## $45{ }^{\text {th}}$ ANNUAL REPORT 2016-17



## Scooters India Limited

(A Government of India Enterprise)
An ISO 9001 Company
Board of Directors
Directors' Report ..... 4
Auditors' Report ..... 21
Comments of C \& AG u/s 619(4) of the Companies Act. 1956 ..... 32
Corporate Governance Report ..... 33
Balance Sheet ..... 58
Profit \& Loss Statement ..... 59
Cash Flow Statement ..... 60
Accounting Policies \& Notes Annexed to and forming part of the accounts ..... 62
Notice ..... 97

## BOARD OF DIRECTORS

Functional Directors

Shri Renati Sreenivasulu
Ms. Vinita Srivastava

Shri Pravin Agrawal

Shri Rahul Bali GOI Nominee Directors:

Shri AM Manichan
Shri Pravin Agrawal

Chairman \& Managing Director
Chairman \& Managing Director (Additional Charge)

Chairman \& Managing Director (Additional Charge for a period of 2.5 months while Ms. Vinita Srivastava was on UK tour for study) Director (Technical)

GOI, Part Time Official Director
GOI, Part Time Official Director
02.04.2013 to 01.02.2017
06.10.2016 till date 23.02.2016 to 05.10.2016
14.04.2016 to 30.06.2016

> 23.09.2014 to till date
23.04.2015 to till date

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

## REGISTERED OFFICE \& WORKS

Lucknow-Kanpur Road ( $16{ }^{\text {th }}$ Mile Stone), Post Bag No. 23 (GPO)
(PO) Sarojini Nagar,
Lucknow - 226008
REGISTRAR \& TRANSFER AGENT
Skyline Financial Services
Private Limited, D-153/A, $1^{\text {st }}$ Floor, Okhla Industrial Area, Phase-I,
New Delhi - 110020
PH. 011- 26812682, 83 \& 84
Fax 011-26812682

## INTERNAL AUDITORS

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

## STOCK EXCHANGES

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

## DIRECTORS' REPORT

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

## 1. PRODUCTION REVIEW:

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

|  |  | (Nos.) |
| :--- | ---: | ---: |
| Description | $2015-16$ | $\mathbf{2 0 1 6 - 1 7}$ |
| Three Wheelers | 8176 | $\mathbf{6 5 4 0}$ |

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:

2015-16

| Description | Physical <br> (In Nos.) | Financial <br> (₹ in lakhs) | Physical <br> (In Nos.) | Financial <br> (₹ in lakhs) |
| :--- | ---: | ---: | ---: | ---: |
| Three Wheelers | 9326 | 13513.41 | $\mathbf{6 3 4 9}$ | $\mathbf{1 0 3 0 0 . 5 6}$ |
| Spares |  | 270.81 |  | $\mathbf{3 3 7 . 9 5}$ |
| Petrol, Diesel, Lubricants etc. |  | 1419.93 | $\mathbf{2 1 6 . 9 3}$ |  |
| Other Sales | 6.42 | - |  |  |
| TOTAL |  | 15210.57 | $\mathbf{1 0 8 5 5 . 4 4}$ |  |

3. FINANCIAL REVIEW:

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

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

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

## 4. OPERATIONAL REVIEW

During the year under report the operations of the company remained under stress due to constraints in marketing and disruption in supplies, leading to lower production, sales \& profits. Further the Ministry of Road Transport and Highways vide notification no. GSR - 643(E) dated 19.08.2015 amended Rule 115 of Central Motor Vehicles Rules, 1989 to provide that the Mass Emission Standards for Bharat Stage IV shall come into force all over the country in respect of vehicles manufactured on or after the 1st April, 2017. Hon'ble Supreme Court of India in I.A.NO. 487/2017, I.A. NO. 491/2017, I.A. NO. 494/2017, I.A. NO. 489/2017, I.A. NO. 495/2017 in Writ Petition (Civil) No.13029/1985 in M C Mehta Vs. Union of India \& Others vide order dated 29.03.2017 held that:
a) On and from 1st April, 2017 such vehicles that are not BS-IV compliant shall not be sold in India by any manufacturer or dealer, that is to say that such vehicles whether two wheeler, three wheeler, four wheeler or commercial vehicles will not be sold in India by any manufacturer or dealer on and from 1st April, 2017.
b) All the vehicle registering authorities under the Motor Vehicles Act, 1988 are initially prohibited for registering such vehicles on and from 1st April, 2017 that do not meet BS-IV emission standards, except on proof that such a vehicle has already been sold on or before 31st March, 2017.

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

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

## 5. CONTRIBUTION TO NATIONAL EXCHEQUER

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

## 6. EXPORTS

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

An expenditure of Rs. 13.06 lakhs was incurred on account of advertisement and publicity in the year.
8. STATUS OF REPAYMENT OF LOAN FROM GOI

In terms of Cabinet approval the existing term plan \& non-plan loan as of $31^{\text {st }}$ March, 2012 of Rs 85.21 Crores (Plan loan - Rs 1.93 Crores \& Non-plan - Rs. 83.28 crores) has been converted into equity share capital of Rs. 85.21 crores by issue of 8.52 crores equity shares of Rs. 10/- each at par and further the Equity share Capital of the Company has been reduced by 85.21 crores by cancellation of aforesaid Rs. 85.21 crores equity share capital held by Government of India in terms of BIFR Order dated 24.06.2013. The existing interest Accrued as on $31^{\text {st }}$ March, 2012 amounting to Rs. 2,367 Lacs on GOI loan (Plan loan of Rs. 193 lakhs \& Non-plan loan of Rs. 8328 lacs) has been written off against accumulated losses and no further interest has been provided on the aforesaid loan from $31^{\text {st }}$ March, 2012 onwards. No provision of interest on Non-Plan loan of Rs. 189 lakhs released during the financial year 201213 has been made. This matter has been taken up with Department of Heavy Industry/ Board of Industrial \& Financial Reconstruction for maintaining the status quo. After review an adjustment may be made ex-post facto. The Government of India, Ministry of Industries \& Public Enterprises, Department of Heavy Industry released funds by way of interest free plan loan amounting to Rs. 2000.00 lakhs during the financial year 2013-14 for working capital under an approved revival package of Scooters India Limited by Cabinet/Misc. Application approved by BIFR. As per sanction 23.7.2013 the Moratorium period for the loan is 3 years and Installment commence from 31.3.2015. The company sought by way of Reliefs \& Concessions in the Draft Rehabilitation Scheme (DRS) submitted to Operative Agency (SBI) for submission of BIFR for recovery of 5 installments commencing from 23.7.2016 onwards i.e. 3 years from date of sanctioning ie. beginning w.e.f. 23.7.2016.
9. AUDITORS' REPORT

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

The Accounts of the Company were submitted to the Comptroller And Auditor General of India for their report under section 143(5) of the Companies Act, 2013 and their report is appended as Annexure-3.
The Comptroller And Auditor General of India, has appointed M/s Dhawan \& Madan, Chartered Accountants, as Statutory Auditors of the Company for the year 2017-18.
10. MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED FROM 01.04.2017 TO DATE:

No material change and commitment have been made by the company from 01.04.2017 to date that has adverse effect on the financial position.
11. MANAGEMENT DISCUSSION AND ANALYSIS:
(A) MISSION, VISION \& OBJECTIVE

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

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

OBJECTIVE - To prosper into defined areas delineated by the revival plan in 2013

- To achieve 2 \% decrease in cost, and rationalize input materials expense.
- Growing resources \& JV partners to fill strategic gaps in skills and operations.
- To reduce energy input per unit of production with renewables.
(B) MARKET SCENARIO
(i). The total number of 3-Wheelers produced and sold in the domestic market by manufacture in India during the year 2016-17 as against 2015-16 is given below:

Category
Segment/ Sub- segment
Passenger Carrier
Goods Carrier
Total

Production (In Nos.)
April'15- March'16
April'16- March'17
834253 670978 112171 783149 Domestic Sales (In Nos.)

| Passenger Carrier | 440978 | 402034 |
| :--- | ---: | :--- |
| Goods Carrier | 97230 | 109624 |
| Total | 538208 | 511658 |

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

## SCOOTERS INDIA LIMITED

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

The company continues to be the leader in larger capacity of vehicles i.e. passenger carrier (6+1) segment and goods carrier exceeding 1 ton of vehicles. The market share of company is $100 \%$ in 2016-17 (SIL sales 1847 nos. out of 1847 nos.).
(ii). 3-Wheelers growth drivers in future are as under:

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

In view of the continuing cash losses, the company's liquidity position was under strain.
(D) Quality:

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

## E1. Opportunities:

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

## E2. Threats :

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

## (F) Future Outlook:

## Challenges faced by the Company:

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

## SCOOTERS INDIA LIMITED

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

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

On $18^{\text {th }}$ 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 $31^{\text {st }}$ 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)(0) of the SICA as its net worth has turned positive and It is, therefore, discharged from the purview of SICA/BIFR.

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

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

## 13. PARTICULARS OF EMPLOYEES:

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

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

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

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

16. VIGILANCE:

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

## 17. HUMAN RESOURCE DEVELOPMENT:

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

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

As on 31.03.2017 the total strength of the company is 259. Out of these, 72 employees belong to Scheduled Castes and 01 employee to Scheduled Tribe.
20. DIRECTORS, KEY MANAGERIAL PERSONNEL, APPOINTED AND RESIGNED

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

Government of India, Ministry of Heavy Industries \& Public Enterprises, Department of Heavy Industry has vide its Order No. F. No.:1(1)/2016-PE-VI dated 26th September, 2016, appointed Shri Renati Sreenivasulu as Chairman \& Managing Director of SIL for the period of five years or till the date of his superannuation or until further orders, which ever is earliest. Shri Renati Sreenivasulu has joined as Chairman \& Managing Director of SIL w.e.f. 06.10.2016 and Mrs. Vinita Srivastava, Director, Ministry of Heavy Industries \& Public Enterprises, Department of Heavy Industry, Government of India has relinquished the charge of Chairperson \& Managing Director w.e.f. 05.10.2016.
In pursuance of the Order No. F. No. 3(15)/2012-PE-VI dated February 01, 2017 issued by Ministry of Heavy Industries \& Public Enterprises, Department of Heavy Industries, Mr. Rahul Bali, as per his request dated 06.10.2016 for joining back parent organization Oil and Natural Gas Corporation Limited (ONGC) before completion of his five years lien (effective from 02.04.2013 vide letter no. File No. 3-15/2012-PE VI dated 04.01.2013), has been relieved from the position of Director (Technical), Scooters India Limited (SIL) w.e.f. the evening of 01.02.2017.
The Board records the appreciation for contribution made by Smt. Vinita Srivastava, CMD \& Shri Rahul Bali, $\mathrm{D}(\mathrm{T})$ during their association with the Company.

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

Government of India, Ministry of Heavy Industries \& Public Enterprises, Department of Heavy Industry vide its letter No. 20-9/1998-PE-VI dated 02.03.2016 has conveyed the appointment of Shri Ram Krishna Swarnkar, IPS (UP:96), as Chief Vigilance officer for an initial deputation tenure of 3 years, which is extendable for further period of 2 years in the same organization or three years on transfer to another organization after completion of initial 3 years with prior approval of CVC \& DOPT. He
has joined the Company w.e.f. July 05, 2016.
21. INDEPENDENT DIRECTOR'S DECLARATION:

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

During the year there was no independent director on the Board of the Company. Hence, disclosure pertaining to reappointment of independent directors does not apply.
23. NUMBER OF MEETINGS OF THE BOARD

The Board met eight times during the financial year, the details of which are given in the Corporate Governance Report that forms part of this Annual Report. The intervening gap between any two meetings was within the period prescribed by the Companies Act, 2013 and the Listing Agreement.
24. COMPANY'S POLICY ON DIRECTORS' APPOINTMENT \& REMUNERATION INCLUDING CRITERIA FOR DETERMINING QUALIFICATIONS, ATTRIBUTES, INDEPENDENCE ETC.:

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

As regards, the appointment and remuneration of Key Managerial Personnel and other employees, the appointment of all employees below board level is made as per Recruitment \& Promotion Rules of the Company and remuneration is paid to them as per DPE guidelines.
In absence of Independent Directors on the Board, the Nomination \& Remuneration Committee (NRC) has also not been constituted. The other matters relating to remuneration, if any, are placed directly to the Board of Directors.
25. ANNUAL EVALUATION OF PERFORMANCE OF BOARD, ITS COMMITTEE AND DIRECTORS:

The Company enters into MoU with the Administrative Ministry in the month of March every year for the next financial year. Before signing the MoU the targets are negotiated with the Company in detail by the MoU Task Force constituted by the DPE. For
evaluation of the performance of the Managing Director by the Administrative Ministry, a weightage of $75 \%$ is given for the achievement of MoU parameters by the Company. The evaluation of performance of the Company against MoU parameter is done by DPE every year and MoU score is communicated by it to the Company through the Administrative Ministry.
26. MANAGING DIRECTOR RECEIVING COMMISSION OR REMUNERATION FROM HOLDING OR SUBSIDIARY COMPANY:

The Company has no holding or subsidiary company, hence not applicable.
27. RATIO OF DIRECTORS' REMUNERATION TO MEDIAN EMPLOYEES' REMUNERATION AND OTHER DISCLOSURES:

During the year, the remuneration of Director (Technical) was Rs. 20.22 lac and median employee's remuneration was Rs. 4.15 lac. The Director (Technical) remuneration comes to $487.23 \%$ of median employees' remuneration. (Annexure - 7)
28. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

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

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

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

In accordance with the provisions of section 134(3)(c) of the Companies Act, 2013 your Directors confirm that:
a) in preparation of the annual accounts for the year ended March 31, 2017, the applicable accounting standards read with the requirements set out under Schedule III of the Act have been followed and that there are no material departures from the same;
b) they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year ended on March 31, 2017 and of the profit of the Company for
year ended on that date;
c) they have taken proper and sufficient care, to the best of their knowledge and ability, for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
d) they have prepared the annual accounts on a going concern basis;
e) they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively to the best of their knowledge and ability; and
f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and are operating effectively.
31. ADEQUACY OF INTERNAL CONTROL:

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

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

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

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

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

SEBI Listing regulations, 2015 along with the report on Corporate Governance is attached as Annexure - 4 to this report.
35. SIGNIFICANT AND MATERIAL ORDERS

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

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

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

Extract of Annual Return of the Company is annexed herewith as Annexure - 6 to this Report.
38. ISSUE OF SHARES WITH DIFFERENTIAL RIGHT, SWEAT EQUITY, EMPLOYEE STOCK OPTION:

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

SIL aims to have a formalised and systematic approach for managing risks across the Company. It encourages knowledge and experience sharing in order to increase transparency on the key risks to the Company to the extent possible. This approach increases risk awareness, and ensures proper management of risks as part of the daily management activities.
The policy on Risk Management may be accessed on the Company's website at the link: http//www.scootersindia.com. The objective of the Company's risk management process is to support a structured and consistent approach to identify, prioritize, manage, monitor and report on the principal risks and uncertainties that can impact its ability to achieve its strategic objectives. The Company has introduced several initiatives for risk management including the introduction of audit functions and processes to identify and create awareness of risks, optimal risk mitigation and efficient management of internal control and assurance activities.
40. LISTING

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

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

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

The Board of Directors would like to express their grateful appreciation for the sincere support and co-operation extended by its Bankers, Financial Institutions, Dealers and Suppliers. The Directors would also like to express their sincere thanks for the co-operation and advice received from Govt. of India, particularly, Deptt. Of Heavy Industry and Public Enterprises, BIFR, BRPSE, the State Govt. and the local authorities for their continued support, co-operation and guidance.
Your Directors wish to place on record their deep sense of appreciation for the devoted services of employees and are deeply grateful to the shareholders for reposing the confidence and faith in us.

For and on behalf of the Board

## Renati Sreenivasulu

DIN: 07634253
Chairman \& Managing Director
Scooters India Limited, Lucknow -226008
Place: New Delhi
Date: August 04, 2017
I. CONSERVATION OF ENERGY:
(a) Measures being taken

## Compressors

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

## Water

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

## Power

> Reduction of Contract Demand from 500kVA to 3000 kVA by optimizing the Maximum Demand by Shift Managements, etc.
$>$ Overhauling \& Changing of Transformer Oil with fresh Transformer Oil of 02 nos. 5MVA Main Transformer, 05nos. 1500kVA. 01no. 500kVA \& 01no. 560kVA Distribution Transformers.
$>$ Replacement of 50 nos. old Conventional motors with New IE2 motors.
$>$ Replacement of 22nos. 15HP (over rated) Mono-Block pumps with New 7.5HP, Energy Efficient EFFI, Mono-Block Pumps for air cooling system.
$>$ Installation of 05nos. new VFDs in the Die Casting Shop \& Paint Shop to optimize the use of motors \& conserve energy.
$>$ Stopping usage of heaters during winter seasons for personal Heating Purpose.
$>$ Reduction in operation Time of FDVs by 01 Hour in order to Conserve Energy.
$>$ Stopping of water Sprinklers in FDVs during Humid Seasons to Conserve Energy.
$>$ Operation of 30HP water pump to fill SIL Over Head Tank has been restricted from 3-Shift to 2-Shifts only.
$>$ Operation Hours of 04nos. of 120 HP Compressors has been reduced by 10 Hour in a week by proper planning in order to conserve energy.
$>$ Arresting of Water \& Air leakages on continuous basis.
$>$ Energy unit consumed during FY 2016-17 reduced to 3929800 kWh(Unit) as against 4159800 kWh (Unit) consumed during FY 2015-16.
(b\&c) Impact of Energy Consumption Measures, Total energy consumption and energy consumption per unit of production as per Form ' $A$ ' in respect of industries specified in the scheme thereto
The Company has reduced its energy cost. The details are given in attached Annexure 1-A.
II) TECHNOLOGY ABSORPTION:

Efforts made in technology absorption attached as Annex.1-B.
III) FOREIGN EXCHANGE EARNINGS AND OUTGO:

Efforts and initiative in relation to exports:
Foreign Exchange earned by way of export of goods was ₹ NIL in 2016-17 as compared to ₹ NIL during previous financial year.

Annexure-1A
Form for Disclosure of particulars with respect to Conservation of Energy

| Description |  | 2015-16 |  | 2016-17 |
| :---: | :---: | :---: | :---: | :---: |
| A | Power and fuel consumption |  |  |  |
| 1. | Electricity <br> a) Purchased <br> Unit* <br> Total Amount (Rs.) <br> Rate/Unit (Rs.) <br> b) Own Generation <br> i) Through Diesel Generator Unit* <br> Units per litre of diesel oil Cost per Unit (Rs.) <br> ii) Through Steam Turbine/Gen Unit* Unit per litre of diesel oil Cost/Unit (Rs.) | $\begin{array}{r} 4159800 \\ 390572639.38921 \\ 1020 \\ 0.9107 \\ 57.5701 \\ \text { NA } \\ \text { NIL } \\ \text { NIL } \\ \text { NIL } \end{array}$ | 39298 | 347009748.830 $\begin{array}{r} 12201.720 \\ 33.706 \\ \text { NA } \\ \text { NIL } \\ \text { NIL } \\ \text { NIL } \end{array}$ |
| 2. | Coal Quantity (Ton) Total Cost Average rate | N.A. <br> NIL <br> NIL <br> NIL |  | N.A. NIL NIL NIL |
| 3 | a) Furnace Oil <br> Quantity (Ton) <br> Total Amount (Rs.) <br> Average Rate per Kg.(Rs.) <br> b) Light Diesel Oil <br> Quantity (Kilo litres) <br> Total Amount (Rs.) <br> Average Rate per Kg.(Rs.) | $\begin{array}{r} 49.510 \\ 1284091.4225 .936 \\ 50.00 \\ 1804409.34 \\ \\ 36.088 \end{array}$ | $\text { 44.49 } 128$ | 984.00 Rs. 28.91 Kg 18.00 Klts. 1837489.00 <br> Rs. 46.53 per lit. |
| 4. | Others/internal generation (Please give details) Quantity <br> Total Cost <br> Rate/Unit | N.A. <br> NIL <br> NIL <br> NIL |  | N.A. NIL NIL NIL |
| B | Consumption per unit of production |  |  |  |
| Description Standa |  | (if any) 20 | 15-16 | 2016-17 |
| Production (in Nos.) <br> Electricity (Unit) <br> Furnace Oil (Ton) <br> Light Diesel Oil (Kilo litres) <br> Coal (specify quality) <br> Others (specify) |  | 8176 | 58.7818 | 5578704.5177 |
|  |  |  |  |  |
|  |  |  | NIL | NIL |
|  |  |  | NIL | NIL |
|  |  |  |  |  |
|  |  |  |  |  |

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

## Annexure-1B

Form for disclosure of particulars with respect to technology absorption

| Research \& Development (R\&D) |  |  |
| :---: | :---: | :---: |
| 01 | Specific areas in which R\&D carried out by the company | Developed and manufactured Pilot batch of complete body built vehicles for 3-wheeler models of VIKRAM 450D, 750D, 1000CG and VIKRAM 1500 CG in both Load Carrier and Passenger Carrier variants. Development of Non Metallic Internal Mud Guard (Wheel Arch) with the help of M/s CIPET (Central Institute of Plastics Engg. \& Technology,) Lucknow is completed and prototype sample made. Some modifications \& corrections is done based on feedback incorporated \& finalized the design. The same will be used for regular production of BSIV vehicles. |
| 02 | Benefits derived as a result of the above R\&D | - Customer feedback taken and with suitable changes incorporated and the same to be implemented in BSIV vehicles. |
| 03 | Future Plan of Action | - Upgradation \& Regularization of all vehicle models and its variants for BSIV norms compliance. <br> - Development of Electric Vehicle as per market requirement. <br> - Concept vehicle with Dry Type Single plate Clutch System on Small platform is made and put under Endurance Trials for regularization in future. <br> - Product upgrades with Self Adjusting Brake System is put under Endurance Trials. <br> - Standardization of Electrical items, Rubber and Plastic Parts is to be carried out \& implemented at regular intervals. |
| 04 | Expenditure on R\&D <br> a) Capital <br> b) Recurring <br> c) Total <br> d) Total R\&D Expenditure as a percentage of Total turnover | Nil <br> ₹ 23.46 lakhs <br> ₹ 23.46 lakhs <br> 0.22\% |
|  | Technology absorption ,adaption and innovation |  |
| 01 | Efforts in brief, made towards technology absorption ,adaption and innovation | Officers and Staff of the R\&D have been sponsored for Exhibition (Auto-Expo), demonstration of the new contemporary automotive products, expositions and association with Testing agencies like ARAI, ICAT, and GCL for development of BSIV compliant automotive products. |
| 02 | Benefits derived as a result of the above efforts e.g. product improvement, cost reduction ,product development etc. | Exercises in Value Engineering carried out for improvement, reliability, cost and weight reduction in the existing products. |
| 03 | In case of imported technology imported technology (imported during the last five years reckoned from the beginning of the financial year) following information may be furnished: <br> a) Technology imported <br> b) Year of Import <br> c) Has technology been fully absorbed? <br> d) If not fully absorbed, areas where this has not been taken place, reasons therefore and future plan of action | Nil |

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SCOOTERS INDIA LIMITED

## Report on the Financial Statements

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

## Management's Responsibility for the Financial Statements

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

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

## Auditors' Responsibility

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

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

## Basis of Qualified Opinion

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

## Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the matters described in Paragraph 1 and 2 of the Basis of Qualified opinion paragraph, the said financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :
(a) In the case of Balance Sheet, of the state of affairs of the Company as at March 31, 2017.
(b) In the case of the statement of Profit and Loss, of the loss for the year ended on that date; and
(c) In the case of the Cash Flow Statement, of the cash flow for the year ended on that date.

## Emphasis of Matter

We draw attention to the following matters in the Notes to the financial statements:
(a) Attention is invited to Note No. 1 Para 7a, to the financial statement where the company has made a $0.5 \%$ adhoc provision on the value of closing stock of raw material and components, stores spares and consumables for redundancy. In the absence of adequate record for waste and reasonable estimates of its net realisable value, we are unable to comment upon the adequacy of these provisions.
(b) Attention is invited to Note No. 34, to the financial statement the balances in accounts
of parties, contractors, Government Department etc including those balances appearing under current assets, Loan and Advances and current liabilities are subject to confirmation and reconciliation the financial Statement do not include the impact of adjustment, if any, which may arise out of the confirmation and reconciliation process.
(c) Attention is invited to Note No. 41, to the financial statement where the company has not provided for the arrears to the employees who were on the pay roll of the company as on 01-04-2013, as the approval is awaited from GOI and pending outcome of the proceeding before the Central Government Industrial Tribunal, Lucknow
(d) Attention is invited to Note No. 9, to the financial statement regarding other current liabilities which includes provision for Payment of Bonus to employees of ₹ 50.97 lakhs provided in line with Payment of Bonus Act, however said bonus is not paid and contravenes the provision of Section 19 of the said Act.

Our opinion is not modified in respect of these matters.

## Report on Other Legal and Regulatory Requirements

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

## SCOOTERS INDIA LIMITED

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

Place: Lucknow
For D.S.Shukla\& Co.
Chartered Accountants
(FRN No. 000773C)
Date: $29^{\text {th }}$ May 2017
Shreeharsh Shukla
(Partner)
M.No.:-408990

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

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

| SI. <br> No. | Name of the dues | Nature of the dues | Period | Amount <br> (₹ lakhs) |
| :--- | :--- | :--- | :--- | :---: |
| 1 | Kerala sales Tax Act | State sales Tax | $92-93,93-94 \& 94-95$ | 4.22 |
|  |  |  | Total | 4.22 |

## SCOOTERS INDIA LIMITED

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

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

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

Place: Lucknow
For D.S.Shukla\& Co.
Chartered Accountants
(FRN No. 000773C)
Date: 29 ${ }^{\text {th }}$ May 2017

## Shreeharsh Shukla

(Partner)
M.No.:-408990

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

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

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

The company has clear title of lease hold land located in 16, Milestone at Lucknow Kanpur road, ad measuring 147.50 Acres vide lease hold agreement dated 5th Oct 1974 for the land of 125.29 acres and dated 10th August 1976 for the land of 22.209 acres with U.P. state Industrial department corporation, Kanpur for a period of 90 Years.
2. Please report whether there are any cases of waiver/write off of debts/loans / interest etc., if yes, the reasons there of and the amount involved.

As informed, the company has not waived/written off any debts/loans /interest etc. However the company has made provisions for doubtful debt against receivables of ₹ 25.24 lakhs the reason for the provision as explained to us is non recovery of the said amounts from the respective parties and the amount is due and unrecovered since long the same is disclosed in Note No. 27 of the Financial Statement for the year ended 31st March 2017.
3. Whether proper records are maintained for inventories lying with third parties \& assets received as gift from Gov. or other authorities.

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

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

Place: Lucknow
For D.S.Shukla\& Co.
Chartered Accountants
Date: $29^{\text {th }}$ May 2017

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

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

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

## Management's Responsibility for Internal Financial Controls

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

## Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note') and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.
Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

## Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:
(1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
(2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of the Management and directors of the Company; and
(3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

## Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

## Opinion

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

Place: Lucknow
For D.S.Shukla\& Co.
Chartered Accountants
Date: 29 ${ }^{\text {th }}$ May 2017
(FRN No. 000773C)
Shreeharsh Shukla
(Partner)
M.No.:-408990

## Management Representation

| Comments | Management Reply |
| :--- | :---: |
| Qualified Opinion |  |
| 1 |  |

audited financial results, regarding repayment of principal and interest on non plan loan of ' 189 lakhs received by the company from the Government of India at an interest rate of $13.50 \%$ per annum the company has not provided interest over it as it has filed an application for freezing of the interest, with the Ministry of Heavy Industry however Ministry approval on the same is pending and has yet not been approved further total interest including the penalty accrued and unpaid is ' 129.86 lakhs. till $31^{\text {st }}$ March 2017 since the final outcome is still awaited therefore the impact is unascertained.
2. Attention is invited to footnote 3 to the audited financial results, where the company has increased its Authorised capital from ' 7500 lakhs to ' 25000 lakhs, however share issue expense with respect to payment of fees to the Ministry of Corporate Affairs ("MCA") pursuant to rule 12 of the Companies (Registration of Offices and Fees) Rules, 2014), Of ' 131.25 Lakhs has not been paid nor provided in the books of accounts as explained to us by the management, the MCA has so far not allowed the increase in Authorised capital without payment of fees as the company is claiming exemption for the fees on account of relief given by BIFR in its order dated 19th June 2013, since the final outcome is still awaited the impact is unascertainable.

1. No liability is construed by the company as evidenced by Note No. 40 of notes to accounts of financial year 2016-17 wherein the matter of repayment of principal \& interest on non-plan loan sanctioned during financial year 2012-13 of ' 189 Lakhs has been taken up with Department of Heavy Industry for maintaing the status quo. As per legal opinion obtained by the company, notwithstanding the order of BIFR discharging the company from its purview, the relief and concessions as sanctioned in the miscellaneous application no. 316/2013 would continue to be valid and operative.
2. No liability is construed by the company as evidenced by Note No. 42 of notes to accounts of financial year 2016-17 wherein, pending the resolution of issue of increasing the authorized share capital, wherein exemption of filling fees has been sought in line with reliefs provided by BIFR, no liability in this regard has been recognized in the annual accounts.

## Annexure-3

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

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

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

For and on the behalf of the Comptroller \& Auditor General of India
(Nandana Munshi Director General of Commercial Audit \& Ex-officio Member, Audit Board - II, New Delhi

Place: New Delhi
Date : 08.08.2017

## CORPORATE GOVERNANCE

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

1. A) SIL'S PHILOSOPHY ON CORPORATE GOVERNANCE

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

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

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

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

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

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

| Name of Director | Tenure | No. of <br> other <br> Director <br> ship | No. of other <br> Committee- <br> ship |  |
| :--- | :--- | :---: | :---: | :---: |
| Whole time Functional Director |  |  |  |  |
| Smt. Vinita Srivastava, CMD | $23.02 .2016-$ <br> 05.10 .2016 | 2 | - | - |
| Shri Renati Sreenivasulu, CMD | 06.10 .2016 <br> till date |  |  |  |
| Shri Rahul Bali, Director (Technical) | $02.04 .2013-$ <br> 01.02 .2017 | - | 1 | - |
| Shri Pravin Agrawal <br> (Additional Charge) | 14.4 .2016 to <br> 30.6 .2016 |  |  |  |
| Part-time Non Executive Director (Official) |  |  |  |  |
| Shri AM Manichan, Director, <br> GOI Nominee | $25.09 .2014-$ <br> till date | 2 | - | - |
| Shri Pravin Agrawal, Director, <br> GOI Nominee | $23.04 .2015-$ <br> till date | - | - | - |

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

| $\begin{aligned} & \mathrm{S} . \\ & \mathrm{N} . \end{aligned}$ | Name of Directors | $\begin{array}{\|c\|} \hline \text { 238BM } \\ \text { dated } \\ 8.4 .16 \end{array}$ | $\begin{array}{\|c\|} \hline 239 \mathrm{BM} \\ \text { dated } \\ 26.5 .16 \end{array}$ | $\begin{array}{\|c\|} \hline 240 \mathrm{BM} \\ \text { dated } \\ 4.8 .16 \end{array}$ | $\begin{array}{\|l\|} \hline 241 \mathrm{BM} \\ \text { dated } \\ 9.8 .16 \end{array}$ | $\begin{aligned} & \text { 242BM } \\ & \text { dated } \\ & 2.09 .17 \end{aligned}$ | $\begin{array}{\|c\|} \hline 243 \mathrm{BM} \\ \text { dated } \\ 13.10 .16 \end{array}$ | $\begin{array}{\|c\|} \hline 244 \mathrm{BM} \\ \text { dated } \\ \text { d } 11.11 .16 \end{array}$ | $\begin{aligned} & 245 \mathrm{BM} \\ & \text { dated } \\ & 3.02 .17 \end{aligned}$ | AGM dated 30.9 .16 |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | Total Strength -> | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 3 | 3 |
| 1 | Mr.Renati Sreenivasulu, CMD | NA | NA | NA | NA | NA | P | P | P | NA |
| 2 | Ms.Vinita Srivastava, CMD | P | A | P | P | P | NA | NA | NA | A |
| 3 | Mr.Rahul Bali, D (T) | P | P | P | P | A | P | P | NA | P |
| 4 | Mr. AM Manichan, Director | P | P | P | P | P | P | P | P | - |
| 5 | Mr.Pravin Agrawal, Director | P | P | P | P | P | P | P | P | P |

B) Presence of Directors in Board Meetings and Annual General Meeting held during the year
P: Present,
A: Absent,
NA: Not Applicable

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

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

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

3. COMMITTEES OF THE BOARD
A. Audit Committee \& Shareholders/Investors Grievance Committee

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

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

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

## SCOOTERS INDIA LIMITED

## Special Resolution (if any) \& Postal Ballot:

| AGM Date | Special <br> Resolution | Whether put <br> through <br> Postal Ballot | Details of <br> Voting Pattern | Person who <br> conduct Postal <br> Ballot |
| :--- | :---: | :---: | :---: | :---: |
| 25.9 .2014 | TWO | NO | NA | NA |
| 23.9 .2015 | TWO | NO | NA | NA |
| 30.9 .2016 | ONE | NO | NA | NA |

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

5. REMUNERATION POLICY:

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

| Name |  <br> Period | Sitting <br> Fee | Salary <br> (Rs.) |  <br> Contribution <br> to PF/Pension <br> /Others | Total |
| :--- | :--- | :---: | :---: | :---: | :---: |
| Mr. Renati <br> Sreenivasulu | CMD /6.10.2016 - <br> till date | - | 1070669 | 80628 | 1151297 |
| Ms. Vinita <br> Srivastava | CMD /23.2.2016 - <br> 5.10 .2016 | - | - | - | - |
| Mr. Rahul Bali | $\mathrm{D}(\mathrm{T}) / 2.4 .2013-$ <br> 1.2 .2017 | - | 1632881 | 389171 | 2022052 |
|  |  |  | 2703550 | 469799 | 3173349 |

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

## Annual General Meeting:

Date and Time : September 28, 2017
Financial Calendar : $1^{\text {st }}$ April, 2016 to $31^{\text {st }}$ March, 2017
Venue : Registered Office of the Company at: Post Bag No. 23, GPO, Sarojini Nagar, Lucknow - 226008

Book Closure date
Listing of Equity : BSE, DSE (de-recognized w.e.f 19.11.2014)
Stock code : 505141

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

Dematerialization of Shares:CDSL : 356978 as on 31.03.2017
NSDL : 41931619 as on 31.03.2017
Physical : 43097658 as on 31.03.2017
Outstanding GDR/ADRs/ : NIL
Warrants or any Convertible
Instruments, Conversion
Date and likely impact on
Equity
Plant Location : Lucknow- Kanpur Road, 16 ${ }^{\text {th }}$ Kms. MileStone, Post BagNo.23(G.P.O) P.O. Sarojini Nagar, Lucknow-226008.

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

## SUMMARY OF SHARE PRICES OF SCOOTERS INDIA LIMITED (MONTHLY)

Scrip Code:505141
Company: SCOOTERS IND For the Period: April 2016 to March 2017

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

7. DISCLOSURES:
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 <br> meetings held on 26.5.2016,9.8.2016, <br> $13.10 .2016 ~ \& ~ 3.2 .2017 ~$ | The Company has published the Quarterly <br> Results in Financial Express \& Business <br> Standard |
| :--- | :--- | :--- |
| B) Management Discussion \& Analysis | This forms part of Directors' Report which <br> is posted to the shareholders of the <br> company |
| C) Website | www.scootersindia.com |

## 9. SHARE TRANSFER SYSTEM

The Company has signed agreement with both NSDL and CDSL on $18^{\text {th }}$ Jan. 2002 and $25^{\text {th }}$ 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, Ist Floor, Okhla Industrial Area, Phase - 1 New Delhi -110020, as its Registrar and Transfer Agent (RTA).
10. DISTRIBUTION OF SHAREHOLDING AS ON 31 ${ }^{\text {ST }}$ MARCH, 2017

| Share or Debenture <br> holding <br> Nominal Value | Number of <br> Shareholders | \% to Total <br> Numbers | Share or Debenture <br> holding Amount | \% to Total <br> Amount |
| :--- | :---: | :---: | :---: | :---: |
| $\mathbf{1}$ | $\mathbf{2}$ | $\mathbf{3}$ | $\mathbf{4}$ | $\mathbf{5}$ |
| Up To 5,000 | 8288 | 94.53 | 9157110 | 1.07 |
| 5001 To 10,000 | 282 | 3.22 | 2408240 | 0.28 |
| 10001 To 20,000 | 99 | 1.13 | 1546580 | 0.18 |
| 20001 To 30,000 | 35 | 0.4 | 914420 | 0.11 |
| 30001 To 40,000 | 21 | 0.24 | 767570 | 0.09 |
| 40001 To 50,000 | 11 | 0.13 | 518510 | 0.06 |
| 50001 To 1,00,000 | 15 | 0.17 | 1090400 | 0.13 |
| $1,00,000$ and Above | 17 | 0.19 | 837419720 | 98.08 |
| Total | $\mathbf{8 7 6 8}$ | $\mathbf{1 0 0}$ | $\mathbf{8 5 3 8 2 2 5 5 0}$ | 100 |


| Category | \%age |
| :--- | :---: |
| 1. Central Government | 93.74 |
| 2. Nationalized Banks \& Financial Institutions | 0.03 |
| 3. Corporate Bodies | 0.15 |
| 4. Indian Public and Others | 6.08 |
| Total | $\mathbf{1 0 0}$ |

11. ANY QUERY ON ANNUAL REPORT

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

## Annexure-4A

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

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

Renati Sreenivasulu
DIN: 07634253
Chairman \& Managing Director Scooters India Limited, Lucknow -226008
Place: New Delhi
Dated : August 04, 2017

## CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE

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

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

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

Place: Lucknow
Dated : August 04, 2017

## FORM NO. MR. 3 <br> SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2016
[Pursuant to section 204(1) of the Companies Act, 2013 and rule No. 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

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

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

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

We hereby report that in our opinion
The company has, during the audit period covering the financial year ended on 31st March, 2017 complied with the statutory provisions listed hereunder and also
i. That the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2017 according to the provisions of:
i. The Companies Act, 2013 (the Act) and the rules made there under;
ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
iv. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and

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

## SCOOTERS INDIA LIMITED

We have also examined compliance with the applicable clauses of the following:
(i) Secretarial Standards issued by The Institute of Company Secretaries of India; and
(ii) Listing Agreements entered into by the Company with BSE Limited.

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

1. Where as in terms of the provisions of Section 149(4) \& 149(5) of the Companies Act, 2013 read with rule 4 of the Companies (Appointment And Qualification Of Directors) Rules, 2014 and regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) regulations, 2015, the Company was required to appoint Independent Directors on the Board of the Company the Company could not comply with the same. However as informed by management the Company being a Government Company has requested its administrative ministry for making necessary appointments.
2. Where as in terms of the provisions of Section 149(1) of the Companies Act, 2013 read with rule 3 of the Companies (Appointment and Qualification of Directors) Rules, 2014 and regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) regulations, 2015, the Company was required to appoint at least one Women Director on the Board of the Company latest by 31st March, 2015, the Company could not comply with the same. However the appointment of women director on the Board has been made w.e.f. 23.02 .2016 by way of its CMD on additional charge basis to hold office till 05.10.2016.
3. Whereas in terms of the provisions of Section 177(1) of the Companies Act, 2013 read with rule 6 of the Companies (Meetings of Board and Its Powers) Rules, 2014, and regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) regulations, 2015 the Company was required to constitute an Audit Committee of the Board, the Company could not comply with the same. However as informed by management the Company being a Government Company has requested its administrative ministry for expediting the process for appointment of requisite number of Independent Directors, so that necessary compliance regarding Audit Committee can be made.
4. Whereas in terms of the provisions of Section 178(1) of the Companies Act, 2013 read with rule 6 of the Companies (Meetings of Board and Its Powers) Rules, 2014 and regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) regulations, 2015 the Company was required to constitute a Nomination \& Remuneration Committee of the Board, the Company could not comply with the same. However as informed by management the Company has requested its administrative ministry for expediting the process for appointment of requisite number of Independent Directors, so that necessary compliance regarding Nomination \& Remuneration

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

## We further report that:

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

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

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

## S scooters india limited

Mehta Vs. Union of India \& Others vide order dated 29.03.2017 held that:
a) On and from 1st April, 2017 such vehicles that are not BS-IV compliant shall not be sold in India by any manufacturer or dealer, that is to say that such vehicles whether two wheeler, three wheeler, four wheeler or commercial vehicles will not be sold in India by any manufacturer or dealer on and from 1st April, 2017.
b) All the vehicle registering authorities under the Motor Vehicles Act, 1988 are prohibited for registering such vehicles on and from 1st April, 2017 that do not meet BS-IV emission standards, except on proof that such a vehicle has already been sold on or before 31st March, 2017.

For Amit Gupta \& Associates
Company Secretaries

Amit Gupta
Proprietor
Membership No. : F5478
C.P. No. 4682

Date: 04.08.2017
Place: Lucknow
Note: This report should be read with the letter of even date by the Secretarial Auditors.

To,
The Members,

## SCOOTERS INDIA LIMITED,

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

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

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

# For Amit Gupta \& Associates Company Secretaries 

Amit Gupta
Proprietor
Membership No. : F5478
C.P. No. 4682

Date: 04.08.2017
Place: Lucknow

Form No. MGT. 9
Extract of Annual Return
(As on the financial year ended on March 31, 2017)
[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

## I. REGISTRATION AND OTHER DETAILS:

i. CIN
ii. Registration Date
iii. Name of the Company
iv. Category/Sub-Category of the Company
v. Address of the Registered office and contact details
vi. Whether listed company

L25111UP1972GOI003599
07th SEPTEMBER, 1972
SCOOTERS INDIA LIMITED
Public Company/Limited by shares
Sarojini Nagar, Lucknow - 226 008,
Phone No.: +91-522-2476242
Fax No.: +91-522-2476190
Email: companysecretary @scootersindia.com
Website: www.scootersindia.com
Yes, on following exchanges:

1) BSE Limited.
2) Delhi Stock Exchange Limited (derecognized 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. <br> No. | Name and Description of <br> main products/ services | NIC Code of the <br> Product/ service | \% to total turnover of <br> the company |
| :---: | :--- | :---: | :---: |
| 1 | VIKRAM 3Wheelar | 35913 | $94.89 \%$ |
| 2 | Spare Parts | 35914 | $3.11 \%$ |

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

| Sr. No. | Name and Address <br> of The Company | CIN/GLN | Holding/ <br> Subsidiary <br> shares <br> held | Applicable <br> Section |  |
| :--- | :--- | :--- | :--- | :--- | :--- |
| 1. | NIL | NIL | NIL | NIL | NIL |

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)
i. Category-wise Share Holding

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


ii. Shareholding of Promoters

| $\begin{aligned} & \text { Sr. } \\ & \text { No } \end{aligned}$ | Shareholder's Name | Shareholding at the beginning of the year March 31, 2016 |  |  | Shareholding at the end of the year March 31, 2017 |  |  | \%change inshareholdingduringthe year |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  | No. of Shares | \% of total Shares of the company | \%of Shares pledged/ encumbered to total shares | No. of Share | \% of total Shares of the company | \% of pledged/ encumbered |  |
| 1. | President of India Total | $\begin{aligned} & 80034029 \\ & 80034029 \end{aligned}$ | $\begin{aligned} & 93.74 \\ & 93.74 \end{aligned}$ | - | $\begin{aligned} & 80034029 \\ & 80034029 \end{aligned}$ | $\begin{aligned} & 93.74 \\ & 93.74 \end{aligned}$ | - | NIL <br> NIL |

iii. Change in Promoters' Shareholding: No Change

| Sr. <br> No | Name of Shareholder | Shareholding at the beginning <br> of the year | Cumulative Shareholding <br> during the year |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: |
|  |  | No. of shares | \% of total <br> shares of the <br> company | No. of shares | \% of total <br> shares of <br> the company |
| 1. | President of India | 80034029 | 93.74 | 80034029 | 93.74 |

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

| $\begin{aligned} & \text { SI. } \\ & \text { No. } \end{aligned}$ | Name of shareholders | Shareholding at the beginning of the year |  | Cumulative shareholding during the year |  |
| :---: | :---: | :---: | :---: | :---: | :---: |
|  |  | No. of shares | \% of total shares of the Company | No. of shares | \% of total shares of the Company |
| 1. | Special National Investment Fund Opening balance change Closing balance | $3361461$ $3361461$ | $\begin{aligned} & \hline 3.94 \\ & \\ & 0.00 \\ & 3.94 \end{aligned}$ | $\begin{aligned} & 3361461 \\ & 3361461 \end{aligned}$ | $\begin{aligned} & 3.94 \\ & 3.94 \end{aligned}$ |
| 2. | Sachin Ramesh Mahtre <br> Opening balance change Closing balance | $\begin{gathered} 86520 \\ - \\ 86520 \\ \hline \end{gathered}$ | $\begin{aligned} & 0.10 \\ & 0.00 \\ & 0.10 \end{aligned}$ | $\begin{aligned} & 86520 \\ & 86520 \end{aligned}$ | $\begin{aligned} & 0.10 \\ & 0.10 \\ & \hline \end{aligned}$ |
| 3. | MSPL Limited Opening balance Change-23.12.2016 31.03.2017 (1885) Closing balance | $\begin{gathered} 54100 \\ (300) \\ 51915 \end{gathered}$ | $\begin{gathered} 0.06 \\ 0.00 \\ 51915 \\ 0.06 \end{gathered}$ | $\begin{aligned} & 53800 \\ & 51915 \end{aligned}$ | $\begin{aligned} & 0.06 \\ & 0.06 \\ & \hline \end{aligned}$ |
| 4. | Aditi Dilip Shete Opening balance change Closing balance | $\begin{gathered} 31637 \\ - \\ 31637 \end{gathered}$ | $\begin{aligned} & 0.04 \\ & 0.00 \\ & 0.04 \end{aligned}$ | $\begin{aligned} & 31637 \\ & 31637 \end{aligned}$ | $\begin{aligned} & 0.04 \\ & 0.04 \end{aligned}$ |
| 5. | Lal Tolani <br> Opening balance change Closing balance | $\begin{gathered} 37387 \\ - \\ 37387 \\ \hline \end{gathered}$ | $\begin{aligned} & 0.04 \\ & 0.00 \\ & 0.04 \end{aligned}$ | $\begin{aligned} & 37387 \\ & 37387 \\ & \hline \end{aligned}$ | $\begin{aligned} & 0.04 \\ & 0.04 \end{aligned}$ |

## SCOOTERS INDIA LIMITED

\begin{tabular}{|c|c|c|c|c|c|}
\hline 6. \& \begin{tabular}{l}
Anil Ganeshmal Shah Opening balance change \\
Closing balance
\end{tabular} \& \[
\begin{gathered}
14911 \\
-\quad \\
14911 \\
\hline
\end{gathered}
\] \& \[
\begin{aligned}
\& 0.02 \\
\& 0.00 \\
\& 0.02 \\
\& \hline
\end{aligned}
\] \& \[
\begin{aligned}
\& 14911 \\
\& 14911 \\
\& \hline
\end{aligned}
\] \& \[
\begin{array}{r}
0.02 \\
0.02 \\
\hline
\end{array}
\] \\
\hline 7. \& \begin{tabular}{l}
Rajkumar Nema Opening balance change \\
Closing balance
\end{tabular} \& \[
\begin{gathered}
14753 \\
- \\
14753
\end{gathered}
\] \& \[
\begin{aligned}
\& 0.02 \\
\& 0.00 \\
\& 0.02
\end{aligned}
\] \& \[
\begin{aligned}
\& 14753 \\
\& 14753 \\
\& \hline
\end{aligned}
\] \& \[
\begin{aligned}
\& 0.02 \\
\& 0.02 \\
\& \hline
\end{aligned}
\] \\
\hline 8. \& \begin{tabular}{l}
Jitendra C Badiyani Opening balance change \\
Closing balance
\end{tabular} \& \[
\begin{gathered}
13500 \\
- \\
13500
\end{gathered}
\] \& \[
\begin{aligned}
\& 0.02 \\
\& 0.00 \\
\& 0.02
\end{aligned}
\] \& \[
\begin{array}{r}
13500 \\
13500 \\
\hline
\end{array}
\] \& \[
\begin{aligned}
\& 0.02 \\
\& 0.02 \\
\& \hline
\end{aligned}
\] \\
\hline 9. \& \begin{tabular}{l}
Dhirendra Yadav Opening balance change \\
Closing balance
\end{tabular} \& \[
\begin{gathered}
12701 \\
-\quad \\
12701 \\
\hline
\end{gathered}
\] \& \[
\begin{gathered}
0.01 \\
- \\
0.01 \\
\hline
\end{gathered}
\] \& \[
\begin{aligned}
\& 12701 \\
\& 12701 \\
\& \hline
\end{aligned}
\] \& \[
\begin{array}{r}
0.01 \\
0.01 \\
\hline
\end{array}
\] \\
\hline 10 \& \begin{tabular}{l}
Manjulalta Senapati \\
Opening balance \\
change \\
Purchase (22/07/16) \\
Sale (29/07/16) \\
Purchase (07/10/16) \\
Sale (21/10/16) \\
Sale (11/11/16) \\
Sale (13/01/17) \\
Purchase (17/03/17) \\
Purchase (24/03/17) \\
Purchase (31/03/17) \\
Closing Balance
\end{tabular} \& \begin{tabular}{l}
10982 \\
-100 \\
5028 \\
-100 \\
-100 \\
-100 \\
200 \\
1000 \\
14024 \\
30834
\end{tabular} \& 0.00

0.04 \& | 10982 10882 |
| :--- |
| 15910 |
| 15810 |
| 15710 |
| 15610 |
| 15810 |
| 16810 |
| 30834 |
| 30834 | \& \[

$$
\begin{aligned}
& 0.01 \\
& 0.01 \\
& 0.02 \\
& 0.02 \\
& 0.02 \\
& 0.02 \\
& 0.02 \\
& 0.02 \\
& 0.04 \\
& 0.04
\end{aligned}
$$
\] <br>

\hline
\end{tabular}

## V. INDEBTEDNESS

Indebtedness of the Company is as follows:

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

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL
A. Remuneration to Managing Director, Whole-time Directors and/or Manager

| SI. No. | Particulars of Remuneration | Amount in INR |  |  |
| :---: | :---: | :---: | :---: | :---: |
|  |  | Rahul Bali, Director | $\begin{gathered} \hline \text { Renati Sreenivasulu } \\ \text { (CMD) } \\ \text { (Technical) } \\ \hline \end{gathered}$ | Total |
| 1. | Gross salary <br> (a)Salary as per provisions contained in section17(1) of the Income-tax Act, 1961 <br> (b)Value of perquisites u/s 17(2)389171 Income-tax Act, 1961 <br> (c)Profits in-lieu of salary under section17 <br> (3) Income-tax Act, 1961 | $\begin{aligned} & 1632881 \\ & 389171 \end{aligned}$ | $1070669$ $80628$ | $2703550$ $469799$ |
| 2. | Stock Option | - | - | - |
| 3. | Sweat Equity | - | - | - |
| 4. | Commission <br> - as \% of profit <br> - others |  |  |  |
| 5. | Others | - | - | - |
|  | Total(A) | 2022052 | 1151297 | 3173349 |
|  | Ceiling as per the Act | *N/A | *N/A | *N/A |

*being a Government Company
B. Remuneration to other directors: No Remuneration/Sitting fees is paid to any other Director (including Non Executive Directors)
C. Remuneration to Key Managerial Personnel Other Than MD/Manager/WTD

| Sr. No. | Particulars of Remuneration |  | Total |
| :--- | :--- | :---: | :---: |
| 1. | Gross salary <br> a) Salary as per provisions contained in <br> section17(1) of the Income-tax Act,1961 <br> b) Value of perquisites u/s 17(2)Income-tax <br> Act,1961 |  |  |
| 2. | c) Profits in-lieu of salary under section 17 <br> (3)Income-tax Act,1961 | - | - |
| 3. | Stock Option <br> 4. | - | - |
| 5. | Commission | - | - |

## scooters india limited

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

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

For and on behalf of Board of Directors
Renati Sreenivasulu DIN: 07634253
Chairman \& Managing Director Scooters India Limited, Lucknow -226008
Place: New Delhi
Date: August 04, 2017

## Particulars of Employees

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

| Name(s) of <br> Whole time <br> Directors | Designation | Remuneration <br> in year <br> $2016-17$ <br> (in Rs.) | Remuneration <br> in year <br> $2015-16$ <br> (in Rs.) | $\%$ increase <br> in <br> remuneration | Ratio of <br> remuneration <br> to median <br> remuneration <br> of employees | Ratio of the <br> remuneration <br> to Net Profit <br> $(2016-17)$ |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Rahul Bali <br> (up to <br> $01.02 .2017)$ | Director (T) | 20.22 | 23.71 | N.A | $* 487.23 \%$ | N.A. |
| Renati <br> Sreenivasulu <br> (w.e.f. <br> $06.10 .2016)$ | CMD | 11.51 | Nil | N.A | $* 277.35 \%$ | N.A. |

* part of year employment only
(Amt. In Lakhs)

| Name(s) of <br> Independent Directors | Remuneration in year <br> $2016-17$ | Remuneration in Year <br> $2015-16$ (In Rs.) | \% increase in <br> remuneration |
| :---: | :---: | :---: | :---: |
| NIL | NIL | NIL | NIL |

(Amt. In Lakhs)

| Name(s) of <br> Independent Directors | Remuneration in year <br> $2016-17$ (In Rs.) | Remuneration in Year <br> $2015-16$ (In Rs.) | \% increase in <br> remuneration |
| :---: | :---: | :---: | :---: |
| NIL | NIL | NIL | NIL |

(Amt. In Lakhs)

| Name of KMP | Remuneration in <br> Year 2016-17 | Remuneration in <br> year 2015-16 | \% increase in <br> remuneration | Ratio of the <br> remuneration <br> to Net Profit <br> $(2016-17)$ |
| :---: | :---: | :---: | :---: | :---: |
|  | - | - | - | - |

i. The median remuneration of employees in the year 2016-17 and 2015-16 is Rs. 414971 and Rs. $4,24,238.00$ respectively. The percentage decrease in the median remuneration is $2.18 \%$.
ii. The Company has 259 number of permanent employees on the rolls of the Company as on the year ended at March 31, 2017.
iii. The Company's Net Loss stood at Rs. 10.28 crores at the year ended as on March 31, 2017 as compared to Profit of Rs. 5.48 crores for the year ended on March 31, 2016. The percentage of growth in the Net profit of the Company is $(-) 287.59 \%$. The growth in the remuneration of WTD and KMP was Nil \% \& Nil\% respectively in year 2017 as compared to 2016. The increase in remuneration was as per DPE guidelines.
iv. Variation in the Market Capitalisation and Price Earnings ratio as at the closing of current year 2017 and previous year 2016 are as under.

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

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

## FORM NO. AOC. 2

Particulars of contracts/arrangements entered with related parties
(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

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

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

There are no contracts or arrangements entered during the year under report, which were not at arm's length basis.
2. Details of material contracts or arrangement or transactions at arm's length basis:

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

| Name(s) of the <br> related party | Nature of <br> relationship <br> Arrangement/ <br> Transaction | Nature of <br> contract/ <br> Arrangement/ <br> Transaction | Duration of <br> the contract// | Salient <br> terms | Amount |
| :---: | :---: | :---: | :---: | :---: | :---: |
| NIL | NIL | NIL | NIL | NIL | NIL |

For and on behalf of Board of Directors
Renati Sreenivasulu
DIN: 07634253
Chairman \& Managing Director
Scooters India Limited, Lucknow -226008
Place: New Delhi
Date:August 04, 2017

Balance Sheet as at 31st March, 2017


Place: Lucknow
(Shreeharsh Shukla)
Date: 29 ${ }^{\text {th }}$ May 2017
M. No.- F408990

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

|  | Note No. | $\begin{array}{r} \text { Year Ended } \\ 31.03 .2017 \\ ₹ \text { in Lakhs } \end{array}$ | Year Ended <br> 31.03.2017 <br> $₹$ in Lakhs |
| :---: | :---: | :---: | :---: |
| I. Revenue from operations |  |  |  |
| Gross Sales | 20 | 10,855.44 | 15,204.15 |
| Less: Excise Duty |  | 1,211.11 | 1,301.12 |
| Net Sales |  | 9,644.33 | 13,903.03 |
| II. Other Operating Revenue | 21 | - | 6.42 |
| III. Other Income | 22 | 422.76 | 953.66 |
| IV. Total Revenue ( $1+\mathrm{ll}+\mathrm{III}$ ) |  | 10,067.09 | 14,863.11 |
| V. Expenses: |  |  |  |
| Cost of materials consumed | 23 | 5,440.83 | 7,635.11 |
| Cost of sales at petrol pump | 23 | 208.54 | 1,379.75 |
| (Accretion)/Decretion to Stock | 24 | 983.12 | 51.09 |
| Employee benefit expense | 25 | 3,211.66 | 3,665.78 |
| Depreciation | 11 | 164.28 | 189.22 |
| Finance Cost | 26 | 80.86 | 135.12 |
| Other expenses | 27 | 981.88 | 1,238.68 |
| Prior year items | 28 | 0.86 | - |
|  | Total | 11,072.03 | 14,294.75 |
| Less: Expenditure included in above capitalized |  | 3.26 | 8.90 |
| VI. Total Expenses |  | 11,068.77 | 14,285.85 |
| VII. Profit before tax (IV - V) |  | $(1,001.68)$ | 577.26 |
| VIII. Tax expense: 29 |  |  |  |
| (1) Current tax |  | - | 28.88 |
| (2) Deferred tax |  | - | - |
| (3) Income Tax pertaining to Previous Years |  | 25.99 |  |
| IX. Profit/(Loss) for the period (VI-VII) |  | $(1,027.67)$ | 548.38 |
| X. Earning per equity share: |  |  |  |
| (1) Basic | 30 | (1.20) | 0.64 |
| (2) Diluted | 30 | (1.20) | 0.64 |
| Accompanying Notes 1 to 48 are an integral part of the Financial Statements |  |  |  |

Financial Statements
(R.S. Tiwari)

HOD (Finance)

## (A.M. Manichan) <br> Director <br> DIN - 7046352

(R. Sreenivasulu)

Chairman and Managing Director
DIN - 07634253

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

Place: Lucknow
Date: 29 ${ }^{\text {th }}$ May 2017
(Shreeharsh Shukla)
M. No.- F408990

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31 ${ }^{\text {st }}$ MARCH 2017 PURSUANT TO CLAUSE 32 OF THE LISTING AGREEMENT

## Particulars

Year Ended 31.03.2017 Year Ended 31.03.2016
$₹$ in Lakhs $₹$ in Lakhs

Cash flow from operating activities :

Net Profit/(Loss) before Tax
Adjustment for :

- Depreciation
$\begin{array}{lr}\text { (i) For Current Year } & 164.28 \\ \text { (ii) For Prior Period } & -\end{array}$
-Prior Year items
-Provision for Loss in Value of Investment
-Provision / Written off for Doubtful Debts
-Provision for Inventory Obolesence
-Excess Provision Written Back
-Interest Paid
-(Profit)/Loss in exchange rate change
-(Profit)/Loss on sale of fixed assets
Operating profit before working capital changes
Adjustment for :
-Trade receivables
-Inventories
-Other current assets
-Long Term Loans \& advances
-Short Term Loans \& advances
-Other Long Term Liabilities
-Trade payables
-Capital Reserve
-Provisions
Cash generated/(loss) from operations :
Less Taxes Paid;
Provision for Income Tax 25.99
Net cash from operating activities
Cash flow from Investing activities
-Increase in fixed assets / capital expenditure
-Sale/ Adjustments of fixed assets
- Interest Income 374.16
- Other Fixed deposit with banks realised/(made) (238.87)
-(Loss)/Gain in exchange rate
Net cash used in investing activities
Cash flow from financing activities -Interest paid
-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
-Viability Gap Funding from MNRE
-(Decrease)/ Increase in cash credit limits
(80.86)
(400.00)
25.00
$(1,001.68)$
577.26
- 
- 

25.59
-
(10.99)
(374.16)
80.86
(2.07)
56.66
(0.70)
(555.44)
(320.26)
(136.96)
(28.29)
189.22
-
-
0.39
8.42
(308.11)
(616.38)
135.12
(114.42)
$(1,116.10)$
10.81

1,452.48
24.81
(612.76)
28.88
$(1,169.12)$
(165.17)
616.38
93.22
107.00
544.43
(591.34)
(14.08)

$$
51.72
$$

132.48
46.50
(48.64)
(678.43)
(1.50)
(557.37) 117.04
529.33 (187.96)
$(1,126.16)$
$(1,140.24)$
(135.12)


(173.91)

Net cash used in financing activities
Net increase / (decrease) in cash and cash equivalents
Cash and cash equivalents (Opening balance)
(66.14)
(571.90)

2,556.09
1,984.19
(309.03)
(933.72)

3,489.81
2,556.09

## Notes to the Cash Flow Statement

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

| Cash and cash equivalents | $\mathbf{2 0 1 6 - 1 7}$ | (₹ in lakhs) |
| :---: | :---: | :---: |
| Cash in hand <br> Cheques in hand <br> Balance with Banks <br> Current accounts <br> Deposit with Bank with original maturity of <br> less than 3 months | 1.05 | 1.89 |
|  | 23.27 | - |

(R.S. Tiwari)
HOD (Finance)

## (A.M. Manichan) <br> Director <br> DIN - 7046352

## (R. Sreenivasulu)

Chairman and Managing Director DIN - 07634253

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

Place: Lucknow
Date: 29 ${ }^{\text {th }}$ May 2017
(Shreeharsh Shukla)
M. No.- F408990

## Annexed to and forming part of the Accounts

Note No.- 1

## ACCOUNTING POLICIES

1. SYSTEM OF ACCOUNTING:
(i) Basic assumptions:

The accounts have been prepared under historical cost convention on accrual basis and as per applicable Mandatory Accounting Standards.
(ii) Going concern:

Accounts have been prepared on the principle applicable to a going concern.
(iii) Use of Estimates:

The preparation of financial statements requires management to make certain estimates and assumptions that affect the amounts reported in the financial statement and notes thereto. Differences between actual results and estimates are recognized in the period in which they materialize.
(iv) All assets \& liabilities has been classified as current \& non-current as per Company's normal operating cycle \& other criteria set out in the Schedule III of Companies Act 2013.
2. a) FIXED ASSETS:
(i) Fixed Assets are stated at original cost and are inclusive of all expenses to bring them to a state of use.
(ii) Land is valued at original cost.
(iii) The cost of the leasehold land is amortized over the lease span.
(iv) The tools manufactured departmentally costing individually Rs. 5000 and below and/ or having estimated average useful life of 5 years and below being of consumable nature are accounted for as revenue expenditure under relevant natural heads
(v) Construction period expenses exclusively attributable to projects are capitalized.
b) LEASE RENTALS:

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

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

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

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

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

Premium on leasehold land is amortised over the period of lease.
Depreciation on other tangible fixed assets is charged on straight-line method in accordance with Schedule II of Companies Act 2013, as amended from time to time, except
(a) Plant, Machinery, Equipment, and Jigs \& Fixtures costing individually Rs. 5000 and below are depreciated fully in the year of purchase.
(b) In case of tools where average estimated useful life is greater than five years but less than ten years, depreciation is charged @ $20 \%$ as was being done prior to introduction of Schedule II.

Depreciation is not provided on assets which have been declared surplus and are not in use. These are distinctively shown under Fixed Assets at net realizable value.
4. INVESTMENTS:
(i) Current Investments are valued at cost or market value whichever is lower.
(ii) Non Current Investments are valued at cost. However, in case of permanent diminution in the value of investments, suitable provision is made in the books of accounts.
(iii) Income from dividend is recognized in books of accounts when the right to receive such dividend is established.
5. INVENTORIES:
(i) Raw materials, components, stores \& spares, tools, consumables and other stocks are valued at cost (net of CENVAT) determined on FIFO Basis. Scrap and disposable goods are valued at estimated realizable value.
(ii) Stock-in-trade is valued at lower of cost or net realizable value.
(iii) Work-in-progress is valued at cost. Where the jobs are in progress their conversion cost is taken at $50 \%$ of the standard cost regardless of the stage of completion. Completed jobs including jobs pending inspection are valued at cost or realizable

## SCOOTERS INDIA LIMITED

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

Excise duty on finished stocks lying in bond is provided for, on the assessable value applicable for each product.
7. PROVISIONS
a) PROVISION FOR REDUNDANCY/OBSOLESCENCE:

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

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

The estimated liability for product warranties is recorded when products are sold. These estimates are established using historical information on the nature, frequency and average cost of warranty claims and management estimates regarding possible future incidence based on corrective actions on product failures. The timing of outflows will vary as and when warranty claim will arise.
The Company accounts for the provision for warranty on the basis of the information available with the Management duly taking into account the current and post technical estimates.
8. CENVAT:

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

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

## 10. ACCOUNTING FOR INCOME AND EXPENDITURE:

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

## 11. FOREIGN EXCHANGE VARIATION:

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

## 12. RETIREMENT BENEFITS:

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

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

Leave encashment for retiring employees is being settled by the Company through its own resources \& the company does not maintain fund with LICl 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.

## SCOOTERS INDIA LIMITED

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

|  | $\begin{array}{r} \text { As at } \\ \text { 31.3.2017 } \\ \text { ₹ } \ln \text { Lakhs } \\ \hline \end{array}$ | $\begin{array}{r} \text { As at } \\ \text { 31.3.2016 } \\ \text { ₹ } \mathrm{In} \text { Lakhs } \\ \hline \end{array}$ |
| :---: | :---: | :---: |
| Authorised Capital <br> 25,00,00,000 Equity Shares (Previous Year 25,00,00,000) of ₹ 10 each. | 25,000.00 | 25,000.00 |
| Issued Capital <br> 8,53,85,500 Equity Shares <br> (Previous year $8,53,85,500$ ) of $₹ 10$ each | 8,538.55 | 8,538.55 |
| Subscribed and Fully Paid up Capital 8,53,82,255 Equity Shares* (Previous year $8,53,82,255$ ) of ₹ 10 each Forfeited Shares | $\begin{array}{r} 8,538.23 \\ 0.16 \\ \hline 8,538.39 \end{array}$ | $\begin{array}{r} 8,538.23 \\ 0.16 \\ \hline 8,538.39 \end{array}$ |

*Of the subscribed and paid up capital 9,05,000 shares(Previous year 9,05,000 shares) of ₹10 each allotted to the Government of India during 1972-73 \&1975-76 as fully paid pursuant to a contract without payment being received in cash.
a. The reconciliation of the number of shares outstanding as on 31 st March 2017 are as follows:

| Particulars |  | Equity Shares |  |  |
| :---: | :---: | :---: | :---: | :---: |
|  |  | Number |  | ₹ |
| Shares outstanding at the beginning of the year |  | 85,385,500.00 |  | 8,538.55 |
| Shares Issued during the year |  |  |  | - |
| Shares outstanding at the end of the year |  | 85,385,500.00 |  | 8,538.55 |
| 31900000 shares at ₹ 10/- each has been issued during financial year 2013-14 under reference against receipt of ₹ 3190.00 lakhs for CAPEX in terms of Revival package sanctioned by Cabinet Committee of Government of India. <br> b. Shares in the company held by each shareholder holding more than 5 percent shares specifying the number of shares held are as follows: |  |  |  |  |
| Name of Shareholder | As at 31 M No. of Shares held | ch 2017 <br> \% of Holding | As at 31 M No. of Shares held | March 2016 <br> \% of <br> Holding |
| Government of India | 80034029 | 93.74 | 80,034,029.00 | 93.74 |

c. Terms/Rights attached to Equity Shares

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

Note No.- 3
Reserves and Surplus

|  | As at <br> 31.3.2017 <br> ₹ In Lakhs | As at <br> 31.3 .2016 <br> ₹ In Lakhs |
| :--- | ---: | ---: |
| Reserves <br> Capital Reserve * | 4.90 | 4.90 |

## Surplus

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

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

Note No.- 4
Long Term Borrowings

| As at | As at |
| ---: | ---: |
| 31.3.2017 | 31.3.2016 |
| ₹ In Lakhs | ₹ $\ln$ Lakhs |

Unsecured Loan from Related Party
Loans from Government of India*

| $1,389.00$ |
| :--- | :--- |
| $1,389.00$ |$\quad$| $1,789.00$ |
| :--- |
| $1,789.00$ |

*Refer Note No. 46

Note No.- 5
Other Long Term Liabilities

| As at | As at |
| ---: | ---: |
| 31.3.2017 | 31.3.2016 |
| ₹ $\ln$ Lakhs | ₹ $\ln$ Lakhs |

Trade Payable
Other Payable:

| Advances | 1.90 | 1.90 |
| :--- | ---: | ---: |
| Security Deposits | 204.92 | $\frac{205.62}{206.82}$ |

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

Note No.- 6
Long Term Provisions

| As at | As at |
| ---: | ---: |
| 31.3.2017 | 31.3 .2016 |
| ₹ In Lakhs | ₹ In Lakhs |

## Provision for Retirement Benefits

Gratuity
Leave Encashments

| $\mathbf{2 5 8 . 9 3}$ | 396.73 |
| :--- | :--- |
|  | 398.93 |

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 | As at |
| ---: | ---: |
| 31.3.2017 | 31.3 .2016 |
| ₹ In Lakhs | ₹ In Lakhs |

## Secured <br> Loans and advances from Banks * <br> Indian Overseas Bank

| $\mathbf{1 , 2 7 5 . 7 5}$ | 886.03 |
| :--- | ---: |
| $\mathbf{1 , 2 7 5 . 7 5}$ | 886.03 |

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

Note No.- 8
Trade Payables

|  | $\begin{array}{r} \text { As at } \\ \text { 31.3.2017 } \\ \text { ₹ } \ln \text { Lakhs } \end{array}$ | $\begin{array}{r} \text { As at } \\ \text { 31.3.2016 } \\ \text { ₹ } \ln \text { Lakhs } \end{array}$ |
| :---: | :---: | :---: |
| Acceptances | 358.97 | 487.37 |
|  | 358.97 | 487.37 |
| Other Trade Payable |  |  |


| MSME |
| :--- |
| Other Payables* |
| (comprising of Sundry Creditors (General, Ancilliary and Others) | | $1,600.14$ | $2,031.37$ |
| ---: | ---: |
| $1,601.94$ | $\underline{1,960.91}$ |

*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 <br> 31.3 .2017 <br> $₹ \operatorname{In~Lakhs~}$ | As at <br> 31.3 .2016 <br> ₹ In Lakhs |
| :--- | ---: | ---: |
| Advances and Deposits @ | 153.96 | 109.57 |
| Unspent Balance against Workmen Housing Colony* | $\mathbf{4 1 . 9 9}$ | 41.45 |
| Other Liabilities and Payables** | $\mathbf{9 9 4 . 5 6}$ | $1,334.81$ |

(Comprising of Salary \& Wages, Liability for Expenses and Grants)

|  | 1,190.51 | 1,485.83 |
| :---: | :---: | :---: |
| Related Party |  |  |
| Current Maturities of Long Term Loan From GOI*** | 400.00 | 400.00 |
|  | 400.00 | 400.00 |
|  | 1,590.51 | 1,885.83 |

@ Include ₹ 1.26 lakhs ( Previous year ₹ 1.26 lakhs ) on account of advance deposited by workmen for allotment of House in Workmen's Colony.
*Refer Note No. 31 (v). The details are as follows:

| Amount recovered so far from workmen | 148.03 | 147.49 |
| :---: | :---: | :---: |
| Less : Expenditure on Workmen's Housing Colony | 106.04 | 106.04 |
|  | 41.99 | 41.45 |

**Includes Payable to Workmen Housing Colony ₹ 3.94 lakhs (Previous Year ₹ 3.87 lakhs).
**Scooters India Ltd. has been allotted 1MW of grid connected Solar PV Power project under scheme of Ministry of New \& Renewal Energy with viability gap funding (VGF). The first tranche of Rs. 25 lakhs of Rs. 50 lakhs as VGF has been sanctioned \& released to the
company under the scheme during the current financial year 2016-17. The remaining gap funding shall be received after completion certificate is obtained and compliance of other stipulations.
*** Refer Note No. 46

Note No.- 10
Short Term Provision

| As at | As at |
| ---: | ---: |
| 31.3.2017 | 31.3.2016 |
| ₹ In Lakhs | ₹ In Lakhs |

Provision for Retirement Benefits

| Gratuity | - | - |
| :---: | :---: | :---: |
| Leave Encashments | 182.73 | 215.59 |
|  | 182.73 | 215.59 |
| Provision for Others |  |  |
| Warranty | 17.60 | 9.90 |
| Income Tax | 54.88 | 28.88 |
|  | 255.21 | 254.37 |

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

Opening Balance
Add: Provision for the year (net) including additional/less
provision for earlier years
Total
Less: Payment/Debits
Closing Balance
c. The tax expenses of ₹ 25.99 lakhs relates to previous financial year 2015-16. The Company provided for income tax liability of ₹ 28.88 lakhs in the annual accounts of Financial Year 2015-16, the tax liablity upon filling of Income tax return was assessed to ₹ 54.88 lakhs difference of ₹25.99 lakhs towards short provision has been recognised as Income tax for earlier years during the financial year 2016-17.
Note No.- 11


|  | GROSS BLOCK AT COST |  |  |  |  |  | ACCUMULATED DEPRECIATION |  |  |  | NET BLOCK |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | $\left\lvert\, \begin{gathered} \text { AS AT } \\ 01.04 .2016 \end{gathered}\right.$ | Additions during the year |  |  |  | $\begin{gathered} \text { AS AT } \\ 31.03 .2017 \end{gathered}$ | $\begin{array}{\|c\|} \hline \text { ASAT } \\ 01.04 .2016 \end{array}$ | $\begin{aligned} & \text { FOR THE } \\ & \text { YEAR } \end{aligned}$ | Retained Earnings | ImpairmentLoss/Reversal ofmpairementLoss | $\begin{gathered} \text { AS AT } \\ 31.03 .2017 \end{gathered}$ | $\begin{gathered} \text { AS AT } \\ 31.03 .2017 \end{gathered}$ | $\begin{gathered} \text { AS AT } \\ \text { 01.04.2016 } \end{gathered}$ |
| DESCRIPTION |  |  | Other Addition |  | Deduction/ Adjustment Transfer |  |  |  |  |  |  |  |  |
| A Tangible Assets |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Lease Hold Land* | 12.58 | - | - | - | - | 12.58 | 5.94 | 0.14 | - |  | 6.08 | 6.50 | 6.64 |
| Building (including, Roads | 405.10 | - | 0.42 | 0.42 | - | 405.52 | 352.57 | 1.25 | - |  | 353.82 | 51.70 | 52.53 |
| Services \& Tubewell |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Plant and Machinery | 2,799.23 | - | 144.46 | 144.46 | - | 2,943.69 | 2,085.00 | 114.87 | - |  | 2,199.87 | 743.82 | 714.23 |
| Special Tools | 1,863.17 | - | 3.26 | 3.26 | - | 1,866.43 | 1,675.40 | 26.43 | - |  | 1,701.83 | 164.60 | 187.77 |
| Handling Equipment | 113.32 | - | - | - | - | 113.32 | 102.04 | 0.91 | - | - | 102.95 | 10.37 | 11.28 |
| Furniture \& Fixtures | 326.21 | - | 0.63 | 0.63 | - | 326.84 | 305.01 | 3.80 | - |  | 308.81 | 18.03 | 21.20 |
| Office Equipments | 61.03 | - | - | - | - | 61.03 | 58.24 | 0.09 | - |  | 58.33 | 2.70 | 2.79 |
| Electrical Equipments Installation \& Fittings | 238.06 | - | - | - | - | 238.06 | 178.52 | 8.94 | - | - | 187.46 | 50.60 | 59.54 |
| Vehicles | 154.17 | - |  |  | - | 154.17 | 100.21 | 7.85 | - |  | 108.06 | 46.11 | 53.96 |
| TOTAL | 5,972.87 | - | 148.77 | 148.77 | - | 6,121.64 | 4,862.93 | 164.28 | - |  | 5,027.21 | 1,094.43 | 1,109.94 |
| B Assets Not in Use** | 54.18 | - | - |  | - | 54.18 | 51.38 | - | - | - | 51.38 | 2.80 | 2.80 |
| B Intangible Assets |  | - | - | - | - |  | - | - |  |  |  |  |  |
| C Capital Work In Progress |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Capital items awaiting installation |  |  |  |  |  |  |  |  |  |  |  |  |  |
| -Tangible | 18.92 | - | 0.15 | 0.15 | 1.87 | 17.20 | - | - | - | - | - | 17.20 | 18.92 |
| - Intangible | 8.92 | - | - | - | - | 8.92 | - | - | - | - | - | 8.92 | 8.92 |
| Construction work in progress | 4.73 | - | - | - | - | 4.73 | - | - | - | - |  | 4.73 | 4.73 |
| Assets under inspection | 118.76 | - | - |  | 118.76 |  | - | - | - |  | - |  | 118.76 |
| TOTAL | 151.33 | - | 0.15 | 0.15 | 120.63 | 30.85 | - | - | - | - |  | 30.85 | 151.33 |
| D Intangible Assets Under Development |  | - | - | - | - |  | - | - |  | - | - | - | - |

[^0]Note No.- 12
Non Current Investments

| As at | As at |
| ---: | ---: |
| 31.3.2017 | 31.3.2016 |
| ₹ $\ln$ Lakhs | ₹ $\ln$ Lakhs |

Investment at cost (Unquoted fully paid) UP Instruments Limited
1,55,030 Equity Shares (Previous Year 1,55,030
15.50
15.50

Equity Shares) of ₹ 10 each
UP Tyres \& Tubes Limited
5,22,800 Equity Shares (Previous Year 5,22,800
52.28
52.28

Equity Shares) of ₹ 10 each
Co-operative Electric Supply Society Limited
5,700 Equity Shares (Previous Year 5,700
0.57

Equity Shares) of ₹ 10 each

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


Note No.- 15
Inventories

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

*Raw - materials, loose tools and consumables lying with sub - contractors amount to ₹ 32.72 lakhs (Previous year ₹ 43.14 lakhs). The Company held no security in respect of material lying with third parties/contractors to the tune of ₹ 32.72 lakhs (Previous year ₹ 43.14 lakhs.)
\# Other Stocks includes Petrol Pump of ₹ 0.14 lakhs (PreviousYear ₹ 25.04 lakhs)
@ Refer Note No. 45
a. Provision available for material doubtful of recovery is ₹ 21.63 lakhs (Previous year ₹ 21.63 lakhs).

Note No.- 16
Trade Receivables

| As at | As at |
| ---: | ---: |
| 31.3.2017 | 31.3.2016 |
| ₹ In Lakhs | ₹ In Lakhs |

## Unsecured

(i) Debts outstanding for a period exceeding 6 months from the date it becomes due
a) Considered good

| 56.50 |  | 70.85 |
| ---: | ---: | ---: |
| $\mathbf{4 1 8 . 7 1}$ |  | 407.51 |
| $\mathbf{4 7 5 . 2 1}$ |  | 478.36 |
| $\mathbf{2 1 . 7 1}$ |  | $\frac{43.72}{}$ |
| 496.92 |  | 522.08 |
| $\mathbf{4 1 8 . 7 1}$ |  | 407.51 |
| $\mathbf{7 8 . 2 1}$ |  | 114.57 |

(i) b). Legal proceedings are in progress for recovery of outstanding in case of 35 parties, the amount involved, as on 31-3-2017 is ₹ 406.69 Lakhs (Previous year 36 parties amounting to ₹ 406.87 lakhs) against which provision has been made. The company has also initiated legal proceeding against FWL for recovery of royalty dues and protection of SIL rights in Lambretta Trademark and expenditure of $₹ 39.78$ lakhs (previous year ₹ 42.07 lakhs) has been incurred during the year under report.
(ii) Other debts considered good includes amount of ₹ 9.19 lakhs (previous year ₹ 34.55 lakhs) outstanding against M/s Amausi Motors Limited, Lucknow and ₹ 8.26 lakhs (previous year ₹ 11.56 lakhs) outstanding against M/s Sarvanan Auto Works, Chennai. $\mathrm{M} / \mathrm{s}$ Amausi Motors Limited, Lucknow has entered into arrangement with the Company to settle the outstanding as on 31.03 .2003 amounting to $₹ 162.51$ lakhs in a piecemeal manner wherein the Company has recovered a total of $₹ 153.32$ lakhs out of which $₹ 25.36$ lakhs (previous year ₹ 18.07 lakhs) recovered during the financial year 2016-17 and balance is recoverable in the coming years. The Company recovered ₹ 3.30 lakhs (previous year ₹ 3.60 lakhs) from Sarvanan Auto Works. Chennai and balance is recoverable in the coming years.

Note No.- 17
Cash and Bank Balances

|  | $\begin{array}{r} \text { As at } \\ 31.3 .2017 \\ \text { ₹ In Lakhs } \\ \hline \end{array}$ | $\begin{array}{r} \text { As at } \\ 31.3 .2016 \\ \text { ₹ In Lakhs } \end{array}$ |
| :---: | :---: | :---: |
| Cash and Cash Equivalents |  |  |
| Cash in hand \# | 1.05 | 1.89 |
| Cheques in hand | - | - |
| Balance with Banks |  |  |
| Current accounts | 23.27 | 97.86 |
| Deposit with Bank with original maturity of less than 3 months* | 1,959.87 | 2,456.34 |
|  | 1,984.19 | 2,556.09 |
| Other Bank Balances |  |  |
| Fixed deposits with banks held as margin money or security | 3,281.74 | 3,042.93 |
| Deposit with Bank with original maturity of less than 12 months held for other commitments** | s 14.64 | 14.58 |
|  | 3,296.38 | $\overline{3,057.51}$ |
|  | 5,280.57 | 5,613.60 |

*includes ₹ 1957.47 lakhs (previous year ₹ 2454.14 lakhs) earmarked for Capital Expenditure. **includes ₹ 13.59 lakhs (previous year₹ 13.59 lakha) has been frozen by Indian Overseas Bank in connection with order of court in one legal case.
\#Disclosure on Specified Bank Notes
During the year, the Company had Specified Bank Notes (SBNs) or other denomination notes as defined in the MCA notification, G.S.R. 308(E), dated March 30, 2017. The details of SBNs held and transacted during the period from November 8, 2016 to December 30, 2016, the denomination-wise SBNs and other notes as per the notification are as follows :

| Particulars | $₹$ in Lakhs |  |  |
| :--- | ---: | ---: | ---: |
| Closing Cash in hand as on 08.11.2016 | Other <br> Denomination <br> Notes | Total |  |
| Add: Permitted Receipts | 0.35 | 0.33 | 0.68 |
| Less: Permitted Payments | - | 1.66 | 1.66 |
| Less: Amount Deposited in Bank | - | 1.19 | 1.19 |
| Closing Cash in hand as on $\mathbf{3 0 . 1 2 . 2 0 1 6}$ | 0.35 | 0.07 | 0.42 |

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

| Sote No.- 18 |
| :--- | ---: | ---: | ---: |
| Short Term Loans And Advances |

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

Note No.- 21
Other Operating Revenue

|  | $\begin{array}{r} \text { As at } \\ \text { 31.3.2017 } \\ \text { ₹ } \ln \text { Lakhs } \end{array}$ | $\begin{array}{r} \text { As at } \\ \text { 31.3.2016 } \\ \text { ₹ } \ln \text { Lakhs } \end{array}$ |
| :---: | :---: | :---: |
| Miscellaneous Items \& Scrap | - | 6.42 |
|  | - | 6.42 |
| Note No.-22 |  |  |
| Other Income |  |  |
|  | $\begin{array}{r} \text { As at } \\ \text { 31.3.2017 } \\ \text { ₹ } \ln \text { Lakhs } \\ \hline \end{array}$ | $\begin{array}{r} \text { As at } \\ \text { 31.3.2016 } \\ \text { ₹ } \ln \text { Lakhs } \end{array}$ |
| Miscellaneous Receipts |  |  |
| Sale of : |  |  |
| Interest on : |  |  |
| a) Term deposits | 352.90 | 610.10 |
| b) Others | 21.26 | 6.28 |
| Excess Provision written back | 10.99 | 308.11 |
| Other receipts | 37.61 | 25.87 |
| (comprising of rent received, petrol pump recovery, etc.) |  |  |
| TOTAL | 422.76 | 953.66 |



Note No.- 25
Employees' Benefit Expenses
$\left.\begin{array}{|lrr|}\hline & \begin{array}{r}\text { As at } \\ \mathbf{3 1 . 3 . 2 0 1 7}\end{array} & \begin{array}{r}\text { As at } \\ \text { ₹ In Lakhs }\end{array} \\ \text { ₹ In Lakhs }\end{array}\right]$
*Includes stipend paid to the trainees/apprentices ₹ 86.94 lakhs (Previous year ₹ 67.30 lakhs)
Note : Refer Note No.-41 regarding interim relief \& revision of pay.
Note No.- 26
Finance Cost

|  | As at <br> 31.3 .2017 <br> $₹ \ln$ Lakhs | As at <br> ₹ In Lakhs |
| :--- | ---: | ---: |
| Interest on Loans and advances from : |  |  |
| Banks | $\mathbf{8 0 . 8 6}$ | 135.12 |
|  | $\mathbf{8 0 . 8 6}$ | 135.12 |
| Note No.- 27 |  |  |
| Other expenses of Manufacturing, Administration and Selling \& Distribution |  |  |


| Printing and Stationery | 10.28 | 12.07 |
| :---: | :---: | :---: |
| Board Meeting Expenses | 0.25 | 0.37 |
| Legal Expenses | 46.96 | 56.31 |
| Consultancy Charges | 32.18 | 19.07 |
| Vehicle Running and Maintenance | 2.27 | 4.58 |
| Bank Charges | 15.26 | 38.87 |
| Demands and Interest on Taxes | 3.25 | 1.94 |
| Advertisement \& Sales Promotion Expenses | 13.06 | 18.31 |
| Freight \& Packing Expenses | 1.26 | 115.69 |
| Service Expenses (Free Coupon/After Sales Service) | 22.41 | 32.51 |
| Entry Tax | 9.14 | 7.55 |
| Bad and Doubtful Debts, Advances and others written off | 0.35 | 0.39 |
| Provision for doubtful debts /advances | 25.24 | - |
| Provision for Inventory obsolescence | - | 8.42 |
| Total | 981.88 | 1,238.68 |
| Note No.- 28 <br> Prior Year Items (Net) |  |  |
|  |  |  |
|  | $\begin{array}{r} \text { As at } \\ \text { 31.3.2017 } \\ \text { ₹ In Lakhs } \end{array}$ | $\begin{array}{r} \text { As at } \\ \text { 31.3.2016 } \\ \text { ₹ In Lakhs } \end{array}$ |
| Interest \& Penalties on taxes | 0.86 | - |
|  | 0.86 | - |
| Note No.-29 |  |  |
| Tax Expenses |  |  |
|  | $\begin{array}{r} \text { As at } \\ \text { 31.3.2017 } \\ \text { ₹ In Lakhs } \\ \hline \end{array}$ | $\begin{array}{r} \text { As at } \\ \text { 31.3.2016 } \\ \text { ₹ In Lakhs } \end{array}$ |
| Income Tax current Year | - | 28.88 |
| Income Tax pertaining to Earlier Years | 25.99 | - |
|  | 25.99 | 28.88 |

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

Note No.- 30
Earning Per Share (EPS)

|  | $\begin{array}{r} \text { As at } \\ \text { 31.3.2017 } \\ \text { ₹ } \ln \text { Lakhs } \end{array}$ | $\begin{array}{r} \text { As at } \\ 31.3 .2016 \\ \text { ₹ } \ln \text { Lakhs } \end{array}$ |
| :---: | :---: | :---: |
| Profit as per Profit \& Loss Account (₹ in lakhs) | $(1,027.67)$ | 548.38 |
| Average number of Equity Shares (Face value ₹ 10 each) | 85,382,255.00 8 | 382,255.00 |
| Basic \& Diluted Earning per share (in ₹) | (1.20) | 0.64 |

Note No.- 31
Contingent Liabilities \& Commitments

| As at | As at |
| ---: | ---: |
| 31.3.2017 | 31.3.2016 |
| ₹ $\ln$ Lakhs | ₹ In Lakhs |

Company is contingently liable for
(i) Claims against the Company not acknowledged as debts.
(a) Consumer Forum Cases (Refer Point No.A)

| Indeterminate | Indeterminate |
| ---: | ---: |
| $\mathbf{7 7 . 0 8}$ excluding | 73.35 excluding |
| interest | interest |
| wherever | wherever |
| applicable | applicable |

(c) In connection with guarantee/ Indemnity given by SIL to OBC (Refer Point No B.)
(d) SIL vs ESIC (Refer Point No. C).
(e) Punjab National Bank vs SIL
(Refer Point No. D).
(f) Demand Notices raised by Central Excise and Service Tax Authorities.
(g) Demand Notices raised by Income Tax

Authorities of previous years for which appeals are pending before the competent authorities. However based upon appeals filed by the company seeking relief, the Hon' ble High Court of Judicature, Allahabad (Lucknow Bench) has decided appeals for Assessment year 2002-03 to 2009-10 wherein


## Point No. A

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

## Point No. B

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

## Point No. C

Employee State Insurance Corporation (ESIC) demanded ESI contribution of the employees from SIL in contravention of the judgment and order dated 22.06.2005 passed in SIL vs BIFR \& Others and Appeal No. 304 of 2002 by tribunal AAIFR. The case is pending before High Court, Lucknow Bench. The company has not recognized liability of ₹ 27.34 lakhs (previous year ₹ 27.34 lakhs) in the books of accounts and it is shown as contingent liability.
Point No. D
Punjab National Bank filed a case against SIL for the recovery against indemnity provided by SIL for loan availed by UP Tyres and Tubes. The case is pending before DRT Lucknow.

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

## Point No. E

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

## Point No. F

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

## Point No. G

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

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

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

As regards another Forest land for Workmen Housing colony under "Own Your House Scheme" measuring 4 bighas and 13 biswa, which is in physical possession for 90 years
lease, the execution of conveyance deed with the State Government is pending due to delay in completion of procedural formalities.

The land held for Workmen Housing colony under "Own Your House Scheme" shall be transferred to workmen after complying with legal and other procedural formalities. Accordingly, the same has not been included in our Fixed Assets Schedule.
Note No.- 32

|  | As at <br> $\mathbf{3 1 . 3 . 2 0 1 7}$ <br> ₹ In Lakhs | As at <br> 31.3 .2016 <br> ₹ In Lakhs |
| :--- | ---: | :---: |
| Estimated amount of contracts (net of advances) <br> remaining to be executed on Capital Accounts and <br> not provided for. | $\mathbf{4 0 9 . 5 1}$ | 441.00 |

## Note No.- 33

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

## Note No.- 34

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

## Note No.- 35

The Company is in physical possession of property at 64-65, Najafgarh Road, New Delhi where Regional Office, North Region is located, leased out to Scooters India Limited by M/ s Ganesh Flour Mills Ltd. (since nationalized and vested in H.V.O.C. Ltd.). The lease agreement with M/S Ganesh Flour Mills Ltd. has expired in 1982-83. As there is no contractual document between the two Companies and based on legal opinion, no liability towards lease rent/royalty has been provided. The Company on record offered for one time settlement of ₹ 53.80 lakhs for transfer of land which has not been provided in the accounts pending clarity/decision in the matter.
Note No.- 36
The Company is principally engaged in the business of manufacturing and sale of motor vehicles and spare-parts (Automobile). Accordingly, there are no other reportable segments as per AS-17 on segment accounting.

Note No.- 37
As per guidelines issued under AS-28 "Impairment of Assets", the company has assessed and found that no indication of impairment exists in relation to assets as on 31-03-2017.

Note No.- 38
Related party disclosure as required by AS-18
(a) List of related parties during the financial year 2016-17 (Till 31.03.2017)
I. Government of India
II. Whole-Time Directors

Shri Renati Sreenivasulu, Chairman \& Managing Director (From 06 ${ }^{\text {th }}$ October 2016)

Shri Rahul Bali, Director (Technical) (From 02 ${ }^{\text {nd }}$ April 2013 to 01st February 2017)
III. Part-Time Directors

Smt. Vinita Srivastava, Chairman-cum-Managing Director (From 23 ${ }^{\text {rd }}$ February 2016 to $05^{\text {th }}$ October 2016)

Shri Pravin Agrawal, Director (From $23^{\text {rd }}$ April 2015)*
Shri A.M. Manichan (From $23^{\text {rd }}$ September 2014)
*Shri Pravin Agarwal, Director, has taken the charge of acting Chairman-cumManaging Director in absence of Smt. Vinita Srivastava, i.e., from $23^{\text {rd }}$ February 2016 to $30^{\text {th }}$ June 2016.
(b) Transaction with related parties
(₹ ln Lakhs)

| SI. <br> No | Nature of Transaction | Persons having <br> control over the <br> Company | Remuneration |
| :--- | :--- | :--- | :---: |
| 1. | Remuneration to Directors | - | 31.73 |
| 2. | Total | - | 31.73 |

Note No.- 39
Liability for Gratuity \& Leave Encashment has been determined by an actuary, appointed for the purpose, in conformity with the principles set out in Accounting Standard 15 the details of which are given as under:
(₹ in Lakhs)
Amount To be Recognized in Balance Sheet

Gratuity Leave Gratuity Leave
(Funded) Encashment (Funded) Encashment
As at (Unfunded) As at (Unfunded)
31.03.2017 As at 31.03.2016 As at
31.03.2017 31.03.2016

| Present Value of Funded Obligation | 1199.72 | 441.65 | 1835.16 | 612.32 |
| :--- | ---: | ---: | ---: | ---: |
| Fair Value of Plan Assets | $(1667.16)$ | - | $(2547.94)$ | - |
| Net Liability | $(467.44)$ | 441.65 | $(712.78)$ | 612.32 |


| Amounts in Balance sheet |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: |
| Liability | (467.44) | 441.65 | (712.78) | 612.32 |
| Assets | - | - |  | - |
| Net Liability | (467.44) | 441.65 | (712.78) | 612.32 |
| Expenses to be Recognized in the statement of Profit \& Loss |  |  |  |  |
| Current Service cost | 42.56 | 26.57 | 89.42 | 66.36 |
| Interest on Defined Benefit Obligation | 139.10 | 46.41 | 176.95 | 45.51 |
| Expected Return on Plan Assets | (212.75) | - | (240.23) |  |
| Net Actuarial Losses / (Gains) | 276.42 | 120.59 | (310.37) | 156.07 |
| Recognised in Year |  |  |  |  |
| Total Included in "Employees' | 245.34 | 193.58 | (284.23) | 267.94 |
| Emoluments" |  |  |  |  |
| Actual Return on Plan Assets | 168.09 | - | 231.02 | - |
| Reconciliation of Benefit |  |  |  |  |
| Obligations \& Plan Assets For the Period |  |  |  |  |
| Change in Defined Benefit Obligation |  |  |  |  |
| Opening Defined Benefit Obligation | 1835.16 | 612.32 | 2780.57 | 830.05 |
| Current Service Cost | 42.56 | 26.57 | 89.42 | 66.36 |
| Interest Cost | 139.10 | 46.41 | 176.95 | 45.51 |
| Actuarial Losses / (Gain) | 231.77 | 120.60 | (319.58) | 156.07 |
| Benefits Paid | (1048.87) | (364.25) | (892.21) | (485.67) |
| Closing Defined Benefit Obligation | 1199.72 | 441.65 | 1835.16 | 612.32 |
| Change in Fair Value of Assets |  |  |  |  |
| Opening Fair Value of Plan Assets | 2547.93 | - | 3206.17 | - |
| Expected Return on Plan Assets | 212.75 | - | 240.23 | - |
| Actuarial Gain / (Losses) | (44.65) | - | (9.21) | - |
| Contributions by Employer | - | 364.25* | - | 485.67 |
| Benefits Paid | (1048.87) | (364.25) | (889.25) | (485.67) |
| Closing Fair Value of Plan Assets | 1667.16 | - | 2547.94 | - |


| Summary of the Actuarial Assumptions | Gratuity <br> (Funded) <br> As at <br> 31.03.2017 | Leave Encashment (Unfunded) As at 31.03.2017 | $\begin{gathered} \text { Gratuity } \\ \text { (Funded) } \\ \text { As at } \\ 31.03 .2016 \end{gathered}$ | Leave Encashment (Unfunded) As at 31.03.2016 |
| :---: | :---: | :---: | :---: | :---: |
| Discount Rate | 6.88\% | 6.88\% | 7.58\% | 7.58\% |
| Expected Rate of Return on Assets | 8.25\% | N.A. | 8.35\% | N.A. |
| Salary Escalation Rate - Senior Staff | 5.5\% | 5.5 \% | 5.5\% | 5.5 \% |
| - Junior Staff | 5.5\% | 5.5\% | 5.5\% | 5.5\% |

*Payment done by Scooters India Limited to Retiring Employees.
The salary escalation assumption rate of $5.5 \%$ has been taken based on interest rate, inflation, etc.

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

## Note No. 40

The Company was declared sick under section $3(1)(0)$ 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 maintaing 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 $3(1)(0)$ of the SICA as its net worth has turned positive. It is therefore, discharged from the purview of SICA/BIFR.
b. The Board discharges SBI from the responsibility of OA to the board.
c. All secured creditors, statutory authorities are at a liberty to recover their dues, if any, according to law.
As per legal opinion obtained by the company, notwithstanding the order of BIFR discharging the company from its purview, the relief and concessions as sanctioned in the miscellaneous application no. 316/2013 would continue to be valid and operative.

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

## Note No.- 41

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

Regarding revision of Officers w.e.f. 01.01.2007, the proposal of implementation of revision with cutoff date 01.04.2013 for all officers on the rolls of the Company on 01.04.2013, has been forwarded to the Ministry for consideration. Regarding revision of workmen w.e.f. 01.01.2007 for all workmen on the rolls of the Company on 01.04.2013, the consent for implementation of wage revision with a cutoff date 01.04 .2013 had been sought from workmen of the Company. The revision (2007) of Officers is still awaiting approval of Government of India.

Pending finalization of wage revision of workmen and resolution of cases filed by unions including Staff \& Officers Associations before the Central Government Industrial Tribunal, Lucknow vide Case No. 36/2012, the revision for workmen, staff \& officers could not be concluded.
Interim relief is being paid to all employees w.e.f. January 2015.
The above Interim Relief is being paid against the final adjustment, if any, from increase in the salary/wages/arrear on accounts of pay/wage revision 2007. During the financial year 2016-17 ₹ 254.29 lakhs (previous year ₹ 333.68 lakhs) has been paid on account of Interim Relief.

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

## Note No.- 42

During the financial year 2013-14, the GOI released ₹ 3190.00 lakhs as equity for capital expenditure under the approval of revival package of SIL by Cabinet/BIFR.
The interest of ₹ 128.11 lakhs earned by way of Fixed Deposits on these funds of was remitted to GOI In line with the then direction issued vide GOI Letter No.F.No. 3(15)/2013-PE-VI dated 31st March 2014.

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

In view of this, SIL have adjusted the interest already credited to GOI against the installment payment of working capital plan loan of $₹ 2000$ lakhs due on 23.07.2016 and remitted ₹ 271.89 lakhs (₹ 400 lakhs minus ₹ 128.11 lakhs)
The Company is in the process of filing necessary returns of allotment in respect of issue of share capital of ₹ 3190 lakhs to Government of India. The company is also in the process of filing necessary Return for increasing authorised Share capital from ₹ 75 Crores to ₹ 250 Crores. Pending the resolution of issue of increasing the authorized share capital, wherein exemption from filling fees has been sought in line with reliefs provided by BIFR, no liability in this regard has been recognized in the annual accounts.

Note No.- 43
Based on BIFR order dated 22.06.2013, the Board of SIL in their $225^{\text {th }}$ 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 $41^{\text {st }}$ Annual general meeting held on $30^{\text {th }}$ September, 2013.

## Note No.- 44

In conformity with AS-19, the Company's significant leasing arrangements are in respect of operating lease for premises (residential, office, stores, godowns etc.). These leasing arrangements are in the nature of cancellable lease which are usually renewable by mutual consent on mutually agreeable terms. The aggregate lease rentals of ₹ 33.33 lakhs (Previous year ₹ 32.67 lakhs) payable are charged as "Rent".
Note No.- 45
The Ministry of Road Transport and Highways vide notification no. GSR-643(E) dated 19.08.2015 amended Rule 115 of Central Motor Vehicles Rules, 1989 to provide that the Mass Emission Standards for Bharat Stage IV shall come into force all over the country in respect of vehicles manufactured on or after the 1st April, 2017.
The Company as on 31.03 .2017 is carrying 2159 nos. three wheelers under finished goods stock and 136 nos. of three wheelers under work in progress under different models compliant to BS-III standards as per Central Motor Vehicles Rule (CMVR). As regards these vehicles, the company proposes to liquidate the stock through both conversion to BS-IV compliant
vehicles and exports to market in Africa, Sri Lanka, Bangladesh etc.
This was noted and approved by the Board of Directors in their 246th meeting held on 02.05.2017.

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

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

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

The spare parts of three wheelers (BS-III) vehicles both diesel \& CNG models are lying in inventory of spare parts in inventory of Raw Material and components, W.I.P. valuing ₹ 74.32 lakhs have been classified under spare parts on marketable as such.
Note No.- 46

Loans From Government of India

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

*Based on BIFR approval through miscellaneous application the Company has not made any provision for interest on Non Plan loan of ₹ 189 lakhs.
**NIL amount is not shown under default upto 31.03 .2016 \& current maturities as the matter has been taken up with Department of Heavy Industry/Board of Industrial \& Financial
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
Reconstruction for maintaining the status quo.
In accordance with the Board's decision in their
CAPEX funds temporarly deployed as FDR remitted to Government of India in April 2014 amounting to Rs. 128.11 lakhs shall be adjusted against the installment of Rs. 400.00 lakhs due on 23 rd July 2016 of repayment of principal. Accordingly necessary adjustments have been carried out in the books of accounts.

Note No.- 47
Additional information pursuant to Schedule III part II of the Companies Act, 2013

1. Stock and Turnover for the year ended Mar 31,2017


## 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 enginner.
(3) Petrol Pump turnover represents the sale of Diesel, Petrol \& Other Oil \& Lubricants. The Company purchased 3,24,000 Itrs. of Diesel/ Petrol upto 8th November 2016 (Previous financial Year 24,15,376 Itrs). There has been evaporation loss of 553.60 Itrs. (Previous Year 677.10 Itrs.).
(4) The company owned petrol pump (HPCL) has been temporarily leased for operations to HPCL w.e.f. 8th November 2016. However formal agreement has not been registered and is subject to approval and finalisation. Further since the rental or other income is indeterminable for want of formal agreement, the same is not recognised in profit \& loss accounts.
(5) Turnover includes the following export sales

|  | 2016-17 |  | $2015-16$ |  |
| :---: | :---: | :---: | :---: | :---: |
|  | Nos | ₹ in Lakhs | Nos | ₹ in lakhs |
| Spares \& components | - | 18.24 | - | - |

Note : Export sales includes deemed export of ₹18.24 lakhs (Previous Year ' NIL ).
2. C.I.F. Value of Imports, Expenditure and Earnings in foreign currencies.

| 2016-17 | 2015-16 |
| :---: | :---: |
| ₹ in Lakhs | $₹$ in Lakhs |

A. C.I.F.Value of imports

Spare parts /Components


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

|  |  | 2016-17 |  | 2015-16 |  |
| :---: | :---: | :---: | :---: | :---: | :---: |
|  |  | in Lakhs | \% | ₹ in Lakhs | \% |
| (a) | Imported (CIF, custom duty and other charges) | 1.20 | 0.02 | 7.34 | 0.10 |
| (b) | Indigenous | 5,439.63 | 99.98 | 7,627.78 | 99.90 |
|  |  | 5,440.83 | 100.00 | 7,635.11 | 100.00 |

4. Auditor's Remuneration

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

The above figures includes service tax .

## Note No.- 48

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

(R.S. Tiwari )<br>HOD (Finance)

(A.M. Manichan)
Director
DIN - 7046352

## (R. Sreenivasulu)

Chairman and Managing Director
DIN - 07634253

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

Place: Lucknow
Date: 29 ${ }^{\text {th }}$ May 2017
(Shreeharsh Shukla)
M. No.- F408990

## SCOOTERS INDIA LIMITED

(A Government of India Enterprise)
Corporate Identity No. L25111UP1972GOI003599
Registered Office :Lucknow - Kanpur Road, ( $16^{\text {th }}$ Mile Store), Post Bag No. 23 (G.P.O.),
P.O. Sarojini Nagar, Lucknow - 226008

E-mail: companysecretary @ scootersindia.com
Website: www.scootersindia.com

## NOTICE

Notice is hereby given that the $45^{\text {th }}$ Annual General Meeting of the members of Scooters India Limited will be held at 11.30 AM on Thursday, the $\mathbf{2 8}^{\text {th }}$ day of September, 2017, at the registered office of the Company at Lucknow - Kanpur Road, (16th Mile Stone), Sarojini Nagar, Lucknow - 226 008, Uttar Pradesh, India to transact the following business:

## ORDINARY BUSINESS:

1. To receive, consider and adopt the audited financial statement of the Company for the year ended 31.03.2017.
"RESOLVED THAT the audited financial statements of the Company including the balance sheet as at March 31, 2017, profit and loss account, the cash flow statement for the year ended on that date, report of Board of Directors and auditors thereon be and are hereby received, considered and adopted."
2. To appoint a director in place of Mr. Pravin Agrawal, who retires by rotation \& being eligible has offered himself for re-appointment.
"RESOLVED THAT Mr. Pravin Agrawal (DIN: 05277383) who retires by rotation and being eligible, offers himself for re-appointment, be and is hereby re-appointed as director of the company liable to retire by rotation."
3. To consider and, if thought fit, to pass, with or without modification, the following resolution as a Special Resolution:

## SCOOTERS INDIA LIMITED

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

By order of the Board of Directors

## Sd/-

Renati Sreenivasulu
DIN: 07634253
Chairman \& Managing Director Scooters India Limited, Lucknow -226008
Place : Lucknow
Date : 30.08.2017

## NOTES:

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

## 11. Voting through electronic means

In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the $45^{\text {th }}$ 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 $25^{\text {th }}$ September, 2017 at 10.00 hrs . and will end on $27^{\text {th }}$ September, 2017 at 17:00 hrs. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of $21^{\text {st }}$ September, 2017, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

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

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

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

- Members who have not updated their PAN with the Company/ Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.
- In case the sequence number is less than 8 digits enter the applicable number of 0 's before the number after the first
two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.

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


## SCOOTERS INDIA LIMITED

(xvii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
(xviii) Note for Non - Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting @cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting @cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
(xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.
(xx) A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.
(xxi) A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
(xxii) Mr. Amit Gupta, Practicing Company Secretary, Lucknow, (Membership No. FCS 5478 CP No. 4682) has been appointed as the Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner.
(xxiii) The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "remote e-voting" or "Ballot Paper" or "Poling Paper" for all those members who are present at the AGM but have not cast their votes by availing the remote $e$-voting facility.
(xxiv) The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
(xxv) The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company www.scootersindia.com and on the website of CDSL www.evotingindia.com immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the Stock Exchanges viz. BSE Limited.

By order of the Board of Directors Sd/-
Renati Sreenivasulu
DIN: 07634253
Chairman \& Managing Director Scooters India Limited, Lucknow -226008
Place: Lucknow
Date : 30.08.2017

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

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

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

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

## 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 will also ensure prompt receipt of communication and avoid loss in postal 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 is 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 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,
(16 ${ }^{\text {th }}$ Mile Store), Post Bag No. 23 (G.P.O.),
P.O. Sarojini Nagar, Lucknow - 226008

Attendance Card

| Regd. Follo / Client ID No. |  |
| :--- | :--- |
| No. of Shares held |  |

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

```
Name of the Shareholder :
```

$\qquad$

```
(In Block Letters)
Signature of the
``` \(\qquad\)
```

Shareholder

```
\(\qquad\)
```

Name of the Proxy
(In Block Letters)
Signature of the Proxy

```

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

\title{
SCOOTERS INDIA LIMITED
}
(A Government of India Enterprise)
Corporate Identity No. L25111UP1972GOI003599
Registered Office :Lucknow - Kanpur Road, (16 \({ }^{\text {th }}\) Mile Store), Post Bag No. 23
(G.P.O.), P.O. Sarojini Nagar, Lucknow - 226008

E-mail: companysecretary@scootersindia.com
Website: www.scootersindia.com
Date: August 30, 2017

\section*{Sub.: Service of Documents through Electronic Mode}

The Ministry of Corporate Affairs, Government of India, has notified Section 101 of the Companies Act, 2013 and the other rules governing the said Act. As per Rule 18(3)(1) of Chapter VII and Rule 11 of Chapter IX, the Company is requesting for a positive consent from its members to receive Notices of General Meeting/ Postal Ballot, Annual Report and other shareholders communication. This will enable you to receive such notice(s)/Annual Report(s)/document(s)/ Communication(s) etc., promptly and without loss in postal transit. Once we receive your positive consent, henceforth, Notices of Meetings, Annual Reports, Directors' Report, Auditors' Report and other shareholders communication will be sent to you electronically to your email address as provided by you AND/OR made available to the Company by the Depositories viz. National Securities Depository Limited (NSDL)/Central Depository Services (India) Limited (CDSL). As and when there are changes in your e-mail address, you are requested to update the same with your Depository Participant (DP). For shares held in physical form, you can register your e-mail address with the Company's Registrar M/s. Skyline Financial Services Private Limited, at "admin@skylinerta.com" OR the Company at "companysecretary @scootersindia.com" mentioning your name(s) and folio Number. Please note that if you still wish to get a physical copy of the above documents, the Company will send the same, free of cost, upon receipt of a request from you. We look forward to your support.
Thanking you
Yours sincerely
For Scooters India Limited
Sd/-
Renati Sreenivasulu
DIN: 07634253
Chairman \& Managing Director
Scooters India Limited, Lucknow -226008

Date:
M/s. Skyline Financial Services Private Limited
Unit: Scooters India Limited
D-153/A, 1ST FLOOR OKHLA INDUSTRIAL AREA PHASE -1, NEW DELHI-110020.
Dear Sir,
As per your letter dated August 30, 2017, I/We submit to you as under:
1) I/we hereby give my/our CONSENT to the Company to use my/our registered email id in my/our demat account with the Depository Participant for serving members related documents, under the Companies Act, 2013. (Please tick mark \{s/) appropriately) DP ID/CLIENT ID:
YES (?) NO (?)
2) Kindly use my/our Email id: \(\qquad\) for serving the documents for Physical Folio No.
YES (?) NO (?)
Thanking You
Yours sincerely,
Name of First/sole holder \(\qquad\) Signatures

\section*{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]
\begin{tabular}{|l|l|}
\hline CIN & L25111UP1972GOI003599 \\
\hline Name of the Company & SCOOTERS INDIA LIMITED \\
\hline Address & Lucknow - Kanpur Road, (16th Mile Store), Post Bag \\
& No.23 (G.P.O.), P.O. Sarojini Nagar, Lucknow - 226008 \\
\hline \multicolumn{2}{|c|}{ 45thANNUAL GENERAL MEETING }
\end{tabular}
\begin{tabular}{|l|l|}
\hline Name of Member (s) & \\
\hline Registered Address & \\
\hline Email Id & \\
\hline Folio. No./Client Id & \\
\hline DP Id & \\
\hline
\end{tabular}

I/We being member (s) of.......................shares of above named Company, hereby appoint
\begin{tabular}{|l|l|}
\hline Name & \\
\hline Address & \\
\hline Email Id & \\
\hline \begin{tabular}{l} 
Signatures \\
or failing him
\end{tabular} & \\
\hline
\end{tabular}
\begin{tabular}{|l|l|}
\hline Name & \\
\hline Address & \\
\hline Email Id & \\
\hline \begin{tabular}{l} 
Signatures \\
or failing him
\end{tabular} & \\
\hline
\end{tabular}
\begin{tabular}{|l|l|}
\hline Name & \\
\hline Address & \\
\hline Email Id & \\
\hline \begin{tabular}{l} 
Signatures \\
of failing him
\end{tabular} & \\
\hline
\end{tabular}
as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at 45thAnnual general meeting to be held on at 11.30 a.m. on Thursday, the \(\mathbf{2 8}^{\text {th }}\) day of September, 2017, at the registered office of the Company at Lucknow - Kanpur Road,(16th Mile Store), Sarojini Nagar, Lucknow - 226 008, Uttar Pradesh, India and at any adjournment thereof in respect of such resolutions as are indicated below :
\begin{tabular}{|l|l|l|l|l|}
\hline \multirow{2}{*}{ Resolution No. Resolution } & \multicolumn{3}{|c|}{ Vote (See Note no. 2) } \\
\cline { 2 - 4 } & For & Against & Abstain \\
\hline Ordinary Business & & & \\
\hline 1. & \begin{tabular}{l} 
Adoption of audited financial statements for \\
financial year ended at 31st March, 2017
\end{tabular} & & & \\
\hline 2. & \begin{tabular}{l} 
Appointment of Mr. Pravin Agarwal as director, \\
who retires by rotation and being eligible offers \\
himself for reappointment
\end{tabular} & & & \\
\hline 3. & \begin{tabular}{l} 
Approval of remuneration of Statutory Auditors \\
of the Company for 2017-18
\end{tabular} & & & \\
\hline
\end{tabular}

Signed this \(\qquad\) day of 2017.

Signature of Proxy holder (s)

\section*{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,
\begin{tabular}{|l|c|l|}
\hline Name of the company & \(:\) & \begin{tabular}{l} 
Scooters India Limited \\
(CIN-L25111UP1972GOI003599)
\end{tabular} \\
\hline Address of the company & \(:\) & \begin{tabular}{l} 
Lucknow - Kanpur Road, (16th Mile Store), Post Bag \\
\\
\end{tabular} \\
& \begin{tabular}{l} 
No.23 (G.P.O.), P.O. Sarojini Nagar, Lucknow - \\
226008
\end{tabular} \\
\hline
\end{tabular}

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)
\begin{tabular}{|l|l|l|l|l|}
\hline \begin{tabular}{l} 
Nature of \\
securities
\end{tabular} & Folio No. & \begin{tabular}{l} 
No. of \\
Securities
\end{tabular} & \begin{tabular}{l} 
Certificate \\
No.
\end{tabular} & \begin{tabular}{l} 
Distinctive \\
No.
\end{tabular} \\
\hline & & & & \\
\hline
\end{tabular}
(2) PARTICULARS OF NOMINEE/S
\begin{tabular}{|ll|l|}
\hline a) & Name & \\
\hline b) & Date of birth & \\
\hline c) & \\
\hline d) & Nationality & \\
\hline e) & Address & \\
\hline f) & E-mail id & \\
\hline g) & \begin{tabular}{l} 
Relationship with the \\
security holder
\end{tabular} & \\
\hline
\end{tabular}
(3) IN CASE NOMINEE IS A MINOR
\begin{tabular}{|ll|l|}
\hline a) & Date of birth & \\
\hline b) & Date of attaining majority & \\
\hline c) & Name of guardian & \\
\hline d) & Address of guardian & \\
\hline
\end{tabular}

Witness:
(Signature with name \& address)

Signature :
Name:
Address:

Through Registered Post/Speed Post/Courier
Registered Office • Lucknow - Kanpur Road,
(16th Mile Stone), Post Bag No. 23 (G.P.O.)
P.O. Sarojini Nagar, Lucknow - 226008
Corporate Identity No. L25111up1972GOI003599```


[^0]:    Note : 1. Amount of Borrowing Cost Capitalised during the year is NIL (Previous Year - NIL) estimated useful life is greater than five years but less than ten years, depreciation is charged @ $20 \%$ as was being done prior to introduction of Schedule II. 3. During the financial year 2015-16, the componentization on Fixed Assest has been carried out in accordance with provision of The Companies Act 2013, the impact of *The land has been taken on lease for a period of 90 years ie. 125.29 acres w.e.f. 5 th October, $1974 \& 22.209$ acres w.e.f. 10th August, 1976.
    ${ }^{* *}$ The Fixed Assets amounting to ₹ 41.53 lakhs in which are not in active use has been recorded at its book value which is lower of its net relizable value in the financial year 2015-16.

