous raw-materials consumed (including spare-parts and components)					
		2016-17		2015-16	
		₹ in Lakhs	%	₹ in Lakhs	%
(a)	Imported (CIF, custom duty and other charges)	1.20	0.02	7.34	0.10
(b)	Indigenous	5,439.63	99.98	7,627.78	99.90
		<u>5,440.83</u>	<u>100.00</u>	<u>7,635.11</u>	<u>100.00</u>

**4. Auditor's Remuneration**

	2016-17	2015-16
	₹ in Lakhs	₹ in Lakhs
(a) Statutory Auditor's Audit fee	1.44	1.43
(b) Fee for Certification & Consultation	1.78	1.77
(c) Tax Audit Fees	0.29	0.28
	3.51	3.48

The above figures includes service tax .

Note No.- 48

The financial statement for the year ended March 31, 2017 are prepared as per Schedule III of the Companies Act 2013. Previous year's figures have been regrouped, rearranged and recast, wherever necessary, to make them comparable with those of the current year.

(R.S. Tiwari)
HOD (Finance)

(A.M. Manichan)
Director
DIN - 7046352

(R. Sreenivasulu)
Chairman and Managing Director
DIN - 07634253

In terms of our report of even date
For D.S.Shukla & Co.
FR No. - 000773C
Chartered Accountants

Place: Lucknow
Date: 29th May 2017

(Shreeharsh Shukla)
M. No.- F408990



SCOOTERS INDIA LIMITED

(A Government of India Enterprise)

Corporate Identity No. L25111UP1972GOI003599

Registered Office :Lucknow – Kanpur Road,
(16th Mile Store), Post Bag No.23 (G.P.O.),

P.O. Sarojini Nagar, Lucknow – 226008

E-mail: companysecretary@scootersindia.com

Website: www.scootersindia.com

NOTICE

Notice is hereby given that the 45th Annual General Meeting of the members of Scooters India Limited will be held at **11.30 AM on Thursday, the 28th day of September, 2017**, at the registered office of the Company at Lucknow – Kanpur Road, (16th Mile Stone), Sarojini Nagar, Lucknow – 226 008, Uttar Pradesh, India to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited financial statement of the Company for the year ended 31.03.2017.

“RESOLVED THAT the audited financial statements of the Company including the balance sheet as at March 31, 2017, profit and loss account, the cash flow statement for the year ended on that date, report of Board of Directors and auditors thereon be and are hereby received, considered and adopted.”

2. To appoint a director in place of Mr. Pravin Agrawal, who retires by rotation & being eligible has offered himself for re-appointment.

“RESOLVED THAT Mr. Pravin Agrawal (DIN: 05277383) who retires by rotation and being eligible, offers himself for re-appointment, be and is hereby re-appointed as director of the company liable to retire by rotation.”

3. To consider and, if thought fit, to pass, with or without modification, the following resolution as a Special Resolution:



“RESOLVED that pursuant to Section 142 of the Companies Act 2013, and other applicable provisions, if any, of the Companies Act, 2013, the remuneration of the Statutory Auditors appointed by Comptroller & Auditor General of India (C&AG) under section 139(5) of the said act, be and is hereby approved to be fixed at ₹ 1,25,000/- for the year 2017-18.”

By order of the Board of Directors

Sd/-

Renati Sreenivasulu

DIN: 07634253

Chairman & Managing Director

Scooters India Limited, Lucknow -226008

Place : Lucknow

Date : 30.08.2017

**NOTES :**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING OF THE COMPANY MAY APPOINT A PROXY TO ATTEND AND ON A POLL, VOTE INSTEAD OF HIMSELF/HERSELF. A Proxy need not be a member of the Company. Proxies in order to be effective must be received by the Company at its Registered Office not later than forty-eight hours before the commencement of the meeting. Proxies submitted on behalf of companies, societies, etc. must be supported by an appropriate resolution/authority, as applicable. A person shall not act as a Proxy for more than 50 members and holding in the aggregate not more than ten percent of the total voting share capital of the Company. However, a single person may act as a proxy for a member holding more than ten percent of the total voting share capital of the Company provided that such person shall not act as a proxy for any other person.
2. Only members carrying the attendance slips or holders of valid proxies registered with the company will be permitted to attend the meeting. In case of shares held in joint names or shares held under different registered folios wherein the name of the sole holder/first holder is same, only the first joint holder/sole holder or any proxy appointed by such holder, as the case may be, will be permitted to attend the meeting.
3. The Register of Members and the Share Transfer Books of the company will remain closed from **21.09.2017** to **28.09.2017** (both days inclusive).
4. Members seeking further information on Accounts or any matter contained in the Notice are requested to write to the company at least 10 days before the meeting so that relevant information can be kept ready at the meeting.
5. Members/Proxies attending the meeting are requested to bring their copy of Annual Report and exchange, the duly filled attendance slip attached, with entry slip for entrance to the meeting hall.
6. Members should notify change in their addresses, if any, specifying full address with **PIN CODE** to the company's registered office quoting their registered Folio No.
7. If shares are held under more than one folio, the same may kindly be consolidated for convenient reference.
8. Entry to the venue will be strictly against Entry slip available at the counters at the venue and against exchange of Attendance Slip.
9. Members desirous of making a nomination in respect of their shareholding in the Company, as permitted under Section 72 of the Companies Act, 2013, are requested to fill up the form annexed as a part of the Annual Report and send the same to the office of the Registrar and Transfer Agent of the Company.
10. Members are requested to note that address of M/s Skyline Financial Services Private Limited, Registrar & Transfer Agent of the Company has changed to D-153/A, 1ST FLOOR OKHLA INDUSTRIAL AREA PHASE -1 , NEW DELHI-110020.



11. Voting through electronic means

In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the 45th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services (India) Limited (CDSL).

The voting period begins on **25th September, 2017 at 10.00 hrs. and will end on 27th September, 2017 at 17:00 hrs.** During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the **cut-off date (record date) of 21st September, 2017**, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

The Company has signed an agreement with CDSL for facilitating e-voting to enable the Shareholders to cast their vote electronically. The instructions for shareholders voting electronically are as under:

- (i) The shareholders should log on to the e-voting website www.evotingindia.com.
- (ii) Click on Shareholders / Members
- (iii) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (iv) Next enter the Image Verification as displayed and Click on Login.
- (v) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vi) If you are a first time user follow the steps given below :

(a) For Members holding shares in Demat Form and Physical Form

PAN Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) :

- Members who have not updated their PAN with the Company/ Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.
- In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first



two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.

Dividend Bank Details ● Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.
OR

Date of Birth (DOB) ● If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

- (vii) After entering these details appropriately, click on “SUBMIT” tab.
- (viii) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (x) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xi) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xiii) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xiv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xvi) If a demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.



- (xvii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xviii) **Note for Non – Individual Shareholders and Custodians**
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.
- (xx) A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.
- (xxi) A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
- (xxii) Mr. Amit Gupta, Practicing Company Secretary, Lucknow, (Membership No. FCS 5478 CP No. 4682) has been appointed as the Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- (xxiii) The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of “remote e-voting” or “Ballot Paper” or “Poling Paper” for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.



- (xxiv) The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- (xxv) The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company www.scootersindia.com and on the website of CDSL www.evotingindia.com immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the Stock Exchanges viz. BSE Limited.

By order of the Board of Directors

Sd/-

Renati Sreenivasulu

DIN: 07634253

Chairman & Managing Director

Scooters India Limited, Lucknow -226008

Place : Lucknow

Date : 30.08.2017



Pursuant to Regulation 36(2) of SEBI (LODR), 2015 & SS-2, the following information is furnished about the Directors

Mr. Renati Sreenivasulu – aged 56 years, has been appointed as full time CMD of SIL w.e.f. 06.10.2016. He has 31 years of Industry experience in Visakhapattanam Steel Plant at various positions since 1985.

Shri Pravin Agrawal–has been appointed as Part time official director w.e.f. 23.04.2015. He is Director in Department of Heavy Industry, Ministry of Heavy Industries & Public Enterprises. He is an Indian Forest Service officer of Manipur & Tripura cadre (1994 batch)

Shri A M Manichan– aged, 56 years, has been appointed as Part time official director w.e.f. 23.09.2014. He is Deputy Secretary in Department of Heavy Industry, Ministry of Heavy Industries & Public Enterprises. He is also director in Instrumentation Limited & Cement Corporation of India Limited.

Attendance Card
SCOOTERS INDIA LIMITED

(A Government of India Enterprise)
Registered Office :Lucknow – Kanpur Road,
(16th Mile Store), Post Bag No.23 (G.P.O.),
P.O. Sarojini Nagar, Lucknow – 226008

Attendance Card

Regd. Follo / Client ID No.	
No. of Shares held	

I/We hereby record my/our presence at the **45th Annual General Meeting** of the Company held on Thursday,28th September, 2017 at 11.30 a.m. at Registered Office of the Company at Lucknow-Kanpur Road, 16th km. Miles Stone, Sarojini Nagar, Lucknow-226008

Name of the Shareholder (In Block Letters)	:	_____
Signature of the Shareholder	:	_____
Name of the Proxy (In Block Letters)	:	_____
Signature of the Proxy	:	_____

Notes :

1. You are requested to sign and hand this over at the entrance.
2. If you are attending the meeting in person or by proxy, pour copy of the Annual Report may please be brought by you/your proxy for reference at the meeting.

SCOOTERS INDIA LIMITED

(A Government of India Enterprise)

Corporate Identity No. L25111UP1972GOI003599

Registered Office :Lucknow – Kanpur Road, (16th Mile Store), Post Bag No.23

(G.P.O.), **P.O. Sarojini Nagar, Lucknow – 226008**

E-mail: companysecretary@scootersindia.com

Website: **www.scootersindia.com**

Date: August 30, 2017

Sub.: Service of Documents through Electronic Mode

The Ministry of Corporate Affairs, Government of India, has notified Section 101 of the Companies Act, 2013 and the other rules governing the said Act. As per Rule 18(3)(1) of Chapter VII and Rule 11 of Chapter IX, the Company is requesting for a positive consent from its members to receive Notices of General Meeting/ Postal Ballot, Annual Report and other shareholders communication. This will enable you to receive such notice(s)/Annual Report(s)/document(s)/ Communication(s) etc., promptly and without loss in postal transit. Once we receive your positive consent, henceforth, Notices of Meetings, Annual Reports, Directors' Report, Auditors' Report and other shareholders communication will be sent to you electronically to your email address as provided by you AND/OR made available to the Company by the Depositories viz. National Securities Depository Limited (NSDL)/Central Depository Services (India) Limited (CDSL). **As and when there are changes in your e-mail address, you are requested to update the same with your Depository Participant (DP). For shares held in physical form, you can register your e-mail address with the Company's Registrar M/s. Skyline Financial Services Private Limited, at "admin@skylinerta.com" OR the Company at "companysecretary@scootersindia.com" mentioning your name(s) and folio Number.** Please note that if you still wish to get a physical copy of the above documents, the Company will send the same, free of cost, upon receipt of a request from you. We look forward to your support.

Thanking you

Yours sincerely

For Scooters India Limited

Sd/-

Renati Sreenivasulu

DIN: 07634253

Chairman & Managing Director

Scooters India Limited, Lucknow -226008

Date:

M/s. Skyline Financial Services Private Limited

Unit: Scooters India Limited

D-153/A, 1ST FLOOR OKHLA INDUSTRIAL AREA PHASE -1, NEW DELHI-110020.

Dear Sir,

As per your letter dated August 30, 2017, I/We submit to you as under:

- 1) I/we hereby give my/our CONSENT to the Company to use my/our registered email id in my/our demat account with the Depository Participant for serving members related documents, under the Companies Act, 2013. (Please tick mark {s/} appropriately)

DP ID/CLIENT ID:

YES (?) NO (?)

- 2) Kindly use my/our Email id: _____ for serving the documents for Physical Folio No. _____

YES (?) NO (?)

Thanking You

Yours sincerely,

Name of First/sole holder _____ Signatures_____

**FORM NO. MGT-11
PROXY FORM**

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3)
of the Companies (Management and Administration) Rules, 2014]

CIN	L25111UP1972GOI003599
Name of the Company	SCOOTERS INDIA LIMITED
Address	Lucknow - Kanpur Road, (16th Mile Store), Post Bag No.23 (G.P.O.), P.O. Sarojini Nagar, Lucknow - 226008

45th ANNUAL GENERAL MEETING

Name of Member (s)	
Registered Address	
Email Id	
Folio. No./Client Id	
DP Id	

I/We being member (s) of.....shares of above named Company, hereby
appoint

Name	
Address	
Email Id	
Signatures or failing him	

Name	
Address	
Email Id	
Signatures or failing him	

Name	
Address	
Email Id	
Signatures of failing him	

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at 45th Annual general meeting to be held on **at 11.30 a.m. on Thursday, the 28th day of September, 2017, at the registered office of the Company at Lucknow - Kanpur Road, (16th Mile Store), Sarojini Nagar, Lucknow - 226 008, Uttar Pradesh, India** and at any adjournment thereof in respect of such resolutions as are indicated below :

Resolution No. Resolution		Vote (See Note no. 2)		
		For	Against	Abstain
Ordinary Business				
1.	Adoption of audited financial statements for financial year ended at 31st March, 2017			
2.	Appointment of Mr. Pravin Agarwal as director, who retires by rotation and being eligible offers himself for reappointment			
3.	Approval of remuneration of Statutory Auditors of the Company for 2017-18			

Signed this day of 2017.

Affix a
revenue
Stamp

Signature of Shareholder

Signature of Proxy holder (s)

Notes:

- This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.**
- It is optional to indicate your preference. If you leave the for, against, abstain column blank against any or all resolutions, your proxy will be entitled to vote in the manner as he/she may deem appropriate.**

Form No. SH-13
Nomination Form
[Pursuant to section 72 of the Companies Act, 2013 and rule
19(1) of the Companies (Share Capital and Debentures) Rules 2014]

To,

Name of the company	:	Scooters India Limited (CIN - L25111UP1972GOI003599)
Address of the company	:	Lucknow – Kanpur Road, (16th Mile Store), Post Bag No.23 (G.P.O.), P.O. Sarojini Nagar, Lucknow – 226008

I/Weholder(s) of securities particulars of which are given hereunder wish to make nomination and do hereby nominate the following persons in whom shall vest, all the rights in respect of such securities in the event of my/our death.

(1) PARTICULARS OF THE SECURITIES (in respect of which nomination is being made)

Nature of securities	Folio No.	No. of Securities	Certificate No.	Distinctive No.

(2) PARTICULARS OF NOMINEE/S

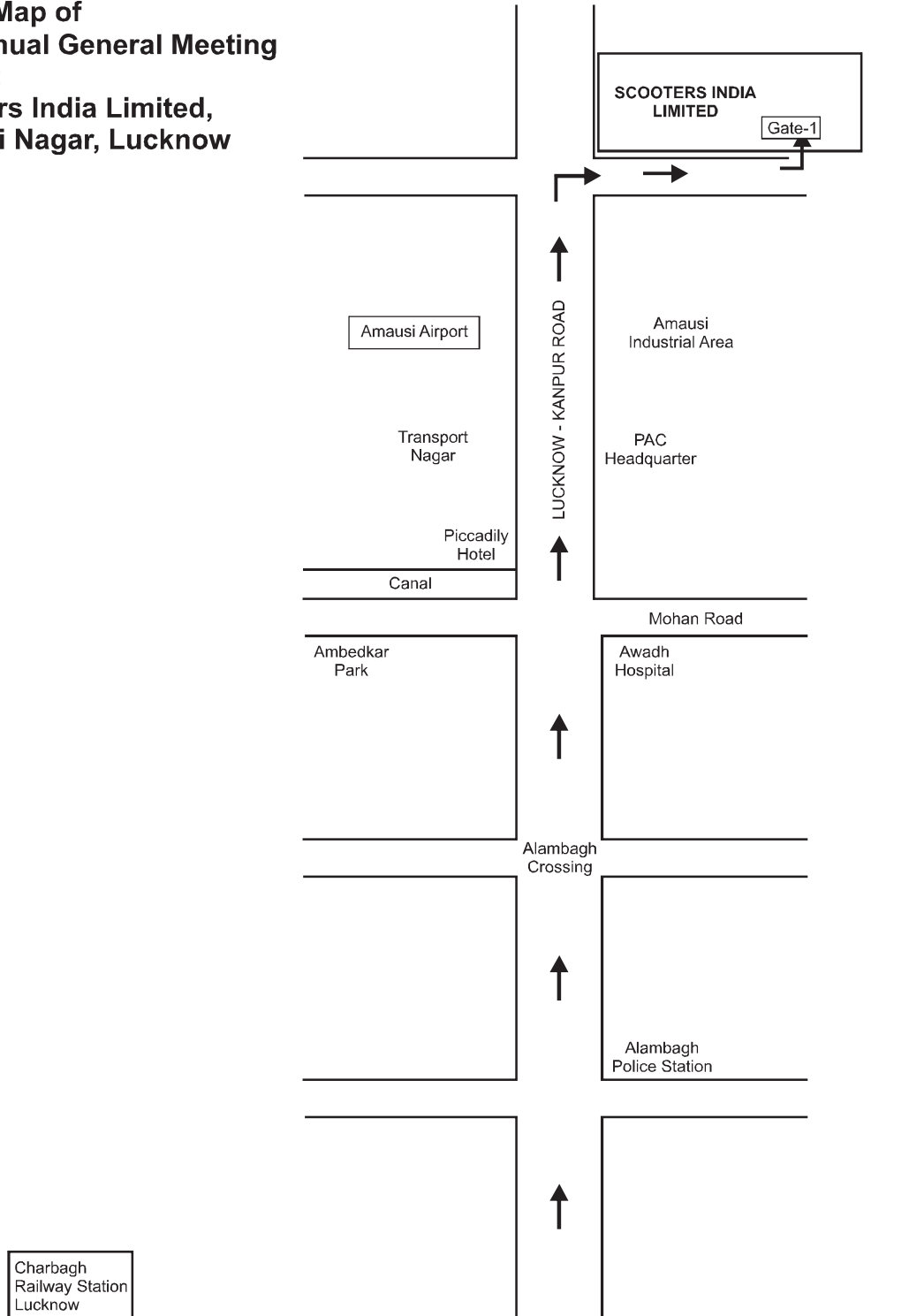
a) Name	
b) Date of birth	
c) Occupation	
d) Nationality	
e) Address	
f) E-mail id	
g) Relationship with the security holder	

(3) IN CASE NOMINEE IS A MINOR

a) Date of birth	
b) Date of attaining majority	
c) Name of guardian	
d) Address of guardian	

Witness: (Signature with name & address)	Signature : Name : Address :
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**Route Map of
45th Annual General Meeting
Venue :
Scooters India Limited,
Sarojini Nagar, Lucknow**



Through Registered Post/Speed Post/Courier

If undelivered please return to :

SCOOTERS INDIA LIMITED

(A Government of India Enterprise)

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(16th Mile Stone), Post Bag No. 23 (G.P.O.),

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