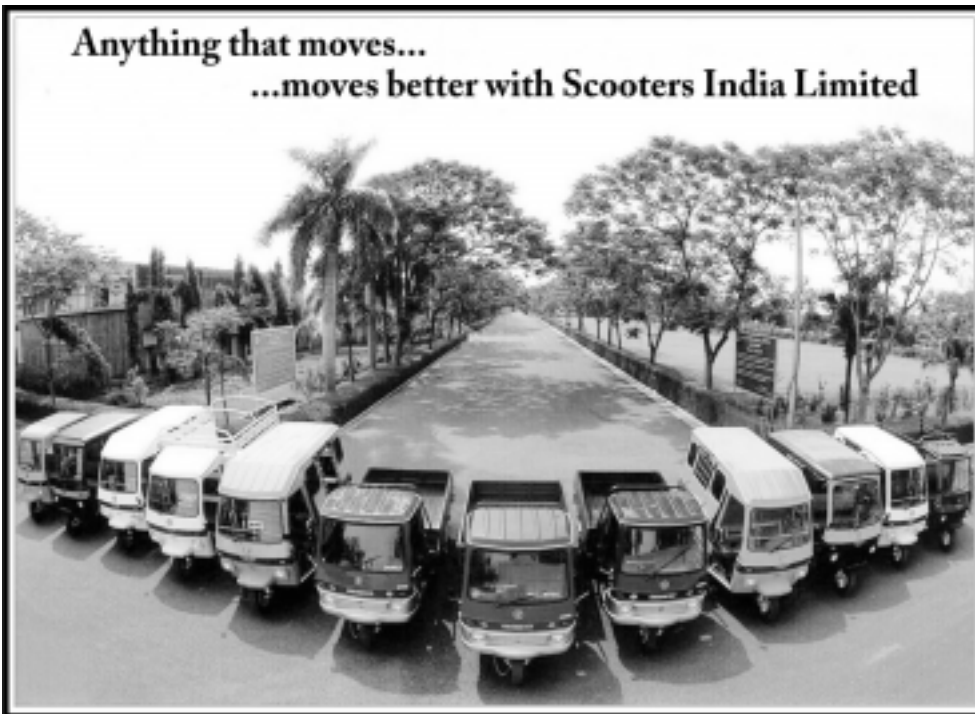


44th ANNUAL REPORT

2015-16

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

Ms. Vinita Srivastava	- Chairman & Managing Director (Additional Charge)	w.e.f. 23.02.2016 till date
Shri R.K. Singh, IAS	- Chairman & Managing Director (Additional Charge)	w.e.f. 15.05.2013 to 23.02.2016
Shri Rahul Bali	- Director (Technical)	w.e.f. 02.04.2013 till date

GOI, Nominee Directors

Shri A.M. Manichan	- GOI, Part time Non official Director	w.e.f. 23.09.2014 to till date
Shri Pravin Agrawal	- GOI, Part time Non official Director	w.e.f. 23.04.2015 to till date

Statutory Auditor

D.S. Shukla & Company
Chartered Accountants
GF-2 Ekta Appartment
125, Chandralok Colony
Lucknow (U.P.)

Cost Auditors

Sunil Singh & Company
SSCO Tower D-2/28,
Vibhuti Khand, Gomti Nagar
Lucknow-226010

Bankers

State Bank of India
Indian Overseas Bank

Delhi Sales & Liaison Office

64-65, Najafgarh Road
Industrial Area,
New Delhi-110015.

Registered Office & Works

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

Registrar & Transfer Agent

Skyline Financial Services Pvt. Ltd.,
D-153/A, 1st Floor
Okhla Industrial Area, Phase-1
New Delhi-110020
Tel. : 011-26812682, 83 & 84
Fax : 011-26812681

INTERNAL AUDITORS

- Vimal Dixit & Associates,**
65/75, Chitwapur Road, Opp. Vikas Deep Building,
Station Road, Lucknow -226001
- Nemani Associates,**
Chartered Accountants
Flat No. 108, SR Complex, Habsiguda,
Hyderabad-500007
- Jayaswal Associates,**
Chartered Accountants
A-160, II Floor, VikasMarg, Shakarpur,
Delhi-110092
- G.N. Sinha & Company**
Chartered Accountants
25, Central Road, Shyam Nagar 24 Pgs(n),
West Bengal-743127
- Vikas N Gunjal & Associates**
Chartered Accountants
B/203, Anand Yatri CHSL, Vitthal Rukhmini Nagar,
Diva-Dativali Road, Diva (E),Thane-400612

Stock Exchanges

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

DIRECTORS' REPORT

Dear Shareholders,

The Board of Directors of your Company is pleased to present the **44th Annual Report** on the business and operations of the Company together with the audited Balance Sheet and Profit and Loss Account and Auditors' Report thereon for the financial year ended 31st March, 2016.

1. PRODUCTION REVIEW :

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

Description	(Nos.)	
	<u>2014-2015</u>	<u>2015-2016</u>
Three wheelers	13,057	8,176

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	<u>2014-2015</u>		<u>2015-2016</u>	
	Physical (in Nos.)	Financial (₹ in lakhs)	Physical (in Nos.)	Financial (₹ in lakhs)
Three Wheelers	11,409	14,876.02	9,326	13,513.41
Spares	-	405.65	-	270.81
Petrol, Diesel, Lubricants etc.	-	1,490.11	-	1,419.93
Other Sales	-	8.60	-	6.42
TOTAL	-	<u>16,780.38</u>	-	<u>15,210.57</u>

3. FINANCIAL REVIEW :

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

Description	(₹ in Lakhs)	
	<u>2014-2015</u>	<u>2015-2016</u>
a) Profit before Depreciation, Interest, Taxes, Prior Year Items & Other Income	692.29	(52.06)
b) Profit before Depreciation, Interest, Taxes & Other Income	707.34	(52.06)
c) PBDIT	1,340.17	901.60
d) Profit/(Loss) for the year	1,108.86	548.38

During the year under report :

- (1) Profit before depreciation, interest & taxes, prior year items & other income decreased by ₹ 744.35 lakhs as compared to the previous year.
- (2) Profit before depreciation, interest & taxes & other income decreased by ₹ 759.40 lakhs as compared to the previous year.
- (3) Profit before depreciation, interest & taxes decreased by ₹ 438.57 lakhs as compared to the previous year.
- (4) Net profit for the year has decreased by ₹ 560.48 lakhs as compared to the previous year.

4. OPERATIONAL REVIEW

The company made net profit of ₹ 548.38 lakhs during the period under review as compared to net profit of ₹ 1108.86 lakhs in financial year 2014-15.

During the year, capex installations have been commissioned that led to a few disruptions in production. Also a purchase order for installation of Solar Power Plant on Roof Top connected to grid for 1MWP capacity has been placed. On commissioning it is expected to bring about saving in energy cost.

5. DIVIDEND :

To conserve the resources the directors recommend no dividend during the year under report. No amount is proposed to be transferred to reserves.

6. CONTRIBUTION TO NATIONAL EXCHEQUER

The company has contributed a sum of ₹ 3,480.60 lakhs (towards duties & taxes) to the exchequer during the period under review vis-a-vis ₹ 3,458.47 lakhs during previous financial year.

7. 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.

8. EXPENDITURE ON ADVERTISEMENT AND PUBLICITY :

An expenditure of ₹ 18.31 lakhs was incurred on account of advertisement and publicity during the year.

9. 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 ₹ 85.21 Crores (Plan loan – ₹ 1.93 Crores & Non-plan - ₹ 83.28 crores) has been converted into equity share capital of ₹ 85.21 crores by issue of 8.52 crores equity shares of ₹ 10/- each at par and further the Equity share Capital of the Company has been reduced by 85.21 crores by cancellation of aforesaid ₹ 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 ₹ 2,367 Lacs on GOI loan (Plan loan of ₹ 193 lakhs & Non-plan loan of ₹ 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 ₹ 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 ₹ 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.

10. AUDITOR'S 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, 2015 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**.

11. MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED FROM 01.04.2016 TO DATE :

No material change and commitment have been made by the company from 01.04.2016 to date that has adverse effect on the financial position.

12. 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 manufacturers in India during the year 2015-16 as against 2014-15 is given below :

Category	Production (In Nos.)	
	Apr.14 - Mar.15	Apr.15 - Mar.16
Segment/Sub-segment		
Passenger Carrier	845,606	834,134
Goods Carrier	103,415	99,816
Total :	949,021	933,950
	Domestic Sales (In Nos.)	
Passenger Carrier	432,234	441,091
Goods Carrier	99,693	97,001
Total :	531,927	538,092

Note : Sales excluding Export of 407,600 Nos. in 2014-15 and 404,441 Nos. in 2015-16.

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. The company has played an important role in popularization of 3-Wheelers of larger capacity in the country. SIL has achieved sales of 9326 nos. in 2015-16 and utilized 74.61 % of installed capacity with its market share going from 2.14 % in 2014-15 to 1.72% in 2015-16. 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. It is a market leader in this segment with sales of 2595 nos.



(ii) 3- Wheelers market characteristics in India & abroad

Last-mile urban & rural transport in burgeoning Southeast Asia, China and Africa has been defined by the sharp-nosed tight-turning radius 3-wheelers, fondly ensconced in public memory as a Bajaj or Bajaj (in Jakarta, Indonesia), three-wheeler or tuktuk (in Sri Lanka), samosa, tempo, tuk-tuk (in Thailand), trishaw, autorick, bajaji (in Madagascar and Tanzania), keke Napep or Maruwa (in Nigeria), rick, tricycle (in the Philippines), mototaxi, baby taxi, lapa or tukxi (Piaggio Ape Calessino) in popular parlance. The Vikram, and the Lambro are Indian progeny of this fond legacy and hold their niche in the market with pride & value-for-money. Getting the product mix and reliability right can be a game changer for SIL to compete in Global & Indian markets. SIL's recent capex installations, and its soon to be implemented leftover parts of the revival plans, will lead the way to realizing its mission & vision in a strong and emphatic way.

(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 :

E.1. Opportunities :

- Growing automobile sector
- Untapped markets of South, West, East and 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.

E.2 Threats :

- Government regular focus and thrust on pushing 3W e-rickshaws.
- Increase in product substitution effect by rapidly growing 4 Wheel 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 :

i) 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-Wheeler 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 & 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.

(ii) Strategic Road Map :

Although there has been negative growth in three wheeler segment of Auto sector in India, the performance of your company has improved considerably 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.sanction.

13. 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 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-I, I-A and I-B** to this report.

14. 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.

15. INDUSTRIAL RELATIONS:

During period under review i.e. 01.04.2015 to 31.03.2016, the industrial relation in the company improved with adhoc release of wage revision (2007).

17. 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 01/04/2015 to 31/03/2016 on (Five fighting, Energy Efficiency and Kaizen & 5 S) training program as per details given below :

Programme Details	Officers	Staffs	Workmen	Trainees	Total
Internal	-	12	28	119	159
External	03	-	-	-	03
Total	03	12	28	119	162

17. VIGILANCE:

Vigilance Department 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 26th October 2015 to 31st October, 2015.

18. 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.

19. 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.



20. RESERVATION FOR SCHEDULED CASTES & SCHEDULED TRIBE:

As on 31.03.2016 the total strength of the company is 398. Out of these, 100 employees belong to Scheduled Castes and 01 employee to Scheduled Tribe.

21. DIRECTORS, KMY MANAGERIAL PERSONNEL, APPOINTED AND RESIGNED

Smt. Vinita Srivastava, Director, DHI has been nominated as CMD w.e.f. 23.02.2016 in place of Shri R.K. Singh, Joint Secretary, DHI, Shri Pravin Agawal, Director, DHI, has been appointed as a part time official Director in place of Mr. A.K. Deori w.e.f. 23.04.2015.

The Board records the appreciation for contribution made by aforesaid Directors during his association with the Company.

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

The Company has nominated Shri Rahul Bali, Director (Technical) & Shri B.N. Raj, Chief Financial Officer as Key Managerial Personnel.

Mr. Manish Sahu, CVO, Bharat Pumps & Compressors Limited (BPCL), Allahabad has been nominated as CVO of SIL w.e.f. 10.04.2015. 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

22. 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.

23. 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.

24. NUMBER OF MEETINGS OF THE BOARD

The Board met four 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.

25. 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 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.

26. 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.

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

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

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

29. During the year, the remuneration of Director (Technical) was ₹ 23.71 lac and median employee's remuneration was ₹ 4.24 lac. The Director (Technical) remuneration comes to 559% of median employees' remuneration. **(Annexure-7)**

30. 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.

31. 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.

32. 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, 2015, 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 judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year ended on March 31, 2015 and of the profit of the Company for the 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.

33. 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.

34. FIXED DEPOSITS:

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

35. SECRETARIAL AUDITOR

M/s Amit Gupta & Associates, Practicing Company Secretaries were appointed as secretarial auditors of the Company for the year 2015-16 as required under Section 204 of the Companies Act, 2013 and Rules made thereunder. The secretarial audit report in Form MR-3 for FY 2015-16 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.

36. 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.

37. 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.

**38. 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.

39. EXTRACT OF ANNUAL RETURN :

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

40. 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.

41. 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.

42. 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.

43. 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 ₹ 500 crore or more, or turnover of ₹ 1,000 crore or more or a net profit of ₹ 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 as the Company was a sick Company and under reference to BIFR up till 15.09.2015, even after discharge from BIFR, to conserve the resources for business operations the Company has decided not to spent any amount towards Corporate Social Responsibility during the year under report.

44. 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

Vinita Srivastava
Chairperson & Managing Director
(DIN : 07195637)

Place : New Delhi

Date : 02.09.2016

**ANNEXURE - 1****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 shifts to 2 Shifts only .
- Operation Hours of 04nos. of 120HP Compressors has been reduced by 10 Hours in a week by proper planning in order to conserve energy.
- Energy unit consumed during FY 2015-16 reduced to 4159800 kWh (unit) as against 5047200 kWh (unit) consumed during FY 2014-15.

(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-I-A.

II. TECHNOLOGY ABSORPTION :

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

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

Foreign exchange earned by way of export of goods was ₹ NIL in 2015-16 as compared to ₹ NIL during previous financial year.



Form - A

Form for Disclosure of particulars with respect to Conservation of Energy.

Description	2014-2015	2015-2016
A. Power and fuel consumption		
1. Electricity		
a) Purchased		
Unit*	5047200	4159800
Total Amount (₹)	42251313	39057263
Rate / Unit (₹)	8.371238	9.38921
b) Own Generation		
i) Through Diesel Generator Unit*	760	1020
Units per litre of diesel oil	0.8269	0.9107
Cost / Unit (₹)	66.1075	57.5701
ii) Through Steam Turbine / Gen.	N.A.	N.A.
Unit*	NIL	NIL
Unit per litre of diesel oil	NIL	NIL
Cost / Unit (₹)	NIL	NIL
2. Coal	N.A.	N.A.
Quantity (Ton)	NIL	NIL
Total Cost	NIL	NIL
Average rate	NIL	NIL
3. (a) Furnace Oil		
Quantity (Ton)	44.195	49.150
Total Amount (₹)	1614948.00	1284091.42
Average Rate per Kg. (₹)	36.543	25.936
(b) Light Diesel Oil		
Quantity (Kilo litres)	82.00	50.00
Total Amount (₹)	3561184.00	1804409.34
Average Rate per Kg. (₹)	43.43	36.088
4. Others / Internal generation	N.A.	N.A.
(Please give details)		
Quantity	NIL	NIL
Total cost	NIL	NIL
Rate / Unit	NIL	NIL

B. Consumption per unit of production

Description	Standards (if any)	2014-2015	2015-2016
Production (in Nos.)	-	13057**	8176
Electricity (Unit)	-	386.5513	508.7818
Furnace oil (Ton)	-	-	-
Light Diesel oil (Kilo litres)	-	-	-
Coal (Specify quality)	-	NIL	NIL
Others (Specify)	-	NIL	NIL

*Unit denotes KWH

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

**Form - B**

Annexure - 1B

Form for disclosure of particulars with respect to technology absorption**Research and Development (R&D)**

- | | | | | | | | | | |
|--|--|------------|------------|--------------|----------------------|----------|----------------------|--|--------------|
| 1. Specific areas in which R&D carried out by the company | <ul style="list-style-type: none"> □ Develop the in-house concept model of VIKRAM 450-D, 750-D, 1000-CG and VIKRAM 1500-CG Load Carrier and Passenger Carrier Variant. □ Develop of non metallic internal mud guard (wheel arch) with the help of M/s CIPET (Central Institute of Plastics Engineering & Technology), Lucknow. | | | | | | | | |
| 2. Benefits derived as a result of the above R&D | <ul style="list-style-type: none"> □ Customer feedback sought to provide market acceptability of the development. | | | | | | | | |
| 3. Future plan of action | <ul style="list-style-type: none"> □ Up Gradation of present products to meet forecoming regularity norms. □ Development and introduction of the 3-Wheeler concept vehicle Dry Type Single plate clutch System on small platform. □ Products upgrades with self adjusting brake system, improved handle bar & steering system and standardisation of electrical items, rubber and plastic parts. | | | | | | | | |
| 4. Expenditure on R&D | <table border="0" style="width: 100%;"> <tr> <td style="width: 80%;">A) Capital</td> <td style="text-align: right;">NIL</td> </tr> <tr> <td>B) Recurring</td> <td style="text-align: right;">₹ 26.78 Lakhs</td> </tr> <tr> <td>C) Total</td> <td style="text-align: right;">₹ 26.78 Lakhs</td> </tr> <tr> <td>D) Total R&D expenditure as a percentage of total turnover</td> <td style="text-align: right;">0.18%</td> </tr> </table> | A) Capital | NIL | B) Recurring | ₹ 26.78 Lakhs | C) Total | ₹ 26.78 Lakhs | D) Total R&D expenditure as a percentage of total turnover | 0.18% |
| A) Capital | NIL | | | | | | | | |
| B) Recurring | ₹ 26.78 Lakhs | | | | | | | | |
| C) Total | ₹ 26.78 Lakhs | | | | | | | | |
| D) Total R&D expenditure as a percentage of total turnover | 0.18% | | | | | | | | |

Technology absorption, adaptation and innovation

- | | |
|---|--|
| 1. Efforts, in brief, made towards technology absorption, adaptation and innovation | Officers and staff of R&D have been sponsored for exhibition, demonstration of products, seminars, courses, interactive sessions etc. relating to technology absorption, upgradation and innovation. |
|---|--|



Associative R&D has been carried out with different organizations and design houses like ARAI, ICAT and CIPET etc. for improvement, development and product innovation.

2. Benefits derived as a result of the above efforts e.g. product, improvement, cost reduction, product development, import substitution etc.

Development of Sheet Metal to non metal (i.e. Plastic, FRP etc.) use alternate material etc., parts,value Engineering on existing product etc., comprising that improvement, reliability, cost and weight reduction of the existing products.

3. In case of imported technology (imported during the last 5 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 taken place, reasons therefore and future plans of action.

Nil



INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF SCOOTERS INDIA LIMITED, LUCKNOW

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 March 31, 2016, 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 & 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 Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting 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 control, 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 mis-statement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's 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 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.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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, 2016;
- (b) In the case of the Statement of Profit and Loss, of the profit 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.
- (d) Attention is invited to Note No.45, to 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 and waiver of the loan, with the Ministry of Heavy Industry however Ministry approval on the same is pending.

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 paragraphs 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 appears from our examination of those books;
 - (c) the Balance Sheet, the Statement of Profit and Loss and 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 Rule 7 of the Companies (Accounts) Rules, 2014;
 - (e) on the basis of written representations received from the Directors as on 31 March, 2016, taken on record by the Board of Directors, none of the Directors is disqualified as on 31 March, 2016, 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 included in the Auditor's 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 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 Note 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.

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

Place : New Delhi
Date : 26th May, 2016

Shreeharsh Shukla
Partner
Membership 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, 2016

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 maintaining 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 by which fixed assets are verified in a phased manner over a period of three years. In accordance with this programme, certain fixed assets were verified during the year by a team constituted by the management and no material discrepancies were noticed on such verification. In our opinion, the Management need to improve the periodicity and procedure of physical verification having regard to the size of the Company and the nature of its assets.
- (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) (a) As explained to us, the company has conducted physical verification of the stores (excluding Inventory with third parties) as per the system of continuous physical verification of the Inventory adopted during the year and finished goods and work in progress at the end of the year, which is considered to be reasonable.
- (b) According to information and explanations given to us, the discrepancies notice on physical Verification of inventory conducted by the management from time to time as compared to book records were not material and have been properly dealt with in the books of accounts.
- (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 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 2016.
- (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.
- (vii) (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, 2016 for a period of more than six months the date of becoming payable, except the following:

Sl. No.	Name of the dues	Nature of dues	Period	Amount (in Lakhs ₹)
1	Kerala sales Tax Act	State Sales Tax	92-93,93-94 & 94-95	4.22
2.	UP Commercial Tax Department	UPVAT	2012-13	0.01
			Total	4.23

(b) The disputed statutory dues aggregating ₹ 1091.71 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 (In lakhs ₹)
1. (a)	State Sales Tax Act	Entry Tax & Penalty	Comm. of Commercial Tax	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)	Oct.2002-Mar.2007	3.22 & 6.49 Penalty & Indeterminate Interest
(b)	Central Excise & Service Tax	Central Excise	Additional Commissioner	2005-06 to 2008-09	2.16 & 2.16 Penalty & Indeterminate Interest
(c)	Central Excise & Service Tax	Central Excise	Assistant Commissioner	Apr.2009-Sept.2009	0.80 & 0.80 Penalty & Indeterminate Interest
(d)	Central Excise & Service Tax	Central Excise	Assistant Commissioner	Apr.2010-Sept.2010	0.74 & 0.74 Penalty & Indeterminate Interest
(e)	Central Excise & Service Tax	Central Excise	Additional Commissioner	2005-06 to 2008-09	2.48 & 2.48 Penalty & Indeterminate Interest



(f)	Central Excise & Service Tax	Central Excise	Tribunal Allahabad	Aug.2008 to Mar.2013	1.10 & 1.10 Penalty & Indeterminate Interest
3.	Income Tax Act	Income Tax	Dy. Commissioner of Income Tax, Rang VI, Lucknow	FY 2001-02 to 2005-06, 2010-11 & 2011-12	943.12
				Total :	1091.71 & 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 banks 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 of 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 Provision of Section 197 of the Act are not applicable to the company.
- (xii) In our opinion and according to the informations 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 information & 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: New Delhi
Date: 26th May, 2016

For D.S. Shukla & Co.
Chartered Accountants
Firm Registration No.000773C

CA 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, 2016

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

1. **Whether the Company has clear title/lease deeds for freehold and leaseholder 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, 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 been extended relief for conversion of interest bearing loan (Non Plan loan) provided by the government of India to zero interest bearing loan. Therefore the company has not made any default in the repayment of the loan outstanding & interest bearing. The GOI loans & interest are disclosed in Note No.45 of the Financial Statement for the year ended 31st March 2016.

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

Proper records have been maintained for such inventories 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. The same has been disclosed in Note No.34 of the Financial Statement for the year ended 31st March 2016.

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

1. **Employee Benefits**

Independent verification may be made of information/inputs furnished to Actuary, viz number of employees, average salary, retirement age and assumptions made by the Actuary regarding discount rate, future cost increase, mortality rate etc. for arriving at the provision for liability of retirement benefits, viz gratuity, leave encashment, post retirement me.

The Actuarial valuation has been carried out by an independent actuary & the liability has been determined for Gratuity & Leave Encashment in conformity with the principles set out in AS-15. The detail of the same has been disclosed in Note No.39 of the Financial Statement for the year ended 31st March 2016. Further the inputs furnished to actuary were found correct.

Place: New Delhi
Date: 26th May, 2016

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

CA Shreeharsh Shukla
Partner
Membership 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, 2016

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 2016 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 risk 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 details, 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 2016, 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: New Delhi
Date: 26th May, 2016

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

CA Shreeharsh Shukla
Membership No-408990



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 31ST MARCH, 2016.

The preparation of financial statements of Scooters India Limited for the year ended 31st March, 2016 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the management of the company. The Statutory auditor appointed by the Comptroller and Auditor General of India under Section 139(5) of the Act is responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 26 May, 2016.

I, on behalf of the Comptroller and Auditor General of India have decided not to conduct the supplementary audit of the financial statements of Scooters India Limited for the year ended 31 March 2016 under Section 143(6) (a) of the Act.

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

(Suparna Deb)
Principal Director of Commercial Audit
& Ex-Officio Member, Audit Board - II,
New Delhi

Place : New Delhi
Date : 11.07.2016



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 and 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 behaviour, actual or suspected fraud or violations of the Company's Code of Conduct.

D. CEO/CFO Certification

In terms of Regulation 17(8) of 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 31.03.2016 is comprised of four directors, two of whom are part time official Director, nominated by Govt. of India. Executive directors on the Board of SIL includes Director (Technical) & Chairman cum Managing Director, who has been given additional charge.

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 till date	2	-	-
Shri R.K. Singh, IAS, CMD	15.05.2013 to 23.02.2016	5	2	1
Shri Rahul Bali, Director (Technical)	02.04.2013- till date	-	1	-
Part-time Non Executive Director (Official)				
Shri A.M. Manichan, Director GOI Nominee	25.09.2014 to till date	2	-	-
Shri Pravin Agrawal, Director GOI Nominee	23.04.2015 to till date	-	-	-

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

Sl. No.	Name of Directors	BM dated 4.5.15	BM dated 5.8.15	BM dated 9.11.15	BM dated 25.1.16	AGM dated 23.9.15
Total Strength →		4	4	4	4	4
1.	Smt. Vinita Srivastava	NA	NA	NA	NA	NA
2.	Shri R.K. Singh	P	P	P	P	-
3.	Shri Rahul Bali	P	P	P	P	P
4.	Shri Pravin Agrawal	P	P	P	P	-
5.	Shri A.M. Manichan	P	P	P	P	-
6.	Shri A.K. Deori	NA	NA	NA	NA	NA

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 Committees 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.

B. Share Transfer Committee

Present Composition of Share Transfer Committee is :

1. Smt. Vinita Srivastava, CMD
2. Shri Rahul Bali, Director (Tech.)
3. Shri B.N. Raj, Financial Controller

4. General Body Meetings :

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

Year	Location	Date	Time
2012-2013	Kisan Mandi Bhawan Auditorium, Gomti Nagar, Lucknow	30 th Sept., 2013	3.00 p.m.
2013-2014	Kisan Mandi Bhawan Auditorium, Gomti Nagar, Lucknow	25 th Sept., 2014	3.00 p.m.
2014-2015	Registered office of the Company at Lucknow- Kanpur Road, (16th Mile Stone), Sarojini Nagar Lucknow-226 008, Uttar Pradesh	23 rd Sept, 2015	11.30 a.m.

Special Resolution (if any) & Postal Ballot :

AGM Date	Special Resolution	Whether Put Through Postal Ballot	Details of Voting Pattern	Person Who Conducted Postal Ballot
30.9.2013	FIVE	No	N.A.	N.A.
25.9.2014	TWO	No	N.A.	N.A.
23.9.2015	TWO	No	N.A.	N.A.

- 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 2015-16 :
(Amount in ₹)

Name	Designation & Period	Sitting Fee	Salary (₹)	Benefits & Contribution to PF/Pension/ Others	Total (₹)
Sri R.K. Singh	CMD (01-04-2016- 23.02.2016)	-	-	-	-
Smt. Vinita Srivastava	CMD (23.02.2016- 31.03.2016)	-	-	-	-
Sri Rahul Bali	Director (Tech.)	-	18,12,245	5,59,200	23,71,445
Total :			18,12,245	5,59,200	23,71,445

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 30th, 2016 at 11.30 am.
- Financial Calender : 1st April, 2015 to 31st March, 2016
- Venue : Registered Office of the Company at : Post Bag No. 23,
GPO, Sarojini Nagar, Lucknow--226 008



Book Closure date	: 24 th September, 2016 to 30 th September, 2016.
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 - 362879 as on 31.3.2016 : NSDL - 41921718 as on 31.3.2016 : Physical : 43097658 as on 31.03.2016
Outstanding GDR / ADRs / Warrants or any Convertible Instruments, Conversion Date and likely impact on Equity	: NIL
Plant Location	: Lucknow- Kanpur Road (16 th Mile Stone), Post Bag No. 23 (G.P.O) P.O. Sarojini Nagar, Lucknow-226 008.
Address for Investor Correspondence	: Lucknow- Kanpur Road (16 th Mile Stone), Post Bag No.23 (G.P.O) P.O. Sarojini Nagar, Lucknow-226 008.

**Summary of Share Prices of Scooters India Limited (Monthly)****Script Code : 505141****Company : SCOOTERS INDIA LTD. For the period : April, 2015 to March, 2016**

Months	Open Price	High Price	Low Price	Close Price	No. of Shares	No. of Trades	Total Turnover	Deliverable Quantity	% Deli. Qty to Traded Qty	*Spread (₹)	
										H-L	C-O
Apr 15	26.45	33.90	25.50	30.00	40,337	734	12,21,832	40,337	100.00	8.40	3.55
May 15	29.90	30.95	25.35	26.20	27,908	289	7,70,792	27,908	100.00	5.60	-3.70
Jun 15	26.75	26.75	21.75	23.55	18,789	194	4,40,447	18,789	100.00	5.00	-3.20
Jul 15	24.15	26.75	23.05	24.60	29,400	208	7,38,451	29,400	100.00	3.70	0.45
Aug 15	24.70	28.30	22.00	23.80	30,104	196	7,65,485	30,104	100.00	6.30	-0.90
Sep 15	22.85	31.85	22.45	31.85	38,689	227	10,42,187	38,689	100.00	9.40	9.00
Oct 15	33.30	35.05	28.00	29.00	60,881	367	19,45,039	60,881	100.00	7.05	-4.30
Nov 15	27.60	32.00	26.90	27.75	11,076	116	3,17,825	11,076	100.00	5.10	0.15
Dec 15	28.35	30.65	26.10	27.50	27,050	214	7,78,758	26,169	96.74	4.55	-0.85
Jan 16	27.25	31.90	25.20	27.30	29,594	230	8,55,676	29,594	100.00	6.70	0.05
Feb 16	27.00	28.90	24.00	25.20	25,224	185	6,84,111	25,224	100.00	4.90	-1.80
Mar 16	24.00	27.60	23.95	25.75	15,744	155	4,03,381	15,744	100.00	3.65	1.75

7. Disclosures:

- a) **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.

- b) **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

- c) **No person has been denied access to Audit Committee**

8. Means of communication:

a) Quarterly Results (Approved in the meetings held on 04.5.2015, 05.08.2015 09.11.2015 & 25.01.2016)	The Company has published quarterly results in Rastriya Swarup, Financial Express & Business Standard
b) Management Discussion and Analysis	This forms part of the Directors' Report, which is posted to the Shareholders of the Company.
c) Web Site	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 March 31, 2016

Shareholding of Nominal Value	Share Holders		Share Amount in Rupees				
			Physical	NSDL	CDSL	TOTAL	%
Upto - 500	8328	94.36	574708.00	236421.00	111266.00	9223950	1.08
501 - 1000	301	3.41	58700.00	128206.00	71004.00	2579100	0.3
1001 - 2000	103	1.17	36800.00	77519.00	44239.00	1585580	0.19
2001 - 3000	32	0.36	13600.00	42319.00	25953.00	818720	0.1
3001 - 4000	18	0.2	3700.00	52210.00	9944.00	658540	0.08
4001 - 5000	14	0.16	4350.00	37733.00	22948.00	650310	0.08
5001 - 10000	17	0.19	15800.00	78832.00	29756.00	1243880	0.15
10001 and above	13	0.15	42390000.00	41158791.00	157456.00	837062470	98.04
TOTAL	8826	100	43097658.00	41812031.00	472566.00	853822550	100

Category	Percentage
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	100.00

11. Any Query on the Annual Report :

Secretarial Department,
Scooters India Limited,
Lucknow - Kanpur Road,
(16th Mile Stone), Post Bag No. 23 (G.P.O.),
P.O. Sarojini Nagar, Lucknow-226 008.

Vinita Srivastava
DIN : 07195637
Chairperson and Managing Director
Scooters India Ltd. Lucknow-226 008

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 2015-16 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.

Vinita Srivastava
CMD / CEO

Place : New Delhi
Dated : 02 September, 2016

**ANNEXURE - 4-B****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, 2016, as stipulated in Clause 49 of the Listing Agreement ("Listing Agreement") of the company with the Stock exchange for the period 1 April, 2015 to November 30, 2015 and as per relevant provisions of the Securities and Exchange Board Of India (Listing Obligation and Disclosure Requirements) Regulations 2015 ("Listing Regulation") as referred to in Regulation 15(2) of the Listing Regulation for the period 1 December 2015 to 31 March 2016.
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, *except regarding 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 and appointment of Company Secretary and compliance 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 : 02.09.2016



**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 Stone), 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, 2016 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, 2016 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 Stock Exchanges.

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.
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 certain 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 (appointed w.e.f. 23rd February, 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, 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. 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.

**For Amit Gupta & Associates
Company Secretaries**

**Amit Gupta
Proprietor**

Membership No. : F5478
C.P. No. 4682

Date: 02.09.2016
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 Stone), 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 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: 02.09.2016
Place: Lucknow

Form No. MGT. 9

Annexure-6

Extract of Annual Return

(As on the financial year ended on March 31, 2016)

[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, Uttar Pradesh, India.
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	88.88%
2.	Spare Parts	35914	1.78%

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, 2015				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	
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	23150	23250	0.03	100	22250	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) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture	-	-	-	-	-	-	-	-	-



Category of Shareholders	No. of Shares held at the beginning of the year March 31, 2014				No. of Shares held at the end of the year March 31, 2015				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (SNIF)	3361461	-	3361461	3.94	3361461	-	3361461	3.94	NIL
Sub-total(B)(1)	3361461	25400	3386961	3.97	3361561	24400	3385961	3.97	NIL
2. Non Institutions	-	-	-	-	-	-	-	-	-
a) Bodies Corp.	144134	16549	160683	0.19	119984	6549	126533	0.15	0.04
(i) Indian									
(ii) Overseas									
b) Individuals									
(i) Individual share-holders holding nominal share capital upto Rs.2 lakh	846227	670109	1516336	1.78	916704	676709	1593413	1.87	(0.09)
(ii) Individual share-holders holding nominal share capital in excess of Rs 2 lakh	177206	-	177206	0.21	132630	-	132630	0.21	NIL
c) Others									
i) NRI	40480	-	40480	0.05	38685	-	38685	0.05	NIL
ii) Market Maker	-	-	-	-	-	-	-	-	-
iii) Others	66560	-	66560	0.08	71004	-	71004	0.08	NIL
Sub-total(B)(2)	1274607	686658	1961265	2.30	1279007	683258	1962265	2.30	NIL
Total Public Shareholding (B)=(B)(1)+(B)(2)	4636168	712058	5348226	6.27	4640568	707658	5348226	6.27	NIL
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	42280197	43102058	85382255	100	42284597	43097658	85382255	100	NIL

**ii. Shareholding of Promoters**

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year March 31, 2015			Shareholding at the end of the year March 31, 2016			% 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 Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
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)

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.	Special National Investment Fund				
	Opening balance	3361461	3.94		
	change	-	0.00	3361461	3.94
	Closing balance	3361461	3.94	3361461	3.94
2.	Sachin Ramesh Mahtre				
	Opening balance	90401	0.11		
	change	-	0.00	90401	0.11
	Closing balance	90401	0.11	90401	0.11
3.	MSPL Limited				
	Opening balance	54100	0.06		
	change	-	0.00	54100	0.06
	Closing balance	54100	0.06	54100	0.06
4.	Aditi Dilip Shete				
	Opening balance	42229	0.04		
	change	-	0.00	42229	0.04
	Closing balance	42229	0.04	42229	0.04



5.	Lal Tolani				
	Opening balance	37387	0.04		
	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.	Vinay R Somani				
	Opening balance	11322	0.03		

Change				
10/04/2015	79		11401	0.01
17/04/2015	-400		11001	0.01
08/05/2015	-500		10501	0.01
15/05/2015	500		11001	0.01
22/05/2015	1506		12507	0.01
29/05/2015	425		12932	0.02
05/06/2015	792		13724	0.02
12/06/2015	3277		17001	0.02
26/06/2015	145		17146	0.02
10/07/2015	401		17547	0.02
17/07/2015	-1346		16201	0.02
24/07/2015	-220		15981	0.02
31/07/2015	-1		15980	0.02
07/08/2015	-2779		13201	0.02
14/08/2015	470		13671	0.02
21/08/2015	930		14601	0.02
28/08/2015	1200		15801	0.02
04/09/2015	1150		16951	0.02
11/09/2015	700		17651	0.02
18/09/2015	135		17786	0.02
25/09/2015	-5105		12681	0.01
30/09/2015	-1680		11001	0.01
16/10/2015	10501		21502	0.03
23/10/2015	-10901		10601	0.01
04/12/2015	-99		10502	0.01
Closing Balance	10502		10502	0.01



V. INDEBTEDNESS

Indebtedness of the Company is as follows:

	Secured Loans excluding deposits (Overdraft Against Fixed Deposits)	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year March 31, 2014				
i) Principal Amount	1059.94	2189.00	NIL	3248.94
ii) Interest due but not paid	NIL	NIL	NIL	NIL
iii) Interest accrued but not due	NIL	NIL	NIL	NIL
Total (i+ii+iii)	1059.94	2189.00	NIL	3248.94
Change in Indebtedness during the financial year				
- Addition	NIL	NIL	NIL	NIL
- Reduction	173.91	NIL	NIL	173.91
Net Change	173.91	NIL	NIL	173.91
Indebtedness at the end of the financial year March 31, 2015				
i) Principal Amount	886.03	2189.00	-	3075.03
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	886.03	2189.00	-	3075.03

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 (Technical)	Total
1.	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	18,12,245.00	18,12,245.00
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	5,59,200	5,59,200
	(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)	23,71,445.00	23,71,445.00
	Ceiling as per the Act	*NA	*NA

*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

Sl. No.	Particulars of Remuneration	Amount in INR	
		B.N. Raj, CFO	Total
1.	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	9,99,228.00	9,99,228.00
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	2,19,683	2,19,683
	(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)	12,18,911.00	12,18,911.00

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, 2016.

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 2015-16 (In ₹)	Remuneration in year 2014-15 (In ₹)	% increase in remuneration	Ratio of remuneration to median remuneration of employees	Ratio of the remuneration to Net Profit (2014-15)
Rahul Bali	Director (T)	23.71	19.47	21.76%	559%	4.32%

(Amt. In Lakhs)

Name(s) of Independent Directors	Remuneration in year 2015-16 (In ₹)	Remuneration in year 2014-15 (In ₹)	% increase in remuneration
NIL	NIL	NIL	NIL



(Amt. In Lakhs)

Name(s) of Non-Executive Directors	Remuneration in year 2015-16 (In ₹)	Remuneration in year 2014-15 (In ₹)	% increase in remuneration
NIL	NIL	NIL	NIL

(Amt. In Lakhs)

Name of KMP	Remuneration in year 2015-16	Remuneration in year 2014-15	% increase in remuneration	Ratio of the remuneration to Net Profit (2014-15)
B.N. Raj, CFO	12.19	9.88	23.33%	2.22%

- i. The median remuneration of employees in the year 2015-16 and 2014-15 is ₹ 4,24,238.00 and ₹ 3,45,363.00 respectively. The percentage increase in the median remuneration is 22.84%.
- ii. The Company has 398 number of permanent employees on the rolls of the Company as on the year ended at March 31, 2016.
- iii. The Company's Net Profit stood at ₹ 5.48 crores at the year ended as on March 31, 2016 as compared to 11.09 crores for the year ended on March 31, 2015. The percentage of growth in the Net profit of the Company is (-) 50.59%. The growth in the remuneration of WTD and KMP was 21.76% & 23.33% respectively in year 2016 as compared to 2015. 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 2016 and previous year 2015 are as under.

	2015-16	2014-15
Market Cap	21985.93 lacs	21815.17 lacs
Price Earnings Ratio	40.23	16.59

- 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.s



Annexure-8

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:

₹ in Lakhs

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

For and on behalf of Board of Directors

Place: New Delhi
Date: September 02, 2016

(Vinita Srivastava)
Chairperson & Managing Director
(DIN : 07195637)



BALANCE SHEET AS AT MARCH 31, 2016

Particulars	Note No.	AS AT 31-3-2016 ₹ in Lakhs	AS AT 31-3-2015 ₹ in Lakhs
I. EQUITY AND LIABILITIES			
1) Shareholders' Funds			
a) Share Capital	2	8,538.39	8,538.39
b) Reserves & Surplus	3	1,331.69	783.31
(2) Non-Current Liabilities			
(a) Long-term borrowings	4	1,789.00	2,189.00
(b) Other Long term liabilities	5	207.52	209.02
(c) Long term provisions	6	396.73	603.49
(3) Current Liabilities			
(a) Short-term borrowings	7	886.03	1,059.94
(b) Trade payables	8	2,518.74	3,076.11
(c) Other current liabilities	9	1,885.83	1,369.90
(d) Short-term provisions	10	254.37	235.57
Total		17,808.30	18,064.73
II. Assets			
(1) Non-current assets			
(a) Fixed assets	11		
(i) Tangible assets		1,112.74	1,261.85
(ii) Capital work-in-progress		151.33	26.27
(b) Non-current investments	12	-	-
(c) Deferred tax assets (net)	13	-	-
(d) Long term loans and advances	14	378.46	329.82
(2) Current assets			
(a) Inventories	15	8,049.46	8,190.36
(b) Trade receivables	16	114.57	143.23
(c) Cash and Bank Balance	17	5,613.60	6,640.54
(d) Short-term loans and advances	18	2,259.65	1,297.67
(e) Other current assets	19	128.49	174.99
Total		17,808.30	18,064.73

Accompanying Notes 1 to 47 are an integral part of the Financial Statements

B.N. Raj
Financial Controller

Rahul Bali
Director (Technical)

Pravin Agrawal
Chairman and Managing Director

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

Shreeharsh Shukla
Membership No.F408990

Place : New Delhi
Date : 26th May, 2016



**CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2016
PURSUANT TO CLAUSE 32 OF THE LISTING AGREEMENT**

Particulars	Year Ended 31-03-2016 ₹ in lakhs	Year Ended 31-03-2015 ₹ in lakhs
Cash flow from operating activities :		
Net Profit/(Loss) before Tax	577.26	1,108.86
Adjustment for :		
Depreciation		
(i) For Current Year	189.22	202.02
(ii) For Prior Period	-	-
-Prior Year items	-	-
-Loss Written off	-	-
-Provision for Loss in Value of Investment	-	-
-Provision/Written off for Doubtful Debts	0.39	4.64
-Provision for inventory Obsolescence	8.42	3.41
-Excess Provision Written Back	(308.11)	(65.62)
-Interest Income	(616.38)	(548.30)
-Interest Paid	135.12	29.29
-(Profit)/Loss in exchange rate change	-	-
-(Profit)/Loss on sale of fixed assets	-	(374.56)
Operating profit before working capital changes	<u>(14.08)</u>	<u>734.30</u>
Adjustment for :		
-Trade receivables	51.72	42.64
Inventories	132.48	(3,564.36)
Other current assets	46.50	49.09
Long Term Loans & advances	(48.64)	(56.47)
Short Term Loans & advances	(678.43)	32.19
Other Long Term Liabilities	(1.50)	(30.03)
Trade payables	(557.37)	(76.47)
Other Current Liabilities	117.04	257.33
Capital Reserve	-	-
Provisions	(216.84)	827.56
Cash generated/(Loss) from operations :	<u>(1,155.04)</u>	<u>(2,518.52)</u>
Less Taxes paid :	<u>(1,169.12)</u>	<u>(1,784.22)</u>
Income Tax	-	-
Net cash from operating activities	<u>(1,169.12)</u>	<u>(1,784.22)</u>
Cash flow from investing activities		
Increase in fixed assets / capital expenditure	(165.17)	(94.76)
Sale / Adjustments of fixed assets	-	-
Interest Income	616.38	548.30
Other Fixed deposit with banks realised/(made)	435.76	469.35
(Loss)/Gain in exchange rate	-	-
Net cash used in investing activities	<u>886.97</u>	<u>922.89</u>
Cash flow from financing activities		
Interest paid*	(135.12)	(29.29)
Increase in share capital	-	-
Repayment of term loan to G.O.I.	-	-
Receipt of long term loan from G.O.I.	-	-
Settlement of GOI Loan	-	-
(Decrease) / Increase in cash credit limits	(173.91)	850.31
Net cash used in financing activities	<u>(309.03)</u>	<u>821.02</u>
Net increase / (decrease) in cash and cash equivalents	<u>(591.18)</u>	<u>(40.31)</u>
Cash and cash equivalents (Opening balance)	690.93	731.24
Cash and cash equivalents (Closing balance)	<u>99.75</u>	<u>690.93</u>



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)	
	2015-16	2014-15
Cash in hand	1.89	2.79
Cheques in hand	0.00	133.33
Balance with Banks		
Current accounts	97.86	554.81
	99.75	690.93

B.N. Raj
Financial Controller

Rahul Bali
Director (Technical)

Pravin Agrawal
Chairman and Managing Director

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

Shreeharsh Shukla
M.N. No.F408990

Place : New Delhi
Date : 26th May, 2016

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 to the 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 ₹ 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 bases 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 amortisation. Technical Know how 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 to the Companies Act, 2013, as amended from time to time, except.

- (a) Plant, Machinery, Equipment and Jigs & Fixtures costing individually ₹ 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 realisable 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 realisable value.
- (ii) Stock-in-trade is valued at lower of cost or net realisable 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 realisable 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.

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 transaction 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 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 31.03.2016 ₹ in lakhs	As at 31.03.2015 ₹ 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	8,538.23	8,538.23
Forfeited Shares	<u>0.16</u>	<u>0.16</u>
	<u>8,538.39</u>	<u>8,538.39</u>
<p>*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.</p>		
<p>a. The reconciliation of the number of shares outstanding as on 31st March 2016 are as follows :</p>		

Particulars	Equity Shares	
	Number	₹ in Lakhs
Shares outstanding at the beginning of the year	85385500	8,538.55
Shares issued during the year	-	-
Shares outstanding at the end of the year	85385500	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 follow :

Name of Shareholder	As at 31 March 2016		As at 31 March 2015	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Government of India	80034029	93.74	80034029	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
Reserve and Surplus

	As at 31.03.2016 ₹ in Lakhs	As at 31.03.2015 ₹ in Lakhs
Reserves		
Capital Reserve *	<u>4.90</u>	<u>4.90</u>
	<u>4.90</u>	<u>4.90</u>
Surplus		
Opening Balance	778.41	(238.30)
Less : Depreciation Adjustment as per Companies Act 2013	-	(92.15)
	<u>778.41</u>	<u>(330.45)</u>
Add : Net Profit/(Loss) During the year	<u>548.38</u>	<u>1,108.86</u>
Closing Balance	<u>1,326.79</u>	<u>778.41</u>
	<u>1,331.69</u>	<u>783.31</u>

* Share forfeiture adjustment during 1980-81 ₹ 4.90 lakhs



	As at 31.03.2016 ₹ in Lakhs	As at 31.03.2015 ₹ in Lakhs
a) Forfeiture of Share		
Balance at the beginning of the year & at the end of the year	<u>4.90</u> <u>4.90</u>	<u>4.90</u> <u>4.90</u>

**NOTE NO. 4
Long Term Borrowings**

	As at 31.03.2016 ₹ in Lakhs	As at 31.03.2015 ₹ in Lakhs
Unsecured Loan from Related Party		
Loans from Government of India*	<u>1,789.00</u> <u>1,789.00</u>	<u>2,189.00</u> <u>2,189.00</u>

* Refer Note No.45

**NOTE NO. 5
Other Long Term Liabilities**

	As at 31.03.2016 ₹ in Lakhs	As at 31.03.2015 ₹ in Lakhs
Trade Payable		
Other Payable :		
Advances	1.90	1.90
Deposits	<u>205.62</u>	<u>207.12</u>
	<u>207.52</u>	<u>209.02</u>
Related Party		
Refund of TDS on Interest payable to Government of India	<u>-</u>	<u>-</u>
	<u>207.52</u>	<u>209.02</u>

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



NOTE NO. 6
Long Term Provisions

	As at 31.03.2016 ₹ in Lakhs	As at 31.03.2015 ₹ in Lakhs
Provision for Retirement Benefits		
Gratuity	-	-
Leave Encashments	396.73	603.49
	<u>396.73</u>	<u>603.49</u>

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 31.03.2016 ₹ in Lakhs	As at 31.03.2015 ₹ in Lakhs
Secured		
Loans and advances from Banks*		
Indian Overseas Bank	886.03	1,059.94
	<u>886.03</u>	<u>1,059.94</u>

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

NOTE NO. 8
Trade Payables

	As at 31.03.2016 ₹ in Lakhs	As at 31.03.2015 ₹ in Lakhs
Acceptances	487.37	919.53
Other Trade Payable (Comprising of Sundry Creditors (Gen. & anc.), Bills payable etc.)	2,031.37	2,156.58
	<u>2,518.74</u>	<u>3,076.11</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 31.03.2016 ₹ in Lakhs	As at 31.03.2015 ₹ in Lakhs
Advances and Deposits @	109.57	86.62
Unspent Balance against Workmen Housing Colony*	41.45	40.67
Other Payables** (Comprising of Salary & Wages, Liability for Expenses etc.)	1,334.81	1,242.61
	<u>1,485.83</u>	<u>1,369.90</u>
Related Party		
Current Maturities of Long Term Loan From GOI***	400.00	-
	<u>400.00</u>	<u>-</u>
	<u>1,885.83</u>	<u>1,369.90</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	147.49	146.71
Less : Expenditure on Workmen's Housing Colony	106.04	106.04
	<u>41.45</u>	<u>40.67</u>

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

** Refer Note No.45



NOTE NO. 10
Short Term Provision

	As at 31.03.2016 ₹ in Lakhs	As at 31.03.2015 ₹ in Lakhs
Provision for Retirement Benefit		
Gratuity	-	-
Leave Encashments	215.59	226.56
	<u>215.59</u>	<u>226.56</u>
Provision for others		
Warranty	9.90	9.01
Income Tax	28.88	-
	<u>254.37</u>	<u>235.57</u>

- 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. Provision for warranty represents the estimated outflow in respect of warranty for product sold. The details of provision for warranty are given below :

			(₹ in Lakhs)
Particulars	2015-16	2014-15	
Opening Balance	9.01	11.50	
Add : Provision for the year (net) including additional/less	5.45	4.75	
Provision for earlier years			
Total	<u>14.46</u>	<u>16.25</u>	
Less : Payment/Debits	4.56	7.24	
Closing Balance	<u>9.90</u>	<u>9.01</u>	



NOTE No. 11
Fixed Assets

DESCRIPTION	GROSS BLOCK AT COST				ACCUMULATED DEPRECIATION				NET BLOCK	
	AS AT 01.04.2015	ADDITIONS DURING THE YEAR		AS AT 31.03.2016	AS AT 01.04.2015	For the Year	Re- tained Earning	Impairment Loss/ Reversal of Impairment Loss	AS AT 31.03.2016	AS AT 01.04.2015
		Acquisition through Business Combination	Other Addition							
Tangible Assets										
A Lease Hold Land*	12.58	-	-	-	5.80	0.14	-	-	5.94	6.78
Building (including Roads Services & Tubewell)	405.10	-	-	405.10	346.72	5.85	-	-	352.57	58.38
Plant and Machinery*	2,824.76	16.00	16.00	2,799.23	1,958.63	126.37	-	2,085.00	714.23	826.84
Special Tools	1,854.27	8.90	8.90	1,863.17	1,643.24	32.16	-	1,675.40	187.77	211.03
Handling Equipment	113.32	-	-	113.32	101.06	0.98	-	102.04	11.28	12.26
Furniture & Fixtures	324.83	1.38	1.38	326.21	299.74	5.27	-	305.01	21.20	25.09
Office Equipments	61.03	-	-	61.03	57.39	0.85	-	58.24	2.79	3.64
Electrical Equipments	224.23	13.83	13.83	238.06	169.03	9.49	-	178.52	59.54	55.20
Installation & Fittings	154.17	-	-	154.17	92.10	8.11	-	100.21	53.96	62.07
TOTAL	5,974.29	40.11	40.11	5,972.87	4,673.71	189.22	-	4,862.93	1,109.94	1,261.29
B. Assets Not in Use**	12.65	-	-	12.65	51.38	-	-	51.38	2.80	0.56
B. Intangible Assets										
C. Capital Work in Progress										
Capital items awaiting installation	-	-	-	-	-	-	-	-	-	-
- Tangible	21.54	36.38	36.38	18.92	-	-	-	-	18.92	21.54
- Intangible	-	8.92	8.92	4.73	-	-	-	-	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	26.27	164.06	164.06	151.33	-	-	-	-	151.33	26.27
D. Intangible Assets Under Development										

Note : 1. Amount of Borrowing Cost Capitalised during the year is NIL. (Previous Year - NIL)
 2. Plant, Machinery, Equipment and Jigs & Fixtures costing individually ₹ 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 2014-15, the estimated useful life of certain fixed assets has been revised in accordance with Schedule-II of Companies Act 2013, with effect from 1st April 2014. Pursuant to the above mentioned changes in useful lives, the depreciation expenses for the year ended 31.03.2015 is higher by ₹ 73.93 lakhs and for the assets whose revised useful lives have expired prior to 31.03.2014, the net book value of ₹ 92.15 lakhs has been adjusted from retained earnings.
 4. During the financial year 2015-16, the componentization on Fixed Assets 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, i.e. 125.29 acres w.e.f. 5th October, 1974 & 22.209 acres w.e.f. 10th August, 1976.
 **Fixed Assets amounting to ₹ 41.53 lakhs (previous year ₹ 12.65 lakhs) which are not in active use has been recorded at its book value which is lower of its net realizable value.

NOTE NO. 12
Non Current Investments

	As at 31.03.2016 ₹ in Lakhs	As at 31.03.2015 ₹ 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
	<u>68.35</u>	<u>68.35</u>
Less : Provision for estimated loss in value	<u>68.35</u>	<u>68.35</u>
	<u>—</u>	<u>—</u>

- 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 lakhs 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
Defferred Tax Assets

	As at 31.03.2016 ₹ in Lakhs	As at 31.03.2015 ₹ in Lakhs
(A) Deferred tax liability		
On account of timing difference with regard to depreciation.	151.59	217.33
Total A	<u>151.59</u>	<u>217.33</u>
(B) Deferred tax Assets		
On account of timing difference with regard to disallowance of provision in income Tax.	212.85	238.62
On account of timing difference with regard to unabsorbed depreciation, scientific research expenditure and carry forward losses.	2,000.35	4,308.48
Total B	<u>2,213.20</u>	<u>4,547.10</u>
Deferred Tax Assets (B-A)	<u>2,061.61</u>	<u>4,329.77</u>

In consideration of prudence, the above deferred tax assets aggregating to ₹ 2061.61 lakhs (Previous Year ₹ 4329.77 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 31.03.2016 ₹ in Lakhs	As at 31.03.2015 ₹ in Lakhs
(Advances recoverable in cash or kind or for value to be received)		
1. Unsecured considered good :		
a) Deposits	80.81	80.81
b) Others	297.65	249.01
(Comprising of Deposit with Income tax, etc.)		
2. Unsecured Considered doubtful	4.07	4.07
	<u>382.53</u>	<u>333.89</u>
Less : Provision for doubtful advances	4.07	4.07
	<u>378.46</u>	<u>329.82</u>

NOTE NO. 15
Inventories

	As at 31.03.2016 ₹ in Lakhs	As at 31.03.2015 ₹ in Lakhs
Raw Materials and Components*	1,818.56	1,926.54
Stores and Spares	240.93	232.75
Loose Tools and Consumables*	487.27	478.75
Work-in-progress	2,414.10	1,053.34
Finished goods	2,919.65	4,346.48
Material-in-transit	26.12	13.22
Material under Inspection	2.85	7.71
Disposal Stores	271.71	256.73
Other Stocks #	34.18	32.34
	<u>8,215.37</u>	<u>8,347.86</u>
Less : Provision for Inventory Obsolescence	144.28	135.87
Provision for material lying with sub Contractor		
doubtful of recovery	21.63	21.63
	<u>8,049.46</u>	<u>8,190.36</u>

*Raw - materials, loose tools and consumables lying with sub-contractors amount to ₹ 43.14 lakhs (Previous year ₹ 36.67 lakhs).

Other stocks includes Petrol Pump of ₹ 25.04 lakhs (Previous Year ₹ 23.96 lakhs)

a. The Company held no security in respect of material lying with third parties/contractors to the tune of ₹ 43.14 lakhs (Previous year ₹ 36.67 lakhs).

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

**NOTE NO. 16****Trade Receivables**

	As at 31.03.2016 ₹ in Lakhs	As at 31.03.2015 ₹ in Lakhs
Unsecured		
(i) Debts outstanding for a period exceeding 6 months from the date it becomes due		
a) Considered good	70.85	74.92
b) Considered doubtful	407.51	430.95
	<u>478.36</u>	<u>505.87</u>
(ii) Other debts considered good	43.72	68.31
	<u>522.08</u>	<u>574.18</u>
Less : Provision for doubtful debts	407.51	430.95
	<u>114.57</u>	<u>143.23</u>
<p>(i) b) Legal proceedings are in progress for recovery of outstanding in case of 36 parties, the amount involved, as on 31.3.2016 is ₹ 406.87 Lakhs. (Previous year 38 parties amounting to ₹ 431.78 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 ₹ 42.07 lakhs (previous year ₹ 45.99 lakhs) has been incurred during the year under report.</p> <p>(ii) Other debts considered good includes amount of ₹ 34.55 lakhs (previous year ₹ 52.62 lakhs) outstanding against M/s Amausi Motors Limited, Lucknow and ₹ 11.56 lakhs (previous year ₹ 15.16 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 ₹ 127.96 lakhs out of which ₹ 18.07 lakhs (previous year ₹ 5.60 lakhs) recovered during the financial year 2015-16 and balance is recoverable in the coming year. The Company recovered ₹ 3.60 lakhs (previous year ₹ 2.90 lakhs) from Sarvanan Auto Works, Chennai and balance is recoverable in the coming years.</p>		

NOTE NO. 17**Cash and Bank Balances**

	As at 31.03.2016 ₹ in Lakhs	As at 31.03.2015 ₹ in Lakhs
Cash and Cash Equivalents		
Cash in hand	1.89	2.79
Cheques in hand	-	133.33
Balance with banks		
Current accounts	<u>97.86</u>	<u>554.81</u>
	<u>99.75</u>	<u>690.93</u>
Other Bank Balance		
Fixed deposits with banks held as margin money or security against borrowings and other commitments	3,043.92	3,137.59
Deposit with Bank with original maturity of less than 12 months held for other commitments*	2,469.93	2,812.02
	<u>5,513.85</u>	<u>5,949.61</u>
	<u>5,613.60</u>	<u>6,640.54</u>

* Includes ₹ 2454.14 lakhs (previous year ₹ 2796.96 lakhs) earmarked for Capital Expenditure and ₹ 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.

NOTE NO. 18
Short Term Loans And Advances

	As at 31.03.2016 ₹ in Lakhs	As at 31.03.2015 ₹ 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	52.17	131.55
b) Others	2,207.47	1,166.11
(Comprising of Advance to LIC, Festival Advance, etc.)		
3. Unsecured Considered doubtful	111.36	111.36
	<u>2,371.01</u>	<u>1,409.03</u>
Less : Provision for doubtful advances	111.36	111.36
	<u>2,259.65</u>	<u>1,297.67</u>

NOTE NO. 19
Other Current Assets

	As at 31.03.2016 ₹ in Lakhs	As at 31.03.2015 ₹ in Lakhs
Interest accrued on Term deposits	128.49	174.99
	<u>128.49</u>	<u>174.99</u>

NOTE NO. 20
Revenue from operation

	As at 31.03.2016 ₹ in Lakhs	As at 31.03.2015 ₹ in Lakhs
Three-Wheeler*	13,513.41	14,876.02
Spare-parts	270.81	405.65
Petrol, Diesel, Lubricants etc.**	1,419.93	1,490.11
	<u>15,204.15</u>	<u>16,771.78</u>

*Nil Nos. of Vikram Three Wheelers were capitalized during the year amounting to ₹ Nil (previous year 29 Nos. Value ₹ 45.33 lakhs).

**Includes 29,319.80 ltrs. of petrol, diesel, oil etc. value ₹ 16.83 lakhs (Previous year 40,958.68 ltrs. Value ₹ 25.66 lakhs) consumed for internal use.

**NOTE NO. 21
Other Operating Revenue**

	Year Ended 31.03.2016 ₹ in Lakhs	Year Ended 31.03.2015 ₹ in Lakhs
Miscellaneous Items & Scrap	<u>6.42</u>	<u>8.60</u>
	<u>6.42</u>	<u>8.60</u>

**NOTE NO. 22
Other Income**

	Year Ended 31.03.2016 ₹ in Lakhs	Year Ended 31.03.2015 ₹ in Lakhs
Miscellaneous Receipts		
Sale of :		
a) Empties	3.30	-
Interest on :		
a) Term deposits	610.10	543.98
b) Others	6.28	04.32
Excess Provision written back	308.11	65.62
Other receipts	25.87	18.91
(Comprising of rent received, petrol pump recovery, etc.)		
TOTAL	<u>953.66</u>	<u>632.83</u>

**NOTE NO. 23
Consumption of Materials**

	Year Ended 31.03.2016 ₹ in Lakhs	Year Ended 31.03.2015 ₹ in Lakhs
(I) Consumption of Materials :		
a) Raw Materials and Components		
Opening Stock	1,926.54	1,418.68
Add : Purchases	7,527.14	11,831.58
	<u>9,453.68</u>	<u>13,250.26</u>
b) Less :		
i) Closing Stock	1,818.56	1,926.54
ii) Shortages in Inventory written off	0.01	0.10
	<u>1,818.57</u>	<u>1,926.64</u>
c) Consumption of Materials (a - b)	<u>7,635.11</u>	<u>11,323.62</u>
(II) Petrol Pump		
a) Opening Stock	23.97	27.28
Add : Purchases	1,381.20	1,454.19
	<u>1,405.17</u>	<u>1,481.47</u>
b) Less : i) Closing Stock	25.04	23.97
ii) Shortages written off	0.38	0.31
	<u>25.42</u>	<u>24.28</u>
c) Cost of sales at Petrol Pump (a - b)	<u>1,379.75</u>	<u>1,457.19</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**

		Year Ended 31.03.2016 ₹ in Lakhs	Year Ended 31.03.2015 ₹ in Lakhs
Opening Stock			
Finished Goods		4,346.48	1,916.29
Work-in-progress		1,053.34	501.01
Disposal Stores		<u>256.73</u>	<u>223.45</u>
	A	<u>5,656.55</u>	<u>2,640.75</u>
Closing Stock			
Finished Goods		2,919.65	4,346.48
Work-in-progress		2,414.10	1,053.34
Disposal Stores		<u>271.71</u>	<u>256.73</u>
	B	<u>5,605.46</u>	<u>5,656.55</u>
(Accretion) / Decretion	(A - B)	<u>51.09</u>	<u>(3,015.80)</u>

NOTE NO. 25**Employees' Benefit Expenses**

		Year Ended 31.03.2016 ₹ in Lakhs	Year Ended 31.03.2015 ₹ in Lakhs
Salaries, Wages and Bonus*		2,818.87	2,698.20
Contribution to Provident and Other Funds		495.65	490.33
Staff Welfare Expenses		<u>351.26</u>	<u>359.58</u>
	Total	<u>3,665.78</u>	<u>3,548.11</u>

* Includes stipend paid to the trainees/apprentices ₹ 67.30 lakhs (Previous year ₹ 58.55 lakhs).

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

NOTE NO. 26**Finance Cost**

		Year Ended 31.03.2016 ₹ in Lakhs	Year Ended 31.03.2015 ₹ in Lakhs
Interest on Loans and advances from :			
Government of India		-	-
Banks		<u>135.12</u>	<u>29.29</u>
		<u>135.12</u>	<u>29.29</u>

**NOTE NO. 27****Other expenses of Manufacture, Administration, Selling and Distribution**

	As at 31.03.2016 ₹ in Lakhs	As at 31.03.2015 ₹ in Lakhs
Consumption of Stores, Spares and Tools	214.52	114.40
Power & fuel	399.45	444.40
Rent	32.67	30.21
Repairs : a) Building	5.03	8.94
b) Plant & Machinery	29.79	25.39
c) Others	34.03	63.66
Insurance	3.67	4.55
Rates and Taxes	17.60	17.27
Miscellaneous Expenses	25.66	14.86
Research and Development	26.78	9.38
Excise Duty with Cess	80.83	83.49
Postage, Telegram and Telephone	16.43	16.17
Travelling Expenses	36.14	36.97
Printing and Stationery	12.07	14.11
Board Meeting Expenses	0.37	0.39
Legal Expenses	56.31	45.71
Consultancy Charges	19.07	18.71
Vehicle Running and Maintenance	4.58	4.78
Bank Charges	38.87	14.92
Demands and Interest on Taxes	1.94	3.16
Advertisement & Sales Promotion Expenses	18.31	26.76
Freight & Packing Expenses	115.69	149.99
Service Expenses (Free Coupon/After Sales Service)	32.51	47.46
Entry Tax	7.55	9.75
Bad and Doubtful Debts, Advances and others written off	0.39	0.53
Provision for doubtful debts/advances	-	4.11
Provision for inventory obsolescence	8.42	3.41
Total	<u>1,238.68</u>	<u>1,213.48</u>

NOTE NO. 28**Prior Year Items (Net)**

	Year Ended 31.03.2016 ₹ in Lakhs	Year Ended 31.03.2015 ₹ in Lakhs
Contribution to Provident Fund	-	(16.28)
Bonus	-	1.23
	<u>-</u>	<u>(15.05)</u>

NOTE NO. 29**Tax Expenses**

	Year Ended 31.03.2016 ₹ in Lakhs	Year Ended 31.03.2015 ₹ in Lakhs
Income Tax	<u>28.88</u>	-
	<u>28.88</u>	-

NOTE NO. 30
Earning Per Share (EPS)

	31.03.2016	31.03.2015
Profit as per Profit & Loss Account (₹ in lakhs)	548.38	1,108.86
Average number of Equity Shares (Face value ₹ 10 each)	85,382.255	85,382.255
Basic & Diluted Earning per share (in ₹)	0.64	1.30

NOTE NO. 31
Contingent Liabilities & Commitments

	As at 31.03.2016 ₹ in Lakhs	As at 31.03.2015 ₹ 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	10.00
(b) Cases of Private Parties.	73.35 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.)	402.30	349.83
(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.	24.27 Plus Interest	27.84 Plus Interest
(g) Demand Notice raised by Income Tax Authorities for previous years for which appeals are pending before the competent authorities	Indeterminate	Indeterminate
	943.12	399.92
(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	45 Nos.& Amount Indeterminate	44 Nos.& Amount Indeterminate
(b) In Others	94 Nos.& Amount Indeterminate	96 Nos.& Amount Indeterminate
(v) The Workmen Housing Colony (Refer Point No. G)	2412.00	2412.00

Point No. A

The amount involved in 62 cases of Consumer is Indeterminate (previous year amount of 9 cases was estimated at ₹ 10 lakhs & in remaining 62 cases the amount is indeterminate.

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 judgement 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)-12/2003-9151/87-92 dated 8.5.2003 demanding market price of ₹ 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 31.03.2016 ₹ in Lakhs	As at 31.03.2015 ₹ in Lakhs
Estimated amount of contracts (net of advances) remaining to be executed on Capital Accounts and not provided for.	441.00	NIL

NOTE NO. 33

Sales-tax assessment both under UPVAT and CST has been completed up to the Financial year 2012-13. The Income-tax assessment has been completed up to assessment year 2013-14 (financial year ended on March 31, 2013). The company does not foresee any liability against pending assessment.

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, as most of the above balances have not been confirmed or are showing balances different from SIL books. 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 31-03-2016.

Note No. 38

Related party disclosure as required by AS-18

- (a) List of related parties during the financial year 2015-16 (Till 31.03.2016)

I. Government of India

II. Whole-Time Directors

Shri Rahul Bali, Director (Technical)
(From 02nd April 2013)

III Part-Time Directors

Shri R.K. Singh (Chairman and Managing Director)
(From 15th May 2013 to 23th February 2016)

Smt. Vinita Srivastava (Chairman-cum-Managing Director)
(From 23rd February 2016)

Shri A.K. Deori
(From 07th November 2014 to 23rd April, 2015)

Shri Pravin Agarwal
(From 23rd April 2015)

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



(b) Transaction with related parties

(₹ In lakhs)

Sl. No.	Nature of Transaction	Persons having control over the Company	Remuneration
1.	Remuneration to Director	–	23.71
2.	Remuneration to Key Managerial Personnel (CFO)	–	12.73
3.	Total	–	36.44

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 31.03.2016	Leave Encashment (Unfunded) As at 31.03.2016	Gratuity (Funded) As at 31.03.2015	Leave Encashment (Unfunded) As at 31.03.2015
Present Value of Funded Obligation	1,835.16	612.32	2,780.57	830.05
Fair Value of Plan Assets	(2,547.94)	-	(3,206.16)	-
Net Liability	(712.78)	612.32	(425.59)	830.05
Amounts in Balance sheet				
Liability	(712.78)	612.32	(425.59)	830.05
Assets	-	-	-	-
Net Liability	(712.78)	612.32	(425.59)	830.05
Expenses to be Recognized in the statement of Profit & Loss				
Current Service Cost	89.42	66.36	71.87	72.07
Interest on Defined Benefit Obligation	176.95	45.51	200.93	51.80
Expected Return on Plan Assets	(240.23)	-	(279.62)	(79.43)
Net Actuarial Losses/(Gains) Recognised in Year	(310.37)	156.07	(39.44)	48.42
Total Included in "Employees' Emoluments"	(284.23)	267.94	(46.26)	92.86
Actual Return on Plan Assets	231.02	-	269.82	85.95



(₹ In lakhs)

Amount to be Recognized in Balance Sheet	Gratuity (Funded) As at 31.03.2016	Leave Encashment (Unfunded) As at 31.03.2016	Gratuity (Funded) As at 31.03.2015	Leave Encashment (Unfunded) As at 31.03.2015
Reconciliation of Benefit obligations & Plan Assets for the Period				
Change in Defined Benefit Obligation				
Opening Defined Benefit Obligation	2,780.57	830.05	2,628.43	685.54
Current Service Cost	89.42	66.36	71.87	72.07
Interest Cost	176.95	45.51	200.94	51.80
Actuarial Losses / (Gain)	(319.58)	156.07	(49.25)	54.94
Benefits Paid	(892.21)	(485.67)	(71.42)	(34.30)
Closing Defined Benefit Obligation	1,835.16	612.32	2,780.57	830.05
Change in Fair Value of Assets				
Opening Fair Value of Plan Assets	3,206.17	-	3,007.76	1,081.12
Expected Return on Plan Assets	240.23	-	279.62	79.43
Actuarial Gain / (Losses)	(9.21)	-	(9.80)	6.52
Contributions by Employer	-	485.67	-	-
Benefits Paid	(889.25)	(485.67)	(71.42)	(34.30)
Amount Withdrawn from Fund	-	-	-	(1,132.89)
Closing Fair Value of Plan Assets	2,547.94	-	3,206.16	-
Summary of the Actuarial Assumption				
	Gratuity (Funded) As at 31.03.2016	Leave Encashment (Unfunded) As at 31.03.2016	Gratuity (Funded) As at 31.03.2015	Leave Encashment (Unfunded) As at 31.03.2015
Discount Rate	7.58%	7.58%	7.75%	7.75%
Expected Rate of Return on Assets	8.35%	N.A.	9.00%	N.A.
Salary Escalation Rate - Senior Staff	5.5%	5.5%	7.50%	7.50%
- Junior Staff	5.5%	5.5%	7.50%	7.50%

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 LICl in respect of Leave Encashment fund for Company's operations. Accordingly during the financial year 2014-15 an amount of ₹ 1,132.89 lakhs was received from LICl including interest amounting to ₹ 79.43 lakhs.

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.

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 & is under their consideration.

Further, based on the discharge of the company by BIFR in 2015-16, Income tax applicability has been considered in the current financial year amounting to ₹ 28.88 lakhs.

NOTE NO. 41

The Board in its 224th meeting held on May 28, 2013 approved the implementation of negotiated pay scale (2002). 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 and ₹ 16.28 lakhs have been recovered in financial year 2014-15 and 2015-16 respectively and NIL has been paid during the financial year 2014-15 & 2015-16.

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 2015-16 ₹ 333.68 lakhs (previous year ₹ 99.70 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 ₹ 134.73 lakhs earned by way of Fixed Deposits on these funds 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.

The SIL have taken up with GOI for adjustment of interest already credited to GOI against the installment payment of working capital plan loan of ₹ 2000 lakhs due on 23.07.2016.

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.

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

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 ₹ 32.52 lakhs (Previous year ₹ 30.21 lakhs) payable are charged as "Rent".



NOTE No. 45

Loans From Government of India

Particulars	Loan Amount	Rate of Interest (Normal/ Penal)	Month of Last Installment Due	Default up to 31.03.2016			Outstanding as on 31.03.2016			Outstanding as on 31.03.2015		
				Principal	Normal Interest	Penal Interest	Principal	Normal Interest	Penal Interest	Principal	Normal Interest	Penal Interest
Plan Loan	2,000.00	Interest Free	Jul-20	-	-	-	2,000.00	-	-	2,000.00	-	-
Non Plan Loan	165.00	13.50%/2.75%*	Jul-17	-*	-	-	165.00	-	-	165.00	-	-
	24.00	13.50%/2.75%*	Jul-17	-*	-	-	24.00	-	-	24.00	-	-
Total	2,189.00			-	-	-	2,189.00	-	-	2,189.00	-	-
Less : Included in Current Maturities (Note No.9)							400.00	-	-	-	-	-
Less : Interest Accrued & Due on Government of India Loan (Note No.9)								-	-	-	-	-
Amount Included in Note No. 4							1,789.00	-	-	2,189.00	-	-

*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 ₹ 128.11 lakhs shall be adjusted against the installment of ₹ 400.00 lakhs due on 23rd July 2016 of repayment of principal. Accordingly necessary adjustments have been carried out in the current financial year accounts.

**NOTE NO. 46****Additional information pursuant to Schedule III part II of the Companies Act, 2013****1. Stock and Turnover for the year ended Mar 31,2016**

	Stocks					
	At Commencement		At Close		Turnover	
	Nos	₹ in Lakhs	Nos	₹ in Lakhs	Nos	₹ in Lakhs
Vikram Three Wheeler	3,418 (1,770)	4,280.37 (1,856.33)	2,268 (3,418)	2,852.35 (4,280.37)	9,326 (11,409)	13,513.41 (14,876.02)
Spares and Components	- (-)	66.10 (59.96)	- (-)	67.30 (66.10)	- (-)	270.81 (405.65)
Petrol Pump stock* (Quantity Ltrs.)	38,909 (41,899)	23.97 (27.28)	43,809 (38,909)	25.04 (23.97)	2,409,404 (2,290,404)	1,419.93 (1,490.11)

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 24,15,376 ltrs. of Diesel/Petrol during the year (Previous Year 22,87,922 ltrs). There has been evaporation loss of 677.10 ltrs. (Previous Year 507.70 ltrs.)
- (4) Turnover includes the following export sales

	2015-16		2014-15	
	Nos	₹ in Lakhs	Nos	₹ in Lakhs
Spares & components	-	-	-	4.99

Note : Export sales includes deemed export of ₹ Nil (Previous Year ₹ 4.99 lakhs).

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

	2015-16 ₹ in Lakhs	2014-15 ₹ in Lakhs
A. C.I.F. Value of Imports		
Spare parts/Components	4.23	-
Capital goods	-	-
Others	1.67	-
	<u>5.90</u>	<u>-</u>



	2015-16 ₹ in Lakhs	2014-15 ₹ in Lakhs
B. Expenditure in foreign currencies		
On account of royalty, know-how, professional consultation fees, interest, provisions and others	-	-
	-	-
C. Earnings in foreign currencies		
Export of goods calculated on F.O.B. Basis*	-	-
	-	-

Explanatory Notes :

- 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.

Materials	Unit	2015-16		2014-15	
		Qty.	Value (₹ in Lakhs)	Qty.	Value (₹ in Lakhs)
Ferrous	Kg.	1,049,685	334.91	1,547,315	549.40
	Mtrs	77,110	205.74	107,991	293.66
Non-ferrous	Kg.	136,350	182.71	176,010	248.61
B.O.S.F.	-	-	2,124.48	-	3,149.94
Tyres & Tubes	Nos	73,230	538.30	103,513	782.14
Spare-parts Components	-	-	4,248.97	-	6,299.87
			<u>7,635.11</u>		<u>11,323.62</u>

(ii) Value of imported and indigenous raw-materials consumed (including spare-parts and components)

	2015-2016		2014-15	
	₹ in Lakhs	%	₹ in Lakhs	%
(a) Imported (CIF, custom duty and other charges)	734	0.10	-	-
(b) Indigenous	7,627.78	99.90	11,323.62	100.00
	<u>7,635.11</u>	<u>100.00</u>	11,323.62	100.00



4. Auditor's Remuneration

	2015-16 ₹ in Lakhs	2014-15 ₹ in Lakhs
(a) Statutory Auditor's Audit fee	1.43	1.12
(b) Fee for Certification & Consultation	1.77	1.74
(c) Cost Audit Fees	0.00	0.00
(d) Tax Audit Fees	0.28	0.25
	3.48	3.11

The above figures includes service tax.

Note No. 47

The financial statement for the year ended March 31, 2016 are prepared as per schedule III of the Companies Act. 2013. Previous year's figures have been regrouped, regrouped, rearranged and recast, wherever necessary, to make them comparable with those of the current year.

B.N. Raj
Financial Controller

Rahul Bali
Director (Technical)

Pravin Agrawal
Chairman and Managing Director

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

Shreeharsh Shukla
M.No.F408990

Place : New Delhi
Date : 26th May, 2016



SCOOTERS INDIA LIMITED

(A Government of India Enterprise)
Corporate Identity No. L25111UP1972GOI003599
Registered Office : Lucknow – Kanpur Road,
(16th Mile Stone), 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 44th Annual General Meeting of the members of Scooters India Limited will be held at 11.30 **a.m. on Friday, the 30th day of September, 2016**, 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 31.03.2016.

“RESOLVED THAT the audited financial statements of the Company including the balance sheet as at March 31, 2016, 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. A.M. Manichan, who retires by rotation & being eligible has offered himself for re-appointment.

“RESOLVED THAT Mr. A.M. Manichan (DIN: 07046352) 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 2016-17.”

By order of the Board of Directors
Sd/-
Vinita Srivastava
Chairperson & Managing Director
DIN : 007195637

Place : New Delhi
Date : 02.09.2016

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 **24.09.2016 to 30.09.2016** (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 43rd 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 **26th September, 2016 at 10:00 hrs. and will end on 29th September, 2016 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 24th September, 2016, 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.
- 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 sequence number which is provided through separate letter attached with Annual report .**

Dividend Bank Details OR Date of Birth (DOB) 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.

☐ 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 (v).
- 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 ie. Scooters India Limited 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 out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- xvi. If 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. 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 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.
- xviii. Any person, who acquires shares of the Company and become Member of the Company after dispatch of the Notice and holding shares as on the cut-off date i.e. may follow the same instructions as mentioned above for e-Voting.
- 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/
Vinita Srivastava
Chairperson & Managing Director
DIN - 07195637

Place : New Delhi
Date : 02.09.2016

Pursuant to the Listing Agreement/SEBI Listing Regulations with the Stock Exchanges, following information is furnished about the Directors

Ms. Vinita Srivastava – aged 42 years, Director, DHI, has been appointed as Chairperson & Managing Director on additional charge basis w.e.f. 23.02.2016. She is an IRSME officer, a Mechanical Engineering graduate from SCRA, Jamalpur, with an Executive Masters in Business Administration from IIM, Ahmedabad. She represents the Government of India nominee in the Corporate board of many public sector enterprises. Ms. Srivastava's cross-functional experience of about 18 years includes diverse areas such as Vendor development, Operations, Rail Transportation, Infrastructure planning, Diesel Engine Design and Emissions Testing among others. She is a fellow of the UK government's Chevening Rolls-Royce Science Technology & Innovation Program of 2016 at the Said Business School in the University of Oxford.

Before joining SIL he has worked with Ministry of Steels as Officer on Special Duty, Director, Engine Development, RDSO, Lucknow. She is on Board of other PSU's including Hindustan Cables Limited & The Braithwaite Burn And Jessop Construction Company Limited.

Shri Rahul Bali – aged 49 year, has been appointed as Director (Technical) w.e.f. April 02, 2013. He is a Mechanical Engineer from National Institute of Technology, Jaipur and holds Post Graduate Diploma in Business Management from MDI, Gurgaon. He has been awarded "Finance Minister's Gold Medal" at MDI and is a Certified PMP (Project Management Professional) by PMI, USA and has wide exposure to the entire hydrocarbon value chain, automotive and manufacturing sector. He is a Life member of OMEGA association of Society of Petroleum Engineers (SPE) International & All India Management Association (AIMA) & member of American Society of Mechanical Engineers (ASME).

Before joining SIL Board, he had worked with ONGC as Chief Engineer (Production) with Facilities Engineering Group, Mumbai High Asset, Mumbai.

He has over 24 years' of diverse and progressive experience in the areas of Marketing, Oil and Gas Production, Project Management both upstream and downstream oil industry in India. Prior to joining ONGC he had worked with National Engineering Industry-NEI Ltd., largest bearing manufacturing company in India and had also worked on deputation with MRPL refinery-a joint sector company that was acquired by ONGC in 2003- and was actively associated during its turn around.

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.



GREEN INITIATIVES

In terms of the Circulars No. 17/2011 of 21 April 2011 and 18/2011 of 29 April 2011 issued by the Ministry of Corporate Affairs (MCA) as part of its "Green Initiative in Corporate Governance", MCA allows paperless compliances including service of a notice/document by companies to their shareholders through electronic mode. The Company, therefore, proposes to send documents required to be sent to shareholders like Notices of General Meetings (including AGM), Audited Financial Statements, Directors' Report, Auditors' Report, etc. to the shareholders in electronic form to the e-mail IDs provided by them and made available to the Company. This will also ensure prompt receipt of communication and avoid loss in postal transit. These documents will also be available on the Company's website www.scootersindia.com for download by the shareholders. The physical copies of the Annual Report will also be available at the Company's Registered Office in Lucknow for inspection during office hours. Shareholders will be entitled to be furnished, free of cost, with a copy of the Balance Sheet of the Company and all other documents required by law to be attached thereto including the Profit and Loss Account and Auditor' Report, upon receipt of a requisition from the shareholders, any time as a Member of the Company. In order to enable the Company to send such documents in electronic form, the shareholders are requested to register their e-mail IDs with the Company on its e-mail ID-companysecretary@scootersindia.com.

Attendance Card
SCOOTERS INDIA LIMITED

(A Government of India Enterprise)
Registered Office : Lucknow - Kanpur Road,
(16th Mile Stone), Post Bag No. 23 (G.P.O.),
P.O. Sarojini Nagar, Lucknow - 226 008.

Attendance Card	Regd. Folio / Client ID No.	
	No. of Shares held	

I/We hereby record my/our presence at the **44th Annual General Meeting** of the Company held on Friday, 30th September, 2016 at 11.30 a.m. at Registered Office of the Company at Lucknow-Kanpur Road, 16th km. Miles Stone, Sarojini Nagar, Lucknow-226 008

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, your 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 Stone), Post Bag No.23

(G.P.O.), P.O. Sarojini Nagar, Lucknow-226008

E-mail : company secretary@scootersindia.com

Website : www.scootersindia.com

Date : 02.09.2016

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 share 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/-

Vinita Srivastava

Chairperson & Managing Director

Date :

M/s skyline Financial Services Private Limited

Unit : Scooters India Limited

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

Dear Sir,

As per your letter dated 02.09.2016, 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 _____ Signature _____

**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, (16 th Mile Stone), Post Bag No.23 (G.P.O.), P.O. Sarojini Nagar, Lucknow-226008

44TH ANNUAL GENERAL MEETING

Name of Member(s)	
Registered Address	
E-mail 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 of failing him	

Name	
Address	
Email Id	
Signatures of 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 44th Annual General Meeting to be held on **at 11.30 a.m. on Friday, the 30th day of September, 2016, at the registered office of the Company at Lucknow-Kanpur Road, (16th Mile Stone), 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 31 st March, 2016			
2.	Appointment of Mr. A.M. Nanichan as director, who retires by rotation and being eligible offers himself for reappointment.			
3.	Approval of remuneration of statutory Auditors of the Company for 2016-17.			

Signed this.....day of.....2016.

Affix a
revenue
Stamp

Signature of Shareholder

Signature of Proxy holder(s)

Notes :

1. **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.**
2. **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, (16 th Mile Stone), Post Bag No. 23 (G.P.O.), P.O. Sarojini Nagar, Lucknow-226008

I/We.....holder(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

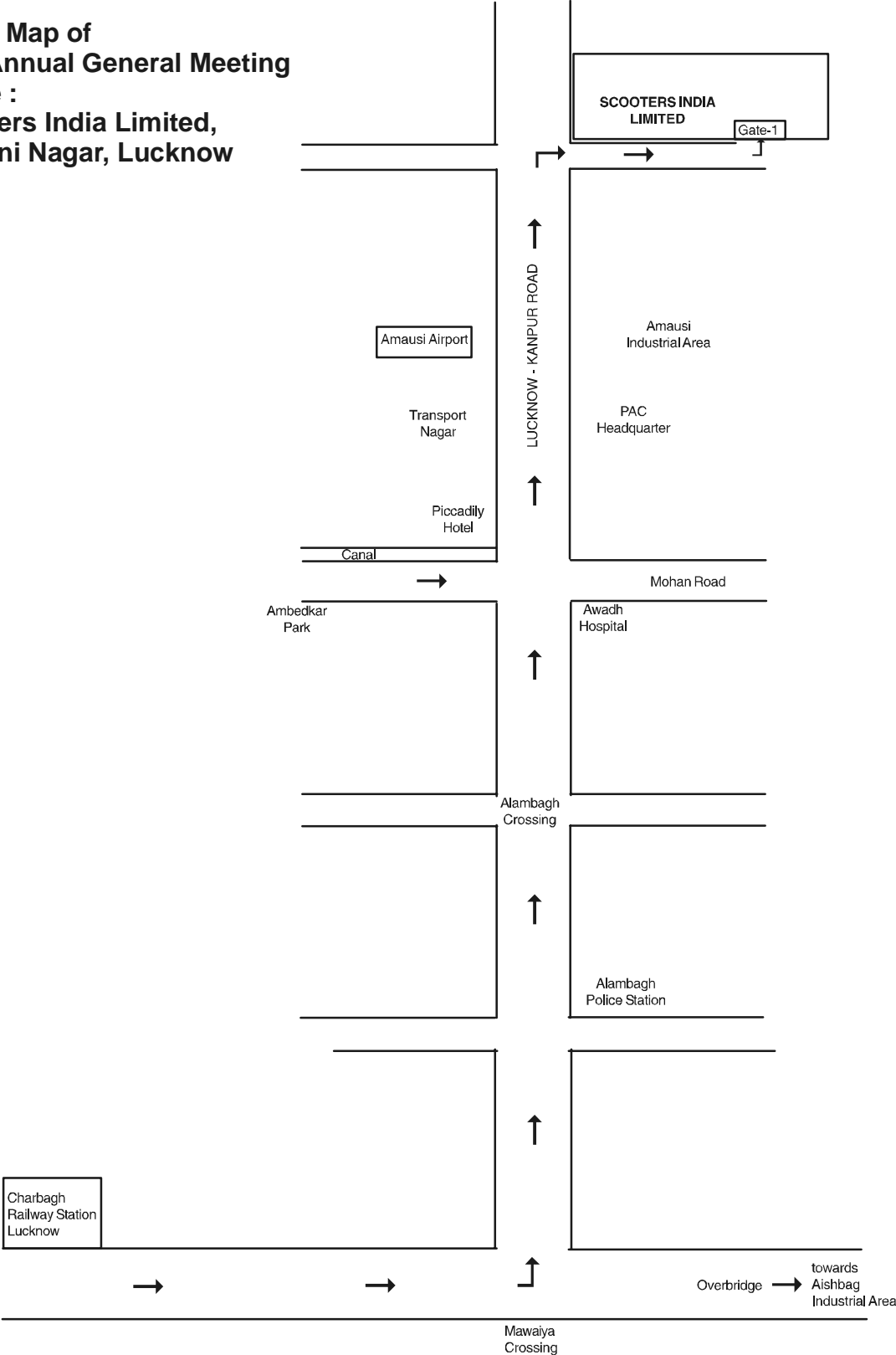
a) Name	
b) Date of birth	
c) Occupation	
d) Nationality	
e) Address	
f) E-mail Id	
g) Relationship with the security holder	

(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 :
--	------------------------------------

**Route Map of
44th 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)

Registered Office : Lucknow - Kanpur Road,

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

P.O. Sarojini Nagar, Lucknow - 226 008.

Corporate Identity No. L25111UP1972GOI003599

