

40th ANNUAL REPORT

2011-12



Scooters India Limited
(A Government of India Enterprise)
An ISO 9001 Company

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SCOOTERS INDIA LTD.
Serving the Common man Since 1972



BOARD OF DIRECTORS

Functional Director

- Shri Ajai Kumar - Chairman-cum-Managing Director w.e.f 23.04.2008
 Shri P. P. Sarkar - Director (Technical) Relieved on 15.05.2012

GOI, Nominee Directors

- Shri Harbhajan Singh - GOI, Nominee Director w.e.f 13.09.2011
 Shri Vikram Gujati - GOI, Nominee Director w.e.f 16.11.2007 to 06.09.2011
 Shri S.K. Goyal - GOI, Nominee Director w.e.f. 17.05.2012

Statutory Auditor

S. Srivastava & Co.
 Chartered Accountants
 C/o Vijay Shankar Mathur
 2/165, Vijay Khand, Gomti Nagar,
 Lucknow-226010 (U.P)

Cost Auditors

Shri R. N. Tripathi
 C-121, Indira Nagar,
 Faizabad Road,
 Lucknow-226016.

Bankers

State Bank of India
 Indian Overseas Bank

Delhi Sales & Liaison Office

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

Registered Office & Works

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

Registrar & Transfer Agent

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

INTERNAL AUDITORS

M/s Dhirendra Tripathi & Co., M/s B. Biswas & Co.
 Chartered Accountants, Chartered Accountants,
 C-121, Indira Nagar, 67/2, East Kapte Para Road
 Lucknow-226 016. Nehru Market, Shyam Nagar,
 24, Pargannas (N)
 West Bengal-743127

M/s Jayaswai Associates,
 Chartered Accountants,
 A-160, 1st Floor,
 Vikas Marg, Shakarpur,
 Delhi-110 092.

M/s K.S. Ramakrishna & Co.
 Chartered Accountants,
 285 & 286, 2nd Floor,
 Cheney Trade Centre,
 'C' Block, Park Lane,
 Secunderabad-500 003.

M/s K.S. Karandikar & Co.
 Chartered Accountants,
 6, Amit Complex,
 474-B, Sadashiv Peth
 Opp. New English School
 Tiik Road, Pune-411030

STOCK EXCHANGES

The Delhi Stock Exchange
 Association Ltd.,
 DSE House,
 3/1 Asaf Ali Road,
 New Delhi - 110002

Bombay Stock Exchange Ltd.,
 1st Floor,
 Phiroze Jeejeebhoy Towers,
 Dalai Street,
 Mumbai - 400001

**DIRECTORS' REPORT**

Dear Shareholders,

The Board of Directors of your Company is pleased to present the **40th Annual Report** on the business and operations of the Company together with the audited Balance Sheet and Profit and Loss Account and Auditors' Report thereon for the financial year ended 31st March, 2012.

1. PRODUCTION REVIEW :

The production performance of the Company has increased considerably and recorded highest production during the year as under :

Description	<u>2010-2011</u>	(Nos.)
		<u>2011-2012</u>
Three wheelers	14,381	17,512

2. SALES REVIEW :

The Sales performance also increased leading to highest sales during the year as shown below:

Description	<u>2010-2011</u>		<u>2011-2012</u>	
	Physical (in Nos.)	Financial (₹ in lakhs)	Physical (in Nos.)	Financial (₹ in lakhs)
Three Wheelers	14,039	15,770.98	17,584	20,656.36
Spares	-	464.42	-	654.37
Petrol, Diesel, Lubricants etc.	-	1,240.12	-	1,364.13
Other Sales	-	77.85	-	123.98
TOTAL	-	<u>17,553.37</u>	-	<u>22,797.84</u>

3. FINANCIAL REVIEW :

The salient features of the Company's financial results for the year under review are as follows:
(₹ in Lakhs)

Description	<u>2010-2011</u>	<u>2011-2012</u>
a) PBDIT	(523.84)	(319.12)
b) Profit before Interest, Depreciation & Exceptional items	(523.84)	(2.42)
c) Profit before Exceptional items	(1,711.14)	(1,677.29)
d) Profit/(Loss) for the year	(1,711.14)	(1,993.99)

During the year under report :

- (1) The loss before depreciation, interest & taxes decreased by ₹ 204.72 lakhs.
- (2) The loss before depreciation, interest & taxes and exceptional items has decreased by ₹ 521.42 lakhs.
- (3) The net loss before Exceptional items has decreased by ₹ 33.85 lakhs as compared to the corresponding previous year.
- (4) However, the net loss after exceptional items for the year has increased by ₹ 282.85 lakhs as compared to the previous year.

4. CONTRIBUTION TO NATIONAL EXCHEQUER

The company has contributed a sum of ₹ 4,837.65 lakhs to the exchequer during the period under review vis-a-vis ₹ 3,811.49 lakhs during previous financial year.



5. EXPORTS

The company has achieved exports of ₹ 60.36 lakhs during the period under review. The royalty income by way of foreign exchange remittances is NIL during the year.

6. MANAGEMENT DISCUSSION AND ANALYSIS:

(A) Mission, Vision & Objective

- Vision** To improve the performance of the company so as to be competitive and profitable through constantly improving existing products, adding new products and expanding customer base.
- Mission** To fulfill customers' needs for economic and safe mode of road transport and quality engineering products through contemporary technologies.
- Objective**
- To achieve 10% increase in production.
 - To achieve 5% decrease in cost.
 - Rationalization of Manpower.
 - To reduce energy input per unit of production.

(B) MARKET SCENARIO

(i) The total number of 3-wheelers produced and sold in the domestic market by manufacturers in India during the year 2011-12 as against 2010-11 is given below :

<u>Category</u>	<u>Production</u>	
	<u>Apr.10-Mar.11</u>	<u>Apr.11-Mar.12</u>
Segment/Sub-segment		
Passenger Carrier	696,984	767,173
Goods Carrier	102,569	110,538
Total :	799,553	877,711
	<u>Sales</u>	
Passenger Carrier	425,358	406,236
Goods Carrier	100,666	107,015
Total :	526,024	513,251

Note : Sales excludes Export of 269,968 Nos. in 2010-11 and 362,876 Nos. in 2011-12.

Source-SIAM

Scooters India Limited has been a pioneer in bringing out various models of 3-wheelers running on diesel, electric and CNG for application 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 highest ever sales of 17,569 nos. in 2011-12. This is an increase of 25% over the sales made in 2010-11 whereas the domestic market of three wheelers has shown negative trend (-) 2.43% compared to previous year. This has also resulted in increasing the SIL market share from 2.67% in 2010-11 to 3.43% in 2011-12.

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 59.1% in 2011-12 (SIL sales 6,904 of vehicles out of 11,685 nos.)

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



- *Rapid development of infrastructure and focus of both Central as well as State Govt. on infrastructure mainly on roads, the demand of 3-wheeler may see an upward trend in coming years. The demand driver for 3-wheeler are its affordability as an economical viable transport solution, however, the demand for 3-wheeler passenger carrier depends by availability of permits issued by Local RTOs.*
- *Increased demand from semi-urban & rural areas for 3-wheelers because of its high product manoeuvrability 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-wheeler of smaller capacity are in great demand in load carrier segment because of increase in organised retail marketing across the country which requires faster and cheaper transportation.*
- *3-wheeler is a low cost transport solution to daily commuting passenger. Hence the market for 3-wheelers shall continue to be there because of higher cost of transportation in other modes of transport like taxi, contract carriages, buses etc.*
- *3-wheelers are also better earning opportunity for unemployed youths. With a minimum expenditure i.e. ₹ 45,000 – ₹ 50,000 (margin money) one can start earning ₹ 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 :

E.1. Opportunities :

- *Growing automobile sector including three-wheelers.*
- *Untapped markets-Rural, South, West & Exports*
- *Developing hub and spoke transportation model.*
- *Increasing allocation of funds for poverty alleviation under various Govt. Schemes like PMRY, SC/ST, NREGA 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.*

E.2 Threats :

- *Increase in product substitution effect by rapidly growing 4 Wheel Small Commercial Vehicle.*
- *Increased competition both from organized and unorganized players.*
- *Strict enforcement of the pollution norms and Passenger Vehicle permits.*



- Increased customer expectations.
- Rising interest and fuel cost could dampen demand for company's products.
- Volatility in Raw Materials prices/input and difficulty in passing on cost increase.

(F) Future Outlook :

i) Challenges faced by the Company :

- The need for consistency in quality demands for enhanced investment in R & D and upgradation of plant & machinery. Existing over-lived plant & machinery is a cause of concern.
- Manpower cost in the company is still high and so is the average age profile of the employees. While your company needs to reduce its manpower cost at the same time it also needs to infuse fresh blood.
- Retention of young officers who joined in the last couple of years is difficult as private/ other PSUs are offering substantially higher remuneration. Young executives are regularly leaving for greener pastures.
- Though 3-Wheeler as an industry continue to grow but increase in competition and availability of 4-Wheelers in 1.0 ton and sub 1.0 ton category is expected to aggravate the extremely competitive scenario and impact the volumes & margins.
- Strict regulatory laws concerning pollution and their strict implementation by banning sale of diesel vehicles in certain states shall act as deterrent for company growth.
- SIL has lesser presence in small 3-wheeler segment which has strong market preference. In this segment contribution is lower and competition is higher as established players viz. Piaggio, Mahindra etc. dominate the market.
- Employees' aspiration for effecting revision in salary and wages and increase in retirement age from 58 to 60 years.

(ii) Strategic Road Map :

Although there has been negative growth in three wheeler segment of Auto sector in India, the performance of your company has improved considerably in comparison to the previous year. Monthly production of vehicles has shown significant improvement. Your company is evaluating various new product development options to cater to various market segments with a view to higher production and sales.

(iii) Status Before BIFR

On 18th February, 2010, BIFR has declared the Company as sick industrial company in terms of the provisions of section 3 (1) (o) of the Sick Industrial Companies (Special Provisions) Act, 1985 (SICA) on reference being made after full erosion of the Networth of the Company, as per annual accounts for the year ended at 31st March, 2009. Last meeting of BIFR was held on 16th July, 2012, and the next meeting is scheduled on 3rd October, 2012. The Business Plan for revival of SIL is under consideration of GOI.

7. EXPENDITURE ON ADVERTISEMENT AND PUBLICITY :

An expenditure of ₹ 9.74 lakhs was incurred on account of advertisement and publicity during the year.



8. MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED FROM 1.4.2011 TO DATE :

No material change and commitments have been made by the company from 01-04-11 to date that has adverse effect on the financial position of the company.

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

*Your company is an ISO 9001 : 2000 certified which focuses on quality management system. Information in accordance with provision of Section 217 (1) (e) of the Companies Act, 1956 regarding the conservation of energy, technology absorption and foreign exchange earnings and outflow are given in **Annexure - 1, 1-A and 1-B** to this report.*

10. PARTICULARS OF EMPLOYEES :

Information under Sec. 217(2-A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 be treated as NIL as none of the employee of the company is getting salary more than the prescribed limit.

11. INDUSTRIAL RELATIONS :

During the year under review, that is 1.4.2011 to 31.3.2012, the industrial relations in the Company continued to be under stress mainly due to non fulfillment of employees' aspirations. The aspiration of employees regarding Wage Revision and retirement age could not be fulfilled due to Company's financial health.

12. 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 Management for system improvement. Company also observed Vigilance Awareness Week from 31.10.2011 to 05.11.2011.

13. 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, Cost Accounting Record Rule 2011 & Cost Audit Report Rules 2011, Finance for Non-finance Executives, International Commercial Practices, Energy Conservation, House Keeping etc.

14. 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.

**15. RESERVATION FOR SCHEDULED CASTES & SCHEDULED TRIBE :**

As on 31.3.2012, the total strength of the company is 796. Out of these, 219 employees belong to Scheduled Castes and 01 employee to Scheduled Tribe.

16. DIRECTORS :

Shri Harbhajan Singh, Jt. Secretary, has joined as Part time Official Director w.e.f 13th Sept. 2011 vice Shri Vikram Gulati who ceased to be Director on 6.9.2011. Tenure of Shri P.P. Sarkar, Director (Technical) came to an end on 15.05.2012. Shri S.K. Goyal has been nominated by GOI as part time non-official Director on the Board of SIL w.e.f 17.05.2012. The Company has taken up the matter with Ministry for filling up the vacant positions of Independent Directors as well as Director (Finance) & Director (Technical) on the Board.

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

17. DIRECTORS' RESPONSIBILITY STATEMENT :

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed :

- (a) That in the preparation of the accounts for the financial year ended 31st March 2012, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (b) That the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for the year under review;
- (c) That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) That the Directors have prepared the accounts for the financial year ended 31st March 2012 on a 'going concern' basis.

18. 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.

19. FIXED DEPOSITS :

The Company has not accepted any deposits under Companies (Acceptance of Deposit) Rules, 1975 during the year.

20. STATUS OF REPAYMENT OF LOAN FROM GOI

Due to continuing losses the company has not re-paid principal amount of ₹ 2643.83 lakhs and interest of ₹ 2217.38 lakhs as on 31.03.2012.



21. AUDITORS REPORT :

*M/s S. Srivastava & Co., Chartered Accountants have been appointed by the Comptroller and Auditor General of India, as Statutory Auditors of the Company for the year 2011-12. The Statutory Auditors' Report on the Accounts of the Company for the financial year ended 31st March, 2012 alongwith Management replies are enclosed at **Annexure-V**.*

*The Accounts of the Company were submitted to the Comptroller & Auditor General of India for their report under Section 619(4) of the Companies Act 1956 and their report is appended as **Annexure-IV**.*

22. COST AUDITOR :

Shri R.N. Tripathi, Cost Accountant, Lucknow has been appointed as Cost Auditor of the Company by the Govt. of India, Ministry of Corporate Affairs, for auditing cost records relating to manufacture of Motor Vehicles for the financial year ending 31st March 2012.

Cost audit report for the year ended at 31st March, 2011 was submitted with the Ministry of Corporate Affairs on 26.09.2011.

23. CORPORATE GOVERNANCE :

*A certificate from M/s S. Srivastava & Co., Auditors of the Company regarding compliance of conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement alongwith the report on Corporate Governance is attached as **Annexure-II** to this report.*

24. 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 Government of India, particularly, Department of Heavy Industry and Public Enterprises, BIFR, BRPSE, the State Government 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

Ajai Kumar
Chairman-cum-Managing Director

Place : Lucknow

Date : August 23, 2012

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

- Stopping wastage of compressed air.
- Periodic servicing of suction filters, moisture traps, unloader and delivery valves.

Water

- Monitoring of control of water wastage.
- Recycling of cooling water.

Power

- Control of maximum demand in peak hours.
- Monitoring and control of power factor on regular basis and power factor improved by 0.01 approx.
- Monitoring and control of electricity consumption in different sections of the plant.
- By using low consumption accessories and equipments.
- Full capacity utilization of ovens and furnaces.

(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 details are given in attached Annexure I-A.

II. TECHNOLOGY ABSORPTION :

Efforts made in technology absorption as per Form-B attached as Annexure I-B.

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

Foreign exchange earned by way of export of goods is ₹ **49.93 lakhs** in 2011-12 as compared to ₹ 17.89 lakhs during previous year.

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

Description	2010-2011	2011-2012
A. Power and fuel consumption		
1. Electricity		
a) <u>Purchased</u>		
Unit*		
Total Amount (₹)	60,97,200	65,59,200
Rate / Unit (₹)	3,28,32,917	3,49,71,689
b) <u>Own Generation</u>		
i) <u>Through Diesel Generator</u>		
Unit*		
Units per litre of diesel oil	5,820	200
Cost / Unit (₹)	1.607	0.3356
ii) <u>Through Steam Turbine / Gen.</u>		
Unit*	21.775	126.71
Unit per litre of diesel oil	N.A.	N.A.
Cost / Unit (₹)	NIL	NIL
2. Coal		
Quantity (Ton)	N.A.	N.A.
Total Cost	NIL	NIL
Average rate	NIL	NIL
3. (a) Furnace Oil		
Quantity (Ton)	56.63	47.440
Total Amount (₹)	1,763,571.40	2,191,750.00
Average Rate per Kg. (₹)	31.14	46.20
(b) Light Diesel Oil		
Quantity (Kilo litres)	108	84000
Total Amount (₹)	3,216,240	4,831,145
Average Rate per Kg. (₹)	29.78	57.51
4. Others / Internal generation		
(Please give details)	N.A.	N.A.
Quantity	NIL	NIL
Total cost	NIL	NIL
Rate / Unit	NIL	NIL

B. Consumption per unit of production

Description	Standards (if any)	2010-2011	2011-2012
Production (in Nos.)	-	14,342	17,512
Electricity (Unit)	-	425.128	374.566
Furnace oil (Ton)	-	.00675	0.31
Light Diesel oil (Kilo litres)	-	.00390	0.00526
Coal (Specify quality)	-	NIL	NIL
Others (Specify)	-	NIL	NIL

*Unit denotes KWH

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

- | | |
|--|---|
| 1. Specific areas in which R&D carried out by the company | <input type="checkbox"/> Upgradation of lighting system
<input type="checkbox"/> Development of design and prototype of new aluminum die cast wet clutch system.
<input type="checkbox"/> Development of concept small 3-seater soft top 3-wheeler for passenger carrier application.
<input type="checkbox"/> Legislative compliance of modification and conformation of performance as per CMVR |
| 2. Benefits derived as a result of the above R&D | <input type="checkbox"/> Constant upgradation of products through CMVR compliance
<input type="checkbox"/> All 3-wheelers models Type approved for upgraded lighting system.
<input type="checkbox"/> Commonisation/standardization of development upgrades in several models. |
| 3. Future plan of action | <input type="checkbox"/> Improved product performance and reliability through upgradation of systems like braking, clutch, suspension, styling etc.
<input type="checkbox"/> To develop small 3-wheeler for commercial application for CNG operation in front/rear mounted engine configuration
<input type="checkbox"/> Consider development of small 4-wheeler for commercial application in association with Design Houses/Jv. |
| 4. Expenditure on R&D (Fig. in ₹) | |
| A) Capital | NIL |
| B) Recurring | ₹ 11,18,695/- |
| C) Total | ₹ 11,18,695/- |
| D) Total R&D expenditure as a percentage of total turnover | |



Technology absorption, adaptation and innovation

1. *Efforts, in brief, made towards technology absorption, adaptation and innovation*

Officers and staff of R&D have been sponsored for training programmes attending seminars, courses, interactive sessions etc. relating to technology absorption and innovation.

Associative R&D has been carried out with different organizations and design houses like ARAI etc. for improvement, development and product innovation.
2. *Benefits derived as a result of the above efforts e.g. product improvement, cost reduction, product development, import substitution etc.*

Development of concept small 3-seater soft top 3-wheeler for passenger carrier application and improvement in reliability and performance of existing products.
3. *In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year), following information may be furnished:*
 - A) *Technology imported.*
 - B) *Year of import.* Nil
 - C) *Has technology been fully absorbed?*
 - D) *If not fully absorbed, areas where this has not taken place, reasons therefore and future plans of action.*

**CORPORATE GOVERNANCE****Annexure - II**

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 Clause 49 of the Listing Agreement 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 behaviour, actual or suspected fraud or violations of the Company's Code Conduct.

D. CEO/CFO Certification

In terms of Clause 49 of the Listing Agreement the Certification by CMD/CEO and CFO of the financial statment has been obtained and attached as Annexure.

E. Compliance Certificate of the Auditors

Scooters India Limited has annexed to this report a certificate obtained from the Statutory Auditors, M/s S. Srivastava & Co. regarding compliance of conditions of Corporate Governance as stipulated in clause-49 of the Listing Agreement.

2. BOARD OF DIRECTORS

The Board of Directors of the Company as on 31.3.2012 is comprised of one Non-Executive Director who is the nominee of Govt. of India and two Executive Directors.

**A) List of Directors**

Name of Director	Tenure	No. of other Director ship	No. of other committeeship	
			Member	Chairman
Wholetime Functional Director				
Shri Ajai Kumar, CMD	23.4.2008 till date	-	3	-
Shri P.P. Sarkar, Director (Technical)	16.5.07 -15.5.2012	-	2	-
Part-time Non Executive Director (Govt. Nominee)				
Shri Harbhajan Singh	13.9.2011 til date	8	-	-
Shri Vikram Guiati	16.11.07-6.9.2011	1	1	1

The matter of appointment of independent directors on the Board has been taken up with the Govt. of india. Shri S.K. Goyai has been appointed as Part Time Non-official director w.e.f 17.05.2012 on completion of tenure of Shri P.P. Sarkar w.e.f. 15.05.2012.

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

Sl. No.	Name of Directors	BM dated 12.5.11	BM dated 30.6.11	BM dated 11.8.11	BM dated 20.9.11	BM dated 12.11.11	BM dated 23.12.11	BM dated 14.2.12	BM dated 15.3.12	AGM dated 30.9.11
Total Strength →		3	3	2	3	3	3	3	3	3
1.	Shri Ajai Kumar	P	P	P	P	P	P	P	P	P
2.	Shri Vikram Guiati	P	P	NA	NA	NA	NA	NA	NA	NA
3.	Shri P.P Sarkar	P	P	P	P	P	P	P	P	P
4.	Shri Harbhajan Singh	NA	NA	NA	P	A	P	P	P	A

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

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



C. Information supplied to the Board

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

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

3. COMMITTEES OF THE BOARD

A. Audit Committee :

Terms of reference

The audit committee provides direction to the audit and risk management function in the company and monitors the quality of internal audit. The responsibilities of the audit committee include overseeing the financial reporting process to ensure proper disclosure of financial statements, recommending appointment/ removal of external auditors and fixing their remuneration, reviewing the quarterly and annual financial statements before submission to the board, reviewing findings of internal investigations, discussing the scope of audit with external auditors and looking into reasons of substantial defaults, if any, of non-payment to stakeholders. Apart from above, the Audit Committee functions in accordance with Clause 49 of the Listing Agreement.

Composition of Audit Committee

Sl.No.	Name of Director	Tenure
1.	Shri Vikram Gulati, Chairman	30.04.2010 - 6.9.2011
2.	Shri Harbhajan Singh, Chairman	20.09.2011 till date
3.	Shri Ajai Kumar, Member	30.04.2010 till date
4.	Shri P.P. Sarkar, Member	12.05.2011 - 15.05.2012

Company secretary acts as secretary to the committee.

Meetings and Attendance

Sl. Name of Director	12.5.11	30.6.11	11.8.11	20.9.11	12.11.11
1 Shri Vikram Guiati	P	P	A	A	A
2 Shri Ajai Kumar	P	P	P	P	P
3 Shri P.P. Sarkar	P	P	P	P	P
4 Shri Harbhajan Singh	NA	NA	NA	P	A

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

B. Shareholders/Investors Grievance Committee:

Composition of shareholders/investors grievance committee is :

Sl.No.	Name of Director	Tenure
1.	Shri Ajai Kumar, Chairman	12.5.2011 till date
2.	Shri Vikram Guiati, Member	12.5.2011-6.9.2011
3.	Shri P.P. Sarkar, Member	30.4.2010-15.5.2012
4.	Shri Harbhajan Singh, Member	20.9.2011 till date

Company Secretary act as Secretary to the Committee.

Details of Shareholders Complaints

Complaints Received	Complaints pending
-	Nil

C. Share Transfer Committee

Present Composition of Share Transfer Committee is :

Sl.No.	Name of Director	Tenure
1.	Shri Ajai Kumar, Chairman	12.5.2011 till date
2.	Shri Vikram Guiati, Member	12.5.2011 - 6.9.2011
3.	Shri P P Sarkar, Member	16.05.2007 - 15.5.2012

Company Secretary act as Secretary to the Committee

4. General Body Meetings :

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

Year	Location	Date	Time
2008-2009	Sahakarita Bhawan, Lucknow.	30 th Sept., 2009	3.00 p.m.
2009-2010	Gandhi Bhawan, Lucknow.	27 th Sept., 2010	3.00 p.m.
2010-2011	Gandhi Bhawan, Lucknow.	30 th Sept., 2011	3.00 p.m.

Special Resolution (if any) & Postal Ballot :

AGM Date	Special Resolution	Whether Put Through Postal Ballot	Details of Voting Pattern	Person Who Conducted Postal Ballot
30.9.2009	ONE	No	N.A.	N.A.
27.9.2010	ONE	No	N.A.	N.A.
30.9.2011	ONE	No	N.A.	N.A.

- Procedure for Postal Ballot is as per the guidelines.

- No Special Resolution is proposed to be conducted through Postal Ballot.



5. Remuneration policy : The following are the details of the remuneration paid to Directors for the year 2011-12:

(Amount in ₹)

Name	Designation & Period	Sitting Fee	Salary	Benefits & Contribution to PF/Pension/ Others	Total
Sri Ajai Kumar	CMD	-	9,55,488.00	1,21,836.96	10,77,324.96
Sri P. P. Sarkar	Director (Tech.)	-	8,34,722.00	93,531.73	9,28,253.73
Total :		-	17,90,210.00	2,15,368.69	20,05,578.69

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 : 24th September, 2012 at 3.00 p.m.
 Financial Calendar : 1st April, 2011 to 31st March, 2012
 Venue : Gandhi Bhawan Auditorium, Opp. Shaheed Smaarak, Mahatma Gandhi Marg, Lucknow-226 001
 Book Closure date : 17th September, 2012 to 24th September, 2012.
 Listing of Equity : BSE, DSE
 Stock code : 505141
Registrar and transfer Agent : D-153/A, 1st Floor Okhla Industrial Area Phase-1, New Delhi-110020
 Tel. : 011-26812682, 83 & 84
 Fax : 011-26812681

Dematerialization of Shares : CDSL - 392231
 As on 31.03.2011 : NSDL - 822664

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

Plant Location : Lucknow- Kanpur Road
 (16th Mile Stone), Post Bag No. 23 (G.P.O)
 P.O. Sarojini Nagar, Lucknow-226 008.

Address for Investor Correspondence : Lucknow- Kanpur Road
 (16th Mile Stone), Post Bag No.23 (G.P.O)
 P.O. Sarojini Nagar, Lucknow-226 008.

Stock Prices

Script Code : 505141

Company : SCOOTERS INDIA LTD. For the period : April, 2011 to March, 2012

Months	Open Price	High Price	Low Price	Close Price	No.of Shares	No.of Trades	Total Turnover (₹)	*Spread (₹)	
								H-L	C-O
April 11	36.00	38.95	32.00	32.00	13,237	164	4,79,627	6.95	-4.00
May 11	33.60	53.85	32.10	48.95	1,56,090	1,081	72,28,484	21.75	15.35
June 11	50.95	50.95	39.60	39.65	92,120	778	40,01,339	11.35	-11.30
July 11	38.30	44.25	37.10	39.95	46,421	520	19,07,370	7.15	1.65
August 11	37.20	46.40	28.80	37.60	98,981	819	40,24,698	17.60	0.40
September 11	38.05	48.40	38.00	38.25	34,499	395	14,51,673	10.40	0.20
October 11	38.30	41.40	35.25	37.80	11,829	158	4,51,684	6.15	-0.50
November 11	37.80	38.00	30.50	31.55	29,315	250	9,75,441	7.50	-6.25
December 11	30.95	39.70	27.95	29.70	62,142	418	21,30,280	11.75	-1.25
January 12	28.70	38.50	28.70	32.50	54,311	525	18,09,437	9.80	3.80
February 12	32.25	38.95	31.80	36.45	91,914	730	32,15,600	7.15	4.20
March 12	37.45	42.00	31.00	32.55	1,29,447	884	47,59,060	11.00	-4.90

* **Spread** H-L-> High-Low C-O -> Close - Open

7. Disclosures:

a) **Disclosures on materially significant related party transactions i.e. transactions of the Company of material nature, with its promoters, the directors or the management, their subsidiaries or relatives etc. that may have potential conflict with the interests of the company at large.**

Company had no related party transaction except remuneration paid to the Directors.

b) **Details of non-compliance by the Company, penalties, structures imposed on the Company by Stock Exchanges or SEBI, or any statutory authority, on any matter related to capital markets, during the last 3 years.**

None

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

8. Means of communication:

a) Quarterly Results (Approved in the meetings held on 12.05.11, 11.08.11, 12.11.11, 14.02.12, 15.5.12)	The Company has published quarterly results in Rastriya Swarup, Fin. Express, Pioneer, Indian Express & Business Standard
b) Management Discussion and Analysis	This forms part of the Directors' Report, which is posted to the Shareholders of the Company.
c) Web Site	www.scootersindia.com



9. Share Transfer System

The Company has signed agreement with both NSDL and CDSL on 18th Jan, 2002 and 25th Feb.2002 respectively. The company has been allotted ISIN Code No. **INE 959E01011** and since then the trading of company's shares is being done in dematerialized form. The company has appointed M/s Skyline Financial Services Pvt. Ltd. D-153/A, 1ST FLOOR OKHLA INDUSTRIAL AREA PHASE - 1, NEW DELHI-110020, as its Registrar and Transfer Agent (RTA).

10. Distribution of shareholding as on March 31, 2012

Shareholding of Nominal Value Category	Share Holders		Share Amount in Rupees				
	Number	%	Physical	NSDL	CDSL	TOTAL	%
Upto 500	8520	94.76	593914	257710	111636	963260	2.24
501 - 1000	284	3.16	62450	128627	51852	242929	0.57
1001 - 2000	94	1.05	43100	87098	16801	146999	0.34
2001 - 3000	33	0.37	16100	54456	12396	82952	0.19
3001 - 4000	21	0.23	7000	47353	21715	76068	0.18
4001 - 5000	10	0.11	4350	32762	8879	45991	0.11
5001 - 10000	17	0.19	20000	82755	18970	121725	0.28
10001 and above	12	0.13	41005490	250378	56463	41312331	96.09
TOTAL	8991	100.00	41752404	941139	298712	42992255	100.00

Category	Percentage
1. Central Government	95.38
2. Nationalized Banks & Financial Institutions	0.05
3. Corporate Bodies	0.60
4. Indian Public and Others	3.97
Total	100.00

11. Any Query on the Annual Report :

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

**Ajai Kumar
Chairman-cum-Managing Director
Scooters India Ltd.
Lucknow-226 008**



Annexure II-A

Certification in terms of clause 49 of the Listing Agreement

1. *We have reviewed financial statements and the cash flow statement for the year 2011-12 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.*

B.N. Raj
Financial Controller

Ajai Kumar
CMD / CEO

Place : Lucknow
Dated : August 23, 2012

**ANNEXURE - II-B****CERTIFICATE****TO THE MEMBERS OF SCOOTERS INDIA LIMITED
ON
CORPORATE GOVERNANCE**

We have examined the compliance of conditions of Corporate Governance by Scooters India Limited for the year ended 31st March, 2012 as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchange.

The compliance of conditions of Corporate Governance is 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 the Corporate Governance as stipulated in the said Clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

As required by the Guidance Note issued by the Institute of Chartered Accountants of India, we have to state that no investor grievances were pending for period exceeding one month as at 31st March, 2012 against the Company as per the records maintained by the Company.

We further state that such compliance is neither an assurance as to the further viability of the Company nor the effectiveness with which the management has conducted the affairs of the Company.

*For S. Srivastava & Co.
Chartered Accountants*

*Place : Lucknow
Date : July 9, 2012*

Sanjeev Srivastava
*Partner
M.No. 073449*



AUDITORS' REPORT
TO THE MEMBERS OF, SCOOTERS INDIA LIMITED, LUCKNOW

1. *We have audited the attached Balance Sheet of Scooters India Limited, as at 31st March, 2012 and also the Profit & Loss Account and cash flow statement for the year ended on that date annexed thereof. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our Audit.*
2. *We have conducted our audit in accordance with auditing and assurance standards generally accepted in India. These 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 amount & disclosure in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to company's preparation and fair representation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the management, as well as evaluating overall presentation of financial statements.

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

3. *As required by the Companies (Auditor Report) Order, 2003 as amended by the Companies (Audit's Report) (Amendment) Order, 2004 (the 'Order') issued by the Central Government of India in term of sub Section (4A) of section 227 of the Companies Act, 1956, we enclose in the annexure a statement on the matters specified in paragraph 4 & 5 of the said order.*
4. *Further to our comments in the annexure referred to in paragraph 3 above, we report that:*
 - (a) *We have 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 accounts as required by the law have been kept by the company as far as appears from our examination of those books.*
 - (c) *The Balance Sheet and Profit & Loss Account dealt with by this report are in agreement with the books of account;*



- (d) *In our opinion, the said Balance Sheet and Profit & Loss Account dealt with by this report comply with the mandatory accounting standards referred to in section 211(3C) of the Companies Act, 1956 to the extent applicable.*
- (e) *As per the Notification No. GSR 829 (E) dated 21.10.2003 issued by the Department of Company Affairs; disqualification of Directors in term of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956 is not applicable to the company being a Government Company.*
- A. *In our opinion and to the best of our information and according to the explanation given to us the said accounts read together with Accounting policies and Notes thereon give the information required by Companies Act, 1956, in the manner so required and subject to:*
- (i) *Para no. 3 of Note no. 1, regarding non provision of depreciation on assets which have been declared as surplus and are shown under current assets at net realizable value.*
- (ii) *Para no. 16 of Note no. 1, regarding non provision of 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.*
- (iii) *Para 17 (i) (A) of Note no. 1, regarding non consideration of obligations of various show cause notice issued by government authorities the amount of which has neither been considered as disputed obligation nor as contingent liabilities and its consequent effect over the profitability/loss of the company.*
- (iv) *Note no.4 regarding money received as Advance against Equity Share Capital from Government of India of ₹ 1049 lakhs is classified under the head of "Share Application Money Pending Allotment".*
- (v) *Note no.13 regarding deferred tax Assets aggregating of ₹ 4643.93 lakhs has not been recognized by the company in financial statement of current year.*
- (vi) *Note no.15 regarding inclusion of stock lying with Third party/ Contractors to the tune of ₹ 116.43 lakhs in inventories against which company have no security and its consequent effect over the profitability/loss of the company.*
- (vii) *Note no.16 regarding realization of outstanding of ₹ 90.59 lakhs from Amausi Motors in pursuant to phased arrangement entered into by the company for liquidating the outstanding balance and its consequent effect over the profitability/loss of the company.*
- (viii) *Note no.22 regarding consumption of material is not accounted for on actual consumption basis but taken as a differential/balancing quantity of stock as Opening stock plus purchases deducted by closing stock and its consequent adjustment of abnormal loss (if any) into consumption.*



- (ix) *Note no. 30(i)(a) regarding contingent liability of 10 cases of consumer forum (estimated amount of ₹ 10 lakhs) and 78 other cases (The amount of which is indeterminate.)*
- (x) *Note no. 30(i)(d) regarding contingent liability of ₹ 404.94 lakhs in connection with guarantee/indemnity given by Company to OBC against which Writ Petition has been filed before High Court, Lucknow Bench and its consequent effect over the profitability/loss of the company.*
- (xi) *Note no.30(i)(e) regarding non recognition of liability of ₹ 66.30 lakhs on account of Demand of ESI, the appeal of which is pending before Allahabad High Court, Lucknow bench and its consequent effect over the profitability/ loss of the company.*
- (xii) *Note no.30(i)(f) regarding non recognition of liability of ₹ 213 lakhs raised by Punjab National Bank on account of indemnity provided by the company for loan availed by UP tyres/tubes. The case is pending with DRT Lucknow and its consequent effect over the profitability/loss of the company.*
- (xiii) *Note no.30(i)(g) regarding non recognition of liability of ₹ 70.92 lakhs plus further penalty (indeterminate) on account of demand notice raised by Central Excise and Service Tax authority and its consequent effect over the profitability/loss of the company.*
- (xiv) *Note no.30(ii) regarding non recognition of liability of ₹ 23.85 lakhs plus interest thereon on account of unfavorable arbitration in the matter of Ordinance Factory Board and its consequent effect over the profitability/ loss of the company.*
- (xv) *Note no. 30(iii) on account of non recognition of counter claim of UPSIC as liability of ₹ 9.27 lakhs plus interest thereon and its consequent effect over the profitability/loss of the company.*
- (xvi) *Note No.30 (iv) regarding cases pending of 13 employees in labour courts and 126 other cases pending in other courts, the amount of which is indeterminate and its consequent effect over the profitability/loss of the company.*
- (xvii) ***Note no. 30 (v) on account of non recognition of Recovery Notice of Tehsiidar Lucknow, for recovery of ₹ 2412 lakhs which is pending with High Court Lucknow Bench and its consequent effect over the profitabiility/ioss of the company.***
- (xviii) *Note no.31 regarding non recognition of liability for pending UPVAT & CST cases for the F.Y. 2008-2009 onwards and its consequent effect over the profitability/loss of the company.*



- (xix) *Note no.32 regarding non confirmation of most of the balances of Debtors/ Creditors accounts claims recoverable, loans and advances material lying with third parties, various deposits to electricity, custom, court, land lord and other parties and the consequent effect on the book balance and the actual balance over the profitability/loss to the company.*
- (xx) *Note no.33 regarding non recognition of liability on account of nonpayment of lease rent to M/s Ganesh Flour Mills Ltd. (now HVOC Ltd.) from 1982-83 onwards and its consequent effect over the profitability/ loss of the company.*
- (xxi) *Note no.38 regarding complete erosion of most of the net worth of the Company as on 31st March 2009 and consequentiy being declared sick under Sec 3(1)(o) of SICA by BIFR on 18th February 2010.*

B. Subject to the observation given as per no. (i) to (xxi) referred to above we report that;

- (i) *In absence of the certainty of the estimates of amount involved in various legal cases, we are unable to comment upon the correctness of amount of the Contingent liabilities as given in Note no.30 and its consequent effect over the profitability/losses of the company.*
- (ii) *As per Note no.2a the company has neither paid nor made any provision for the capital filing fees on account of increase of Authorised Share Capital from 8 Crore to ₹ 75 Crores and consequent interest/ Penalties thereupon. The losses of the company are understated by the same.*
- (iii) *The company should take stringent action for recovery of outstanding/ Recoverable amount against which 100% provisioning has already been made in the earlier years by deciding an approved policy for the same.*
- (iv) *The Company has made 100% provisioning of ₹ 91.57 lakhs (₹ 30.37 lakhs for F.Y. 2010-11 and ₹ 61.20 lakhs for F.Y. 2011-12) of royalty recoverable from Fine White Line Limited (FWL) which has resulted into contribution of loss to the company by 91.57 lakhs. Since this amount is outstanding for less than 3 years reasonable efforts should be made to realize this amount before making 100% provision of the same, consequentiy losses are overstated by the said amount.*
- (v) *The company has defaulted in repaying the term loan installments of ₹ 2643.83 lakhs as well as interest & penal interest of ₹ 1733.05 lakhs & ₹ 484.34 lakhs respectively thereupon, payable to Government of India as on 31st March 2012.*



- (vi) The company has made statutory contravention by defaulting on Salary & wages amounting to ₹ 128.89 lakhs and therefore not depositing ₹ 38.59 lakhs of P.F./Pension to the trust/PF. authorities.
- (vii) There is unfunded liability of ₹ 52.78 lakhs on account of retirement benefit according to Actuarial Valuation.
- (viii) *Advance against recoverable amount of ₹ 316.70 lakhs on account of adhoc payment of wages to employees vide Board Resolution no.179 dated 31.10.06 has been deliberated by the board in light of order passed by "Central Government industrial Tribunal (CGIT), Lucknow dated 21.01.2010, and accordingly, resolution no.217 dated 15.03.2012 has been passed. Consequently Company provided ₹ 316.70 lakhs as "Exceptional item" in the financial accounts reversing the 'Advance against recoverable Advance' from Current Assets of ₹ 316.70 lakhs, thereby the current assets has been understated and losses are overstated by the said amount.*

Give a true and fair view in conformity with the accounting principles generally accepted in India.

- (i) In the case of the Balance Sheet, of the state of affairs of the Company, as at 31st March, 2012.
- (ii) In the case of Profit & Loss Account, of the Loss of the year ended on that date; and
- (iii) In the case of Cash Flow Statement, of the cash flows of the year ended on that date.

Place : Lucknow
Date : 9th July 2012

For S. Srivastava & Co.
Chartered Accountants

(Sanjeev Srivastava)
M.N. 073449



ANNEXURE TO THE AUDITOR'S REPORT OF
SCOOTERS INDIA LTD., LUCKNOW

(Refer to in paragraph 3 of our report of even date)

- (i) (a) *The Company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.*
- (b) *As informed, all the fixed assets have not been physically verified by the management during the year but there is a phased programme of verification which in our opinion is reasonable having regards to the size of the Company and nature of its business. No material discrepancies were noticed on such verification.*
- (c) *As informed, the Company has not disposed of substantial part of fixed assets during the year thereby affecting the going concern status of the Company.*
- (ii) (a) *As explained to us, the company has conducted physical verification of the stores (excluding the inventory with third parties) as per the system of continuous physical verification of the inventory adopted during the year and finished goods and work in progress at the end of the year, which is considered to be reasonable.*
- (b) *In our opinion and according to information and explanations given to us, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.*
- (c) *According to information and explanations given to us, the discrepancies noticed on physical verification of inventory conducted by the management from time to time as compared to book records were not material and have been properly dealt with in the books of accounts.*
- (iii) (a) *According to information and explanations given to us, the Company has not granted any loan, secured or unsecured, to the companies, firm or other parties covered in the register maintained under section 301 in the Act.*
- (b) *According to information and explanations given to us, the Company has not taken any loan, secured or unsecured to the companies, firm or other parties covered in register maintained under section 301 in the Act.*
- (iv) *In our opinion and according to information and explanations given to us, there are adequate internal control systems commensurate with the size of the company and the nature of its business for the purchase of inventory and fixed assets and also for the sale of goods. During the course of Audit, we have not observed any major weaknesses in control system.*



- (v) According to information and explanations given to us, the company has not made any contracts or arrangements that need to be entered in register referred to in Section 301 of the Act.
- (vi) As informed and as per records, the company has not accepted any deposits from the public during the year.
- (vii) in our opinion, the company has an internal audit system commensurate with the size and nature of its business.
- (viii) We have broadly reviewed the accounts and records maintained by the company pursuant to the order made by the Central Government for the maintenance of Cost Records under section 209 (i) (d) of the Act and are of the opinion that, prima-facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate and complete.
- (ix) (a) As per records, the Company is regular in depositing undisputed statutory dues including provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and any other statutory dues, to the extent applicable to it, although defaulting on salary & wages amounting to ₹ 128.89 lakhs and therefore not depositing ₹ 38.59 lakhs of P.F./Pension to the trust/PF. Authorities, with the appropriate authorities and as informed no undisputed amount were outstanding as at 31st March, 2012 for a period of more than six months from the date of becoming payable, except the following:

Sl. No.	Name of the Status	Nature of dues	Period	Amount (₹ In Lakhs)
1.	Kerala Sales Tax	State Sales Tax	92-93, 93-94 & 94-95	4.22
2.	Punjab VAT Act	State VAT	07-08	0.03
			Total	4.25

- (b) The disputed statutory dues aggregating ₹ 269 lakhs plus further penalty indeterminate that have not been deposited on account of matters pending before appropriate authorities are as under:



Sl. No.	Name of the dues	Nature of the dues	Forum where dispute is pending	Period	Amount (₹ In Lakhs)
1. (a)	State Sales Tax Acts	Sales Tax & Interest	Dy. Com. (Appeal)	77-78,86-87,87-88, 96-97, 98-99	24.69
(b)	State Sales Tax Acts	Entry Tax & Penalty	Comm. of Commercial Taxes	97-98 to 06-07	113.77
(c)	State Sales Tax Acts	Entry Tax & Penalty	Tribunal	03-04, 04-05 & 05-06	10.55
(d)	State VAT Acts	Entry Tax & Interest	Joint Commissioner	08-09	35.36
2 (a)	Central Sales Tax Acts	Central Sales Tax & Interest	Dy. Com. (Appeal)	82-83 & 86-87 & 93-94	5.83
(b)	Central sales Tax Act	Central Sales Tax	Asstt. Com. (Appeal) (C.T)-V	93-94	7.88
3 (a)	Central Excise & Service Tax	Service Tax	Commissioner (Appeals)	Oct. 2002- Mar. 2007	7.91+ Further Penalty Indeterminate
(b)	Central Excise & Service Tax	Service Tax	Commissioner (Appeals)	Apr. 2007 Mar. 2008	0.70 + Further Penalty Indeterminate
(c)	Central Excise & Service Tax	Central Excise	Customs, Central Excise and Service Tax Appellate Tribunal, New Delhi	Jan. 2006	0.32
(d)	Central Excise & Service Tax	Central Excise	Commissioner (Appeals)	2001-02	2.98
(e)	Central Excise & Service Tax	Central Excise	Commissioner (Appeals)	2001-02	10.83
(f)	Central Excise & Service Tax	Central Excise	Commissioner (Appeals)	2005-06 to 2008-09	10.72 + 10.72 Penalty
(g)	Central Excise & Service Tax	Central Excise	Commissioner (Appeals)	Apr. 2009- Sept. 2009	2.19+2.19 Penalty
(h)	Central Excise & Service Tax	Central Excise	Commissioner (Appeals)	Oct. 2009- Mar. 2010	1.07+1.07 Penalty
(i)	Central Excise & Service Tax	Central Excise	Commissioner (Appeals)	Apr. 2010- Sept. 2010	1.99+1.99 Penalty
(j)	Central Excise & Service Tax	Central Excise	Commissioner (Appeals)	2005-06 to 2008-09	6.27+6.27 Penalty
(k)	Central Excise & Service Tax	Central Excise	Assistant Commissioner	Oct. 2010 to Mar. 2011	1.17+1.17 Penalty
(l)	Central Excise & Service Tax	Central Excise	Assistant Commissioner	Apr. 2011 to Sep. 2011	0.68+0.68 Penalty
				Total :	269+Further Penalty Indeterminate



- (x) The Company has an accumulated losses of ₹ 12,156.60 lakhs at the end of the financial year and has incurred cash losses in the financial year under report and also in the immediately preceding financial year. The accumulated losses of the Company have now exceeded 100% of net worth and been declared as Sick unit under Section 3(1)(o) of SICA of BIFR on 18th February, 2010.
- (xi) 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 term loan of Government of India.
- (xii) According to the information and explanations given to us, the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures or other securities.
- (xiii) in our opinion Company is not a Chit Fund or a Nidhi/Mutual Benefit Fund/Society. Therefore, the provision of clause 4(xiii) of the Order is not applicable to the company.
- (xiv) In our opinion and according to information and explanation given to us, the Company is not dealing or trading in clause 4 (xiv) of the order is not applicable to the Company.
- (xv) According to information and explanation given to us the Company has not given any guarantee for the loans taken by others from bank or financial institutions.
- (xvi) According to information and explanations given to us, the company has received a non plan term loan amounting to ₹ 808 lakhs from Government of India in financial year 2011-12, which has since been utilized as per terms of the sanction letter.
- (xvii) According to information and explanations given to us, and on an overall examinations of the Balance Sheet, we are of the opinion that funds raised on short terms basis have, prime-facia, not been used during the year for long term investment.
- (xviii) According to information and explanations given to us, the company has not made any preferential allotment of shares to parties and companies covered in the Registered maintained under section 301 of the Act.
- (xix) According to information and explanations given to us, the company has not issued any debentures, thereof; the question of creation of securities or charges in respect of debentures issued is not applicable.
- (xx) The Company has not raised any money by way of public issue during the year.
- (xxi) 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, checking of minutes of the Board of Directors revealed that a commercial agreement was executed by the then CMD without the authority of the Board and after due consideration the board decided to refer the matter of the appropriate authority for future action.

For S. Srivastava & Co.
Chartered Accountants

Place : Lucknow
Dated : 9th July 2012

Sanjeev Srivastava
Partner
M.No. 073449

Annexure IV**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 619 (4) OF THE COMPANIES ACT, 1956, ON THE ACCOUNTS OF SCOOTERS INDIA LIMITED FOR THE YEAR ENDED 31st MARCH, 2012.**

The preparation of financial statements of Scooters India Limited for the year ended 31st March, 2012 in accordance with the financial reporting framework prescribed under the Companies Act, 1956 is the responsibility of the management of the company. The Statutory Auditor appointed by the Comptroller and Auditor General of India under Section 619(2) of the Companies Act, 1956 is responsible for expressing opinion on these financial statements under section 227 of the Companies Act, 1956 based on independent audit in accordance with the auditing and assurance standards prescribed by their professional body, the Institute of Chartered Accountants of India. This is stated to have been done by them vide their Audit Report dated 9 July, 2012.

I, on behalf of Comptroller and Auditor General of India, have decided not to review the report of the Statutory Auditor on the accounts of Scooters India Limited for the year ended 31 March 2012 and as such have no comments to make under Section 619(4) of Companies Act, 1956.

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

Naina A. Kumar
Principal Director of Commercial Audit
& Ex-Officio Member, Audit Board - II,
New Delhi

*Place : New Delhi
Date : 19.07.2012*

**REPLY TO AUDITORS' REPORT****TO THE MEMBERS,
SCOOTERS INDIA LIMITED, LUCKNOW**

1. We have audited the attached Balance Sheet of Scooters India Limited, as at 31st March, 2012 and also the Profit & Loss Account and the Cash Flow Statement for the year ended on that date annexed thereof. These financial statements are the responsibility of Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

2. We conducted our audit in accordance with auditing and assurance standards generally accepted in India. These 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 amount & disclosure in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to company's preparation and fair representation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the management, as well as evaluating overall presentation of financial statement.

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

3. As required by the Companies (Audit Report) order, 2003 as amended by the Companies (Audit's Report) (Amendment) Order, 2004 (the 'Order') issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the annexure a statement on the matters specified in paragraph 4 and 5 of the said order.

COMMENTS**MANAGEMENT REPLIES**

4. Further to our comments in the annexure referred to in paragraph 3 above, we report that :

- (a) We have 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 accounts as required by the law, have been kept by the company so far as appears from our examination of those books.



- (c) *The Balance Sheet and the Profit & Loss Account dealt with by this report are in agreement with the books of account.*
- (d) *In our opinion, the said Balance Sheet and Profit & Loss Account dealt with by this report, comply with the mandatory accounting standards referred to in section 211 (3C) of the Companies Act, 1956 to the extent applicable.*
- (e) *As per Notification No. GSR 829 (E) dated 21.10.2003 issued by the department Company Affairs; disqualification of Directors in terms of Clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956 is not applicable to the company being a Government Company.*

A. *In our opinion and to the best of our information and according to the explanation given to us the said accounts read together with Accounting Policies and Notes thereon give the information required by Companies Act, 1956 in the manner so required and subject to :*

- | | |
|--|---|
| <p>(i) <i>Para No.3 of Note No.1 regarding non provision of depreciation on assets which have been declared as surplus and are shown under current assets at net realizable value.</i></p> | <p><i>No comments required since it is the accounting policy based on applicable mandatory Accounting Standard 6. Further there is no case of surplus assets recognized during the year</i></p> |
| <p>(ii) <i>Para No.16 of Note No.1, regarding non provision of 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.</i></p> | <p><i>No comments required since it is the accounting policy based on applicable mandatory Accounting Standard 22. Further appropriate disclosure has been made in Note No. 13.</i></p> |
| <p>(iii) <i>Para 17 (i) (A) of Note No.1, regarding non consideration of obligations of various show cause notice issued by government authorities the amount of which has neither been considered as disputed obligation nor as contingent liabilities and its consequent effect over the profitability/ loss of the company.</i></p> | <p><i>Appropriate disclosure has been made in Para 17 (i) B & C of Note No.1.</i></p> |



- (iv) *Note No.4 regarding money received as advance against Equity Share Capital from Government of india of ₹ 1049 lakhs is classified under the head of "Share Application Money Pending Allotment".* *Appropriate disclosure made in Note No.4a.*
- (v) *Note No.13 regarding deferred tax Assets aggregating of ₹ 4643.93 lakhs has not been recognized by the company in financial statements of current year.* *Appropriate disclosure made in Note No.13.*
- (vi) *Note No.15 regarding inclusion of stock lying with Third Party/contractors to the tune of ₹ 116.43 lakhs in inventories against which company have no security and its consequent effect over the profitability/loss of the company.* *Appropriate disclosure made in Note No.15a.*
- (vii) *Note No.16 regarding realization of outstanding of ₹ 90.59 lakhs from Amausi Motors in pursuant to phased arrangement entered into by the company for liquidating the outstanding balance and its consequent effect over the profitability/loss to the company.* *Appropriate disclosure made in Note No.16a.*
- (viii) *Note No.22 regarding consumption of material is not accounted for on actual consumption basis but taken as a differential/balancing quantity of stock as Opening stock plus purchases deducted by closing stock and its consequent adjustment of abnormal loss (if any) into consumption.* *Appropriate disclosure made in Note No.22a.*
- (ix) *Note No. 30 (i)(a) regarding contingent liability of 10 cases of consumer forum (estimated amount of ₹ 10 lakhs) and 78 other cases (The amount of which is indeterminate).* *Appropriate disclosure made in Note No.30 (i)(a).*
- (x) *Note No.30 (i)(d) regarding contingent liability of ₹ 404.94 lakhs in connection with guarantee/indemnity given by Company to OBC against which Writ Petition has been filed before High Court, Lucknow Bench and its consequent effect over the profitability/loss of the company.* *Appropriate disclosure made in Note No.30 (i)(d).*
- (xi) *Note No. 30(i)(e) regarding non recognition of liability of ₹ 66.30 lakhs on account of Demand of ESI, the appeal of which is pending before Allahabad High Court, Lucknow bench and its consequent effect over the profitability/loss of the company.* *Appropriate disclosure made in Note No.30 (i)(e).*



- (xii) Note No.30 (i)(f) regarding non recognition of liability of ₹ 213 lakhs raised by Punjab National bank on account of indemnity provided by the company for loan availed by UP tyres/tubes. The case is pending with DRT Lucknow and its consequent effect over the profitability/loss of the company. *Appropriate disclosure made in Note No.30 (i)(f).*
- (xiii) Note No.30 (i)(g) regarding non recognition of liability of ₹ 70.92 lakhs plus further penalty (indeterminate) on account of demand notice raised by Central Excise and Service Tax authority and its consequent effect over the profitability/loss of the company. *Appropriate disclosure made in Note No.30 (i)(g).*
- (xiv) Note No.30 (ii) regarding non recognition of liability of ₹ 23.85 lakhs plus interest thereon on account of unfavorable arbitration in the matter of Ordinance Factory Board and its consequent effect over the profitability/loss of the company. *Appropriate disclosure made in Note No.30 (ii).*
- (xv) Note No.30 (iii) on account of non recognition of counter claim of UPSIC as liability of ₹ 9.27 lakhs plus interest thereon and its consequent effect over the profitability/loss of the company. *Appropriate disclosure made in Note No.30 (iii).*
- (xvi) Note No.30 (iv) regarding cases pending of 13 employees in labour courts and 126 other cases pending in other courts, the amount of which is indeterminate and its consequent effect over the profitability/loss of the company. *Appropriate disclosure made in Note No.30 (iv).*
- (xvii) **Note No. 30(v) on account of non recognition of recovery Notice of Tehsildar Lucknow, for recovery of ₹ 2412 lakhs which is pending with High Court Lucknow Bench and its consequent effect over the profitability/loss of the company.** *Appropriate disclosure made in Note No.30 (v).*
- (xviii) Note No. 31 regarding non recognition of liability for pending UPVAT & CST cases for the F.Y. 2008-2009 onwards and its consequent effect over the profitability/loss of the company. *Appropriate disclosure made in Note No.31.*
- (xix) Note No.32 regarding non confirmation of most of the balances of Debtors/Creditors accounts claims recoverable, loans and advances materializing with third parties, various deposits to electricity, custom, court, land lord and other parties and the consequent effect on the book balance and the actual balance over the profitability/loss to the company. *Appropriate disclosure made in Note No.32.*



- (xx) **Note No.33 regarding non recognition of liability on account of non payment of lease rent to M/s Ganesh Flour Mills Ltd. (now HVOC Ltd.) from 1982-83 onwards and its consequent effect over the profitability/loss of the company.** Appropriate disclosure made in Note No.33.
- (xxi) **Note No.38 regarding complete erosion of most of the net worth of the Company as on 31st March 2009 and consequently being declared sick under Sec 3(1)(o) of SICA by BIFR on 18th February 2010.** Appropriate disclosure made in Note No.38.
-
- B. Subject to the observations given as per para No.(i) to (xxi) referred to above we report that :
- (i) **In absence of the certainty of the estimates of amount involved in various legal cases, we are unable to comment upon the correctness of amount of the Contingent liabilities as given in Note No.30 and its consequent effect over the profitability/losses of the company.** Appropriate disclosure has been made vide Note No.30.
- (ii) **As per Note No.2a the company has neither paid nor made any provision for the capital raising fees on account of increase of Authorised Share Capital from 8 Crore to ₹ 75 crores and consequent interest/ Penalties thereupon. The losses of the company are understated by the same.** Appropriate disclosure has been made vide Note No.2a.
- (iii) **The Company should take stringent action for recovery of outstanding/Recoverable amount against which 100% provisioning has already been made in the earlier years by deciding an approved policy for the same.** Noted
- (iv) **The Company has made 100% provisioning of ₹ 91.57 lakhs (₹ 30.37 lakhs for F.Y. 2010-11 and ₹ 61.20 lakhs for F.Y. 2011-12) of royalty recoverable from Fine White Line Limited (FWL) which has resulted into contribution of loss to the company by 91.57 lakhs. Since this amount is outstanding for less than 3 years reasonable efforts should be made to realize this amount before making 100% provision of the same, consequently losses are overstated by the said amount.** Appropriate disclosure has been made vide Note No.21a read with Note No. 16c & there is no understatement/overstatement of Profit/Loss.
- (v) **The Company has defaulted in repaying the term loan instalments of ₹ 2643.83 lakhs as well as interest & penal interest of ₹ 1733.05 lakhs & ₹ 484.34 lakhs respectively thereupon, payable to Government of India as on 31st March 2012.** In view of losses during the year the company defaulted in repayment of Term Loan & Interest due to Government of India. Required provision for



interest due has been made in accounts & there is no understatement/overstatement of Profit/Loss.

- (vi) *The Company has made statutory contravention by defaulting on salary & wages amounting to ₹ 128.89 lakhs and therefore not depositing ₹ 38.59 lakhs of P.F./ Pension to the trust/P.F authorities.* Required provision of salary & wages, PF, Pension has been made in accounts & there is no understatement/overstatement of Profit/Loss.
- (vii) *There is unfunded liability to ₹ 52.78 lakhs on account of retirement benefit according to actuarial valuation.* Appropriate disclosure has been made vide Note No.10a & there is no understatement/overstatement of Profit/Loss.
- (viii) *Advance against recoverable amount of ₹ 316.70 lakhs on account of adhoc payment of wages to employees vide Board Resolution No.179 dated 31.10.06 has been deliberated by the board in light of order passed by "Central Government Industrial Tribunal (CGIT), Lucknow dated 21.01.2010, and accordingly, resolution No.217 dated 15.03.2012 has been passed. Consequently Company provided ₹ 316.70 lakhs as "Exceptional item" in the financial accounts reversing the "Advance against recoverable Advance" from Current Assets of ₹ 316.70 lakhs, thereby the current assets has been understated and losses are overstated by the said amount.* Appropriate disclosure has been made vide Note No.27a hence there is no understatement of current assets & overstatement of Profit/Loss.

Give a true and fair view in conformity with the accounting principles generally accepted in India.

- (i) *in the case of Balance Sheet, of the state of affairs of the Company, as at 31st March, 2012.*
- (ii) *in the case of Profit & Loss Account, of the Loss of the year ended on that date : and*
- (iii) *in the case of Cash Flow Statement, of the cash flows of the year ended on that date.*

For S. Srivastava & Co.
Chartered Accountants

Place : Lucknow
Date : July 9, 2012

Sanjeev Srivastava
Membership No. 073449



BALANCE SHEET AS AT MARCH 31, 2012

Particulars	Note No.	AS AT	AS AT
		31-3-2012	31-3-2011
		₹ In Lakhs	₹ in Lakhs
I. EQUITY AND LIABILITIES			
1) Shareholders' Funds			
a) Share Capital	2	4,299.39	4,299.39
b) Reserves & Surplus	3	(12,147.34)	(10,153.35)
c) Money received against share warrants	-	-	-
(2) Share application money pending allotment	4	1,049.00	1,049.00
(3) Non-Current Liabilities			
(a) Long-term borrowings	5	4,211.72	5,069.29
(b) Deferred tax liabilities (Net)		-	-
(c) Other Long term liabilities	6	255.75	258.75
(d) Long term provisions		-	-
(4) Current Liabilities			
(a) Short-term borrowings	7	1,307.49	429.69
(b) Trade payables	8	2,795.47	2,344.12
(c) Other current liabilities	9	8,223.44	5,316.14
(d) Short-term provisions	10	68.88	51.21
Total		10,063.80	8,664.24
II. Assets			
(1) Non-current assets			
(a) Fixed assets	11		
(i) Tangible assets		1,633.96	1,620.63
(ii) Intangible assets		-	-
(iii) Capital work-in-progress		11.12	97.57
(iv) Intangible assets under development		-	-
(b) Non-current investments	12	-	-
(c) Deferred tax assets (net)	13	-	-
(d) Long term loans and advances	14	265.63	234.02
(e) Other non-current assets		-	-
(2) Current assets			
(a) Current investments		-	-
(b) Inventories	15	3,839.08	3,554.65
(c) Trade receivables	16	239.98	301.79
(d) Cash and cash equivalents	17	3,251.07	1,642.32
(e) Short-term loans and advances	18	736.92	1,169.66
(f) Other current assets	19	86.04	43.60
Total		10,063.80	8664.24

Accounting Policies & Notes to accounts

1 to 41

B.N. Raj
Financial Controller

S.K. Goyal
Director

Ajai Kumar
Chairman-cum-Managing Director

As per our separate report of even date
For S. Srivastava & Co.
Chartered Accountants

Sanjeev Srivastava
(Partner)

Membership No.73449

Place : Lucknow

Date : 9th July, 2012

PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED MARCH 31,2012

	Note No.	YEARENDED 31-3-2012 ₹ in Lakhs	YEAR ENDED 31-3-2011 ₹ in Lakhs
I. Revenue from operations			
Gross Sales	20	22,673.86	17,475.52
Less : Excise Duty		1,874.89	1,476.70
Net Sales		20,798.97	15,998.82
II Other Income	21	396.61	299.24
III. Total Revenue (I + II)		21,195.58	16,298.06
IV Expenses :			
Cost of material consumed	22	14,419.64	11,205.64
Cost of sales at petrol pump	22	1,335.01	1,213.27
(Accretion)/Decretion to Stock	23	242.88	(656.18)
Employee benefit expense	24	3,471.85	3,563.63
Other expenses	25	1,774.29	1,527.18
Finance Cost	26	1,540.87	1,053.75
Depreciation	11	134.00	133.55
Total		22,918.54	18,040.84
Less : Expenditure included in above capitalized		45.67	31.64
Total Expenses		22,872.87	18,009.20
V. Profit before exceptional and extraordinary items and tax (III-IV)		(1,677.29)	(1,711.14)
VI. Exceptional Items	27	316.70	-
VII. Profit before extraordinary items and tax (V-VI)		(1,993.99)	(1,711.14)
VIII. Extraordinary Items		-	-
IX. Profit before prior year adjustments		(1,993.99)	(1,711.14)
X. Prior Year Adjustments		-	-
XI. Profit before tax (VII-VIII)		(1,993.99)	(1,711.14)
XII. Tax expense :			
(1) Current tax		-	-
(2) Deferred tax		-	-
XIII. Profit (Loss) from the period from continuing operations (IX-X)		(1,993.99)	(1,711.14)
XIV Profit/(Loss) from discontinuing operations		-	-
XV. Tax expense of discounting operations		-	-
XVI. Profit/(loss) from Discontinuing operations (XIV-XV)		-	-
XVII. Profit/(Loss) for the period (XI+XIV)		(1,993.99)	(1,711.14)
XVIII. Earning per equity share :			
(1) Basic	28	(4.64)	(3.98)
(2) Diluted	28	(4.64)	(3.98)
Accounting Policies & Notes to accounts	1 to 41		

B.N. Raj
Financial Controller

S.K. Goyai
Director

Ajai Kumar
Chairman-cum-Managing Director

As per our separate report of even date
For S. Srivastava & Co.
Chartered Accountants

Sanjeev Srivastava

(Partner)

Membership No.73449

Place : Lucknow

Date : 9th July, 2012



CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2012.
PURSUANT TO CLAUSE 32 OF THE LISTING AGREEMENT

Particulars	Current Year ₹ in lakhs	Previous year ₹ in lakhs
Cash flow from operating activities :		
Net Profit/(Loss) before Tax and extra ordinary items	(1,993.99)	(1,711.14)
Adjustment for :		
<i>Depreciation</i>		
(i) For Current Year	134.00	133.55
(ii) For Prior Period	-	-
<i>Deffered Revenue Expenditure</i>		
(i) Written Off for The Year	-	-
(ii) Addition For the Year	-	-
Provision for Loss in Value of Investment	-	-
Provision/Written off for Doubtful Debts	122.68	13.68
Provision for inventory Obsolescence	-	74.54
Interest Income	(186.43)	(118.56)
Interest Paid	1,540.87	1,053.75
(Profit)/Loss in exchange rate change	-	0.10
(Profit)/Loss on sale of fixed assets	-	-
Operating profit before working capital changes	<u>1,611.12</u>	<u>1,157.06</u>
Adjustment for :	(382.87)	(554.08)
Trade receivables	(60.87)	(24.43)
Inventories	(284.43)	(946.43)
Other current assets	(42.44)	(6.84)
Long Term Loans & advances	(31.61)	16.28
Short Term Loans & advances	432.74	329.26
Other Long Term Liabilities	(3.00)	(9.71)
Trade payables	451.35	620.89
Other Current Liabilities	1,241.74	(155.85)
Provisions	<u>17.67</u>	<u>(1,577.43)</u>
Cash generated/(Loss) from operations :	<u>1,338.28</u>	<u>(2,308.34)</u>
Less Taxes paid :		
Income Tax	-	-
Fringe Benefit Tax	-	-
Cash in flow/(outflow) before extra ordinary items	1,338.28	(2,308.34)
Extra ordinary items :		
Prior Period Adjustment	-	-
(Loss) /Gain in exchange rate	-	(0.10)
Net cash from operating activities	<u>1,338.28</u>	<u>(2,308.44)</u>
Increase in fixed assets / capital expenditure	(60.89)	(149.34)
Sale / Adjustments of fixed assets	-	-
Interest Income	186.43	118.56
Net cash used in investing activities	<u>125.54</u>	<u>(30.78)</u>
Cash flow from financing activities :		
Interest paid	(1,540.87)	(1,053.75)
Increase in share capital	-	-
Repayment of term loan to G.O.I.	-	(1,407.34)
Receipt of long term loan from G.O.I.	808.00	4,680.00
(Decrease) / Increase in cash credit limits	877.80	(148.97)
Net cash used in financing activities	<u>144.93</u>	<u>2,069.94</u>
Net increase / (decrease) in cash and cash equivalents	1,608.75	(269.28)
Cash and cash equivalents (Opening balance)	1,642.32	1,911.60
Cash and cash equivalents (Closing balance)	<u>3,251.07</u>	<u>1,642.32</u>



Notes to the Cash Flow Statement

1. Cash and Cash Equivalents

Cash and cash equivalents consist of cash and cheques on hand and balances with banks and investment in short term deposit accounts. Cash and cash equivalents included in the Cash Flow Statement comprise the following Balance Sheet amounts.

Cash and cash equivalents as at 31st March'12/31st March'11	For the FY 2011-12 ₹	For the FY 2010-11 ₹
Cash and stamps in hand	2.44	2.68
Cheques in hand	1.98	0.28
Term Deposits with Scheduled Banks	3,036.39	1,603.45
Balance with Scheduled Banks	210.26	35.91
Cash and Cash Equivalents as restated	3,251.07	1,642.32
Net change in cash and Cash equivalents	1,608.75	(269.28)

2. Cash & Cash Equivalent includes :

(a) Term Deposits for ₹ 2013.79 lakhs (Previous year ₹ 1252.21 lakhs) held against L.C. Margin.

(b) Term Deposits for ₹ 48.95 lakhs (Previous year ₹ 45.77 lakhs) for E.S.I. Case

3. "Non-Cash items" comprise of provisions for inventory Obsolescences, Provisions for bad & Doubtful debts. depreciation, provision for loss in value of investment and write off of Deferred Revenue Expenditure.

B.N. Raj
Financial Controller

S.K. Goyai
Director

Ajai Kumar
Chairman-cum-Managing Director

As per our separate report of even date
For S. Srivastava & Co.
Chartered Accountants

Place : Lucknow
Date : 9th July, 2012

Sanjeev Srivastava
(Partner)
Membership No.73449

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.

2. a) FIXED ASSETS :

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

(ii) Land is valued at original cost.

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

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

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

(vi) 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.

b) INTANGIBLE ASSET :

Intangible assets are stated at cost of acquisition less accumulated amortisation. Technical Know how is amortised over the useful life of the underlying plant. Computer Software is amortised over a period of 6 years. Amortisation is done on straight line basis.



c) 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 fixed assets is charged on straight-line method in accordance with rates prescribed in Schedule XIV to the Companies Act, 1956 as amended from time to time, except.

(a) Plant, Machinery, Equipment and Jigs & Fixtures costing individually ₹ 5000 and below are depreciated fully in the year of purchase.

(b) In case of tools where average estimated useful life is greater than five years but less than ten years, depreciation is charged @ 20% as was being done prior to introduction of Schedule XIV

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

4. INVESTMENTS :

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.

5. INVENTORIES :

(i) Raw materials, components, stores & spares, tools, consumables and other stocks are valued at cost (net of CENVAT) determined on FIFO Basis. Scrap and disposable goods are valued at estimated realisable value.

(ii) Stock-in-trade is valued at lower of cost or realisable value.

(iii) Work-in-progress is valued at cost. Where the jobs are in progress their conversion cost is taken at 50% of the standard cost regardless of the stage of completion. Completed jobs, including jobs pending inspection are valued at cost or realisable value whichever is less.

(iv) Customs duty on bonded material is allocated to the cost of goods and equipment.

(v) Expenditure on stationery, uniform, medicine etc. is charged off to revenue at the time of receipt. But the stock remaining at the year end are credited to the revenue account at cost and shown as closing stock.



6. DUTIES ON BONDED STOCK :

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

7. 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.

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 as compared to the actuarial liability is recognised as asset/liability immediately and the 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 assets is taken to fixed assets and depreciation is provided as applicable. Prototype vehicles submitted to testing agencies are booked under finished goods.

14. ACCOUNTING OF GOVERNMENT GRANT :

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

15. JOBS DONE FOR INTERNAL USE :

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

16. TAXES ON INCOME :

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

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

17. CAPITAL COMMITMENTS & CONTINGENT LIABILITIES :

i) CONTINGENT LIABILITIES :

- 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.*

ii) CAPITAL COMMITMENTS :

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

NOTE NO. 2
Share Capital

	As at 31.03.2012 ₹ in lakhs	As at 31.03.2011 ₹ in lakhs
Authorised Capital 7,50,000,000 Equity Shares (Previous Year 7,50,00,000) of ₹ 10 each.	<u>7,500.00</u>	<u>7,500.00</u>
Issued Capital 4,29,95,500 Equity Shares (Previous year 4,29,95,500) of ₹ 10 each	<u>4,299.55</u>	<u>4,299.55</u>
Subscribed and paid up Capital 4,29,92,255 Equity Shares* (Previous year 4,29,92,255) of ₹ 10 each	<u>4,299.23</u>	<u>4,299.23</u>
Forfeited Shares	<u>0.16</u>	<u>0.16</u>
	<u>4299.39</u>	<u>4299.39</u>

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

- a. The Company increased the authorised capital from ₹ 45 Crores to ₹ 75 Crores, in its Annual General Meeting held on 25th September 2004. The Company had filed Form 5 and Form 23 along with requisite filing fee of ₹ 15 lakhs with Registrar of Companies, Kanpur for its registration. The Registrar of Companies has returned the filing fee and advised the Company to approach the Central Government, for exempting filing fees in view of BIFR order under Section 632 in respect of previous increase from ₹ 8 crores to ₹ 45 crores. The Administrative Ministry i.e. Ministry of Heavy Industries & Public Enterprise, Department of Heavy Industry, vide letter No. 3(6)/2005-PE-VI dated 16th May, 2005 has recommended Ministry of Law Justice & Company Affairs for exemption for payment of filing fees in the first instance i.e. from ₹ 8 crores to ₹ 45 crores. The Company has not made provision for filing fee of ₹ 15 lakhs in the Books of Accounts, pending receipt of final approval/clarification. However, subsequent to implementation of MCA 21 the company's authorized capital has been shown as ₹ 75 crores by Registrar of Companies.
- b. The reconciliation of the number of shares outstanding as on 31st March 2012 are as follows :



Particulars	Equity Shares			
	Number	₹		
Shares outstanding at the beginning of the year	Nil	-		
Shares issued during the year	Nil	-		
Shares bought back during the year	Nil	-		
Shares outstanding at the end of the year	Nil	-		
c. Shares in the company held by each shareholder holding more than 5 percent shares specifying the number of shares held are as follow :				
Name of Shareholder	As at 31 March 2012		As at 31 March 2011	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Government of India	41005490	95.38	41005490	95.38
d. Terms/Rights attached to Equity Shares The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share.				
NOTE NO. 3 Reserve and Surplus				
		As at 31.03.2012 ₹ in Lakhs		As at 31.03.2012 ₹ in Lakhs
Reserves				
Capital Reserve		<u>9.26</u>		<u>9.26</u>
		9.26		9.26
Surplus				
Opening Balance		(10,162.61)		(8,451.47)
Add : Net Profit/(Net Loss) During the year		<u>(1,993.99)</u>		<u>(1,711.14)</u>
Closing Balance		<u>(12,156.60)</u>		<u>(10,162.61)</u>
		(12,147.34)		(10,153.35)

**NOTE NO. 4****Share Application Money Pending Allotment**

	<i>As at</i> 31.03.2012 ₹ in Lakhs	<i>As at</i> 31.03.2011 ₹ in Lakhs
<i>Advance against Share Capital</i>	<u>1,049.00</u>	<u>1,049.00</u>
	<u>1,049.00</u>	<u>1,049.00</u>

a. *Pending allotment of shares to Central Government, the money received towards equity from Government of India is classified as advance against share capital.*

NOTE NO. 5**Long Term Borrowings**

	<i>As at</i> 31.03.2012 ₹ in Lakhs	<i>As at</i> 31.03.2011 ₹ in Lakhs
Unsecured		
<i>Loans from Government of India</i>	<u>4,211.72</u>	<u>5,069.29</u>
	<u>4,211.72</u>	<u>5,069.29</u>

a. *The Government of India, Ministry of Industry & Public Enterprises, Deptt. of Heavy industry released funds by way of non plan loan amounting to ₹ 808.00 lakhs (previous year ₹ 3731.86 Lakhs) during the year towards salary support for the period October, 2010 to September, 2011.*

b. *The details of Loan from GOI are at Note No. 39*

NOTE NO. 6**Other Long Term Liabilities**

	<i>As at</i> 31.03.2012 ₹ in Lakhs	<i>As at</i> 31.03.2011 ₹ in Lakhs
<i>Advances & Deposits</i>	<u>255.75</u>	<u>258.75</u>
	<u>255.75</u>	<u>258.75</u>

NOTE NO. 7
Short Term Borrowings

	<i>As at</i> 31.03.2012 ₹ in Lakhs	<i>As at</i> 31.03.2011 ₹ in Lakhs
Secured		
<i>Loans and advances from Banks*</i>		
<i>State Bank of India</i>	741.28	342.29
<i>Indian Overseas Bank</i>	566.21	87.40
	<u>1,307.49</u>	<u>429.69</u>

* Cash Credit facility from S.B.I. & I.O.B. are secured by hypothecation of inventories/book debts.

NOTE NO. 8
Trade Payables

	<i>As at</i> 31.03.2012 ₹ in Lakhs	<i>As at</i> 31.03.2011 ₹ in Lakhs
<i>Acceptances</i>	778.24	978.14
<i>Other Trade Payable</i>	2,017.23	1,365.98
	<u>2,795.47</u>	<u>2,344.12</u>

NOTE NO. 9
Other Current Liabilities

	As at 31.03.2012 ₹ in Lakhs	As at 31.03.2011 ₹ in Lakhs
Other Payables	1,078.13	1,177.79
Advances and Deposits @	157.23	192.81
Current Maturities of Long Term Loan From GOI	4,309.40	2,643.83
interest accrued but not due	420.22	320.21
Interest Accrued & Due on GOI Loans	2,217.38	941.88
Unspent Balance against Workmen Housing Colony*	41.08	39.62
	<u>8,223.44</u>	<u>5,316.14</u>

@ include ₹ 1.25 lakhs (Previous year ₹ 1.26 lakhs) on account of advance deposited by workmen for allotment of House in Workmen's Colony.

*The details are

Amount recovered so far from workmen	147.12	144.84
Less : Expenditure on Workmen's Housing Colony	106.04	106.04
	<u>41.08</u>	<u>38.80</u>

NOTE NO. 10
Short Term Provision

	As at 31.03.2012 ₹ in Lakhs	As at 31.03.2011 ₹ in Lakhs
Gratuity	-	-
Leave Encashments	52.78	38.11
Warranty	16.10	13.10
	<u>68.88</u>	<u>51.21</u>

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



	<i>As at 31.03.2012 ₹ in Lakhs</i>	<i>As at 31.03.2012 ₹ in Lakhs</i>
	Gratuity	Leave Encashment
Amount to be Recognized in Balance Sheet		
<i>Present Value of Funded Obligation</i>	2872.37	1267.59
<i>Fair Value of Plan Assets</i>	(3,268.34)	(1,214.81)
<i>Net Liability</i>	(395.97)	52.78
Amounts in Balance Sheet		
<i>Liability</i>	(395.97)	52.78
<i>Assets</i>	-	-
<i>Net Liability</i>	(395.97)	52.78
Expenses to be Recognized in the statement of Profit & Loss		
<i>Current Service cost</i>	102.09	156.93
<i>Interest on Defined Benefit Obligation</i>	262.97	114.30
<i>Expected Return on Plan Assets</i>	(349.64)	(130.72)
<i>Net Actuarial Losses / (Gains) Recognised in Year</i>	(21.10)	(87.71)
<i>Total Included in "Employees' Emoluments"</i>	36.52	52.79
<i>Actual Return on Plan Assets</i>	319.18	118.40
Reconciliation of Benefit Obligations & Plan Assets For the Period		
Change in Defined Benefit Obligation		
<i>Opening Defined Benefit Obligation</i>	3,287.17	1,428.79
<i>Current Service Cost</i>	102.09	156.93
<i>Interest Cost</i>	262.97	114.30
<i>Actuarial Losses / (Gain)</i>	(9.36)	(100.02)
<i>Benefits Paid</i>	(770.51)	(332.41)
<i>Closing Defined Benefit Obligation</i>	2,872.36	1,267.59
Change in Fair Value of Assets		
<i>Opening Fair Value of Plan Assets</i>	3,719.67	1,390.68
<i>Expected Return on Plan Assets</i>	349.64	130.72
<i>Actuarial Gain / (Losses)</i>	(30.46)	(12.31)
<i>Contributions by Employer</i>	-	38.13
<i>Benefits Paid</i>	(770.51)	(332.41)
<i>Closing Fair Value of Plan Assets</i>	3,268.34	1,214.81



Summary of the Actuarial Assumptions	Gratuity	Leave Encashment
<i>Discount Rate</i>	8.60%	8.60%
<i>Expected Rate of Return on Assets</i>	9.45%	9.45%
<i>Salary Escalation Rate - Senior Staff</i>	11.58%	11.58%
<i>- Junior Staff</i>	11.58%	11.58%

b. The details of provision for warranty are given below :

(₹ in Lakhs)

Particulars	2011-12	2010-11
<i>Opening Baiance</i>	13.10	17.15
<i>Add : Provision for the year (net) including additional/ iess provision for eariier years</i>	9.79	1.48
Total	22.89	18.63
<i>Less : Payment/Debits</i>	6.79	5.53
<i>Closing Baiance</i>	16.10	13.10

NOTE No. 11

Fixed Assets

Amount in ₹

DESCRIPTION	GROSS BLOCK AT COST					ACCUMULATED DEPRECIATION				NET BLOCK		
	ADDITIONS DURING THE YEAR				Deduction/ Adjustment/ Transfer	AS AT 31.03.2012	AS AT 01.04.2011	For the Year	Impairment Loss/ Reversal of Impairment Loss	AS AT 31.03.12	AS AT 31.03.12	AS AT 01.04.11
	AS AT 01.04.2011	Acquisition through Business Combination	Other Addition	Total Addition during the year								
Tangible Assets												
A Lease Hold Land	12.58	-	-	-	-	12.58	5.24	0.14	-	5.38	7.20	7.34
Building (including Roads Services & Tubewell)	393.79	-	10.48	10.48	-	404.27	307.66	6.30	-	313.96	90.31	86.13
Plant and Machinery*	2,734.85	-	89.91	89.91	-	2,824.76	1,565.13	81.67	-	1,646.80	1,177.96	1,169.73
Special Tools	1,732.59	-	45.67	45.67	-	1,778.26	1,521.65	26.63	-	1,647.28	230.98	210.94
Handling Equipment	110.20	-	-	-	-	110.20	87.71	2.06	-	89.77	20.43	22.49
Furniture & Fixtures	332.37	-	0.89	0.89	-	333.26	285.39	8.24	-	293.63	39.63	46.98
Office Equipments	60.76	-	0.19	0.19	-	60.95	36.91	2.88	-	39.79	21.16	23.85
Electrical Equipments Installation & Fittings	184.75	-	0.20	0.20	-	184.95	152.42	1.74	-	164.16	30.79	32.33
Vehicles	94.62	-	-	-	-	94.62	73.78	5.34	-	79.12	16.50	20.84
TOTAL	6,666.61	-	147.34	147.34	-	6,803.86	4,036.89	134.00	-	4,169.89	1,633.96	1,620.63
B. Intangible Assets	-	-	-	-	-	-	-	-	-	-	-	-
C. Capital Work in Progress												
Capital items awaiting installation	92.84	-	60.89	60.89	147.34	6.39	-	-	-	-	6.39	92.84
Construction work in progress	4.73	-	-	-	-	4.73	-	-	-	-	4.73	4.73
Total	97.57	-	60.89	60.89	147.34	11.12	-	-	-	-	11.12	97.57
D. Intangible Assets Under Development	-	-	-	-	-	-	-	-	-	-	-	-

* Includes Pattern & Dies with others amounting to ₹ 9.67 lakhs (Previous year ₹ 9.67 lakhs)

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



NOTE NO. 12
Non Current Investments

	As at 31.03.2012 ₹ in Lakhs	As at 31.03.2011 ₹ in Lakhs
Investment at cost (Unquoted fully paid)		
UP Instruments Limited		
1,55,030 Equity Shares of ₹ 10 each	15.50	15.50
UP Tyres & Tubes Limited		
5,22,800 Equity Shares of ₹ 10 each	52.28	52.28
Co-operative Electric Supply Society Limited		
5,700 Equity Shares of ₹ 10 each	0.57	0.57
	<hr/>	<hr/>
	68.35	68.35
Less : Provision for estimated loss in value	68.35	68.35
	<hr/>	<hr/>
	-	-
	<hr/>	<hr/>

- 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 share is considered as Nil. Accordingly, possible loss in the investment (₹ 52.28 lakhs) has been provided for in the Accounts during 1996-1997.
- c. The company invested ₹ 0.57 lakhs in the shares of The Co-operative Electric Supply Society Limited in the year 1984. In absence of any information regarding the net worth of the company, a provision for the same has been made in the year 2006-2007.



NOTE NO. 13
Deffered Tax Assets

	As at 31.03.2012 ₹ in Lakhs	As at 31.03.2011 ₹ in Lakhs
(A) Deferred tax liability		
On account of timing difference with regard to depreciation.	245.00	234.66
Total A	245.00	234.66
(B) Deferred tax Assets		
On account of timing difference with regard to disallowance of provision in income Tax.	330.00	289.46
On account of timing difference with regard to unabsorbed depreciation, scientific research expenditure and carry forward losses.	4558.93	3974.53
Total B	4888.93	4263.99
Deferred Tax Assets (B-A)	4643.93	4029.33

In consideration of prudence, the above deferred tax assets aggregating to ₹ 4643.93 lakhs (Previous Year ₹ 4029.33 lakhs) has not been recognized by the Company in the financial statements in the current year, since it is not virtually certain whether the Company will have sufficient taxable income in near future against which such deferred tax assets can be realized. The same would be considered at appropriate time keeping in view the availability of sufficient future taxable income against which Deferred Tax Assets can be realized.

**NOTE NO. 14****Long Term Loans and Advances**

	<i>As at</i> 31.03.2012 ₹ in Lakhs	<i>As at</i> 31.03.2011 ₹ in Lakhs
<i>(Advances recoverable in cash or kind or for value to be received)</i>		
1. <i>Unsecured considered good :</i>		
a) <i>Deposits</i>	61.14	61.14
b) <i>Others</i> □	204.49	172.88
2. <i>Unsecured Considered doubtful</i>	39.57	39.57
	305.20	273.59
<i>Less : Provision for doubtful advances</i>	39.57	39.57
	265.63	234.02

□ *Include Due from Director**Maximum balance due from Directors at any time during the year* Nil

Nil

Balance at the end of the year Nil

Nil

Nil

NOTE NO. 15**Inventories**

	<i>As at</i> 31.03.2012 ₹ in Lakhs	<i>As at</i> 31.03.2011 ₹ in Lakhs
<i>Raw Materials and Components*</i>	1,733.58	1,142.02
<i>Stores and Spares</i>	169.63	163.78
<i>Loose Tools and Consumables*</i>	314.73	338.87
<i>Work-in-progress</i>	623.33	681.17
<i>Finished goods</i>	1,013.12	1,232.64
<i>Material-in-transit</i>	146.04	204.24
<i>Material under Inspection</i>	18.98	28.02
<i>Disposal Stores</i>	153.31	118.83
<i>Other Stock #</i>	40.58	25.13
	4,213.30	3,934.70
<i>Less : Provision for Inventory Obsolescence</i>	356.38	362.21
<i>Provision for material lying with sub Contractor doubtful of recovery</i>	17.84	17.84
	3,839.08	3,554.65

*Raw - materials, loose tools and consumables lying with sub-contractors/Licencees amount to ₹ 116.43 lakhs (Previous year ₹ 70.32 lakhs).

Other stocks includes petrol Pump of ₹ 26.47 lakhs (Previous Year ₹ 17.41 lakhs)

a. The Company held on security in respect of material lying with third parties/contractors to the tune of ₹ 116.43 lakhs (Previous year ₹ 70.32 lakhs).

b. Provision available for material doubtful of recovery is ₹ 17.84 lakhs (Previous year ₹ 17.84 lakhs).



NOTE NO. 16
Trade Receivables

	As at 31.03.2012 ₹ in Lakhs	As at 31.03.2011 ₹ in Lakhs
Unsecured		
<i>Debts outstanding for a period exceeding 6 months</i>		
<i>Considered good</i>	100.93	158.32
<i>Considered doubtful</i>	407.08	377.05
	508.01	535.37
<i>Other debts considered good</i>	139.05	143.47
	647.06	678.84
<i>Less : Provision for doubtful debts</i>	407.08	377.05
	239.98	301.79

- a. As on 31.03.2012 there is an outstanding of ₹ 90.59 lakhs) against M/s Amausi Motors Limited, Lucknow. Pursuant to the arrangement entered into by the company for liquidating the balances, the outstanding has come down during the year by ₹ 5 Lakhs (Previous year ₹ 2.99 lakhs). The outstanding is expected to be liquidated in the following years.
- b. Legal proceedings that are in progress for recovery of outstanding in case of 35 dealers, the amount involved, as on 31.3.2012 is ₹ 359.22 lakhs. (Previous year 31 dealers amounting to ₹ 338.80 lakhs) against which provision has been made.
- c. 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.

NOTE NO. 17
Cash and Bank Balances

	As at 31.03.2012 ₹ in Lakhs	As at 31.03.2011 ₹ in Lakhs
<i>Cash and stamps in hand</i>	2.44	2.68
<i>Cheques in hand</i>	1.98	0.28
<i>Margin Money Term Deposits</i>	2,013.79	1,252.21
<i>Other Term Deposits*</i>	1,022.60	351.24
<i>Balances with Scheduled Banks</i>	210.26	35.91
	3,251.07	1,642.32

*Term Deposits for ₹ 48.95 lakhs (Previous Year ₹ 45.77 lakhs) for E.S.I. Case.

NOTE NO. 18
Short Term Loans And Advances

	As at 31.03.2012 ₹ in Lakhs	As at 31.03.2011 ₹ in Lakhs
<i>(Advances recoverable in cash or kind or for value to be received)</i>		
1. Secured considered good	0.01	0.01
2. Unsecured considered good :		
a) Deposits	53.02	50.38
b) Others	683.89	1,119.27
3. Unsecured Considered doubtful	163.32	71.75
	900.24	1,241.41
Less : Provision for doubtful advances	163.32	71.75
	736.92	1,169.66
□ Include Due from Directors		
Maximum balance due from Directors at any time during the year	Nil	Nil
Balance at the end of the year	Nil	Nil

NOTE NO. 19
Other Current Assets

	As at 31.03.2012 ₹ in Lakhs	As at 31.03.2011 ₹ in Lakhs
Interest accrued on Term deposits	86.04	43.60
	86.04	43.60

NOTE NO. 20
Sales

	As at 31.03.2012 ₹ in Lakhs	As at 31.03.2011 ₹ in Lakhs
Three-Wheeler	20,655.36	15,770.98
Spare-parts	654.37	464.42
Petrol, Diesel, Lubricants etc. **	1,364.13	1240.12
	22,673.86	17,475.52

**Includes 64,321.94 ltrs. of petrol, diesel, oil etc. value ₹ 30.75 lakhs (Previous year 65,702.44 ltrs. Value ₹ 28.16 lakhs) consumed for internal use.



NOTE NO. 21
Other Income

	Year Ended 31.03.2012 ₹ in Lakhs	Year Ended 31.03.2011 ₹ in Lakhs
Miscellaneous Receipts		
Sale of :		
a) Empties	1.41	0.96
b) Miscellaneous Items & Scrap	122.57	76.89
Interest on :		
a) Term deposits	183.34	108.96
b) Others	3.09	9.60
Royalty	61.20	53.70
Excess Provision written back	6.67	33.53
Other receipts	18.33	15.60
	<u>396.61</u>	<u>299.24</u>

- a. Revenue recognition in respect of royalty income from M/s Fine White Line Limited (FWL), Lambretta Trademark Licencee, has been done on the basis of minimum royalty due amounting to ₹ 61.20 lakhs during the year, in view of non availability of turnover figure, discontinuance of royalty payment since June, 2010 onwards. Further in view of uncertainty in relationship with FWL as provision for ₹ 30.37 lakhs for 2010-11 & ₹ 61.20 lakhs for 2011-12 totalling ₹ 91.57 lakhs (previous year NIL) has also been made during the year. The company has also initiated legal proceeding against FWL for recovery of royalty due.

NOTE NO. 22
Consumption of Materials

	Year Ended 31.03.2012 ₹ in Lakhs	Year Ended 31.03.2011 ₹ in Lakhs
(I) Consumption of Materials :		
a) Raw Materials and Components		
Opening Stock	1,142.02	943.82
Add : Purchases	15,011.20	11,403.84
	<u>16,153.22</u>	<u>12,347.66</u>
b) Less :		
i) Closing Stock	1,733.58	1,142.02
ii) Shortages in Inventory written off	-	-
	<u>1,733.58</u>	<u>1,142.02</u>
c) Consumption of Materials (a - b)	<u>14,419.64</u>	<u>11,205.64</u>
(II) Petrol Pump		
a) Opening Stock	17.41	19.32
Add : Purchases	1,344.31	1,211.56
	<u>1,361.72</u>	<u>1,230.88</u>
b) Less :		
i) Closing Stock	26.47	17.41
ii) Shortages written off	0.24	0.20
	<u>26.71</u>	<u>17.61</u>
c) Cost of sales at Petrol Pump (a - b)	<u>1,335.01</u>	<u>1,213.27</u>

- a. The consumption of material is derived as a balancing figure by adding opening inventory with purchases during the year and deducting closing inventory.

NOTE NO. 23
Accretion / (Decretion) to Stock

	Year Ended 31.03.2012 ₹ in Lakhs	Year Ended 31.03.2011 ₹ in Lakhs
Opening Stock		
Finished Goods	1,232.64	805.50
Work-in-progress	681.17	499.31
Disposal Stores	118.83	71.65
A	<u>2,032.64</u>	<u>1,376.46</u>
Closing Stock		
Finished Goods	1,013.12	1,232.64
Work-in-progress	623.33	681.17
Disposal Stores	153.31	118.83
B	<u>1,789.76</u>	<u>2,032.64</u>
(Accretion) / Decretion	(A - B) 242.88	(656.18)

NOTE NO. 24
Employees' Benefit Expenses

	Year Ended 31.03.2012 ₹ in Lakhs	Year Ended 31.03.2011 ₹ in Lakhs
Salaries, Wages and Bonus*	2,749.34	2,794.18
Leave Encashment	86.31	93.49
Contribution to PF	196.02	206.23
Employer's share of Pension Contribution	65.52	76.55
Interest Subsidy on House Building Loan	1.39	2.86
Contribution to ESI Scheme	17.52	14.76
Contribution to Employees' Group Insurance	17.28	16.15
Medical benefits	107.77	132.21
Canteen expenses	57.82	64.63
Transport expenses	90.95	84.61
Rent (Leasehold accommodation)	0.15	0.11
Gratuity	43.70	25.59
Leave travel assistance	25.49	28.91
Uniform	1.91	10.07
Benevolent expenses	3.05	4.90
Children education allowance	0.67	0.96
Other expenses	6.96	7.42
Total	<u>3,471.85</u>	<u>3,563.63</u>

* Includes stipend paid to the trainees/apprentices ₹ 27.77 lakhs (Previous year ₹ 20.05 lakhs).

a. The dues of the officers are to be settled w.e.f. October 2011 to December 2011. The balance dues are expected to be settled on receipt of necessary non plan support from Government of India.

**NOTE NO. 25****Other expenses of Manufacture, Administration, Selling and Distribution**

	As at 31.03.2012 ₹ in Lakhs	As at 31.03.2011 ₹ in Lakhs
Stores, Spares and Tools	438.12	330.12
Power & fuel	365.71	351.92
Repairs : a) Building	12.52	13.88
b) Plant & Machinery	85.32	85.94
c) Others	42.54	39.80
Fabrication Charges	-	0.77
Research and Development	11.19	27.96
Excise Duty with Cess	150.56	112.97
Rent	22.05	20.51
Postage, Telegram and Telephone	15.29	15.65
Directors; Sitting Fees	-	0.15
Directors' Travelling Expenses	10.72	9.81
Travelling Expenses	35.44	36.22
Printing and Stationery	18.21	19.24
Board Meeting Expenses	0.37	0.24
Legal Expenses	40.92	21.12
Consultancy Charges	11.21	19.31
Rates and Taxes	4.32	4.48
Vehicle Running and Maintenance	6.94	4.69
Bank Charges	20.29	12.25
Insurance	3.37	3.12
Miscellaneous Expenses	22.85	20.20
Demands and Interest on Taxes	0.82	1.17
Advertisement & Sales Promotion Expenses	9.74	6.57
Freight & Packing Expenses	229.32	171.83
Service Expenses (Free Coupon/After Sales Service)	67.95	51.71
Cash Discount & Incentives	8.87	50.59
Entry Tax	16.97	6.64
Loss in Exchange Rate due to Fluctuation	-	0.10
Bad and Doubtful Debts, Advances and others written off	0.24	0.20
Provision for doubtful debts/advances	122.44	13.48
Provision for inventory obsolescence	-	74.54
Total	1,774.29	1,527.18

NOTE NO. 26
Finance Cost

	Year Ended 31.03.2012 ₹ in Lakhs	Year Ended 31.03.2011 ₹ in Lakhs
Interest on Loans and advances from :		
Government of India	1,375.51	874.99
Banks	149.19	111.95
Others	16.17	66.81
	<u>1,540.87</u>	<u>1,053.75</u>

NOTE NO. 27
Exceptional Items

	Year Ended 31.03.2012 ₹ in Lakhs	Year Ended 31.03.2011 ₹ in Lakhs
Adhoc Payment	<u>316.70</u>	-
	<u>316.70</u>	-

- a. Government of India have conveyed non-approval of wage revision vide Letter No. F.No. 3(65)/2011-PE-VI dated 20.03.2012. Accordingly no provision for revision for wage revision w.e.f 01.01.2002 has been made in Annual Accounts.
- An advance of ₹ 300 per month was being paid to workmen w.e.f. 01.08.2004, the said advance was being recovered from the separated workmen which had been a matter of industrial dispute leading to the decision of the Central Government Labour Court cum Appellate Tribunal to award the refund of the said money.
- In view of decision of CGIT and Board's Resolution, it has been decided to :
- I. To stop recovery of ad-hoc payment of ₹ 300/- made from retiring employees w.e.f March 2012
 - II. Payment of ₹ 300/- as ad-hoc payment instead of Recoverable advance i.e. without any consequential benefit w.e.f March 2012 for workmen on the rolls of the company.
 - III. The amount involved for the payment from 2004-2005 to 29.02.2012 which has been recovered from the retired workmen amounting ₹ 141.04 lakhs is proposed to be refunded depending upon cash flow.
- Accordingly provision of ₹ 317 lakhs has been made in the Annual Accounts as Exceptional items.
- As the Company is not meeting the criteria of the guidelines for revision of salary and wages to be implemented w.e.f. 1.1.2007, no provision has been made in the Accounts.

NOTE NO. 28
Earning Per Share (EPS)

	2011-2012	2010-2011
Profit as per Profit & Loss Account (₹ in lakhs)	(1,993.99)	(1,711.14)
Average number of Equity Shares (Face value ₹ 10 each)	42,992,255	42,992,255
Basic & Diluted Earning per share (in ₹)	<u>(4.64)</u>	<u>(3.98)</u>

**NOTE NO. 29**

	As at 31.03.2012 ₹ in Lakhs	As at 31.03.2011 ₹ in Lakhs
<i>Estimated amount of contracts (net of advances) remaining to be executed on Capital Accounts and not provided for</i>	NIL	14.55

**NOTE NO. 30
Contingent Liabilities**

	As at 31.03.2012 ₹ in Lakhs	As at 31.03.2011 ₹ in Lakhs
<i>Company is contingently liable for</i>		
(i) <i>Claims against the company not acknowledged as debts.</i>		
(a) <i>Consumer Forum Cases (Refer Point No.A)</i>	10.00	12.00
(b) <i>UP Govt.</i>	98.55	98.55
(c) <i>Cases of Private Parties.</i>	110.91	238.64
(d) <i>In connection with guarantee/indemnity given by SIL and UPSIDC to OBC (Refer Point No. B.)</i>	404.94	378.23
(e) <i>SIL vs ESIC (Refer Point No.C)</i>	66.30	66.30
(f) <i>Punjab National Bank vs SIL (Refer Point No.D)</i>	213	213
(g) <i>Demand Notices raised by Central Excise and Service Tax Authorities.</i>	70.92	67.23
	Plus Further Penalty Indeterminate	Plus Further Penalty Indeterminate
(ii) <i>Unfavorable Arbitration award in the matter between Odnance Factory Board and the Company. (Refer Point No.E)</i>	23.85+Interest thereon	192.98
(iii) <i>Counter claim of M/s UPSIC (Refer Point No.F)</i>	9.27 Plus Interest Indeterminate	9.27 <i>Plus Interest Indeterminate</i>
(iv) <i>Employees' Cases pending before various Court</i>		
(a) <i>In Labour Court (13 in Nos.)</i>	Indeterminate	<i>Indeterminate</i>
(b) <i>In Other (126 in Nos.)</i>	Indeterminate	<i>Indeterminate</i>
(v) <i>The Workmen Housing Colony (Refer Point No. G)</i>	2412.00	2412.00



Point No. A

The amount involved in 10 cases (previous year 11 cases) of Consumer forum is estimated at ₹ 10 lakhs (previous year ₹ 12 lakhs). In remaining 78 cases (previous year 76 cases) the amount is indeterminate.

Point No. B

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

Point No. C

Employee State Insurance Corporation (ESIC) demanded ESI contribution of the employees from SIL in contravention of the judgement and order dated 22.06.2005 passed in SIL vs BIFR & Others and Appeal No. 304 of 2002 by tribunal AAIFR. The case is pending before High Court, Lucknow Bench. The company has not recognized liability of ₹ 66.30 lakhs (previous year ₹ 66.30 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 laon 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, the Company filed a Review Petition before the Law Secretary on the merits of the case as allowed by the Committee on Disputes. The Review Petition dismissed by Law Secretary has not considered the issue on the merit of the case 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 ₹ 192.98 lakhs) in the books of accounts and it is shown as contingent liability.

Point No. F

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

Point No. G

The Company is in physical possession of the land measuring 41 bigha, 3 biswa and 18 biswansi acquired for Workmen's Housing colony under "Own Your House Scheme". The compensation determined by the Land Acquisition Officer of U.P Government amounting to



₹ 2.29 lakhs was paid by the Company. However, subsequently, some land owners entered into litigation for higher compensation before Nagar Mahapalika Tribunal against the State Government. The U.P. State Government has filed an appeal before the Hon'ble High Court challenging the order of the Tribunal and final decision is still awaited. The Company has also been impleaded as a party to the said appeal. The additional liability on the part of the Company, if any, is not ascertainable.

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

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. 31

Sales-tax assessment both under UPVAT and CST has been completed up to the Financial year 2007-08. The Income-tax assessment has been completed up to assessment year 2010-11 (financial year ended on March 31, 2010). The company does not foresee any liability against pending assessment.

Note No. 32

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

Note No. 33

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. 34

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. 35

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 31-03-2012.

Note No. 36

Related party disclosure as required by AS-18

- (a) List of related parties during the financial year 2011-12

Whole-Time Directors

Shri Ajai Kumar, Chairman-cum-Managing Director

Shri P.P. Sarkar, Director (Technical)

Part-Time Director

Shri Vikram Guiati (From 1st April 2011 to 6th September 2011)

(b) Transaction with related parties				₹ In lakhs
Sl.No.	Nature of Transaction	Associates	Directors	Total
1	Remuneration	-	20.06	20.06

Note No. 37

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. 38

The company has been declared sick under section 3(1) (o) of the SICA by BIFR in its meeting held on 18th February, 2010 consequent to the reference made by the company due to erosion of its net worth as on 31st March 2009.

NOTE No. 39

Loans From GOI

Amount in ₹

Particulars	Loan Amount	Rate of Interest (Normal/ Penal)	Month of Last Installment Due	Default up to 31.03.2012			Outstanding as on 31.03.2012			Outstanding as on 31.03.2011		
				Principal	Normal Interest	Penal Interest	Principal	Normal Interest	Penal Interest	Principal	Normal Interest	Penal Interest
<u>Plan Loan</u>	52.00	12.50%/2.75%	Repaid	-	6.50	6.29	-	6.50	6.29	-	6.50	5.30
	135.00	12.50%/2.75%	Mar-11	81.00	20.25	31.91	81.00	20.25	31.91	81.00	20.25	16.47
	225.00	12.50%/2.75%	Repaid	-	16.88	15.06	-	16.88	15.06	-	16.88	13.22
	110.00	11.50%/2.75%	Repaid	-	17.71	13.20	-	17.71	13.20	-	17.71	10.67
	160.00	11.50%/2.75%	Repaid	-	33.12	24.14	-	33.12	24.14	-	33.12	19.42
	50.00	12.50%/2.75%	Apr-09	10.00	1.25	3.43	10.00	1.25	3.43	10.00	1.25	1.72
	50.00	12.50%/2.75%	Feb-10	10.00	1.25	3.43	10.00	1.25	3.43	10.00	1.25	1.72
	13.00	12.50%/2.75%	Mar-11	7.80	1.95	3.07	7.80	1.95	3.07	7.80	1.95	1.59
	150.00	11.50%/2.75%	Repaid	-	10.35	6.92	-	10.35	6.92	-	10.35	5.45
	300.00	14.50%/2.25%	Mar-09	42.86	6.21	24.66	42.86	6.21	24.66	42.86	6.21	16.44
	104.00	12.50%/2.75%	Mar-10	41.60	7.80	19.03	41.60	7.80	19.03	41.60	7.80	11.50
<u>Non Plan Loan</u>												
	945.00	14.50%/2.75%	Mar-14	567.00	328.86	163.99	945.00	328.86	163.99	945.00	246.65	56.23
	1,421.00	14.50%/2.75%	Nov-14	568.40	370.88	84.57	1,421.00	370.88	84.57	1,421.00	206.05	-
	1,422.00	14.50%/2.75%	Mar-15	568.80	371.14	84.64	1,422.00	371.14	84.64	1,422.00	206.18	-
	769.00	14.5%/2.75%	Jun-15	153.80	111.51	-	769.00	111.51	-	769.00	-	-
	324.00	14.50%/2.75%	Jun-15	64.80	46.98	-	324.00	46.98	-	324.00	-	-
	778.00	14.50%/2.75%	Nov-15	155.60	112.81	-	778.00	112.81	-	778.00	-	-
	323.00	14.50%/2.75%	Nov-15	64.60	46.83	-	323.00	46.83	-	323.00	-	-
	785.00	14.50%/2.75%	Feb-16	157.00	113.83	-	785.00	113.83	-	785.00	-	-
	530.00	14.50%/2.75%	Feb-16	106.00	76.85	-	530.00	76.85	-	530.00	-	-
	717.00	13.50%/2.50%	Mar-16	39.46	26.63	-	197.28	26.63	-	197.28	-	-
	454.00	13.50%/2.50%	Mar-16	5.11	3.45	-	25.58	3.45	-	25.58	-	-
	197.00	13.50%/2.50%	Aug-16	-	-	-	197.00	-	-	-	-	-
	24.00	13.50%/2.50%	Aug-16	-	-	-	24.00	-	-	-	-	-
	158.00	14.50%/2.75%	Oct-16	-	-	-	158.00	-	-	-	-	-
	19.00	14.50%/2.75%	Oct-16	-	-	-	19.00	-	-	-	-	-
	367.00	14.50%/2.75%	Jan-17	-	-	-	367.00	-	-	-	-	-
	43.00	14.50%/2.75%	Jan-17	-	-	-	43.00	-	-	-	-	-
Total	10,625.00			2,643.83	1,733.04	484.34	8,521.12	1,733.04	484.34	7,713.12	782.15	159.73
Less : Included in Current Maturities (Note No.9)							4,309.40	-	-	2,643.83	-	-
Less : Interest Accured & Due on GOI Loan (Note No.9)							-	1,733.04	484.34	-	782.15	159.73
Amount Included in Note No. 5							4,211.72	-	-	5,069.29	-	-

All loans are for a period of 5 years equal installment except loan for paint shop ₹ 300 lakhs which was for 7 year.



NOTE NO. 40

Additional information pursuant to Revised Schedule VI part II of the Companies Act, 1956

1. Stock and Turnover for the year ended Mar 31,2012

	Stocks					
	At Commencement		At Close		Turnover	
	Nos	₹ in Lakhs	Nos	₹ in Lakhs	Nos	₹ in Lakhs
Vikram Three Wheeler	1,165 (823)	1,169.79 (750.70)	1,093 (1,165)	956.03 (1169.79)	17,584 (14,039)	20,655.36 (15,770.98)
Spares and Components	-	62.84 (54.75)	-	57.09 (62.84)	-	654.37 (464.42)
Petrol Pump stock* (Quantity Ltrs.)	36,600 (46,291)	17.41 (19.32)	47,228 (36,600)	26.47 (17.41)	2,702,901 (2,797,750)	1,364.13 (1240.12)

Explanatory Notes :

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

(1) Figures in brackets relate to previous year.

(2) Petrol Pump turnover represents the sale of Diesel, Petrol & Other Oil & Lubricants. The Company purchased 27,13,968 ltrs. of Diesel/Petrol during the year (Previous Year 27,88,436 ltrs). There has been evaporation loss of 438.20 ltrs. (Previous Year 377.60 ltrs).

(3) Turnover includes the following export sales

	2011-12		2010-11	
	Nos	₹ in Lakhs	Nos	₹ in Lakhs
Vikram Three Wheeler	-	-	-	-
Spares & components	-	60.36	-	25.40

Note : Export sales includes deemed export of ₹ 10.44 lakhs (Previous Year ₹ 7.51 lakhs).

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

	2011-12	2010-11
	₹ in Lakhs	₹ in Lakhs
A. C.I.F. Value of Imports		
Spare parts/Components	8.80	-
Capital goods	-	-
Others	2.45	-
	11.25	-



	2011-12 ₹ in Lakhs	2010-11 ₹ in Lakhs		
B. Expenditure in foreign currencies <i>On account of royalty, know-how, professional consultation fees, interest, provisions and others</i>	-	-		
C. Earnings in foreign currencies <i>Export of goods calculated on F.O.B. Basis*</i>	49.93	17.89		
<i>Royalty</i>	-	53.70		
	49.93	71.59		
Explanatory Notes :				
1. Earnings in foreign currencies are after adjustment of gain or loss on exchange rate as applicable.				
* Export Sales does not include Deemed Export.				
3. Details of Raw Materials Consumed				
(i) Raw Materials (including spare parts) and Components.				
	2011-12		2010-11	
		Value		Value
<i>Materials</i>	<i>Unit</i>	<i>Qty. (₹ in Lakhs)</i>	<i>Qty.</i>	<i>(₹ in Lakhs)</i>
<i>Ferrous</i>	<i>Kg.</i>	2,374,003	856.74	2,481,842
	<i>Mtrs</i>	160,869	466.94	142,636
<i>Non-ferrous</i>	<i>Kg.</i>	231,211	302.90	194,438
<i>B.O.S.F.</i>	-	-	3,890.40	-
<i>Tyres & Tubes</i>	<i>Nos</i>	141,285	1,121.83	123,118
<i>Spare-parts Components</i>	-	-	7,780.83	-
			14,419.64	11,205.64
(ii) Value of imported and indigenous raw-materials consumed (including spare-parts and components)				
	2011-2012		2010-11	
	₹ in Lakhs	%	₹ in Lakhs	%
(a) Imported (CIF, custom duty and other charges)	13.93	0.10	-	-
(b) Indigenous	14,405.70	99.90	11,205.64	100.00
	14,419.64	100.00	11,205.64	100.00

**4. Auditor's Remuneration**

	2011-12 ₹ in Lakhs	2010-11 ₹ in Lakhs
(a) Statutory Auditor's Audit fee	0.67	0.66
(b) Fee for Certification & Consultation	0.90	0.88
(c) Cost Audit Fees	0.24	0.24
(d) Tax Audit Fees	0.22	0.22
	2.03	2.00

The above figures includes service tax.

Note No. 41

The financial statement for the year ended March 31, 2011 had been prepared as per the then applicable, pre-revised Schedule VI to the Companies act 1956. Consequent to the notification of Revised Schedule VI under the Companies Act 1956, the financial statement for the year ended March 31, 2012 are prepared as per Revised Schedule VI. Accordingly, previous year's figures have been regrouped, rearranged and recast, wherever necessary, to make them comparable with those of the current year.

B.N. Raj
Financial Controller

S.K. Goyal
Director

Ajai Kumar
Chairman-cum-Managing Director

As per our separate report of even date
For S. Srivastava & Co.
Chartered Accountants

Place : Lucknow
Date : 9th July, 2012

Sanjeev Srivastava
(Partner)
Membership No. 73449



SCOOTERS INDIA LIMITED

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

NOTICE

Notice is hereby given that the 40th Annual General Meeting of the members of Scooters India Limited will be held at **3.00 p.m. on Monday, the 24th day of September, 2012, at Gandhi Bhawan Auditorium, Opposite Shaheed Smaarak, Mahatma Gandhi Marg, Lucknow** to transact the following business:

ORDINARY BUSINESS :

1. To receive, consider and adopt the Directors' Report, the Auditors' Report and the Audited Balance Sheet and Profit & Loss Account of the Company for the year ended 31.3.2012.
2. To appoint a director in place of Mr. Ajai Kumar, who retires by rotation and being eligible has offered himself for re-appointment.
3. To consider and, if thought fit, to pass, with or without modification, the following resolution as a Special Resolution:

"RESOLVED that pursuant to Section 224(8) (aa) of the Companies Act 1956, and other applicable provisions, if any, of the Companies Act, 1956, the remuneration of the Statutory Auditors appointed by Comptroller & Auditor General of India (C & AG) under section 619(2) of the said act, be and is hereby approved to be fixed at Rs. 60,000/- for the year 2012-13."

SPECIAL BUSINESS :

4. To consider and, if thought fit, to pass with or without modifications, the following as Ordinary Resolution :

"RESOLVED that Shri Harbhajan Singh be and is hereby regularized as an ordinary director in terms of the provision of section 257 of the Companies Act, 1956."

5. To consider and, if thought fit, to pass with or without modifications, the following as Ordinary Resolution :



"RESOLVED that Shri S.K. Goyal be and is hereby regularized as an ordinary director in terms of the provision of section 257 of the Companies Act, 1956."

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

"RESOLVED that pursuant to provision of Section 31 and other applicable provisions, if any, of the Companies Act 1956, the Articles of Association of the Company be and is hereby amended by way of deletion of Clause 20 and replacement thereof by new Class 20 reading as under --

Article 20 - Notwithstanding anything contained in the Act, but subject to the provisions of Sub Sec. (2) of Sec. 77A and 77B, the company may purchase its own Shares or other specified securities (herein after referred to as buyback) from :

- i) out of its free reserves or*
- ii) out of its Securities premium account, or*
- iii) out of the proceeds of an earlier issue other than fresh issue of Share made specifically for buyback purpose.*

The buy back may be

- From the existing holders on proportionate basis*
- From the open market*
- From the odd lots*
- by purchasing the securities issued to employers of the Company pursuant to a scheme of Stock Option of Sweat Equity*

By order of the Board of Directors

**Sd/-
Ajai Kumar
Chairman –cum-Managing Director**

Place : Lucknow

Date : August 23, 2012

**NOTES:**

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY, TO ATTEND AND VOTE INSTEAD OF HIMSELF. SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING. THE PROXY FORM IS ENCLOSED AT THE END OF ANNUAL REPORT.**
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 **17.9.2012** to **24.9.2012** (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 Auditorium will be strictly against Entry slip available at the counters at the venue and against exchange of Attendance Slip.*
9. *Member can avail of nomination facility by filling Form 2B, as prescribed under Companies (Central Governments) General Rules & Forms, 1956, with the Company. Blank forms will be supplied on request.*
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 , NEWDELHI-110020.*



EXPLANATORY STATEMENT UNDER SEC.173(2) OF COMPANIES ACT 1956

Item No. 4 & 5 :

Shri Harbhajan Singh & Shri S.K. Goyai had been appointed as a Director of the company, under article 112 (f) of the Articles of Association of the Company, vide letter no. 1-6/2005-PE-VI dated 13.09.2011 & letter No.3-20/2005-PE-VI dated 17.05.2012 respectively from Government of India, Ministry of Heavy Industries & Public Enterprise, Department of Heavy Industry. Notice in writing under section 257 of the Companies Act, 1956 has been received from member signifying their intention of proposing Shri Harbhajan Singh & Shri S.K. Goyai as candidates for the office of Directors.

The Board commends the resolution set out in the item No.4 & 5 of the notice for your approval as an ordinary resolution. None of the Director except Shri Harbhajan Singh & Shri S.K. Goyai are interested in resolution for their respective re-appointment.

Item No.6 :

Govt. of India, Ministry of Hi & PE, Deptt. of Public Enterprises vide its O.M. No. DPE/14(24)/2011-Fin. dated 26th March 2012 has directed all listed CPSEs for amending the Articles of Association to provide for buy back of share if such provision does not exist in their Articles. Articles of Association of Scooters India Limited does not provide provision regarding buy back of shares. Accordingly it is proposed to amend the Articles of Association by way of deletion of existing Article 20 and replacement of new Article 20 to provide for buy-back of share.

Pursuant to the provisions of the Section 31 of the Companies Act, 1956, the said alteration in the article of association requires the approval of the shareholders of the company by way of the special resolution.

The Board commends the resolution set out in the item No.6 of the notice for your approval as a special resolution.

None of the Directors is concerned or interested in the above resolution.

By order of the Board of Directors

Sd/-

Ajai Kumar

Chairman-cum-Managing Director

Place : Lucknow

Date : August 23, 2012



GREEN INITIATIVES

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

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, following information is furnished about the Directors

Shri Ajai Kumar – aged 55 years, M.Tech.(Mechanical), IIT-Kanpur, started his career with Oil & Natural Gas Corporation Limited and served in various positions and places. Before joining SIL as CMD on 23rd April 2008 he was with the assignment of Head Central Workshop, ONGC, Sivasagar (Assam).

Shri Harbhajan Singh - aged 54 years, an IAS Officer of 1983 Batch of Uttar Pradesh Cadre, has been appointed as a Part-time Official Director of SIL w.e.f. 13.09.2011. He is a post graduate in History and also a Law graduate.

Shri Harbhajan Singh served in the State of Uttar Pradesh in various capacities as Assistant/Sub-Divisional/Joint/District Magistrate; Chief Development Officer, General Manager of U.P Small Industries Corporation and U.P Finance Corporation; and gained experience in the field of Land Revenue Management and District Administration between 1985 to 1997. He has worked in Education Department; Industrial Development Department; Geology and Mines Department in the capacity of Special Secretary; Secretary and Director and gained experience in the field of Human Resource Development; Industries; Urban Development; Mines and Minerals during the period 1997 to 2000.

Shri Harbhajan Singh has worked in the Ministry of Consumer Affairs, Food & Public Distribution; Ministry of Civil Aviation; Ministry of Coal & Mines; Government of India, as Director and Joint Secretary during 2000 to 2006.

He has worked in the level of joint Secretary and Additional Secretary in Milk Board; Food & Civil Supplies; Medical Education Department between March 2006 to December 2009. Presently, he is the joint Secretary in the Ministry of Heavy Industries and Public Enterprises, Department of Heavy Industry.

Shri S.K. Goyal - Aged 52 years, has been appointed as a Part-time non-official Director of SIL w.e.f 17.05.2012. He is a Chartered Accountant and also a Company Secretary and belongs to Indian Cost Accounts Service, 1988 batch. Presently, he is working as Director (Finance) in the Ministry of Heavy Industries and Public Enterprises.

He is also Part-time non-official Director of M/s Nepa Limited, M/s Cement Corporation of India Ltd., M/s Andrew Yule & Co. Ltd. & Bharat Bhari Udyog Nigam Ltd.

He has worked as Director in Ministry of Micro, Small & Medium Enterprises, Ministry of Finance, Department of Expenditure, O/o Chief Adviser Cost, Ministry of Defence. He has also worked as Financial Adviser (Housing) in Delhi Development Authority.

CUT HERE

Attendance Card
SCOOTERS INDIA LIMITED

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

Attendance Card

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

I/We hereby record my/our presence at the **40th Annual General Meeting** of the Company held on Monday, 24th September, 2012 at 3.00 p.m. at Gandhi Bhawan Auditorium, Opp. Shaheed Smaarak, Mahatma Gandhi Marg, Lucknow

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

Notes :

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

PROXY
SCOOTERS INDIA LIMITED

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

Form of Proxy

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

I/We
..... of in the
district of
being a MEMBER/MEMBERS of the abovenamed Company
hereby appoint..... of
..... in the
district of as my/our
proxy to vote for me/us on my/our behalf at the 40th Annual
General Meeting of the Company to be held on **24th September,
2012** and at any adjournment thereof.

Affix
Re. 1
revenue
stamp

Signature

Signed this day of 2012.

NOTE : THIS PROXY FORM DULY FILLED IN MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY AT SCOOTERS INDIA LIMITED, POST BOX NO. 23, SAROJININAGAR P.O., LUCKNOW-226008 NOT LESS THAN 48 HOURS BEFORE THE TIME FOR HOLDING THE MEETING

CUT HERE

If undelivered please return to :
SCOOTERS INDIA LIMITED
(A Government of India Enterprise)
Registered Office : Lucknow - Kanpur Road,
(16th Mile Stone), Post Bag No. 23 (G.P.O.),
P.O. Sarojini Nagar, Lucknow - 226 008.

BOOK POST

UNDER CERTIFICATE OF POSTING