



स्कूटर्स इण्डिया लिमिटेड

(भारत सरकार का उद्यम)
सरोजनी नगर, लखनऊ - 226008

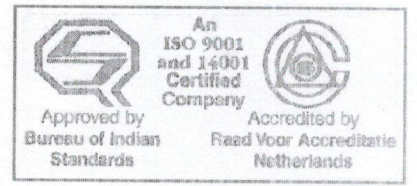
Scooters India Limited

(A Government of India Enterprise)

Post Bag No.23, Sarojini Nagar, Lucknow-226008

CIN: L25111UP1972GOI003599; website: www.scootersindia.com

Email: cs@scootersindia.com



Date: 05.09.2020

SIL:CS:2020:BSE:44

To,
BSE Limited
P.J. Towers, Dalal Street,
Mumbai 400 001, India.

Ref: Scrip code: 505141 - Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015
Sub: 48th Annual General Meeting of Scooters India Limited to be held on Monday, September 28, 2020 & copy of 48th Annual Report.

Dear Sir/ Ma'am,

Further to our letter dated September 03, 2020 regarding intimation of the 48th Annual General Meeting of the members of the Scooters India Limited scheduled to be held at 10:30 a.m. on Monday, the 28th day of September 2020, through Video Conferencing / Other Audio Visual Mode and Book closure period from Monday, September 21, 2020 to Monday, September 28, 2020, pursuant to Regulation 42 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. Please find attached herewith 48th Annual Report, as circulated to all the members and other concerned along with copy of notice convening 48th Annual general Meeting.

We humbly request you to kindly take the above on your records.

Thanking You,
For Scooters India Limited

Renati Sreenivasulu
Chairman & Managing Director
Encl.: as above

48th ANNUAL REPORT 2019-20



Scooters India Limited

(A Government of India Enterprise)

An ISO 9001 Company

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SCOOTERS INDIA LTD.
Serving the Common man Since 1972



BOARD OF DIRECTORS

Functional Directors

| | | |
|--------------------------|-------------------------------------|-------------------------|
| Shri Renati Sreenivasulu | Chairman & Managing Director | 06.10.2016 to till date |
| Shri S. Sakthimani | Director Finance(Additional Charge) | 30.05.2018 to till date |

Government Nominee Director

| | | |
|-------------------|------------------------------------|-------------------------|
| Shri S.K Singh | GOI, Part time Official Director | 15.01.2018 to till date |
| Smt Ritu Pande | GOI, Part time Official Director | 13.11.2018 to till date |
| Smt Rakesh Sharma | Non Executive Independent Director | 28.01.2020 to till date |
| Shri M.P. Singh | Non-Executive Independent Director | 28.01.2020 to till date |

STATUTORY AUDITOR

Asija & Associates LLP
1st Floor, 34/5 Gokhle Marg,
Lucknow 226001

SECRETARIAL AUDITOR

Amit Gupta & Associates
Office B-12, Basement,
Murli Bhawan, 10-A, Ashok Marg,
Lucknow-226001

REGISTERED OFFICE & WORKS

Lucknow-Kanpur Road
(16th Mile Stone)
Post Bag No.23
(Po) Sarojini Nagar
Lucknow-226008

REGISTRAR & TRANSFER AGENT

Skyline Financial Services Private Limited
D-153/A, 1st Floor
Okhla Industrial Area
Phase-1
New Delhi-110020
Ph-011-26812682
Fax-26812682

INTERNAL AUDITOR

Vimal Dixit & Associates
Chartered Accountants,
66/75,Chitwanpur Road,
Opp Vikas Deep Building,
Station Road, Lucknow

STOCK EXCHANGE

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

**DIRECTORS' REPORT**

Dear Shareholders,

The Board of Directors of your Company is pleased to present the 48th Annual Report on the business and operations of the Company together with the audited Balance Sheet and statement of Profit and Loss Account and Auditors' Report thereon for financial year ended 31st March, 2020.

1. PRODUCTION REVIEW

| Description | 2018-19 | (Nos.) |
|--------------|---------|---------|
| | | 2019-20 |
| ThreeWheeler | 4703 | 3857 |

2. SALESREVIEW

The Sales performance for the year is shown below:

| Description | 2018-19 | | 2019-20 | |
|---------------------------------|----------|---------------------------|----------|---------------------------|
| | Physical | Financial (₹ In lakhs) | Physical | Financial (₹ In lakhs) |
| Three Wheeler | 4252 | 6196.53 | 4599 | 6757.21 |
| Spares | | 185.67 | | 347.72 |
| Petrol, Diesel, Lubricants etc. | | Nil | | Nil |
| Other Operating Revenue | | 3.00 | | 95.72 |
| Total | | 6385.20 | | 7200.65 |

3. FINANCIAL REVIEW

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

| Description | 2018-19 | (₹ In lakhs) |
|---|----------|--------------|
| | | 2019-20 |
| a) Profit/Loss before Depreciation, Interest, Taxes, Prior Year Items & Other Income. | (484.48) | (1572.96) |
| b) Profit/Loss before Depreciation, Interest, Taxes & Other income | (484.48) | (1572.96) |
| c) PBIDT | (269.96) | (1365.54) |
| d) Profit/(Loss) for the year | (463.26) | (1572.51) |



During the year under report:

- I. Loss before depreciation, interest, taxes, prior year items & other income increased by Rs.1088.48 lakhs as compared to the previous year.
- II. Loss before depreciation, interest, taxes, & other income increased by Rs. 1088.48 Lakhs as compared to the previous year.
- III. Loss before depreciation, interest & taxes, increased by Rs. 1095.58 lakhs as compared to the previous year.
- IV. Loss for the year increased by Rs.1091.87 lakhs as compared to the previous year.

4. CONTRIBUTION TO EXCHEQUER

The company has contributed a sum of Rs.1110.37 lakhs (towards duties & taxes) to the exchequer during the period under review vis-à-vis Rs. 684.93 lakhs during previous financial year.

5. DIVIDEND

In view of losses, the Directors did not recommend final dividend for the Financial Year 2019-20.

6. TRANSFER TO RESERVES

In view of the losses, the Company does not propose to transfer to the general reserves out of the amount available for apportion.

7. ISSUE OF SHARES WITH OR WITHOUT DIFFERENTIAL RIGHTS WE AT EQUITY, ESOP:

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

8. EXPORT

The company has exported 04 truck loads of vehicles to Nepal in 2019-20. Another lot could have been dispatched but because of Covid 19 Lockdown the same could not be materialized.

9. EXPENDITURE ON ADVERTISEMENT AND PUBLICITY:

An expenditure of Rs.188.56 Lakhs was incurred on account of advertisement and publicity in the year.

10. STATUS OF REPAYMENT OF LOAN FROM GOI

The Government of India, Ministry of Industries & Public Enterprises, Department of Heavy Industry released funds by way of interest free plan loan amounting to Rs. 2000.00 lakhs during the financial year 2013-14 for working capital under an approved revival package of Scooters India Limited by Cabinet/Misc. Application approved by BIFR. As per sanction 23.7.2013/BIFR order the loan was repayable in 5 installments commencing from 23.7.2016 onwards i.e. 3 years from date of sanctioning i.e. beginning w.e.f. 23.7.2016. In accordance with the Board's decision in their meeting held on 8th April 2016 and in the background of letter F.No. 3(15)/2013-PE-VI dated 5th March 2015, the interest on CAPEX funds temporarily deployed as FDR remitted to Government of India in April 2014 amounting to Rs. 128.11 lakhs was adjusted against the installment of Rs. 400.00 lakhs due on 23rd July 2016. Accordingly principal of Rs 1600 lacs is outstanding.

11. MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED FROM 01.04.2020 TO DATE

No material change and commitment have been made by the company from 01.04.2020 to date that has adverse effect on the financial position.

Global Pandemic - Covid-19

The outbreak of Coronavirus (COVID-19) pandemic globally and in India is causing significant disturbance and slowdown of economic activity. In many countries, businesses are being forced to cease or limit their operations for long or indefinite periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown. The world is in the mid of COVID-19 pandemic and it is yet unclear how it will unfold in near future. The governments across the world are deploying drastic measures, such as lockdowns, to contain this pandemic.

The economic impact of the 2020 corona virus pandemic in India has been largely disruptive. India's growth in the fourth quarter of the fiscal year 2020 went down to 3.1% according to the Ministry of Statistics. The Chief Economic Adviser to the Government of India said that this drop is mainly due to the corona virus pandemic effect on the Indian economy. Notably India had also been witnessing a pre-pandemic slowdown, and according to the World Bank, the current pandemic has "magnified pre-existing risks to India's economic outlook".

For the Company, the focus immediately shifted to ensuring the health and well-being of all employees, and on minimizing disruption to services for all our customers globally. From a highly centralized model consisting of work spaces set in large delivery campuses capable of accommodating thousands of employees, the switch to work from home for employees.

This being an unprecedented crisis humankind is facing, the full assessment of the impact on the business will be possible only with the passage of time.

12 Management Discussion and Analysis:

Industry structure and development : Automotive industry in India is one of the main pillars of the economy. With strong backward and forward linkages, it is a key driver of growth. Liberalization and conscious policy interventions over the past few years created a vibrant, competitive market, and brought several new players, resulting in capacity expansion in automobile industry and generation of huge employment. Aply, the sector was christened as the 'Sunrise Sector' of the economy.

The contribution of this sector to the National GDP rose from 2.77% in 1992-93 to about 7.1% now. It provides direct and indirect employment to over 19 million people. India is fast turning into a global automotive hub. For the last two financial years in continuation, the 3-wheeler industry has gone up ward.

| Three Wheelers | | | | |
|--------------------------------|--------------------------------|-----------------|---------------------------------|---------------|
| Manufacturers | Domestic Sales (In Numbers) | | Market Share (In Percentage) | |
| | April-March | | April-March | |
| | 2018-19 | 2019-20 | 2018-19 | 2019-20 |
| Atul Auto Limited | 44,513 | 40,711 | 6.35 | 6.40 |
| Bajaj Auto Ltd | 3,98,825 | 3,64,817 | 56.89 | 57.31 |
| Mahindra & Mahindra Ltd | 66,140 | 58,145 | 9.44 | 9.13 |
| Mahindra Electric Mobility Ltd | 559 | 4,042 | 0.08 | 0.63 |
| Piaggio Vehicles Pvt Ltd | 1,69,970 | 1,52,366 | 24.25 | 23.94 |
| Scooters India Ltd | 4,288 | 4,550 | 0.61 | 0.71 |
| TVS Motor Company Ltd | 16,709 | 11,934 | 2.38 | 1.87 |
| Total | 7,01,005 | 6,36,569 | 100.00 | 100.00 |



In this financial year, the automotive industry is now suffering from excess capacity and suppressed demand leading to lay-offs. Some of the areas causing distress in the automotive sector are: slowdown in economic growth, high cost of vehicle finance, high interest rates, high fuel prices, high inflation and negative market sentiments, increase in the commodity prices, high customs duty on Alloy Steel, Aluminium Alloy and Secondary Aluminium Alloy.

The Automobile market has witnessed negative trend during the entire financial year. The demand during 2019-20 were low because of several factor like entire supply chain started restricting their supplies in view of the BS-VI norms. Electric Vehicles registration is a challenge in Passenger segment because of CMVR Rules mandating plying of contract carriage three wheelers with permits to be decided by states.

MISSION, VISION & OBJECTIVE

VISION SIL Vision is to grow as an organization in the field of automobiles with greater emphasis on E- Mobility.

MISSION Our Mission is to strengthen SIL presence in E-Mobility by foraying into Electric Vehicle market and thus to provide cleaner mobility solutions for future generations.

OBJECTIVE

- Design, Development and Commercialization of two variants of Electric 3-Wheeler/ one variant of BS-VI 3-Wheeler by 2020-21.
- Design, Development and Commercialization of two more variants of Electric 3-Wheeler/BS-VI 3-Wheeler by 2021-22.
- Consolidation of E-Mobility business and BS-VI 3-Wheelers to make SIL a force of domination in 3-Wheeler Industry.
- Creating Niche market sin Electric Vehicle Market.

B. MARKET SCENARIO-SEGMENT /PRODUCT WISE PERFORMANCE

I. (i) The total number of 3-Wheelers produced and sold in the domestic market by manufacture sin India during the year 2019-20 as against 2018-19 is given below:

| Category | Productions | |
|-----------------------|--------------------------|-------------------|
| | April'18- March'19 | April'19-March'20 |
| Segment/ Sub- segment | | |
| Passenger Carrier | 1132700 | 1017051 |
| Goods Carrier | 136023 | 116807 |
| Total | 1268723 | 1133858 |
| | Domestic Sales (In Nos.) | |
| Passenger Carrier | 572392 | 525015 |
| Goods Carrier | 128619 | 111554 |
| Total | 707011 | 636569 |

Note : Sales excluding Export of 567683 nos. in 2018-19 and 502169 nos. in 2019-20.

Scooters India Limited has been a pioneer in bringing out various models of 3-Wheelers running on Diesel, Electric, LPG and CNG for applications as both passengers and load carrier versions. Company has played an important role in popularization of 3-Wheelers of larger capacity in the country. SIL has achieved sales of 4599 nos. in 2019-20. This has also resulted in increase the SIL market share from 0.61% in 2018-19 to 0.71% in 2019-20.



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 was 100% in 2019-20 (SIL sales 1190 nos. out of 1190 nos.).

- i) 3-Wheelers growth drivers in future are as under:
- Rapid development of infrastructure and focus of both Central as well as State Govt. on infrastructure mainly on roads, the demand of 3-wheeler may see an upward trend in coming years. The demand driver for 3-Wheelers are its afford ability as an economical viable transport solution. How ever the demand for 3-Wheeler passenger carrier depends on the availability of permits issued by Local RTO's.
 - Increased demand from semiurban & rural areas for 3-Wheelers because of its high product maneuverability and drivability
 - Suitability of 3-Wheelers for congested Indian road sand tropical conditions.
 - Self employment opportunity for a large no of youths especially with the Govt. focus on various schemes for the unemployed youths.
 - 3-Wheelers of smaller capacity are in great demand in load carrier segment because of increase in organizing retail marketing across the country which requires faster and economical transportation.

C OPPORTUNITIES AND THREATS

C 1 : Strengths

- Integrated plant with capability to produce majority of components by exercising checks on incoming RM quality and operations.
- Induction of new Machinery through CAPEX has improved quality of critical components as well as Productivity.
- Skilled manpower at reduced cost by re-engaging retired personnels.
- Scope of doubling/tripling the production with minimum investment.
- Company has the advantage of E-Vehicle experience in late 90's as the automotive market is poised for growth in E-Mobility in coming years

C 2 : Weakness

- Depleting manpower.
- Sourcing of material at economical costs is difficult due to low volumes. This is also resulting in weak supply chain.
- The plant is located far way from automotive hubs like NCR, Pune, Chennai
- Not able to introduce new models/variants due to low volumes of production.
- Not having strong "vehicles finance" tieups.

C 3 : Opportunities

- Expected exponential growth in E-Mobility sector
- Untapped markets-South, East & Exports
- Developing hub and spoke transportation model
- Increasing allocation of funds for E-Mobility under FAME Schemes
- Rapidly growing awareness about vehicular pollution leading to policy formulation for increase use of alternate fuel vehicles such as Electric Vehicle
- Navratna companies like BHEL, NTPC have joined hands with SIL to promote E-Mobility .

C 4 : Threats

- Implementation of BSVIe mission norms w.e.f. 01/04/2020 for which the engine manufacturer are not ready with their engine and solution.



- In the last month of FY 2020, GOI notified implementation of countrywide lockdown due to COVID-19 pandemic under Disaster Management Act resulting affected business activities.
- Growing Electric vehicle market but the allied motor, controllers & Lilon battery manufacturing facilities are adversely affected because of Indo-China adverse relation as-well-as Covid-19 scenario.
- Increase in product substitution effect by rapidly growing 4 Wheeler SCV Increased competition both from organized and unorganized players. Frequent changes in Market Dynamics, Volatility in Raw Materials prices / input and difficulty in passing on cost increase.

D : Future Outlook:

- The need for new design features in the existing product combined with improved quality features demands significant investment in Research & Development and also in plant & machinery. Existing over-lived plant & machinery is an area of concern.
- Manpower is a challenge on all fronts. The average age profile of the employees is very high. The manpower cost in the company is still high because of low volumes. The company needs to reduce its manpower cost even while putting efforts to infuse fresh blood simultaneously.
- The Automobile Industry as a whole has witnessed negative growth in the past 02 financial consecutively. The entire automobile engineering and especially commercial vehicles is facing tough challenge on the front of approaching BS VI implementation. The 3-wheelers industry is facing competition from 4- wheelers SCV in 1.0 ton and sub 1.0ton category which is expected to aggravate the extremely competitiveness scenario and impact the volumes and margins.
- Strict regulatory laws combined with restriction on holding release of new passenger permits shall act as deterrent for company growth.
- Employees' aspiration for implementation of 2007 wage and salary revision.
- Covid-19 Pandemic situation is still in force. The Country has been under lockdown till the end of May, 20 and still unlock phase is not complete. As a result of business environment as suffered badly because the focus of customers has shifted from buying new goods to take care of health first safe.

E. Strategic Road Map:

Although there are several challenges faced by commercial vehicle segment and automobile industry in country, the performance of your company has improved considerably in comparison to the previous year because of increased production and sales. Your company have already initiated various initiatives to meet the forthcoming challenges for BSVI dead lines with strategic planning of Electric vehicles:

- Type Approval of Vikram 3 Wheeler Electric (6P+D) Passenger and Goods Carrier obtained from ICAT.
- The Type Approved vehicle has successfully qualified for FAME-II criteria of Government which indicate that vehicle is energy efficient.
- Introduction of Vikram Electric 3 Wheeler in (6P+D), (3P+D) Passenger and Goods Carrier with different makes of Lilon Battery pack, DC Motor & Controller is under way.
- Development of Electric 2 Wheeler with Vijai Super/Lambretta design is under process.
- Working on E-Bus, E-Bicycle, E-4 wheeler is under way.
- In long term it is planned to introduce electric Passenger/Load Carrier vehicles with Lilon Battery and AC Motor.



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 transaction sare authorized, recorded and reported correctly.

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

OPERATIONAL REVIEW vs FINANCIAL REVIEW

During the year under report the company operations reported an increase in production nos. as well as revenue from operations and as a result of which the net losses are minimized significantly as compared to previous financial year. The operations of company remained under stress for following reasons :-

- a) The company received the letter no. F.No.3(1)/2020-PE-VI dated 28.01.2020 from DHI wherein it was intended for closure of SIL in principle. As are sult of this all stakeholders of company started exercising restraints in business relations with SIL sensing following apprehensions:
 - Dealers & Customers: Dealersreported that customers have started refraining from buying SIL 3 wheelers perceiving future service credibility issues like Warranty/ Free services & supply of Spare Parts.
 - Vendors : All vendors supplying material to company started restricting their supplies & credit exposure. Most vendors changed their payment terms from Credit to advance.
 - Financial Institutions: All Banks & Financial institutions restricted themselves for extending Cash Credit, Over Draf to rany other operational Credit to SIL.
- b) As per Government of India plan BS-IV norms were valid upto 31.03.2020 only as are result of which the entire supply chain as-well-as customer started restricting both supply of components as-well-as new purchases considering the fact that their inventory should not be blocked. Further Covid-19 has worsened the situation.

Duetotheabovechange,theoperationsduringthecurrentyear2020 are also under stress.

MATERIAL DEVELOPMENTS INHUMAN RESOURCES/INDUSTRIAL RELATIONS FRONT AND NUMBER OF PEOPLE EMPLOYED:

The manpowers trength of the Company as on 31st March 2020 was 579 no. including regular and non-regular employees. Only 93no. of employees are regular including Officers/staff's/Workmen.

The Company has put continued efforts to build capabilities for the workforce by adopting specific and targeted interventions for different categories of the work force. The Company conducted several in-house programs at specific locations with both internal and external training program which includes Mergers & Acquisition incl. Disinvestment compliances, Corporate Governance, Financial Management and Decision Making, Total Quality Management, Contract Management & Negotiation skills, GST Implementation issues & Challenges, Cost Optimization in CPSEs, IIFRS, HR Audit & HR Analytics etc.The Company maintained harmonious industrial relation in all unit of the Company during 2019-20.

SIGNIFICANT CHANGES IN FINANCIAL RATIOS

[Pursuant to Schedule V(B) to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]



Key Financial Ratios for the financial year ended 31st March, 2020 along with details of significant changes (i.e. change of 25% or more as compared to the immediately previous financial year) in key financial ratios, and the detailed explanations, are provided below:

| Financial Ratio | Standalone | | Change | Reason for such change |
|-------------------------|------------|----------|--------|---|
| | 2019-20 | 2018-19 | | |
| Operation Profit Margin | -21.2331 | -0.10615 | -21.13 | Due to Increase in Sales of three wheeler |
| Net Profit Margin | -21.2270 | -0.07019 | -21.16 | Due to Increase in Sales of three wheeler |

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 Net-worth of the Company, as per annual accounts for the year ended at 31st March, 2009. BIFR approved the miscellaneous application filed by the Company for seeking necessary permission/appropriated directions for reliefs & concession enabling issue of shares, restructuring of balance sheet and for release of funds for capital expenditure and working capital in line with the cabinet decision for revival of SIL. The Draft Rehabilitation Scheme (DRS) was submitted by the Operating Agency (SBI) for submission with BIFR. BIFR in its hearing dated 15.09.2015 directed that SIL ceases to be a sick industrial company, with the meaning of Section 3(1)(o) of the SICA as its net worth has turned positive and it is, therefore, discharged from the purview of SICA/BIFR.

13. DIRECTORS' RESPONSIBILITY STATEMENT:

In accordance with the provisions of section 134(3)(c) and 134(5) of the Companies Act, 2013 your Directors to the best of their knowledge confirm that:

- in preparation of the annual accounts for the year ended March 31, 2020, the applicable accounting standards have been followed and that there are no material departures in adoption of these standards.;
- they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year ended on March 31, 2020 and of the losses of the Company for year ended on that date;
- they have taken proper and sufficient care, to the best of their knowledge and ability, for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- they have prepared the annual accounts on a going concern basis;
- they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively to the best of their knowledge and ability; and
- Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and are operating effectively.

**14. DIRECTORS, KEY MANAGERIAL PERSONNEL, APPOINTED AND RESIGNED:**

Government of India, Ministry of Heavy Industries & Public Enterprises, Department of Heavy Industry has vide its Order No. F.No.:1(1)/2016-PE-VI dated 26th September, 2016, appointed Shri Renati Sreenivasuluas Chairman & Managing Director of SIL for the period of five years or till the date of his superannuation or until further orders, whichever is earliest. Shri Renati Sreenivasulu has joined as Chairman & Managing Director of SIL w.e.f. 06.10.2016. Mr. Sakthimani Seshamani has been appointed as a Director (Finance) of Scooters India Limited on additional charge basis w.e.f. 30.05.2018 in terms of Letter no. F.No.3 (4)/2018-PE-VI dated 30th May 2018 issued by Govt. of India, Ministry of Heavy Industries & Public Enterprises, Department of Heavy Industry, New Delhi. The appointment was made for the period of three months, however was extended from time to time.

Government of India, Ministry of Heavy Industries & Public Enterprises, Department of Heavy Industry has vide its order No. 3(20)/2013-PE-VI dated 28.01.2020, appointed Shri Mahendra Pratap Singh and Smt Rakesh Sharma as an Independent Directors for the period of three years or till further orders. The Board commends for members approval for appointment of Independent Directors at ensuing AGM.

In accordance with the provisions of Section 152 of the Act read with the Articles of Association of the Company, Mr. Renati Sreenivasulu, Director will retire by rotation at the ensuing AGM and being eligible, offer himself for reappointment. The Board has recommended his reappointment. The Board commends for his re-appointment.

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

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

The Nomination & Remuneration Committee (NRC) has been constituted. As appointments of Directors are made by the Government of India, accordingly, evaluation of Directors are done by the Government of India. It may also be noted that Ministry of Corporate Affairs vide notification dated 5th June 2015 has exempted Government Companies from the provisions of section 178(2), (3) and (4) which requires formulation of criteria for determining qualifications, positive attributes, independence and annual evaluation of Directors & Policy relating to remuneration of Directors. Similar exemption is anticipated from SEBI under SEBI LODR. The other matters relating to remuneration, if any, are placed to Nomination and Remuneration Committee.

15. NUMBER OF MEETINGS OF THE BOARD



The Board met 06 times during the financial year, the details of which are given in the Corporate Governance Report that forms part of this Annual Report. The intervening gap between any two meetings was within the period prescribed by the Companies Act, 2013 and the Listing Agreement Regulations.

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

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

17 PARTICULARS OF EMPLOYEES:

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

18. INDUSTRIAL RELATION:-

During the period under review, the industrial relations have been by and large satisfactory, however non-regular employee [ATTs/Cont. (JT)] has been protesting hard for safe guarding their services in closure activity for while Ministry had already provided in principle approval.

19. TRAINING AND DEVELOPMENT

Employees of the Company are the most important constituent and Company understands that without their motivation and development the Company cannot progress. The Company has been analyzing developmental needs in technical and managerial area and provide equisite training and exposure to all employees at all levels in the area on Professional Excellence through motivation etc. employees were trained during 01.04.2019 to 31.03.2020 on course of Fire Fighting, Vigilance, Industrial Safety & Health, Corporate Governance, Financial Management and Decision Making, Total Quality Management, Contract Management & Negotiation skills, GST Implementation issues & Challenges, Cost Optimization in CPSEs , International Financial Reporting Standards HR Audit & HR Analytics etc.

| Programme Details | Officers | Staffs | Workmen | Trainees | Total |
|-------------------|------------|-----------|-----------|------------|------------|
| External | 29 | 0 | 0 | 01 | 30 |
| Internal | 140 | 05 | 37 | 158 | 498 |
| Total | 169 | 05 | 37 | 159 | 528 |

20 VIGILANCE:

Vigilance Group continues to function with particular emphasis on preventive and corrective vigilance. Strict vigil was exercised over various activities as part of Preventive Vigilance measures and suggestions were made to the Management for system improvement. Company also observed Vigilance Awareness Week from 28th October, 2019 to 2nd November, 2019. During the Vigilance Awareness Week employees participated in various programmes enthusiastically.

**21. HUMAN RESOURCE DEVELOPMENT:**

Employees of the Company are the most important constituent and Company understands that without their motivation and development Company cannot 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, Health care 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 frame work for Cost Audit Compliances, Finance for Non-finance Executives, International Commercial Practices, Energy Conservation, House Keeping etc.

22. 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.

23. REPRESENTATIVE FOR SCHEDULED CASTES & SCHEDULE TRIBE:

As on 31.03.2020 the total strength of the company is 93 Out of these, 22 employees belong to Scheduled Castes and 01 employee to Scheduled Tribe.

24. INDEPENDENT DIRECTOR'S DECLARATION

Directors on the Board of the Company are appointed by the Administrative Ministry. Ministry appointed the Independent Directors after several request of SIL. The appointment of Independent directors made by the Ministry vide its order no. 3(20)/2013/PE-VI dated 28.01.2020. During the year two independent director were appointed on the board of the Company.

As per the requirement of section 149(7), the Company has received a declaration from every Independent Director that he or she meets the criteria of independence as laid down under section 149(6) read with rule 5 of the Companies (Appointment and Qualification of Directors) Rule, 2014 and Regulation 25 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015. The Independent Directors of your Company have confirmed that (a) they meet the criteria of Independence as prescribed under Section 149 of the Act and Regulation 16 of the Listing Regulations 2015, (b) they are not aware of any circumstance or situation, which could impair or impact their ability to discharge duties with an objective independent judgement and without any external influence and (c) they have registered their names in the Independent Directors' Databank. Further, in the opinion of the Board, the Independent Directors fulfil the conditions prescribed under the Listing Regulations 2015 and are independent of the management of the Company. The Independent Directors meeting was held on financial year 2020-21. The Meeting was conducted without the presence of the Chairman, Executive Directors and any other Managerial Personnel.

**25. DISCLOSURE ON REAPPOINTMENT OF INDEPENDENT DIRECTORS:**

During the year two Independent Directors were appointed on the Board of SIL. Hence, disclosure pertaining to reappointment of independent directors does not apply.

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

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

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

The Nomination & Remuneration Committee (NRC) has been constituted. As appointments of Directors are made by the Government of India, accordingly, evaluation of Directors are done by the Government of India. It may also be noted that Ministry of Corporate Affairs vide notification dated 5th June 2015 has exempted Government Companies from the provisions of section 178(2), (3) and (4) which requires formulation of criteria for determining qualifications, positive attributes, independence and annual evaluation of Directors & Policy relating to remuneration of Directors. Similar exemption is anticipated from SEBI under SEBI LODR. The other matters relating to remuneration, if any, are placed to Nomination and Remuneration Committee

27. ANNUAL EVALUATION OF PERFORMANCE OF BOARD, ITS COMMITTEE AND DIRECTORS

The Company enters into MoU with the Administrative Ministry in the month of March every year for the next financial year. Before signing the MoU the targets are negotiated with the Company in detail by the MoU Task Force constituted by the DPE. The evaluation of performance of the Company against MoU parameter is done by DPE every year and MoU score is communicated by it to the Company through the Administrative Ministry.

28. ATTRIBUTES, QUALIFICATIONS & INDEPENDENCE OF DIRECTORS AND THEIR APPOINTMENT

Being a Government Company, the Non-Executive Directors are drawn from amongst pool of eminent persons with experience in business/finance/law/public administration and enterprises. The Board Diversity Policy of your Company requires the Board to have balance of skills, experience and diversity of perspectives appropriate to the Company. The skills, expertise and competencies of the Directors as identified by the Board, are provided in the 'Report on Corporate Governance' forming part of the Report



and Accounts. The Articles of Association of your Company provide that the strength of the Board shall not be fewer than three nor more than fifteen. Directors are appointed/ re-appointed with the approval of the Members for a period of three to five years or a shorter duration, in accordance with retirement guidelines and as may be determined by the Board from time to time. All Directors, other than Independent Directors and Managing Director are liable to retire by rotation, unless otherwise approved by the Members. One-third of the Directors who are liable to retire by rotation, retire every year and are eligible for re-election.

29. BOARD EVALUATION

In keeping with SIL's belief that it is the collective effectiveness of the Board that impacts Company's performance, the primary evaluation platform is that of collective performance of the Board as a whole. Board performance is assessed against the role and responsibilities of the Board as provided in the Act and the Listing Regulations 2015 read with the Company's Governance Policy. The parameters for Board performance evaluation have been derived from the Board's core role of trusteeship to protect and enhance shareholder value as well as to fulfill expectations of other stakeholders through strategic supervision of the Company. Evaluation of functioning of Board Committees is based on discussions amongst Committee members and shared by the respective Committee Chairman with the Board. Individual Directors are evaluated in the context of the role played by each Director as a member of the Board at its meetings, in assisting the Board in realizing its role of strategic supervision of the functioning of the Company in pursuit of its purpose and goals. The evaluation of individual Directors was carried out against the laid down parameters, anonymously in order to ensure objectivity.

As appointment of Independent Directors by DHI was made almost at end of the financial year, the exclusive meeting of Independent Directors was held in financial year 2020-21 to review the performance of the non-Independent Directors and the Board, pursuant to Schedule IV to the Act and Regulation 25 of the Listing Regulations 2015.

30. GOING CONCERN STATUS

There is no significant or material order passed during the year by any regulator, court or tribunal impacting the going concern status of the Company or its future operations.

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

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

32. ADEQUACY OF INTERNAL CONTROL:

The Company has proper and adequate system of internal controls to ensure that all activities are monitored and controlled against any unauthorized use of disposal of assets, and that the transactions are authorized, recorded and reported correctly. The Company ensures adherence to all internal control policies and procedures as well as compliance with all regulatory guidelines. The Company has in place adequate internal financial controls with reference to financial statements. The Statutory Auditors of the Company tested such controls and no reportable material weakness in the design or operation was observed.



(i) Reporting of Fraud

There was no instance of fraud during the year under review, which require the Statutory Auditor to report to the Audit Committee/andor Board under section 143(12) of the Act and rules made there under.

33. FIXED DEPOSITS

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

34. AUDITORS' REPORT

M/s Asija & Associates LLP have been appointed as Statutory Auditor of the Company by Comptroller & Auditor General of India on 31.07.2019.

The Statutory Auditors' Report on the accounts of the Company for the financial year ended 31st March, 2020 are enclosed at **ANNEXURE-2**.

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

The management replies to the comments made by Auditors are placed at **Annexure - 3A**.

35. STATUTORY AUDITOR

Comptroller and Auditor General of India has appointed Asija & Associates LLP as statutory Auditor of the Company for the year 2019-20.

36. CORPORATE GOVERNANCE:

Your Company is in compliance with all the applicable provisions of Corporate Governance as stipulated under Chapter IV of the Listing Regulations. A detailed report on Corporate Governance as required under the Listing Regulations is provided in a separate section and forms part of the Annual Report.

A Certificate from M/s Bhavya Taneja & Associates, Company Secretaries regarding compliance of conditions of Corporate Governance as stipulated under regulation 34(3) of the SEBI Listing regulations, 2015 along with the report on Corporate Governance is attached as **Annexure - 4 & 4A** to this report.

37. SECRETARIAL AUDITOR:

M/s Amit Gupta & Associates, Practicing Company Secretaries were appointed as secretarial auditors of the Company for the year 2019-20 as required under Section 204 of the Companies Act, 2013 and Rules made there under. The secretarial audit report in Form MR-3 for FY2019-20 forms part of the Directors Report and is placed at **ANNEXURE-5**. Regarding comments/qualifications in the said report, it is submitted that the Company has taken up matter regarding appointment of Independent Directors/women Director with DHI and with the said appointments the Board has become duly constituted in accordance with the provisions of the Companies Act, 2013 & Listing agreement-Regulations and necessary compliances regarding constitution of various Committees viz. Audit Committee, Nomination & Remuneration Committee etc. has also be made. Further the Company is in process of filing of necessary returns with the Registrar of Companies, Kanpur.

38. SECRETARIAL STANDARDS



The Directors state that applicable Secretarial Standards, i.e. SS-1 and SS-2, relating to 'Meetings of the Board of Directors' and 'General Meetings', respectively, have been duly followed.

39. SIGNIFICANT AND MATERIAL ORDERS

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

40. AUDIT COMMITTEE AND VIGIL MECHANISM

In view of appointment of Independent Directors by GOI, the Company is having Audit Committee pursuant to requirement of section 177(1) of Companies Act, 2013 read with Rule 6 of the Companies (Meeting of Board and its Powers) Rules, 2014 and Regulation 18 of the SEBI Listing Regulations, 2015 & erst while clause 49 of Listing Agreement.

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

41. EXTRACT OF ANNUAL RETURN:

Pursuant to Section 92(3) of the Act and Rule 12(1) of the Companies (Management and Administration) Rules, 2014, the extract of the Annual Return in the prescribed form i.e., Form MGT-9 is annexed herewith as Extract of Annual Return of the Company is annexed here with as **ANNEXURE-7** to this report.

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

During the year, the remuneration of Chairman & Managing Director was Rs.26.64 lakhs and median employee's remuneration was Rs. 6.71 lakhs. The Chairman & Managing Director remuneration comes to 370.64% of median employees' remuneration. (**ANNEXURE-8**).

43. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

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

44. PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES:

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

Particulars of contracts or arrangements with related parties referred to in section



188(1) of the Companies Act, 2013 as required under section 134(3)(h) of the Act read with Rule 8(2) of the Companies (Accounts) Rules 2014, are presented in **Annexure-9** to the Directors' Report in Form AOC2.

The Board has adopted a Policy for dealing with Related Party Transaction. The Policy as approved by the Board may be viewed on the Company website at the [weblink:www.scootersindia.com](http://www.scootersindia.com).

45. RISK MANAGEMENT:

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

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

46. LISTING:

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

47. CORPORATE SOCIAL RESPONSIBILITY:

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

As per the Companies Act, 2013, all companies with a net worth of Rs. 500 crore or more, or turn over of Rs. 1,000 crore or more or a net profit of Rs. 5 crore or more during any financial year are required to constitute a Corporate Social Responsibility (CSR) committee of the Board of Directors comprising of three or more directors, at least one of whom should be an independent director and such company shall spend at least 2% of the average net profits of the company's immediately preceding three financial years on CSR activities. In view of losses the Company has ceased to fall in the requirement of doing CSR.

48. VIGILANCE CASES:

In pursuance of Order No. F.No. 26(1)/2016PE-VI dated January 24, 2018 issued by Ministry of Heavy Industries & Public Enterprises; Department of Heavy Industries Committee recommends including vigilance cases during the year. The Report is as follows:

During 2019-20, 8 (Eight) complaints related to procurement and corruptions were investigated by Vigilance Department out of which 5 (five) complaints related to

procurement were carried to a logical conclusion and appropriate disciplinary decision has been taken. The remaining 3 (three) related to procurement and corruptions were under various stages of investigation as on 31.03.2020.

49. RIGHT TO INFORMATION CASES:

In pursuance of Order No. F.No.26(1)/2016PE-VI dated January 24,2018 issued by Ministry of Ministry of Heavy Industries & Public Enterprises; Department of Heavy Industries Committee recommends including RTI matters during the year. The Report is as follows:

| RTI CASES STATUS FOR FY 2018-19 | | | | | | |
|--|---|---|---|--|---|----------------------|
| | Application Received in FY 2019-20 | No. of cases transferred to other Public Authorities | Decisions where request/ appeals rejected* | Decisions where request/ appeals accepted | Cases Disposed off in FY 2018-19 | Cases Pending |
| Requests | 32 | NIL | 02 | 30 | 30 | NIL |
| First Appeal | 0 | NIL | NIL | 0 | 0 | NIL |
| Second Appeal | NIL | NIL | NIL | NIL | NIL | NIL |

50. DISCLOSURE AS PER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company's has always had a very strict policy on the sexual harassment issues and has zero tolerance in this matter. Ensuring a safe environment for its women employees is a major priority for the Company and its management. The Company has complied with provisions relating to the constitution of Internal Complaints Committee under Sexual harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. It has formed an Internal Compliant Committee (ICC) to deal with all the matters or matters incidental thereof. In your Company's legacy of more than 40 years, no instance of sexual harassment has ever been reported by any employee. During the year 2019-20 the Company has receive one complaint which is under investigation.

51. GENERAL

Your Directors state that no disclosure or reporting is required in respect of the following matters as there were no transactions on these items during the year under review:

- Details relating to deposits covered under Chapter V of the Act.
- Issue of equity shares with differential rights as to dividend, voting or otherwise.
- Issue of shares (including sweat equity shares) to employees of the Company under any scheme including Employees Stock Options Plan.
- The Company does not have any scheme of provision of money for the purchase of its own shares by employees or by trustees for the benefit of employees.
- Neither the Managing Director nor the Whole-time Directors of the Company receive any remuneration or commission from any of its subsidiaries.



- No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company' operations in future.
- No fraud has been reported by the Auditors to the Audit Committee or the Board.

52 FORWARD-LOOKING STATEMENTS

This Report contains forward-looking statements that involve risks and uncertainties. When used in this Report, the words 'anticipate' 'believe' 'estimate' 'expect' 'intend' 'will' and other similar expressions as they relate to the Company and/or its Businesses are intended to identify such forward-looking statements. The Company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise. Actual results, performances or achievements could differ materially from those expressed or implied in such forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements that speak only as of their dates. This Report should be read in conjunction with the financial statements included herein and the notes thereto.

53. 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, Dealer and Suppliers. The Directors would also like to express their sincere thanks for the co-operation and advice received from Govt. of India, particularly, Department of Heavy Industry and Public Enterprises, BIFR, BRPSE, the State Govt. and the local authorities for their continued support, co-operation and guidance.

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

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

Place : Lucknow

Date : August 24, 2020



ANNEXURE-1

PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE
DISCLOSURE CONSERVATION OF ENERGY :

The information pertaining to conservation of energy, technology absorption, foreign exchange earnings and outgo, as required under the Companies Act, 2013 read with the Companies (Accounts) Rules 2014 is given herein below the required additional information:

I. CONSERVATION OF ENERGY
a) Measures being taken
Compressors

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

Water

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

Power

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

(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 1-A.

II. TECHNOLOGY ABSORPTION:

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

III. FOREIGN EXCHANGE EARNINGS AND OUTGO

Efforts and initiative in relation to exports:

Foreign Exchange earned by way of export of goods was Rs. NIL in 2018-19 as compared to Rs. NIL during previous financial year.

ANNEXURE-1A

| Form for Disclosure of particulars with respect for conservation of energy- | | | |
|---|--------------------|----------|---------|
| Description | | 2018-19 | 2019-20 |
| A Power and fuel consumption | | | |
| 1. Electricity | | | |
| a) Purchased | | | |
| Unit* | | 3141600 | |
| Total Amount (Rs.) | | 29095127 | |
| Rate/Unit (Rs.) | | 9.26 | |
| b) Own Generation | | | |
| i Through Diesel Generator | | | |
| Unit* | | 40 | |
| Units per litre of diesel oil | | 0.135 | |
| Cost per Unit (Rs.) | | 7.4 | |
| ii Through Steam Turbine/Gen | | | |
| Unit* | | | |
| Unit per litre of diesel oil | | | |
| Cost/Unit (Rs.) | | | |
| iii Through Steam Turbine/Gen | | | |
| Unit* | | | |
| Unit per litre of diesel oil | | | |
| Cost/Unit (Rs.) | | | |
| 2. Coal | | | |
| Quantity (Ton) | | | |
| Total Cost | | | |
| Average rate | | | |
| 3 (a) Furnace Oil | | | |
| Quantity (Ton) | | | |
| Total Amount (Rs.) | | | |
| Average Rate per Kg.(Rs.) | | | |
| 3 (b) Light Diesel Oil | | | |
| Quantity (Kilo litres) | | 40.00 | 24 |
| Total Amount (Rs.) | | 2048800 | 1229280 |
| Average Rate per Kg.(Rs.) | | 51220 | 51220 |
| 4. Others/internal generation (Please give details) | | | |
| Quantity | | | |
| Total Cost | | | |
| Rate/Unit | | | |
| B . Consumption per unit of production | | | |
| Description | Standards (if any) | 2018-19 | 2019-20 |
| Production (in Nos.) | | 4940 | - |
| Electricity (Unit) | | 636.00 | - |
| Furnace Oil (Ton) | | | - |
| Light Diesel Oil (Kilo litres) | | - | |
| Coal (specify quality) | | NIL | |
| Others (specify) | | NIL | |

*Unit denotes KWH

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



ANNEXURE-1B

| Research & Development (R&D) | | |
|------------------------------|--|--|
| 01 | Specific areas in which R&D carried out by | <ul style="list-style-type: none"> ● Successful development of Electric Vehicle "VikramVidyut" in (6P+1D) (P-Passenger & D-Driver) and VIKRAM Vidyut (Load Carrier) variant with Lithium Iron Phosphate (LFP) Battery pack and BLDC series motor and 1300 Kg GVW and its Type Approval Certification obtained from ICAT, Manesar. ● FAME-II Incentive Eligibility Criteria Compliance Certificate also successfully complies for VIKRAM Vidyut Passenger Carrier and Load Carrier. ● Pilot Batch of 20 Nos. VIKRAM Vidyut has also manufactured. ● Prototype Development of VIKRAM EV 3S Model 3-W Electric Vehicle, for (3P+1D) Passenger Carrier has been completed with BLDC Motor and LFP Battery Technology and 990Kg GVW. |
| 02 | Benefits derived as a result of the | <ul style="list-style-type: none"> ● SIL has been able to retain and maintain its market presence among competitors through introduction of Electric Vehicle (VikramVidyut) Passenger Carrier and Load Carrier variants and non-electric vehicles through BS-VI compliance norms. |
| 03 | Future Plan of Action | <ul style="list-style-type: none"> ● Type Approval certification of Electric Vehicle Vikram EV 3S (3P+1D) Passenger and Load Carriers variants of GVW 990Kg with new BLDC motor and Lithium-ion (LFP) Battery pack. ● Development of prototype of Vikram EV 3S Model: with AC Induction Motor Technology Carrier on Electric Vehicle platform followed by Type Approval Certification. ● BS-VI Development, Validation and Type Approval Certification of SIL vehicle on Vikram 1000CG Model. ● Development of Rear Mounted Engine Diesel Vehicle 3-W model with (3P+1D) Passenger Carrier variant. ● Development and Type Approval Certification of Electric Cart (VIJETA Mini Electric) Load Carriers variants of GVW 750KG with new BLDC motor and Lithium-ion Battery pack. |
| 04 | Expenditure on R&D | |
| | a) Capital | |
| | b) Recurring | |
| | c) Total | ₹ 12296216.87 |
| | d) Total R&D Expenditure as a percentage of Total turnover | 1.66% |

**Technology absorption, adaption and innovation**

| | |
|--|--|
| 01 Efforts in brief, made towards technology absorption, adaption and innovation | <ul style="list-style-type: none">● Officers and Staff of the R&D have been sponsored for, exhibition, demonstration of the products, seminars, courses, interactive sessions etc. related to the technology absorption, up-gradation and innovation. Associative R&D has been carried out with different organizations and design houses like ARAI, ICAT, and CIPET etc. for improvement, development and product innovation. |
| 02 Benefits derived as a result of the above efforts e.g. product improvement, cost reduction, product development etc | <ul style="list-style-type: none">● Through value Engineering several components and system of suspension, structural member etc. modified to reduce both cost and weight. Customer delight through implementation of Self Adjusting Brakes through product improvement considering the safety product sale. |
| 03 In case of imported technology imported technology (imported during the last five years reckoned from the beginning of the financial year) following information may be furnished: a) Technology imported b) Year of Import c) Has technology been fully absorbed? d) If not fully absorbed, areas where this has not been taken place, reasons therefore and future plan of action | NIL |



INDEPENDENT AUDITOR'S REPORT

TO
THE BOARD OF DIRECTORS
SCOOTERS INDIA LIMITED

REPORT ON THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

Qualified opinion

We have audited the Standalone financial statements of **Scooters India Limited** ('the company') which comprises the Standalone Balance sheet as at 31st March, 2020 and the statement of Profit & Loss Account (including Other Comprehensive Income), the standalone Statement of changes in Equity and standalone statement of Cash Flows for the year then ended, and notes to the standalone financial statements including a summary of Significant Accounting Policies and other explanatory information. (together referred to as 'standalone financial statements')

In our opinion and to the best of our information and according to explanations given to us, except for the matters described in Paragraph (a) of the **Basis for Qualified Opinion** paragraph, the said standalone Ind AS financial statements give the information required by the Companies Act 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the company as at 31st March, 2020, and its profit and other total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Qualified Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

- a) Attention is invited to **Note No. 8** of 'Significant Accounting Policies & Notes to the Financial Statements' it was observed by us that 194 units of unsold Finished Stock of 3-Wheelers Vehicles on Bs IV Norms amounting to ₹ 300.43 lakhs as on 31/03/2020. Considering the impact of the latest Govt. Order "**G.S.R. 881(E) 26th November 2019 BS VI**" where amendment has been made in Central Motor Vehicle Rules, 1989. As per the amended rule 115(2)(i), Bharat Stage VI Norms will be applicable from 1st April, 2020. With effect from the above notification, vehicles manufactured on Bharat Stage IV norms will not be saleable within Indian Territory from 1st April, 2020 onwards. Discussion of matter with those charged with governance it was informed to us that R&D Dept. has purchased 2 Engines on BS VI Norms but production has not yet been started as per BS-VI Norms. In this case, we observed that no specific permission has

been obtained from the Board/ Ministry towards the production of 3 Wheelers with BS-VI Norms and almost a quarter of F.Y 2020-21 has been ended. As a result, company has not yet commenced the production as per the new norms. In that case, it would be difficult for the company to maintain the sales as compared to previous quarter of F.Y 2019-20, as a result it could probably affect the going concern of Scooter India Ltd.

- b) Attention is invited to **Note No. 2** of 'Significant Accounting Policies & Notes to the Financial Statements' it was observed that lot of assets are shown in the books of accounts of the company under different assets head at its residual value. Further, the remaining useful life of those machines was NIL but the assets are still in use and are being installed in the factory and further **no depreciation has been charged by the company** as they are shown at their residual value since Financial Year 2016-17. However, as per Ind AS - 16, depreciation can be seized only if the asset is demortized/ sale or is held for sale. Moreover, as per **IND AS-16**, the company should have to revalue these assets and charge depreciation on the revalued amount. While discussing this issue with the management, it was told to us that such machines could not be revalued by any valuation officer as these machines were bought from Italy with the name of Innocenti Machines and the size of these machines is very heavy.

Emphasis of Matter

The Emphasis of Matter included in the auditor's report that refers to a matter appropriately presented or disclosed in the financial statements that, in the auditor's judgment, is of such importance that it is fundamental to users' understanding of the financial statements. For detailed matter please refer **Attachment-1**

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For detailed matters please refer **Annexure-2**.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report and Corporate Governance Report, but does not include the standalone financial statements and our auditor's report thereon. Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of



the Companies Act, 2013 (“the Act”) with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, (changes in equity) and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material



uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

The Other Matter in the auditor's report that refers to a matter other than those presented or disclosed in the financial statements that, in the auditor's judgment, is relevant to users' understanding of the audit, the auditor's responsibilities or the auditor's report. For more details refer to **Attachment-3**.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government in terms of section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

A) As required by Section 143(3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account.

- d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under section 133 of the Act.
- e) On the basis of the written representations received from the directors as on 31 March 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2020 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

B) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company has disclosed the impact of pending litigations as at 31 March 2020 on its financial position in its standalone financial statements - Refer Note 34 to the standalone financial statements;
- ii. According to the information and explanation given to us, the Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses;
- iii. According to the information and explanation given to us, there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company;

C) We are enclosing our report in terms of section 143(5) of the Act, on the basis of such checks of the books and records of the company as we consider appropriate and according to the information and explanation given to us, in the 'Annexure C' on the directions and sub-directions issued by Comptroller and Auditor General of India.

For & Behalf of:
Asija & Associates LLP
Chartered Accountants, Lucknow
FRN: 003155C/C400011
UDIN : 20402982AAAADT6526

Sd/-
CA Kamal Kumar Ferwani
(Senior Partner)
(M. No.-402982)

Place: Lucknow

Date : 29th June, 2020



ANNEXURE-A

ANNEXURE A REFERRED TO IN THE INDEPENDENT AUDITOR'S REPORT**TO THE MEMBERS OF SCOOTERS INDIA LIMITED, LUCKNOW ON THE ACCOUNTS OF THE COMPANY FOR THE YEAR ENDED 31ST MARCH 2020**

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

- (i) In respect of company's fixed assets:
- The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - The company has regular program of physical verification of its fixed assets i.e., on quarterly basis. In accordance with this program, fixed assets were verified during the year by an external Chartered Accountants firm and no material discrepancies were noticed on such verification.
 - According to the information and explanation given to us and on the basis of our examination of the records of the company, title deeds of immovable properties are held in the name of the company as at Balance sheet.
- (ii) As explained to us, the Company has a regular program of physical verification of inventories i.e., on quarterly basis, the physical verification of inventory (excluding Inventory with third parties) have been carried out by external Chartered Accountants firm and no material discrepancies were noticed on such verification.
- (iii) According to the information and explanation given to us, the Company has not granted any loans secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act.
- (iv) In our opinion and According to the information and explanation given to us, the Company has not granted any loan, investments, guarantees and security covered under section 185 or 186 of the Act, accordingly clause (iv) of the Order is not applicable to the Company.
- (v) According to the information and explanation given to us, the Company has not accepted any deposit during the year in terms of section 73 to 76 or any other relevant provisions of the Companies Act, 2013.
- (vi) The Central Government has not prescribed the maintenance of cost record under section 148(1) of the Act, for the goods manufactured by the company.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
- As per the records, the Company is regular in depositing undisputed statutory dues including Provident Fund, Employee State Insurance, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and any other statutory dues, to the extent applicable to it with the appropriate authorities and as informed no undisputed amount were outstanding as at 31st March, 2020 for a period of more than six months the date of becoming payable, except the following :

| S. No. | Name of the Statue | Nature of the | Period dues | Amount (Rs. in Lakhs) |
|--------|--------------------|---------------|-------------------------|-----------------------|
| 1 | Kerala Sales Tax | Sales Tax | 92-93, 93-94 & 94 94-95 | 4.22 |
| | | | Total | 4.22 |



- (b) The disputed statutory dues aggregating Rs.1667.54 Lakhs that have not been deposited on account of matters pending before appropriate authorities. For details of such amounts, please refer Annexure 2b.
- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to financial institution or banks or debenture holders, except for the Interest Free Plan loan amounting to Rs.20.00/- Crores provided by the Government of India through sanction letter dated 23-07-2013 which the company has to repay in five equal instalments commencing from 23-07-2016 however only first instalment of **Rs.4.00/- Crores** has been paid by the company till now and remaining two instalments amounting to **Rs. 12.00/- Crores (4.00/- Crore each)** which were due dated 23-07-2017 and 23-07-2018 have not been paid till the end of Current Financial Year.
- (ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) and term loans during the year however, the company has raised term loan in earlier year which has been applied for the purpose for which they have been raised.
- (x) Based upon the audit procedures performed and information given to us, we report that no fraud on by the company has been noticed or reported during the year by management. However, as explained to us by the management that in the financial year 2008-09 Board of Directors revealed that a commercial agreement was executed by the then CMD without the authority of the board and after due consideration the Board decided to refer the matter to the appropriate authority for the future action, however no action on the same was reported to us.
- (xi) Being a Government Company, pursuant to Notification no.G.S.R., 463(E) dated 5th June 2015 issued by Government of India Provisions of section 197 of the Act is not applicable to the company.
- (xii) In our opinion and according to information and explanation given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the order is not applicable.
- (xiii) According to the information and explanations given to us, the Company is in compliance with Section 177 every listed company shall have to constitute an Audit Committee which as per Rule 6A provide approval to all the related party transactions proposed to be entered in the company, audit committee has been reconstituted on 13/02/2020. Further, the company is in compliance of section 188 of the Companies Act, 2013.
- (xiv) According to the information and explanation given to us and based on our examination of the company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanation given to us and based on our examination of records of the company, the company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph



3(xv) of the order is not applicable.
The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For Asija & Associates LLP
Chartered Accountants
FRN: 003155C/C400011

UDIN:-20402982AAAADT6526

CA Kamal Kr. Ferwani
Senior Partner
M. No.: - 402982

Place:- Lucknow
Date:- 29-06-2020

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT

To The Members Of Scooters India Limited, Lucknow On The Accounts Of The Company For The Year Ended 31st March 2020

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

Opinion

We have audited the internal financial controls over financial reporting of **Scooters India Limited** ("the Company") as of 31 March 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the

auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

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

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

For & Behalfof:

Asija & AssociatesLLP
Chartered Accountants
FRN: 003155C/C400011

Place: Lucknow

Date: 29th June, 2020

CA Kamal Kr. Ferwani
(Partner)
M. No.: - 402982

TO THE INDEPENDENT AUDITORS REPORT
TO THE MEMBERS OF SCOOTERS INDIA LIMITED, LUCKNOW ON THE ACCOUNTS
OF THE COMPANY FOR THE YEAR ENDED 31ST MARCH 2020

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

1. **Whether the company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.**

No accounting transactions has been made outside IT system.

2. **Whether there is any restructuring of an existing loan or cases of waiver/write off of debts /loans/interest etc. made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated.**

No such cases have been observed during F.Y 2019-20.

However, during the F.Y 2018-19 an existing loan of Rs.1.89 crores given by the Government of India has been converted into equity through letter dated 5th June, 2018. The financial impact of this conversion was that Equity of the company has been increased by Rs.1.89 crores and GOI loan has been decreased by Rs.1.89 crores. Further, interest on the above loan also been freezed through the above-mentioned letter but there was no financial impact of freezing of interest as the same was not accounted for in the Financial Statements of Scooters India Limited.

3. **Whether funds received/receivable for specific schemes from central/ state agencies were properly accounted for/ utilized as per its term and conditions? List the cases of deviation.**

No such cases of deviations observed.

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

For Asija & Associates LLP
Chartered Accountants
FRN: 003155C/C400011

UDIN:-20402982AAAADT6526

Kamal Kr. Ferwani
Senior Partner
M. No:- 402982

Place : Lucknow

Date : 29-06-2020

Description of Emphasis of Matter**1. Mismatch in Paid-up-Share Capital**

Attention has been invited to Note No. 13 of Significant Accounting Policies & Notes to Financial Statement where mismatch has been observed in Paid-up-capital as compared to Books of Account and as per Master Data on Ministry of Corporate Affairs website due to share forfeiture amounting to ₹ 15,367.5.

2. Attention has been invited to the following mentioned Notes of Significant Accounting Policies & Notes to Accounts where we couldn't verify the existence of events were: -

- i) Notes No. 5 of Significant Accounting Policies & Notes to Financial Statement where Deposit made in relation to Post Office amounting to ₹ 2.01 Lakhs and Deposit with Landlord amounting to ₹ 5.40 Lakhs
- ii) Notes No. 12 of Significant Accounting Policies & Notes to Financial Statement relating to Rent Advance recoverable amounting to ₹ 1.23 Lakhs and Staff Advance amounting to ₹ 0.14 Lakhs

Notes No. 17 of Significant Accounting Policies & Notes to Financial Statements relating to Advance from Customer amounting to ₹ 1.89 Lakhs

3. Attention has been invited to Notes No. 17 of Significant Accounting Policies & Notes to Financial Statement relating to payment for Rent of Warehouse it was observed by us that expense was charged on approval basis for the region wise warehouse taken on rent, against which no legal deed has been found.

4. Attention has been invited to Notes No. 21 of Significant Accounting Policies & Notes to Financial Statement relating to

- i) Arrears on Wages payable amounting to ₹ 19.23 lakhs are payable in respect of retired employees which are no more associated with company.
- ii) Liability for Adhoc payment amounting to ₹ 0.43 lakhs are payable in respect of retired employees which are no more associated with company.

5. Attention has been invited to Notes No. 11 of Significant Accounting Policies & Notes to Financial Statement relating to Sundry Creditor's Debit Balance (unsecured) amounting to ₹ 0.706 lakhs against such additional provisioning has been made.

6. Attention has been invited to Notes No. 4 of Significant Accounting Policies & Notes to Financial Statement relating to Sundry Debtors (unsecured) were: -

- i) No external confirmation regarding any Sundry Debtors outstanding more than year has been provided.
- ii) In respect of one of the debtor's "Maarz Mechatronics Pvt" a vehicle has been given by the company for Research work, where the said party has provided a Bank Guarantee of ₹ 1,00,000 in favour of company. However, it was observed by us that the BG provided expired on 18/12/2019 and no vehicle has been returned by the party.

7. Attention has been invited to Note No. 8 of Significant Accounting Policies & Notes to Financial Statement where Inventory consists of WIP of 3Wheelers on Bharat Stage IV Norms amounting to ₹ 495.89 Lakhs regarding which valuation couldn't be verified by us.



Attachment-2

Description of Key Audit Matter**1. Overvaluation of Finished Stock of 3 Wheelers Vehicles on Bharat Stage IV Norms.**

Attention has been invited to Note No. 8 of Significant Accounting Policies & Notes to Financial Statement were Inventory consist of Finished Stock of 3Wheelers on Bharat Stage IV Norms amounting to ? 300.43 Lakhs.

This matter is considered to be Key Audit Matter given that due to implementation of the latest Govt. Order "**G.S.R. 881(E) 26th November 2019 BS VI**" where amendment has been made in Central Motor Vehicle Rules, 1989. As per the amended rule 115(2)(i), Bharat Stage VI Norms will be applicable from 1st April, 2020. With effect from the above notification, vehicles manufactured on Bharat Stage IV norms will not be saleable within Indian Territory from 1st April, 2020 onwards.

There is the risk over the company's assessment and measurement of valuation of vehicles, due to changes in law and regulation made by government that expected to be adversely affect the entity were:

1. Uncertainties relating to forecasting the future sales of these of BS IV Norms vehicles
2. Uncertainties involved in identifying the appropriate market recoverable value.

Audit Procedures to address the Key Audit Matter

Identification: Obtain the understanding about the relevant industry, regulatory, and other external factors affecting the normal operation of the entity.

Control Environment: Tested the management control environment whether entity has as process for identifying and estimating the significance of risk relevant to financial reporting objectives. We have obtained that: -

i. for the sale of manufactured vehicles on BS IV Norms, the letter received from Shree Laxmi Motors of Nepal dated 20/02/2020, as shown before us, where the said party has agreed to lift approx. 110 units of 1000CG Vehicle till March 2021 and it has been clearly mentioned in letter that said party will provide Scooter India Limited, a Bank Guarantee for the lifting of said Vehicles. In pursuance to the same, it has been observed by us that neither such Bank Guarantee has been yet provided by Shree Laxmi Motors of Nepal in favour of Scooter India Limited nor any upliftment of vehicles has been done from the date of above letter issued till the date of our audit.

ii. Since due to cessation of BS IV Norms, Vehicles on BS IV Norms will no longer be saleable at Current Market Rate method adopted by the entity due to which Inventory of Finished Goods of BS IV Norms has been overstated.

2. Obsolescence's in Work-in-Progress relating to manufacturing of BS IV Norms Vehicles

Attention has been invited to Note No. 8 of Significant Accounting Policies & Notes to Financial Statement were Inventory consist of WIP of 3Wheelers on Bharat Stage IV Norms amounting to 495.89 Lakhs.

This matter is considered to be Key Audit Matter given that due to implementation of the latest Govt. Order "**G.S.R. 881(E) 26th November 2019 BS VI**" where amendment has been made in Central Motor Vehicle Rules, 1989. As per the amended rule 115(2)(i), Bharat Stage VI Norms will be applicable from 1st April, 2020. With effect from the above notification, vehicles manufactured on Bharat Stage IV norms will not be saleable within Indian Territory from 1st April, 2020 onwards.



There is the risk over the company's assessment and measurement of valuation of WIP relating vehicles, due to changes in law and regulation made by government that expected to be adversely affect the entity were:

- i. Uncertainties relating to the collation of items which are obsolete items carrying on BS IV Norms.
- ii. Uncertainties involved in identifying the appropriate valuation of obsolete items in WIP.

Audit Procedures to address the Key Audit Matter

Our audit approach consisted was a combination of test of internal controls and substantive procedures which include: -

Selected the sample of items consisting of WIP to obtained the operating effectiveness of the internal controls we have observed that:

1. it is impossible for management to bifurcate WIP into model wise production of vehicles.
2. WIP consisting of such items which cannot be used further in manufacturing of vehicles on BS-VI Norms.

3. Non-Capitalisation of Assets under inspection

Attention has been invited to Note No. 2 of Significant Accounting Policies & Notes to Financial Statement regarding non-capitalisation of capital work in progress amounting to ₹ 174.06 Lakhs pending since F.Y 2016-17 as assets under inspection.

There is the risk over the company's estimation about capitalisation of Assets under Inspection were:

- i. Inherent challenges with accurately predicting the future economic benefit which must be assessed as probable for capitalisation

Audit Procedures to address the Key Audit Matter

Our audit approach consisted of testing the design and operating effectiveness of internal controls and substantive procedures were we have: -

- i. Evaluated the design of internal control relating to assets under inspection.
- ii. Carried out a combination of procedure involving enquiry and observation, reper formance and inspection of evidence in relation to these controls obtained that:
 - i. Assets purchased from HMT International Ltd. dated: 31/03/2017 are specialized assets which required specialised training to company employees to operate the asset. For this, HMT International Ltd. would be sending his experts to excel the employees of company to operate the assets. However, till the date of our audit, no expert has been sent by HMT International Ltd.

4. Material Uncertainty relating to Interest Tax & Penalty

Attention has been invited to Note No. 21 of Significant Accounting Policies & Notes to Financial Statement were Interest on taxes & penalty amounting to ₹ 128.53 Lakhs relating to material uncertainty regulatory matters under dispute.

There is the risk over the company's estimation about the provisioned amount of Interest on Taxes & Penalty were:

- Uncertainties relating appropriate documentation relating to legal precedence for the disputed cases pending at adjudication.
- Uncertainties relating to management estimation involves significant judgement to determine the possible outcome.

Audit Procedures to address the Key Audit Matter

Based on our audit procedure we reviewed and challenged the management underlying assumption about the provisioning relating to Taxes & Penalty accordingly we have been



informed that: -

- no such notices/ Communication/ or letter (in any kind) relating to cases has been issued to company from the date of filing of such cases by the concerned authorities accordingly, nor the files relating to cases have been produced before us.

5. Non-Payment of Long-Term Loan from Government of India

Attention has been invited to Note No. 15 of Significant Accounting Policies & Notes to Financial Statement where payment has overdue relating to outstanding long-term loan received from Government of India amounting to ₹ 12,00 lakhs.

6. Non-Compliance of SEBI (LODR) Regulation, 2015

Attention has been invited to Note No. 33 of Significant Accounting Policies & Notes to Financial Statement where penalty imposed on the company under regulation 30 of SEBI (Listing Obligation and Disclosure Requirements) amounting to 57.28 Lakhs.

Refer Note No. 33 "Contingent Liabilities and Commitments" The Company has material uncertain positions related to penalty imposed which involves significant judgment to determine the possible outcome of these disputes, provisions required, if any.

Audit Procedures to address the Key Audit Matter

We evaluated the design and tested the operating effectiveness of internal controls related to the assessment of the likely outcome of uncertain positions related to the penalty imposed, the provision made, if any.

We verified the appropriateness of the accounting policies, disclosures related to provisions for subjudice matters and details of contingent liabilities in notes 33 respectively in the standalone financial statements.

7. Recoverability from disputed and long pending cases from Consumer Forum

Attention has been invited to Note No. 12 of Significant Accounting Policies & Notes to Financial Statement where recoverability of deposit with Consumer Forum made regarding disputed cases pending at adjudication amounting to ₹ 8.94 Lakhs.

There is the risk over the company's estimation about the recoverability of withholding amount of deposit with authorities were:

- Uncertainties relating appropriate documentation relating to legal precedence for the disputed cases pending at adjudication.
- Uncertainties relating to management estimation involves significant judgement to determine the possible outcome.

Audit Procedures to address the Key Audit Matter

Based on our audit procedure we reviewed the nature of the amount recoverable and the sustainability and the likelihood of recoverability upon final resolution accordingly we have been obtained/ informed that: -

- no such notices/ Communication/ or letter (in any kind) relating to cases has been issued to company from the date of filing of such cases by the concerned authorities accordingly neither the letter has been shown before us which has been issued by company for the release of Security Deposit, nor the files relating to cases have been produced before us.

8. Recoverability from disputed and long pending cases from Sales Tax Department

Attention has been invited to Note No. 12 of Significant Accounting Policies & Notes to Financial Statement there are some accounts of previous Indirect tax Regime and deposit with others which are still being reflected on the Assets side of Balance Sheet. While discussing the matter with appropriate authority, it was told to us that the cases under these accounts are pending with concerned tax authorities and therefore these accounts are still reflecting in the books of accounts. For details of such accounts, please refer **Annexure-1(a)**



Attachment-3

Description of Other Matter

1. Charge Creation of Assets as per Ministry of Corporate Affairs Website.

Attention has been invited to below mentioned snapshots from MCA Website, where it has been observed that company has not given the intimation to Registrar as per Section 82(1) and Rule 8(1) :-

| Assets under charge | Charge Amount | Date of Creation | Date of Modification | Status |
|---------------------|---------------|------------------|----------------------|--------|
| Book debts | 6,00,00,000 | 03/04/2007 | - | OPEN |
| NA | 12,00,00,000 | 31/07/1975 | 28/03/2007 | OPEN |

2. Attention has been invited to Notes No. 29 of Significant Accounting Policies & Notes to Financial Statement relating to:

- i) Expense booked for Free-Service Coupon amounting to ₹ 8.18 Lakhs it has been informed by the management that there exists a practice of providing ₹ 100.00 per vehicles to the dealers as Free Service Charges for 30 years.
- ii) As per the policy provided to us for Pre-Sales Services (including Pre-Dispatch Inspection) an amount of ₹ 100.00 for each vehicle is required to be given to the dealer as an inspection charges on the basis of Inspection Report submitted by the dealer. In pursuance to the same, we observed that the policy formed for pre-sales service has not been followed by Scooters India office and provision has been made without considering the policy norms.

Attachment-2a

| Sl. No. | Ledger Head No. | Ledger Name | Date of Deposit | Amount as per Financials | | Management Reply Regarding the Deposits |
|---------|-----------------|---|----------------------|--------------------------|---------------|--|
| 1 | 30510 | DEPOSIT WITH SALES TAX | | | Total | |
| | | Deposit with Assam Sales Tax Authority for Dibrugarh Warehouse Security | 1997-98 (17.4.97) | 50,000 | | The case is under Trial. Latest updation is awaited. However this is not pertaining to the FY 2019-20. |
| | | Deposit with Rajasthan as Security (NSC) for Reg. under Entry Tax | 2005-06 | 2,015 | | The case is under Trial. Latest updation is awaited. However this is not pertaining to the FY 2018-19. |
| | | Deposit with J&K as Security | 2010-11 | 45,000 | | The case is under Trial. Latest updation is awaited. However this is not pertaining to the FY 2018-19. |
| | | | | | 97,015 | |
| 2 | 30520 | DEPOSIT WITH OTHERS | | | | |
| | | State Consumer Redressal Commission, Haryana | 2005-06 | 25,000 | | The case is under Trial. Latest updation is awaited. However this is not pertaining to the FY 2018-19. |
| | | Secretary, SCBRC Balasor | 2005-06 | 25,500 | | The case is under Trial. Latest updation is awaited. However this is not pertaining to the FY 2018-19. |
| | | District Consumer Forum, Osmanabad | 2005-06 | 5,000 | | The case is under Trial. Latest updation is awaited. However this is not pertaining to the FY 2018-19. |
| | | Kalyani Steel Products | 2003-04 & 2015-16 | 838,303 | | FD is deposited in court and case is not yet settled. |
| | | Consumer Dispute Redressal Forum Ahmedabad | 2005-06 | 25,000 | | The case is under Trial. Latest updation is awaited. However this is not pertaining to the FY 2018-19. |
| | | ADSL Internet, Alambagh | 2005-06 | 1,700 | | No record available since this is pertaining to FY 2005-06. |
| | | Voice Stream | 2003-04 | 1,500 | | No record available since this is pertaining to FY 2003-04. |
| | | Prabhagiya Vanadhikari (P-7145) | 2009-10 | 49,000 | | Deposited as security money in Forest Department in FY 2009-10. |



| | | | | | | |
|---|-------|---|----------------------------------|---------|------------------|---|
| | | BSNL | 2010-11, 2011-12 & 2017-18 | 3,000 | | Deposited in BSNL as Security money. |
| | | Hon"ble High Court (H-7091) W.P. No. 1835/M.S. | 2015-16 | 100,000 | | Deposited in High Court. Date of Filing - 27.01.2016. Last Listed on - 20.05.2019 |
| | | | | | 1,074,003 | |
| 3 | 30525 | DEPOSIT WITH EXCISE | 2001-02 | 6,500 | 6,500 | This appeal is pertaining to FY 2000-01 & No record is available in this regard. |
| 4 | 30538 | DEPOSIT WITH EXCISE AUTHORITIES (APPEAL) | | | | |
| | | Deposit with Excise Authorities for filing appeal in Tribunal Allahabad | 2015-16 | 11,000 | | Deposited in Jan-2016. Case is still pending as per latest update. |
| | | Deposit with Excise Authorities for filing appeal in Tribunal Allahabad | 2017-18 | 8,050 | | Deposited with Service Tax Authority in FY 2017-18. However case is still pending. |
| | | | | | 19,050 | |
| 5 | 30530 | DEPOSIT WITH CONSUMAR FORUM | | | | |
| | | Deposit with State Consumer Dispute Redressal Commission Patna. | 2006 | 25,000 | | Case decided in favour of SIL. Advocate was asked for withdrawing the said amount in favour of SIL. However the amount is still with the court. |
| | | Deposit with District Consumer Dispute Redressal Forum Bhopal. | 2014 | 25,000 | | Appeal is still pending. |
| | | Deposit with State Consumer Dispute Redressal Commission Patna. | 2009 | 12,500 | | Revision is still pending before National Consumer Forum. |
| | | Deposit with Bihar Consumer Dispute Redressal Commission Patna | 2011 | 25,000 | | Appeal is still pending. |
| | | Deposit with State Consumer Dispute Redressal Commission Muzaffarpur | 2015 | 50,000 | | Revision is still pending. |
| | | Deposit with Consumer Forum | Untraced | 12,736 | | Not Traceable |
| | | | | | 150,236 | |



| Disputed Statutory Dues | | | | | |
|-------------------------|--------------------------------|-------------------------|---|---|---|
| Sl. No. | Name of the Statute | Nature of the Dues | Forum where disputes are pending | Period | Amount (in Lakhs) |
| 1.a | State Sales Tax Act | Entry Tax & Penalty Tax | Commissioner of Commercial taxes | 97-98 to 06-07 | 113.77 |
| b) | State Sales Tax Act | Entry Tax & Penalty Tax | Tribunal | 03-04, 04-05 & 05-06 | 10.55 |
| 2.a | Central Excise and Service Tax | Service Tax | Commissioner (Appeals) | October 2002-March 2017 | 3.22 & 6.49 Penalty & Indeterminate Interest |
| b) | Central Excise and Service Tax | Service Tax | Assistant Commissioner | 2014-15 | 0.74 & 0.74 Penalty & Indeterminate Interest |
| c) | Central Excise and Service Tax | Central Excise | Assistant Commissioner | April 2010-September 2010 | 0.74 & 0.74 Penalty & Indeterminate Interest |
| d) | Central Excise and Service Tax | Central Excise | Assistant Commissioner | 2005-06 to 2008-09 | 2.48 & 2.48 Penalty & Indeterminate Interest |
| e) | Central Excise and Service Tax | Central Excise | Tribunal Allahabad | August 2008-March 2013 | 1.10 & 1.10 Penalty & Indeterminate Interest |
| f) | Central Excise and Service Tax | Service Tax | Appeal Pending | 2015-2016 | 8.87 & 0.88 Penalty & Interest |
| g) | Central Excise and Service Tax | Service Tax | Appeal Pending | 2016-17 | 4.49 & 0.44 Penalty & Interest |
| 3 | Income Tax Act | Income Tax | Dy. Commissioner of Income Tax Range VI, Lko. | FY 2001-02 to 2008-09,2013-14 & 2015-16 | 1508.71 |
| | | Total | | | 1667.54 Penalty & Indeterminate Interest |

**ANNEXURE-3****COMMENTS OF THE CONTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6) (B) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF SCOOTERS INDIA LIMITED FOR THE YEAR ENDED 31 MARCH 2020.**

The preparation of financial statements of Scooters India Limited for the year ended 31 March 2019 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the Company. The statutory auditor appointed by the Comptroller and Auditor General of India under Section 139(5) of the Act is responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 26th June 2020.

I, on behalf of the Comptroller and Auditor General of India, have decided not to conduct the supplementary audit of the financial statements of Scooters India Limited for the year ended 31st March 2020 under section 143(6)(a) of the Act.

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

**(C Nedunchezhin)
Principal Director of Audit
Industry & Corporate Affairs
New Delhi**

Place : New Delhi
Date : 31.07.2020

CORPORATE GOVERNANCE

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

1. A. SIL'S PHILOSOPHY ON CORPORATE GOVERNANCE

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

B. Code of Business Conduct & Ethics

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

C Whistle Blower Policy

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

D CEO/CFO Certification

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

E Compliance Certificate of the Auditors

Scooters India Limited has annexed to this report a Certificate obtained from the Statutory Auditors M/s Bhavya Taneja & Associates, Company Secretaries regarding compliance of conditions of Corporate Governance as stipulated in Regulation 34(3) of the SEBI Listing Regulations, 2015. (Annexure – 4B).

2. BOARD OF DIRECTORS

The Board of Directors of the Company as on 31.03.2020 is comprise of six directors, two of whom are part time official Director, nominated by Govt. of India. Executive directors on the Board of SIL include Chairman & Managing Director and Director Finance (Additional Charge). Two independent Directors were appointed on board nominated by GOI w.e.f. 28-01-2020.



FAMILIARISATION & TRAINING OF BOARD MEMBERS

SIL believes that a Board, which is well informed / familiarised with the Company and its affairs, can contribute significantly to effectively discharge its role of trusteeship in a manner that fulfils stakeholders' aspirations and societal expectations. In pursuit of this, the Directors of the Company are updated on changes / developments in the domestic / global corporate and industry scenario including those pertaining to statutes / legislations & economic environment and on matters affecting the Company, to enable them to take well informed and timely decisions. Visits to Company facilities are also organised for the Directors. SIL, in order to keep its directors apprised with the developments in the industrial sector, arranges skill development program for the directors from time to time. The Company also trains its board of directors regarding its business as well as the risk parameters of the business during the board meetings. Presentations are also made to educate the directors regarding their duties, responsibilities, powers and roles under various statutes.

SIL CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING - 2020

The SIL Code of Conduct for Prevention of Insider Trading, approved by the Board of Directors, inter alia, prohibits trading in securities of the Company by Directors and employees while in possession of unpublished price sensitive information in relation to the Company.

COMPLIANCE OF CORPORATE GOVERNANCE REQUIREMENTS SPECIFIED IN REGULATION 17 TO 27 AND REGULATION 46(2)(b) TO (i) OF LISTING REGULATIONS

| Sr. No. | Particulars | Regulations | Compliance Yes/No | Key Compliance observed |
|---------|---------------------------------|-------------|----------------------------|---|
| 1. | Board of Directors | 17 | Yes (w.e.f. 13-02-2020) | <ul style="list-style-type: none"> ● Composition and Appointment of Directors ● Meetings and quorum ● Review of compliance reports ● Plans for orderly succession for appointments ● Code of Conduct ● Fees/compensation to non-executive Directors ● Minimum information to be placed before the Board ● Compliance Certificate by CEO and CFO ● Risk assessment and risk management plan ● Performance evaluation of Independent Directors ● Recommendation of Board for each item of special business ● Directorships in listed entities |
| 2. | Maximum Number of Directorships | 17A | Yes | |
| 3. | Audit Committee | 18 | Yes (w.e.f. 13-02-2020) | <ul style="list-style-type: none"> ● Composition ● Meetings and quorum ● Chairperson present at Annual |



| | | | | |
|-----|---------------------------------------|-----|-------------------------|--|
| 4. | Nomination and Remuneration Committee | 19 | Yes (w.e.f. 13-02-2020) | General Meeting ● Role of the Committee ● Composition ● Chairperson present at Annual General Meeting ● Meetings and quorum |
| 5. | Stakeholders Relationship Committee | 20 | Yes | ● Role of the Committee ● Composition ● Chairperson present at Annual General Meeting ● Meetings and quorum |
| 6. | Risk Management Committee | 21 | N/A | ● Role of the Committee ● Composition ● Meetings and quorum |
| 7. | Vigil Mechanism | 22 | Yes | ● Role of the Committee ● Vigil Mechanism for Directors and employees ● Direct access to Chairperson of Audit Committee |
| 8. | Related Party Transactions | 23 | Yes | ● Policy on Materiality of Related Party transactions and dealing with Related Party Transactions ● Prior approval including omnibus approval of Audit Committee for Related Party Transactions. ● Periodical review of Related Party Transactions ● Disclosure on Related Party Transaction |
| 9. | Subsidiaries of the Company | 24 | N/A | ● Appointment of Company's Independent Director on the Board of material subsidiary ● Review of financial statements and investments of subsidiary by the Audit Committee ● Minutes of the Board of Directors of the subsidiaries are placed at the meeting of the Board of Directors ● Significant transactions and arrangements of subsidiary are placed at the meeting of the Board of Directors |
| 10. | Secretarial Audit | 24A | Yes | ● Annual Secretarial Audit Report ● No material unlisted subsidiary incorporated in India. |
| 11. | Obligations with | 25 | Yes (w.e.f. 13-02-2020) | ● Maximum directorships and tenure ● Meetings of Independent Director |



| | | | | |
|-----|--|-----------------|-----|---|
| | respect to Independent Directors | | | <ul style="list-style-type: none"> ● Cessation and appointment of Independent Directors ● Familiarisation of Independent Directors ● Declaration from Independent Directors that he / she meets the criteria of independence ● Directors and Officers insurance for all the Independent Directors ● Memberships / Chairmanships in Committees ● Affirmation on compliance of Code of Conduct by Directors and Senior ● Disclosure of shareholding by non-executive Directors ● Disclosures by Senior Management about potential conflicts of interest ● No agreement with regard to compensation or profit sharing in connection with dealings in securities of the Company by Key Managerial Personnel, Director and Promoter |
| 12. | Obligations with respect to employees including Senior Management, Key Managerial Personnel, Directors and Promoters | 26 | Yes | <ul style="list-style-type: none"> ● Compliance with discretionary requirements ● Filing of quarterly compliance report on Corporate Governance ● Terms and conditions of appointment of Independent Director ● Composition of various Committees of the Board of Directors ● Code of Conduct of Board of Directors and Senior Management Personnel ● Details of establishment of Vigil Mechanism / Whistle-blower policy ● Policy on dealing with Related Party Transactions ● Policy for determining material subsidiaries ● Details of familiarisation programmes imparted to Independent Directors |
| 13. | Other Corporate Governance Requirements | 27 | Yes | |
| 14. | Website | 46(2)(b) to (i) | Yes | |

A.List of Directors

| Name of Director | Tenure | No of other director ship | No. of other Committee ship | |
|---|------------|---------------------------|-----------------------------|----------|
| | | | Member | Chairman |
| Whole time Functional Director | | | | |
| Shri Renati Sreenivasulu, CMD | 06.10.2016 | 1 | - | - |
| Shri S.Sakthimani, Director Finance (Additional Charge) | 30.05.2018 | 1 | 1 | - |
| Part-time Non Executive Director (Official) | | | | |
| Shri Sunil Kumar Singh, Director GOI Nominee | 15.01.2018 | 1 | 3 | 1 |
| Smt Ritu Pande, Director GOI Nominee | 13.11.2018 | 1 | 1 | - |
| Shri Mahendra Pratap Singh Independent Director | 28.01.2020 | 2 | 2 | 1 |
| Smt. Rakesh Sharma Independent Director | 28.01.2020 | 1 | 3 | - |

Government of india, Ministry of Heavy Industry & Public Enterprises, Department of Heavy Industry vide its order No.3(20)/2013-PE-VI Dated 28th january 2020 has appointed Smt. Rakesh Sharma and Shri Mahendra Pratap Singh as Non Official Independent Directorson the Board of the Company and henceforth the company is in compliance.

Number of Board Meetings & Attendance record of Directors at Board Meetings and Annual General Meeting.

The Board of Directors met 6 times during the financial year 2019-20. The details of the Board Meetings are as under:

| Sl. No. | Name of Directors | 259 BM dated 02.05.19 | 260 BM dated 27.05.19 | 261 BM dated 09.08.19 | 262 BM dated 27.09.19 | 263 BM dated 11.11.19 | 263 BM dated 14.11.19 Adjourned | 264 BM dated 13.02.20 | AGM dated 27.09.19 |
|---------|---|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|---------------------------------|-----------------------|--------------------|
| | Total Strength -> | | | | | | | | |
| 1 | Mr.Renati Sreenivasulu, CMD | P | P | P | P | P | P | P | P |
| 2 | Shri Sunil Kumar Singh, Director | P | P | P | P | P | P | P | P |
| 3 | Smt Ritu Pande, Director | A | A | P | P | A | P | P | A |
| 4 | Shri S. Sakthimani Director Finance (Additional Charge) | P | P | P | P | P | P | P | P |
| 5 | Smt.Rakesh Sharma Independent Director | N.A. | N.A. | N.A. | N.A. | N.A. | N.A. | P | N.A. |
| 6. | Shri Mahendra Pratap Singh Independent Director | N.A. | N.A. | N.A. | N.A. | N.A. | N.A. | P | N.A |



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

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

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

C. Board Committees

In view of Independent Directors appointed on the Board of the Company, the Company is presently having functional Audit Committee & Nomination and Remuneration Committee. The Committees were reconstituted after their appointment of Shri Mahendra Pratap Singh and Smt. Rakesh Sharma by Government of India, Ministry of Heavy Industries & Public Enterprises, Department of Heavy Industry has vide its order No. 3(20)/2013-PE-VI dated 28.01.2020 , for the period of three years or till further orders.

The company has three committees- the Audit Committee, the Nomination and Remuneration Committee & Stakeholders Relationship Committee. The Company Secretary of the Company acts as the Secretary to all the Committees.

The quorum for the meetings is either two or one-third of the members of the committees, whichever is higher.

Audit Committee

The Audit Committee comprises of four directors out of which two are Non-Executive Independent Directors and two are Non Executive Directors. Shri Mahendra Pratap Singh acts as the chairman to the Committee. The Committee was reconstituted with appointment of Independent Directors w.e.f. 13.02.2020. The Company Secretary acts as the Secretary of the committee. The Chief Financial Officer, the External and Internal Auditors are the regular invitees. The Composition of the Audit Committee meets the requirement of the Regulation 18 of SEBI (LODR) Regulations, 2015 and the provisions of the Companies Act 2013.

The Composition of the Audit Committee:-

| SI.No. | Name of the Member | Position | Category |
|--------|----------------------------|----------|------------------------------------|
| 1 | Shri Mahendra Pratap Singh | Chairman | Non-Executive Independent Director |
| 2 | Smt. Rakesh Sharma | Member | Non-Executive Independent Director |
| 3 | Shri. S.K Singh | Member | Non-Executive Director |
| 4 | *Smt. Ritu Pande | Member | Non-Executive Director |

* ceased w.e.f. August 24, 2020

Terms of Reference and Powers:

All the members of the Committee have sound knowledge of finance and accounts. The terms of reference and powers of the audit committee covers areas mentioned under Regulation 18 SEBI (LODR) Regulations, 2015 and section 177 of the Companies act, 2013 (hereinafter referred as "the act"). The Committee observes the Company's financial reporting process and disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.

- Recommends the appointment and removal of external auditor, fixing audit fees and also approval for payment for any other services.
- Reviews the quarterly, half yearly annual financial statements with the management before submission to the Board.
- Reviews the external and internal auditors, and adequacy of internal control system with the management.

-Reviews the adequacy of internal audit function including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.

-Reviews the findings of any internal investigation by the Internal Auditors into matters where there is suspected fraud.

-Discussion with External Auditors before the commencement of Audit about the nature and scope of audit as well as post audit discussion to ascertain any area of concern.

-Review of company's financial risk management policies also to look into the reasons for substantial defaults in payments to depositors, shareholders and creditors.

Meetings and Attendance:-

During the year ended on 31st March, 2020, one committee meetings was held on 13.02.2020, here all members were present.

| SI No. | Name of the Member | Position | Number of meetings held | Number of Meetings Attended |
|--------|----------------------------|----------|-------------------------|-----------------------------|
| 1 | Shri Mahendra Pratap Singh | Chairman | 1 | 1 |
| 2 | Smt. Rakesh Sharma | Member | 1 | 1 |
| 3 | Shri. S.K Singh | Member | 1 | 1 |
| 4 | *Smt. Ritu Pande | Member | 1 | 1 |

* ceased w.e.f. August 24, 2020

Nomination and Remuneration Committee

The Remuneration Committee comprises of three directors, and two directors are non-executive independent directors and one is Non Executive Director. Shri Mahendra Pratap Singh acts as the chairman of the committee. The Committee was reconstituted with appointment of Independent Directors w.e.f. 13.02.2020. During the year ended on 31st March 2020, no meeting was held. The details are as follows:

| SI No. | Name of the Member | Position | Category |
|--------|----------------------------|----------|------------------------------------|
| 1. | Shri Mahendra Pratap Singh | Chairman | Non-Executive Independent Director |
| 2. | Smt. Rakesh Sharma | Member | Non-Executive Independent Director |
| 3. | Shri. S.K Singh | Member | Non-Executive Director |

Stakeholders Relationship Committee

The Stakeholders Relationship Committee comprises of three directors, and two directors are non-executive independent directors and one is Non Executive Director. Shri S K Singh acts as the chairman of the committee. The Committee was reconstituted with appointment of Independent Directors w.e.f. 13.02.2020. During the year ended on 31st March 2020, one meeting was held on 02.05.2019 and all members were present. The details are as follows:

| SI No. | Name of the Member | Position | Category |
|--------|---------------------|----------|------------------------------------|
| 1. | Shri. S.K Singh | Chairman | Non-Executive Independent Director |
| 2. | Smt. Rakesh Sharma | Member | Non-Executive Independent Director |
| 3. | Shri. S Shakthimani | Member | Executive Director |



C. Information supplied to the Board

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

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

The following is the list of core skills / expertise / competencies identified by the Board of Directors as required in the context of the Company's business and at the said skills are available with the Board Members:

- i) Knowledge on Company's businesses (Manufacturing), policies and culture (including the Mission, Vision and Values) major risks / threats and potential opportunities and knowledge of the industry in which the Company operates.
- ii) Behavioral skills - attributes and competencies to use their knowledge and skills to contribute effectively to the growth of the Company.
- iii) Business Strategy, Sales & Marketing, Corporate Governance, Forex Management, Administration, Decision Making,
- iv.) Technical / Professional skills and specialized knowledge in relation to Company's business.

4. GENERAL BODY MEETINGS:

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

| S.No | Year | Location | Date | Time |
|------|-----------|---|--------------------|------------|
| 1 | 2018-2019 | Registered office of the company at Lucknow-Kanpur Road (16th Mile Stone), Sarojini Nagar, Lucknow-226008 | September 27, 2019 | 12:20 p.m |
| 2 | 2017-2018 | Registered office of the company at Lucknow-Kanpur Road (16th Mile Stone), Sarojini Nagar, Lucknow-226008 | September 27, 2018 | 11:00 a.m. |
| 3 | 2016-2017 | Registered office of the company at Lucknow-Kanpur Road (16th Mile Stone), Sarojini Nagar, Lucknow-226008 | September 27, 2017 | 11:30 a.m |

Special Resolution (if any) & Postal Ballot:

| AGM Date | Special Resolution | Whether put through Postal Ballot | Details of Voting Pattern | Person who conduct Postal Ballot |
|------------|--------------------|-----------------------------------|---------------------------|----------------------------------|
| 28.9.2017 | NONE | NO | N.A | N.A |
| 27.9.2018 | ONE | NO | N.A | N.A |
| 27.09.2019 | ONE | NO | N.A. | N.A. |

5. REMUNERATION POLICY:

The following are the details of the remuneration paid to Directors for the year 2018-19:

(Amount in ₹)

| Name | Designation & Period | Sitting Fee | Salary (Rs.) | Benefit & Contribution to PF/Pension /Others | Total |
|-------------------------|---------------------------|-------------|--------------|--|-----------|
| Mr. Renati Sreenivasulu | CMD /6.10.2016 till date- | - | 23,70,237 | 4,84,968 | 28,55,205 |

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.

GENERAL SHAREHOLDER INFORMATION:
Annual General Meeting

| | |
|--------------------|---|
| Date and Time | : 28th September, 2020 : 10:30 a.m. |
| Financial Calendar | : 1st April 2019 to 31st March 2020 |
| Venue | : Through VC/OAVM |
| Book Closure date | : Monday, 21.09.2020 to Monday, 28.09.2020 |
| Listing of Equity | : BSE, DSE (de-recognized w.e.f 19.11.2014) |



Stock code : 505141
 Registrar & Transfer Agent : Sky Line Financial Services Private Limited
 D-153/A, 1st Floor, Okhla Industrial Area, Phase - 1,
 New Delhi -110020
 E-mail : Compliances@skylinerta.com

Dematerialization of Shares

Shares (as on 31.03.2020)

NDSL : 1674

CDSL : 1192

Physical : 5972

Outstanding GDR/ADRs/ : NIL

Warrants or any Convertible :

Instruments, Conversion

Date and likely impact : N/A

Plant Location : Lucknow- Kanpur Road, 16th Kms. Mile Stone,
 Post, Bag No.23 (G.P.O) P.O. Sarojini Nagar,
 Lucknow-226008.

6. SUMMARY OF SHARE PRICES OF SCOOTERS INDIA LIMITED (MONTHLY)

Scrip Code : 505141

Company : SCOOTERS IND For the Period: April 2018 to March 2019

| Month | Open Price | High Price | Low Price | Close Price | No. of Shares | No. of Trades | Total Turnover (Rs.) | Deliverable Quantity | % Deli. Qty to Traded Qty | Spread | |
|--------|------------|------------|-----------|-------------|---------------|---------------|----------------------|----------------------|---------------------------|--------|-------|
| | | | | | | | | | | H-L | C-O |
| Apr 19 | 32.30 | 34.45 | 30.35 | 30.65 | 10,453 | 117 | 3,36,374 | 10,453 | 100.00 | 4.10 | -1.65 |
| May 19 | 30.70 | 31.85 | 24.10 | 29.95 | 35,047 | 306 | 9,26,139 | 35,047 | 100.00 | 7.75 | -0.75 |
| Jun 19 | 31.40 | 31.40 | 23.75 | 27.65 | 12,067 | 169 | 3,26,402 | 12,067 | 100.00 | 7.65 | -3.75 |
| Jul 19 | 26.30 | 30.75 | 23.35 | 24.25 | 37,025 | 423 | 10,21,871 | 37,025 | 100.00 | 7.40 | -2.05 |
| Aug 19 | 25.20 | 26.20 | 21.20 | 23.35 | 15,600 | 195 | 3,68,535 | 15,600 | 100.00 | 5.00 | -1.85 |
| Sep 19 | 24.30 | 30.70 | 21.75 | 27.85 | 13,477 | 213 | 3,53,852 | 13,477 | 100.00 | 8.95 | 3.55 |
| Oct 19 | 27.50 | 39.75 | 25.25 | 39.75 | 45,912 | 392 | 14,79,307 | 45,912 | 100.00 | 14.50 | 12.25 |
| Nov 19 | 41.70 | 50.55 | 30.50 | 33.80 | 63,073 | 568 | 25,58,188 | 63,073 | 100.00 | 20.05 | -7.90 |
| Dec 19 | 32.15 | 33.80 | 28.20 | 30.90 | 62,379 | 526 | 19,48,229 | 62,379 | 100.00 | 5.60 | -1.25 |
| Jan 20 | 31.75 | 32.30 | 28.00 | 28.25 | 38,498 | 330 | 11,58,188 | 38,498 | 100.00 | 4.30 | -3.50 |
| Feb 20 | 28.80 | 28.80 | 23.15 | 23.85 | 15,212 | 229 | 3,96,333 | 15,212 | 100.00 | 5.65 | -4.95 |
| Mar 20 | 23.00 | 24.70 | 14.25 | 16.50 | 24,005 | 299 | 4,26,025 | 24,005 | 100.00 | 10.45 | -6.50 |

**7. DISCLOSURES:**

1. Details of non-compliances, penalties and strictures by Stock Exchanges / SEBI / Statutory Authorities on any matter related to capital markets during the last three years:

| Sr. No. | Action taken by | Details of violations | Details of action taken e.g. fines, warning letter, debarment, etc. | Amount of Panalty (INR) (Refer Note 1 below) |
|---------|-----------------|--|---|--|
| i. | BSE Limited | Non Appointment of Independent Directors | LIST/COMP/REG27(2) & REG 17 to 21 / Sep-18 505141/960/2018-19 dated October 31, 2018. | 9777040.00 |
| ii. | BSE Limited | Non Appointment of Independent Directors | LIST/COMP/REG27 (2) & REG 17 to 21 / Dec-18 505141/1093/2019-20 dated January 31, 2019. | 875560.00 |
| iii. | BSE Limited | Non Appointment of Independent Directors | LIST/COMP/REG27 (2) & REG 17 to 21 / March-19/505141/37/2019-20 dated May 02, 2019. | 955800.00 |
| iv. | BSE Limited | Non Appointment of Independent Directors | LIST/COMP/REG27 (2) & REG 17 to 21 / June-19/505141/157/2019-20 dated August 19, 2019. | 966420.00 |
| v. | BSE Limited | Non Appointment of Independent Directors | LIST/COMP/REG27 (2) & REG 17 to 21 / Sept-19/505141/219/2019-20 dated October 31, 2019. | 977040.00 |
| vi. | BSE Limited | Non Appointment of Independent Directors | LIST/COMP/REG27 (2) & REG 17 to 21 / Dec-19/505141/219/2019-20 dated February 03, 2020. | 977040.00 |
| vii. | BSE Limited | Non Appointment of Independent Directors | LIST/COMP/REG27 (2) & REG 17 to 21 / March-20/505141/219/2019-20 dated July 03, 2020. | 853140.00 |
| | | | Total | 6582040.00 |

Note: Listed Entity has requested BSE for waiver of Penalty as appointment of Independent Directors was not in their hand.



2. Inter-se relationships between Directors and Key Managerial Personnel of the Company:
None
3. Materially significant related party transactions which may have potential conflict with the interests of the Company at large :
None
4. Material financial and commercial transactions of senior management, where they may have had personal interest, and which had potential conflict with the interests of the Company at large:
None
5. Details of utilisation of funds raised through preferential allotment or qualified institutions placement:
Not Applicable
6. Credit rating(s) obtained by the Company for any debt instrument, fixed deposit programme or any other scheme involving mobilisation of funds:
None
7. None of the Directors of the Company has been debarred or disqualified from being appointed or continuing as a Director by SEBI / Ministry of Corporate Affairs/ Statutory Authorities, which has also been confirmed by M/s Amit Gupta & Associates, Practising Company Secretaries.
8. Confirmation by the Board with respect to the Independent Directors is not provided as there are no Independent directors appointed on the Board.
9. Information with respect to 'Commodity Price Risk or Foreign Exchange Risk and Hedging Activities' is provided in the 'Report of the Board of Directors & Management Discussion and Analysis' and in the 'Notes to the Financial Statements', forming part of the Report and Accounts.
10. The total fees paid by the Company and its subsidiaries to Messrs. Asija & Associates LLP, Statutory Auditors of the Company, and all other entities forming part of the same network, aggregate ₹ 3 Lakhs.
11. Compliance Officer under the Listing Regulations 2015: Ms. Shrabanti Mandol, Company Secretary & Compliance Officer

8. MEANS OF COMMUNICATION:

| | |
|---|--|
| a) Quarterly Results (Approved in the meetings held on 09.08.2019, 14.11.2019, 13.02.2020 & 29.06.2020) | The Company has published the Quarterly Results in Financial Express & Jansatta. |
| b) Management Discussion & Analysis | This forms part of Directors' Report which is posted to the shareholders of the company. |
| c) Website | www.scootersindia.com |

9. SHARE TRANSFER SYSTEM

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

10. DISTRIBUTION OF 872722550 EQUITY SHARE CAPITAL AS ON: 31/03/2019

Nominal Value of Each Share: Rs. 10

| Share or Debenture holding Nominal Value (Rs.) | Number of Shareholders | % to Total Numbers | Share or Debenture holding Amount (Rs.) | % to Total Amount |
|--|------------------------|--------------------|---|-------------------|
| 1 | 2 | 3 | 4 | 5 |
| Up To 5,000 | 8271 | 94.23 | 8865460 | 1.02 |
| 5001 To 10,000 | 283 | 3.23 | 2353810 | 0.27 |
| 10001 To 20,000 | 117 | 1.33 | 1781790 | 0.2 |
| 20001 To 30,000 | 35 | 0.4 | 917310 | 0.11 |
| 30001 To 40,000 | 18 | 0.21 | 636070 | 0.07 |
| 40001 To 50,000 | 14 | 0.16 | 619220 | 0.07 |
| 50001 To 1,00,000 | 17 | 0.19 | 1199540 | 0.14 |
| 1,00,000 and Above | 14 | 0.16 | 856349350 | 98.12 |
| Total | 8769 | 100 | 872722550 | 100 |

| SI No | Category | % age |
|-------|---|--------|
| 1 | Central Government | 93.87 |
| 2 | Nationalized Banks & Financial Institutions | 0.03 |
| 3 | Corporate Bodies | 0.04 |
| 4 | Indian Public and Others | 6.06 |
| | Total | 100.00 |

**Other Disclosures**

All transactions entered into by the Company with related parties as defined under the Act and the Listing Regulations, during the financial year 2019-20 were in the ordinary course of business and on arm's length pricing basis and do not attract the provisions of Section 188 of the Act. There were no materially significant transactions with the related parties during the financial year which were in conflict with the interest of Company. Necessary disclosures as required under the Accounting Standards have been made in the Financial Statements. The Board has approved a policy on materiality of related party transactions and on dealing with related party transactions and the same is disclosed on the website of the Company at the link https://www.scootersindia.com/investors/Related_Party_Transaction_Policy.pdf

The Company has adopted a Whistle Blower Policy and has established necessary Vigil Mechanism as required under Regulation 22 of the Listing Regulations for Directors and employees to report concerns about any unethical behavior. The said policy has also been disclosed on the website of the Company the link

https://www.scootersindialimited/investors/Whistle_Blower_Policy.pdf

11. ANY QUERY ON ANNUAL REPORT

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

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

- I. We have reviewed financial statements and Cash flow Statements for the year 2019-20 and to the best of my knowledge and belief:
 1. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
 2. These statements together present a true and fair view of the Company's affair and are in compliance with existing accounting standards, applicable laws and regulations
- II. There are to the best of our knowledge and belief, no transaction entered into by the company during the years which are fraudulent, illegal or violative of the company's code of conduct.
- III. 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 disclose to the auditors deficiencies in the design operation of internal control, if any, of which we are aware and the steps we have taken or propose to rectify these deficiencies.
- IV. We have indicated to the Auditors:
 1. Significant changes in internal control during the year.
 2. Significant changed in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 3. Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system.

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

Sd/-
R.S Tiwari
Chief Financial Officer
Scooters India Limited, Lucknow -226008

Place : 29 June, 2020

Date : Lucknow

**INDEPENDENT AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE**

To,
The Members
Scooters India Limited

1. This certificate is issued in accordance with our appointment intimated to us via email dated 11th June, 2020.
2. We, Bhavya Taneja & Associates, Company Secretaries, have examined the compliance of conditions of Corporate Governance by the company, for the year ended on 31st March, 2020, as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and para C, D and E of Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations").

MANAGEMENT'S RESPONSIBILITY

3. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure compliance with the conditions of the Corporate Governance stipulated in the Listing Regulations.

AUDITOR'S RESPONSIBILITY

4. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
6. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Corporate Governance Certificate issued by the Institute of The Institute Of Company Secretaries Of India (the "ICSI"), in so far as applicable in the case and as per the Guidance Notes on ICSI Accounting Standards which requires that we comply with the ethical requirements and other rules issued by the ICSI.

OPINION

7. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulation 17 to 27 and clauses (b) to (i) of Regulation 46(2) and para C and D of Schedule V to the Listing Regulations during the year ended 31st March, 2020. Except-
 1. The Company has not complied with requirements of Regulation 17(1)(b) of SEBI (LODR) Regulations, 2015 with regard to composition of the Board of Directors comprising of at least 50% Independent directors during the Financial Year 2019-20. The code of conduct does not incorporate duties of Independent Directors as laid down in the Companies Act, 2013.
 2. The Company has not complied with Regulation 17(10) of SEBI (LODR) Regulations, 2015 which required performance evaluation of Independent Directors by the entire Board of Directors.



3. The Company has not filed financial results as placed before the Board in the meeting dated 14.11.2019 within 30 minutes from the conclusion of meeting to Bombay Stock Exchange. The financial results for September, 2019 quarter were intimated to Stock Exchange on 15.11.2019.
4. The Company has constituted Audit Committee on 11.11.2019 and reconstituted on 28.01.2020, however two-third of members of the Committee are not independent. The Chairperson of Audit Committee was not present in AGM held on 27.09.2019 as the committee was not constituted at that time. One meeting of committee was held during the financial year.
5. The Company has constituted Nomination and Remuneration Committee in accordance with Regulation 19 of SEBI (LODR) Regulations 2015, on 13.02.2020. Chairperson of the Committee was not present in AGM held on 27.09.2019 as the committee was not constituted at that time. Regulation 19(3A) was not complied as no meeting of committee was held during the year.
6. Chairperson of Stakeholder's Relationship Committee was not present in AGM held on 27.09.2019 resulting in non-compliance of Regulation 20(3).
7. The Company has complied with Regulation 24A of Securities And Exchange Board Of India (Listing Obligations And Disclosure Requirements)(Amendment) Regulations, 2018 dated May 9, 2018 read with SEBI circular CIR/CFD/CMD1/27/2019 dated February 8, 2019 but the same was not filed within 60 days from the end of the Financial Year, 2019 on the recognized portal of Bombay Stock Exchange Limited as per Regulation 10 of Securities And Exchange Board Of India (Listing Obligations And Disclosure Requirements), 2015.
8. The company has not complied with sub-regulation (3) and (4) of Regulation 25 which requires holding of meeting of independent directors and review of performance of non-independent directors, chairperson and the Board as a whole consecutively.
9. The company has not complied with clause (i) of sub-regulation 2 of Regulation 46 with respect to details of familiarization programs imparted to independent directors. Also, with respect to clause (n) of Regulation 46(2), details of agreements entered into with media companies have not been mentioned on the website.
10. The company has not posted notice given to shareholders by advertisement for previous General Meetings except that of 47th Annual General Meeting.
11. Some detailed disclosures with respect to Para C of Schedule V of the Listing Regulations have not been made in Corporate Governance Report of F.Y. 2018-19.
12. SEBI Circular CIR/MRD/DP/10/2015 dated June 05, 2015 is yet not complied. The company & RTA are in process of reconciliation of data for submission with NSDL/CDSL.

We state that such certificate is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

**For Bhavya Taneja & Associates
Company Secretaries**

**Sd/-
CS Bhavya Taneja
(Proprietor)
(Mem. No. A41567)**

UDIN : A041567B000613644
Dated: August 25, 2020



**FORM NO. MR.3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2020**

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

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

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

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

We hereby report that in our opinion

The company has, during the audit period covering the financial year ended on 31st March, 2020 complied with the statutory provisions listed hereunder and also

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

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2020 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made there under;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings - **Not applicable as the Company has not made any such transaction during the financial year under review;**
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;



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

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

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

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



| Sr. No. | Compliance requirement (Regulations/circulars/guidelines including specific clause) | Deviations | Observations/remarks of Practising Company Secretary |
|---------|---|--|---|
| i | Regulation 17(1) of SEBI (LODR) Regulations, 2015 | At least half of the board of directors of the listed entity does not consist of independent directors | Government of India, Ministry of Heavy Industry & Public Enterprises, Department of Heavy Industry vide its order no 3(20)/2013-PE-VI dated 28th January 2020 has appointed Smt. Rakesh Sharma and Shri Mahendra Pratap Singh as Non Official Independent Directors on the Board of the Company and henceforth the Company is in compliance. |
| ii | Regulation 17(10) of SEBI (LODR) Regulations, 2015 | No performance evaluation of independent directors made | The Company was having no Independent Directors |
| iii | Regulation 18 of SEBI (LODR) Regulations, 2015 | Non constitution of a qualified and independent audit committee& consequent non compliances of provisions related to Audit Committee | Government of India, Ministry of Heavy Industry & Public Enterprises, Department of Heavy Industry vide its order no 3(20)/2013-PE-VI dated 28th January 2020 has appointed Smt. Rakesh Sharma and Shri Mahendra Pratap Singh as Non Official Independent Directors on the Board of the Company and henceforth the Company is in compliance. Accordingly Audit Committee was duly constituted w.e.f. 13.02.2020 |
| iv | Regulation 19 of SEBI (LODR) Regulations, 2015 | Non constitution of a Nomination & Remuneration committee& consequent non compliances of provisions related to Nomination & Remuneration Committee | Government of India, Ministry of Heavy Industry & Public Enterprises, Department of Heavy Industry vide its order no 3(20)/2013-PE-VI dated 28th January 2020 has appointed Smt. Rakesh Sharma and Shri Mahendra Pratap Singh as Non Official |



| | | | |
|------|---|--|---|
| | | | Independent Directors on the Board of the Company and henceforth the Company is in compliance. Accordingly Nomination Remuneration Committee was duly constituted w.e.f. 13.02.2020. |
| v | Regulation 31 of SEBI (LODR) Regulations, 2015 | Hundred percent of shareholding of promoters is not in dematerialized form | 3,37,90,000 equity shares of Rs. 10/- each issued to Government of India are still in physical form |
| vi | Regulation 38 of SEBI (LODR) Regulations, 2015 & Rule 19(2) and Rule 19A of the Securities Contracts (Regulation) Rules, 1957 | Non compliance of the minimum public shareholding requirements specified in Rule 19(2) and Rule 19A of the Securities Contracts (Regulation) Rules, 1957 | The Government of India holding is 93.87% and public shareholding is only 6.13% as against the requirement of minimum 10% public shareholding |
| vii | Regulation 107 & 108 of SEBI (LODR) Regulations, 2015 | In principle approval & Listing Application for 18.90 lacs equity shares allotted to Government of India not obtained/made | Entire 8,19,24,029 equity shares of Rs. 10/- each held by Government of India and 33,61,461 equity shares of Rs. 10/- each held by Special National Investment Fund (transferred from GOI to meet minimum public shareholding requirement) are not listed on stock exchange |
| viii | SEBI Circular CIR/MRD/DP/10/2015 dated June 05, 2015 | Non uploading of distinctive no. as per requirement of the said circular | The Company & RTA are in process of reconciliation of data for submission with NSDL/CDSL. |

The following are the details of actions taken against the listed entity/ its promoters/ directors/ material subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under the aforesaid Acts/ Regulations and circulars/ guidelines issued thereunder.

**We further report that:**

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors. However the Board of Company was not having Independent Directors up to 12.02.2020, where as in terms of the provisions of Section 149(4), 149(5) & 149(1) of the Companies Act, 2013 read with rule 4 of the Companies (Appointment And Qualification Of Directors) Rules, 2014 and the SEBI (Listing Obligations and Disclosure Requirements) regulations, 2015, the Company is required to have Independent Directors on the Board of the Company. Government of India, Ministry of Heavy Industry & Public Enterprises, Department of Heavy Industry vide its order no 3(20)/2013-PE-VI dated 28th January 2020 has appointed Smt. Rakesh Sharma and Shri Mahendra Pratap Singh as Non Official Independent Directors on the Board of the Company and henceforth the Company is in compliance. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were generally sent at least seven days in advance, however we have noted delay in sending agenda papers in few cases, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.

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

We further report that during the audit period there was no material event having bearing on the affairs of the Company.

**For Amit Gupta & Associates
Company Secretaries**

**Amit Gupta
Proprietor**

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

UDIN:-F005478D000611138

Date: August 24, 2020
Place: Lucknow

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

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

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

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Where ever required, we have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For Amit Gupta & Associates
Company Secretaries**

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

UDIN:-F005478D000611138

Date: 24 August, 2020
Place: Lucknow



Declaration regarding disqualification of Directors

All the Directors of the Company have submitted a declaration stating that they are not debarred or disqualified by the Securities and Exchange Board of India / Ministry of Corporate Affairs or any such statutory authority from being appointed or continuing as Directors of Companies. Mr. Amit Gupta, Practicing Company Secretary has submitted a certificate to this effect. **(ANNEXURE-6)**.

DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT.

In terms of the Listing Regulations, I hereby confirm that all the Board members and Senior Management Personnel of the Company have affirmed compliance with the respective Codes of Conduct, as applicable to them for the year ended 31st March, 2020.

Sd/-
Shri Renati Sreenivasulu
Chairman & Managing Director

Place: Lucknow
Date: 24 August, 2020

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

[As per Clause 10(i) of Para C of Schedule V of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015 read with regulation 34(3) of the said Listing Regulations].

To,
The Members,
Scooters India Limited,
Lucknow

1. We have examined the status of directors for the year ended on March 31, 2019, pursuant to the provisions of Clause 10(i) of Para C of Schedule V of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“the Regulations”).
2. It is neither an audit nor an expression of opinion regarding the legality of debarring or disqualification by the Securities and Exchange Board of India (SEBI)/Ministry of Corporate Affairs (MCA) or any such statutory authority.
3. Our examination was limited to a review of the relevant records of the Company and website of MCA, stock exchange(s), SEBI and other relevant statutory authority (ies) (specify) as specified in Annexure to this certificate and it is solemnly the responsibility of Directors to submit relevant declarations and disclosures with complete and accurate information in compliance with the relevant provisions.
4. In our opinion and to the best of our information and according to our examination of the relevant records and the explanations given to us and the declarations and disclosures made by the Directors and the representation given by the Management, we certify that none of the directors on the board of Scooters India Limited, have been debarred or disqualified from being appointed or continuing as directors of companies by the SEBI/Ministry of Corporate Affairs or any such statutory authority during the year ended at March 31, 2020.

**For Amit Gupta & Associates
Company Secretaries**

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

UDIN:- F005478B000611138

Date : 24 August 2020
Place : Lucknow

**Form MGT-9****Extract of Annual Return**

(As on the financial year ended on March 31, 2019)

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

I. REGISTRATION AND OTHER DETAILS

- | | | |
|------|--|--|
| i. | CIN | L25111UP1972GOI003599 |
| ii. | Registration Date | 07th September, 1972 |
| iii. | Name of the Company | SCOOTERS INDIALIMITED |
| IV. | Category/Sub Category of the Company | Public Company/Limited by Shares |
| v. | Address of the Registered Office and contact details | Sarojini Nagar,Lucknow-226008 Phone no.:+915222476242 Fax:+915222476190 Email:cs@scootersindia.com website:www.scootersindia.com |
| vi. | Whether listed company | Yes, on following exchanges: 1) BSE Limited 2) Delhi Stock Exchange Limited (de-recognized w.e.f 19.11.2014) |
| vii. | Name,Address and contact details of Registrar and Transfer Agent | M/s. Skyline Financial Services Pvt Limited, D-153/A,First Floor , Okhla Industrial Area,Phase-I New Delhi-110020 Phone No:011-26812682 Fax-01126812681 Website:www.skylinerta.com |

II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

| Sr. No. | Name and Description of main products/services | NIC Code of the Product/Service | % to total turnover of the Company |
|---------|--|---------------------------------|------------------------------------|
| 1 | VIKRAM 3 Wheeler | 35913 | 95.10 |
| 2 | Spare Parts | 35914 | 4.83 |

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

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

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

| Category of Shareholders | IV.SHAREHOLDING PATTERN(Equity Share Capital Breakup as percentage of Total Equity) | | | | | | | | % Change during the year |
|----------------------------------|---|----------|----------|-------------|---|----------|----------|-------------|--------------------------|
| | No of shares held at the beginning of the year March 31, 2020 | | | | No of shares held at the beginning of the year March 31, 2019 | | | | |
| | Demat Total | Physical | Total | % of Shares | Demat Total | Physical | Total | % of Shares | |
| A. Promoter | | | | | | | | | |
| 1) Indian | | | | | | | | | |
| a) Individual/HUF | | | | | | | | | |
| b) Central Govt | 42325500 | 39598529 | 81924029 | 93.87 | 42325500 | 39598529 | 81924029 | 93.87 | Nil |
| c) State Govt(s) | | | | | | | | | |
| d) Bodies Corporate | | | | | | | | | |
| e) Banks/FI | | | | | | | | | |
| f) Any other | | | | | | | | | |
| Sub-total(A)(1) | 42325500 | 39598529 | 81924029 | 93.87 | 42325500 | 39598529 | 81924029 | 93.87 | NIL |
| 2) Foreign | | | | | | | | | |
| g) NRIs | | | | | | | | | |
| h) Other Individuals | | | | | | | | | |
| i) Bodies Corp | | | | | | | | | |
| j) Banks/FI | | | | | | | | | |
| k) Any Other | | | | | | | | | |
| Sub-Total(A)(2) | | | | | | | | | |
| B. Public Shareholding | | | | | | | | | |
| 1. Institutions | | | | | | | | | |
| a) Mutual Funds | | | | | | | | | |
| b) Banks/FI | 100 | 23150 | 23250 | 0.03 | 100 | 23150 | 23250 | 0.03 | NIL |
| c) Central Govt | | | | | | | | | |
| d) State Govt(s) | | | | | | | | | |
| e) Venture Capital Funds | | | | | | | | | |
| f) Insurance Companies | 0 | 2250 | 2250 | 0.00 | 0 | 2250 | 2250 | 0.00 | NIL |
| g) FIs | | | | | | | | | |
| h) Foreign Venture Capital Funds | | | | | | | | | |
| i) Others(SNIF) | 3361461 | 0 | 3361461 | 3.85 | 3361461 | 0 | 3361461 | 3.85 | NIL |



| Category of Shareholders | IV.SHAREHOLDING PATTERN(Equity Share Capital Breakup as percentage of Total Equity) | | | | | | | | % Change during the year |
|---|---|----------|----------|-------------|---|----------|----------|-------------|--------------------------|
| | No of shares held at the beginning of the year March 31, 2019 | | | | No of shares held at the beginning of the year March 31, 2018 | | | | |
| | Demat Total | Physical | Total | % of Shares | Demat Total | Physical | Total | % of Shares | |
| Sub-Total(B)(1) | 3361561 | 25400 | 3386961 | 3.88 | 3361561 | 25400 | 3386961 | 3.88 | NIL |
| 2. Non Institutions | | | | | | | | | |
| a) Bodies Corp | | | | | | | | | |
| i) Indian | | | | | | | | | |
| ii) Overseas | | | | | | | | | |
| b) Individual | | | | | | | | | |
| i) Individual Shareholders holding nominal share capital up to Rs.2 lakhs | 955524 | 622256 | 1577780 | 1.81 | 934102 | 632106 | 1566208 | 1.79 | 0.02 |
| ii) Individual Shareholders holding nominal share capital in excess of Rs.2 lakhs | 204479 | 0 | 204479 | 0.23 | 184154 | 0 | 184154 | 0.21 | 0.02 |
| c) Others | | | | | | | | | |
| i) NRI | | | | | | | | | |
| ii) Market Maker | | | | | | | | | |
| ii) Others | | | | | | | | | |
| Sub -Total(B)(2) | 1332460 | 628805 | 1961265 | 2.25 | 1322610 | 638655 | 1961265 | 2.24 | 0.01 |
| Total Public Shareholding (B)=(B1)+(B2) | 4694021 | 654205 | 5348226 | 6.13 | 4684171 | 664055 | 5348226 | 6.13 | Nil |
| C. Shares held by Custodian for GDRs & ADRs | | | | | | | | | |
| Grand Total | 47019521 | 40252734 | 87272255 | 100 | 47009671 | 40262584 | 87272255 | 100 | NIL |

II) Shareholding of Promoters

| Sr Shareholder No Name | Shareholding at the beginning of the year March 31, 2020 | | | No of shares held at the beginning of the year March 31, 2019 % | | | Change during the year |
|------------------------|--|----------------------------------|--|---|----------------------------------|--|------------------------|
| | No of Shares | % of Total Shares of the Company | % of shares pledged / encumbered to total shares | No of Shares | % of Total Shares of the Company | % of shares pledged / encumbered to total shares | |
| 1. President of India | 81924029 | 93.87 | - | 81924029 | 93.87 | - | 0.00 |

III. Change in Promoter's Shareholding:

| Sr. No | Shareholder Name | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|--------|--------------------|---|----------------------------------|---|----------------------------------|
| | | No of Shares | % of Total Shares of the Company | No of Shares | % of Total Shares of the Company |
| 1. | President of India | 81924029 | 93.87 | 81924029 | 93.87 |

V. INDEBTEDNESS

Indebtedness of the Company is as follows

Rs In lakhs

| | Secured Loans excluding deposits (Overdraft Against Fixed Deposits) | Unsecured Loans | Deposits | Total Indebtedness |
|--|---|-----------------|----------|--------------------|
| Indebtedness at the beginning of the financial year March 31, 2018 | | | | |
| i) Principal Amount | | 1600 | | 1600 |
| ii) Interest due but not paid | | | | |
| iii) Interest accrued but not due | | | | |
| Total (i+ii+iii) | | 1600 | | 1600 |
| Change in Indebtedness during the financial year | | | | |
| Addition | | | | |
| Reduction | | - | | - |
| Net Change | | | | |
| Indebtedness at the end of the financial year March 31, 2020 | | | | |
| i) Principal Amount | | 1600 | | 1600 |
| ii) Interest due but not paid | | | | |
| iii) Interest accrued but not due | | | | |
| Total (i+ii+iii) | | 1600 | | 1600 |

Note: The above does not include OD against FD

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

| Sl. No. | Particulars of Remuneration | Amt. in lakhs Renati Sreenivasulu (CMD) | Amt. in lakhs Total |
|---------|--|---|---------------------|
| 1 | Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in-lieu of salary under section 17(3) Income-tax Act, 1961 | 23.70 2.94 | 23.70 2.94 |
| 2 | Stock Option | | |
| 3 | Sweat Equity | | |
| 4 | Commission as % of profit others | | |
| 5 | Others Total(A) Ceiling as per the Act | 26.64 NA | 26.64 NA |

*being a Government Company



- A. Remuneration to other directors: No Remuneration/Sitting fees is paid to any other Director (including Non Executive Directors)
- B. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

| Sl. No. | Particulars of Remuneration | Amount in lakhs | | |
|---------|--|--------------------------|---------------------|-------|
| | | R.S Tiwari- CFO CS | Shrabanti Mandol | Total |
| 1 | Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in-lieu of salary under section 17(3) Income-tax Act, 1961 | 8.44 | 2.40 | 10.84 |
| 2 | Stock Option | | | |
| 3 | Sweat Equity | | | |
| 4 | Commission as % of profit others | | | |
| 5 | Others | | | |
| | Total (A) | 8.44 | 2.40 | 10.84 |

VII. PENALTIES /PUNISHMENT /COMPOUNDING OF OFFENCES

The following are the details of actions taken against the listed entity/ its promoters/ directors/ material subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under the aforesaid Acts/ Regulations and circulars/ guidelines issued there under:

| Sr. No. | Action taken by | Details of violations | Details of action taken e.g. fines, warning letter, debarment, etc. | Amount of Penalty (INR) (Refer note 1 below) |
|---------|-----------------|--|--|--|
| 1. | BSE Limited | Non Appointment of Independent Directors | LIST/COMP/REG27(2) & REG 17 to 21 / Sep -18 505141/960/2018-19 dated October 31, 2018. | 977040/- |
| 2. | BSE Limited | Non Appointment of Independent Directors | LIST/COMP/REG27 (2) & REG 17 to 21 / Dec -18 505141/1093/2019-20 dated January 31, 2019. | 875560/- |
| 3. | BSE Limited | Non Appointment of Independent Directors | LIST/COMP/REG27 (2) & REG 17 to 21 / March -19/505141/37/2019-20 dated May 02, 2019. | 955800/- |
| 4. | BSE Limited | Non Appointment of Independent Directors | LIST/COMP/REG27 (2) & REG 17 to 21 / June -19/505141/157/2019-20 dated August 19, 2019. | 966420/- |
| 5. | BSE Limited | Non Appointment of Independent Directors | LIST/COMP/REG27 (2) & REG 17 to 21 / Sept-19/505141/219/2019-20 dated October 31, 2019. | 977040/- |
| 6. | BSE Limited | Non Appointment of Independent Directors | LIST/COMP/REG27 (2) & REG 17 to 21 / Dec -19/505141/219/2019-20 dated February 03, 2020. | 977040/- |
| 7. | BSE Limited | Non Appointment of Independent Directors | LIST/COMP/REG27 (2) & REG 17 to 21 / March -20/505141/219/2019-20 dated July 03, 2020. | 853140/- |
| | | | Total | 6582040/- |

Place : Lucknow

Date : 24 August, 2020

For and on behalf of Board of Directors

Sd/-

Renati Sreenivasulu

DIN: 07634253

Chairman & Managing Director

Scooters India Limited,

Lucknow-226008

ANNEXURE-8

Particulars of Employees

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

(Amt. in Lakhs)

| Name(s) of Whole time Directors | Designation | Remuneration in Year 2019-20 (inRs.) | Remuneration in year 2018-19 (inRs.) | % Increase in Remuneration | Ratio of Remuneration to median remuneration of employees | Ratio of the remuneration to Net Profit (2019-20) |
|--|-------------|--------------------------------------|--------------------------------------|----------------------------|---|---|
| Shri Renati Sreenivasulu (w.e.f. 06.10.2016) | CMD | 26.64 | 24.87 | 7.12 | 370.64 | - |

(Amt. in Lakhs)

| Name of Independent Directors | Remuneration in Year 2019-20 | Remuneration in Year 2018-19 | % increase in remuneration |
|-------------------------------|------------------------------|------------------------------|----------------------------|
| Shri M.P Singh | | NIL | - |

(Amt. in Lakhs)

| Name of Independent Directors | Remuneration in Year 2019-20 | Remuneration in Year 2018-19 | % increase in remuneration |
|-------------------------------|------------------------------|------------------------------|----------------------------|
| Smt Rakesh Sharma | NIL | NIL | - |

(Amt. in Lakhs)

| Name of KMP | Remuneration in Year 2019-20 | Remuneration in Year 2018-19 | Ratio of the remuneration to Net Profit(2019-20) |
|-------------------------|------------------------------|------------------------------|--|
| Shri Raj Shekhar Tiwari | 8.44 | 7.74 | - |

- i. The median remuneration of employees in the year 2019-20 and 2018-19 is Rs. 6.71lakhs and Rs.4.65 lakhs respectively. The percentage increase in the median remuneration is 44.30%.
- ii. The company had 93 numbers of permanent employees on the rolls of the Company as on the year ended at March31,2020.

- iii. The Company's Net Loss stood at Rs.15.72 crores at the year ended as on March 31, 2020 as compared to Net Loss of Rs.4.63 crores for the year ended on March 31, 2019. The percentage of reduction in the Net loss of the Company is (-) 239.44. The growth in the remuneration of WTD and KMP was Nil% and Nil% respectively in year 2020 as compared to 2019. The increase in remuneration was as per DPE Guidelines.

Variation in the Market Capitalization and Price Earnings ratios as at the closing of current year 2020 and previous year 2019 are as under.

| | 2019-20 | 2018-19 |
|----------------------|----------------|----------------|
| Market Cap | 14399.92 Lakhs | 28887.12 lakhs |
| Price Earnings Ratio | -1.83 | (0.58) |

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



FORM NO.AOC.2

Particulars of Contracts/arrangements entered with related parties

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

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

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

| Name of the Related Party | Nature of Relationship | Nature of Contract / arrangement / Transaction | Duration of the Contract/ Arrangement/ Transaction | Salient terms | Amount |
|---------------------------|------------------------|--|--|---------------|--------|
| NIL | NIL | NIL | NIL | Nil | NIL |

For and on behalf of Board of Directors

Sd/-

Renati Sreenivasulu

DIN: 07634253

Chairman & Managing Director

Scooters India Limited, Lucknow -226008

Place : Lucknow

Date : 24 August, 2020

**Balance Sheet as at 31st March, 2020**

| Particulars | Note No. | AS AT | AS AT |
|---|----------|--------------------------|--------------------------|
| | | 31.03.2020 ₹ in Lakhs | 31.03.2019 ₹ in Lakhs |
| A. ASSETS | | | |
| (I) Non-current assets | | | |
| (a) Property, Plant & Equipment | 2 | 1,769.87 | 1,768.75 |
| (b) Right of Use Assets | 2.1 | 5.06 | - |
| (b) Capital work-in progress | 2 | 191.37 | 434.88 |
| (c) Financial Assets | | | |
| (i) Non-Current Investments | 3 | - | - |
| (ii) Trade receivables | 4 | 54.79 | 51.92 |
| (iii) Loans | | - | - |
| (iv) Others - Security Deposits | 5 | 159.63 | 162.07 |
| (d) Deferred tax assets (Net) | 6 | - | - |
| (e) Other non-current assets | 7 | - | 18.71 |
| Total non-current assets (I) | | 2,180.72 | 2,436.33 |
| (II) Current assets | | | |
| (a) Inventories | 8 | 2,990.51 | 5,301.65 |
| (b) Financial Assets | | | |
| (i) Current Investments | | - | - |
| (ii) Trade receivables | 9 | 13.30 | 63.52 |
| (iii) Cash and cash equivalent | 10 | 98.50 | 281.58 |
| (iv) Bank balance other than (iii) above | 10 | 2,236.28 | 1,592.39 |
| (v) Loans | | - | - |
| (vi) Others (Loan & Advances) | 11 | 1.52 | 1.68 |
| (c) Current tax assets (Net) | | - | - |
| (d) Other current assets | 12 | 973.67 | 1,052.12 |
| Sub-total current assets | | 6,313.78 | 8,292.94 |
| Non-current assets held for sale | | - | - |
| Total current assets (II) | | 6,313.78 | 8,292.94 |
| Total assets (I+II) | | 8,494.50 | 10,729.27 |
| B. EQUITY AND LIABILITIES | | | |
| (I) Equity | | | |
| (a) Equity share capital | 13 | 8,727.39 | 8,727.39 |
| (b) Other Equity | | - | - |
| (i) Equity component of other financial instruments | | - | - |
| (ii) Retained Earnings | 14 | (3,730.00) | (2,127.35) |
| (iii) Reserves | 14 | 4.90 | 4.90 |
| (iv) Money received against share warrants | | - | - |
| (v) Other | | - | - |
| Total equity (I) | | 5,002.29 | 6,604.94 |

**(II) Liabilities****(1) Non-current liabilities**

| | | | |
|--|----|-----------------|------------------|
| (a) Financial liabilities | | | |
| (i) Borrowings | 15 | 1,200.00 | 1,200.00 |
| (ii) Lease Liabilities | 16 | 2.64 | 5.00 |
| (iii) Trade payables | | - | - |
| (iv) Other financial liabilities | | - | - |
| (b) Non-Current Provisions | 17 | 214.61 | 191.12 |
| (c) Deferred tax liabilities(Net) | | - | - |
| (d) Other non-current liabilities | 18 | 290.82 | 296.48 |
| Total Non-current liabilities (1) | | 1,708.07 | 1,692.60 |
| (2) Current liabilities | | | |
| (a) Financial liabilities | | | |
| (i) Short Term Borrowings | 19 | - | - |
| (ii) Lease Liabilities | 20 | 0.25 | 0.37 |
| (iii) Trade & Other payables | 21 | 628.59 | 1154.71 |
| (iv) Other financial liabilities | 22 | 400.00 | 400.00 |
| (b) Other current liabilities | 23 | 695.39 | 746.48 |
| (c) Current Provisions | 24 | 59.91 | 130.17 |
| (d) Current tax liabilities (Net) | | - | - |
| Total current liabilities (2) | | 1,784.14 | 2,431.73 |
| Total liabilities (II)=[(1)+(2)] | | 3,492.21 | 4,124.33 |
| Total equities and liabilities (I+II) | | 8,494.50 | 10,729.27 |

Accompanying Notes 1 to 50 are an integral part of the Financial Statements

Sd/-
(R.S.Tiwari)
Chief Finance Officer

Sd/-
(S. Sakthimani) (Sunil Kumar Singh)
Director Finance
(Additional Charge) Director
DIN-07482308
DIN-08043768

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

In terms of our report of even
date For Asija & Associates LLP
Chartered Accountants
FR No. - 003155C/ C400011

Sd/-
(CA Kamal Kr. Ferwani)
M. No.- 402982

Place : Lucknow
Date : 29th June, 2020

Statement of Profit And Loss For The Year Ended 31st March, 2020

| Particulars | Note No | Year Ended | Year Ended |
|---|---------|-------------------------|------------------------|
| | | 31.03.2020 ₹in Lakhs | 31.03.2019 ₹inLakhs |
| I. Revenue from Operations | 25 | 7,200.65 | 6,385.20 |
| II. Other income | 26 | 207.42 | 214.52 |
| III. Total income(I +II) | | 7,408.07 | 6,599.72 |
| IV. Expenses: | | | |
| Cost of materials consumed | 27 | 3,611.94 | 4,546.59 |
| Cost of sales at petrol pump | 27 | - | - |
| Changes in inventories of finished goods, Work-in-progress and disposal store | 28 | 1975.52 | (606.56) |
| Excise duty on sale of goods | | - | - |
| Employee benefit expense | 29 | 2,053.07 | 2,230.05 |
| Finance cost | 30 | - | - |
| Other expenses | 31 | 1,133.08 | 699.60 |
| Depreciation and amortisation expenses | 32 | 206.97 | 193.30 |
| Total | | 8,980.58 | 7,062.98 |
| Less: Expenditure included in above capitalized | | - | - |
| Total Expenses (IV) | | 8,980.58 | 7,062.98 |
| V. Profit/(loss) before exceptional and tax (III-IV) | | (1,572.51) | (463.26) |
| VI. Exceptional Items | | - | - |
| VII. Profit (loss) before tax (V-VI) | | (1,572.51) | (463.26) |
| VIII. Tax expense: | | | |
| (1) Current tax | 33 | - | - |
| (2) Deferred tax | | - | - |
| IX. Profit (Loss) from the period from continuing operations (VII-VIII) | | (1572.51) | (463.26) |
| X. Profit/(Loss) from discontinuing operations | | - | - |
| XI. Tax expense of discontinuing operations | | - | - |
| XII. Profit/(Loss) from Discontinuing operations (after tax)(X-XI) | | - | - |
| XIII. Profit/(Loss) for the period (IX+XII) | | (1,572.51) | (463.26) |
| XIV. Other Comprehensive income | | | |
| A. (i) Items that will not be reclassified to profit or loss | | | |
| -Gain/(Loss) of defined benefit Obligation | | (28.73) | (46.10) |
| (ii) Income tax relating to items that will not be reclassified to profit or loss | | | |
| B. (i) Items that will be reclassified to profit or loss | | | |
| (ii) Income tax relating to items that will be reclassified to profit or loss | | | |
| XV. Total comprehensive income for the period (XIII+XIV) | | (1,601.24) | (509.37) |



| | | |
|--|--------|--------|
| XVI. Earnings per equity share (for continuing operation): | | |
| (1) Basic | (1.83) | (0.58) |
| (2) Diluted | (1.83) | (0.58) |
| XVII. Earnings per equity share (for discontinued operation): | | |
| (1) Basic | | |
| (2) Diluted | | |
| XVII. Earnings per equity share (for discontinued & continuing operation): | | |
| (1) Basic | (1.83) | (0.58) |
| (2) Diluted | (1.83) | (0.58) |

Accompanying Notes 1 to 50 are an integral part of the Financial Statements

| | | | |
|---|--|--|---|
| Sd/- (R.S.Tiwari) Chief Finance Officer | Sd/- (S. Sakthimani) Director Finance (Additional Charge) DIN-07482308 | Sd/- (Sunil KumarSingh) Director DIN-08043768 | Sd/- (R.Sreenivasulu) Chairman and Managing Director DIN -07634253 |
|---|--|--|---|

In terms of our report of even
date For Asija & Associates LLP
Chartered Accountants
FR No. - 003155C/ C400011

Sd/-
(CA Kamal Kr. Ferwani)
M. No.- 402982

Place : Lucknow
Date : 29th June, 2020



**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST-MARCH-2020
PURSUANT TO CLAUSE 32 OF THE LISTING AGREEMENT**

| Particulars | Year Ended 31.03.2020 ₹in Lakhs | Year Ended 31.03.2019 ₹inLakhs |
|--|------------------------------------|-----------------------------------|
| Cash flow from operating activities : | | |
| Net Profit/(Loss) before Tax | (1,572.51) | (463.26) |
| Adjustment for: | | |
| -Depreciation | | |
| (i) For CurrentYear | 206.97 | 193.30 |
| (ii) For Prior Period | - | (44.50) |
| -Prior Year items | - | - |
| -Loss Written off | - | - |
| -Provision for Loss in Value of Investment | - | - |
| -Provision / Written off for Doubtful Debts | 13.48 | - |
| -Provision for Inventory obsolescence | 10.00 | 0.06 |
| -Excess Provision Written Back | (9.33) | (3.67) |
| -Interest Income | (194.84) | (209.44) |
| -Interest Paid | - | - |
| -(Profit)/Loss in exchange rate change | - | - |
| -(Profit)/Loss on sale of fixed assets | - | 0.32 |
| | <u>26.28</u> | <u>(63.93)</u> |
| Operating profit before working capital changes | (1546.23) | (527.19) |
| Adjustment for : | | |
| -Trade receivables | 38.18 | (6.15) |
| -Inventories | 2306.89 | (625.64) |
| -Other current assets | 77.72 | 105.33 |
| -Financial Assets - Others | 2.44 | 3.11 |
| -Other Non-Current Assets | 18.71 | - |
| -Other Non-Current Liabilities | (8.02) | 63.67 |
| -Trade payables | (526.12) | 266.93 |
| -Other Current Liabilities | (51.21) | (79.22) |
| -Financial Assets - Loans & Advances | 0.16 | 4.68 |
| -Capital Reserve | - | - |
| -Provisions | (76.91) | (116.00) |
| | <u>1781.83</u> | <u>(383.30)</u> |
| Cash generated/(loss) from operations : | 235.60 | (910.49) |
| Less Taxes Paid ; | | |
| Provision for Income Tax | - | - |
| Net cash from operating activities | 235.60 | (910.49) |
| Cash flow from Investing activities : | | |
| -Increase in fixed assets/capital expenditure | 30.36 | (72.40) |
| -Sale/ Adjustments of fixed assets | - | 0.41 |
| -Interest Income | 194.84 | 209.44 |
| -Other Fixed deposit with banks realised/(made) | (643.89) | (156.04) |
| -(Loss)/Gain in exchange rate | - | - |
| Net cash used in investingactivities | (418.69) | (18.59) |
| Cash flow from financing activities : | | |
| -Interest paid | - | - |
| -Increase in share capital | - | 189.00 |
| - Repayment of term loan to G.O.I | - | - |
| -Receipt of long term loan from-G.O.I. | - | - |
| -Settlement of GOI Loan | - | (189.00) |
| -Viability Gap Funding from MNRE | - | - |
| -(Decrease)/ Increase in cash credit limits | - | - |
| Net cash used in financing activities | (183.08) | (929.08) |
| Net increase / (decrease) in cash and cash equivalents | (183.08) | (929.08) |
| Cash and cash equivalents (Opening balance) | 281.58 | 1,210.66 |
| Cash and cash equivalents (Closing balance) | 98.50 | 281.58 |



Notes to the Cash Flow Statement

1. Cash Flow Statement has been prepared on Indirect Method as per Indian Accounting Standard 7 on Cash Flow Statement issued by Institute of Chartered Accountants of India
2. Cash and Cash Equivalent:

| Cash and cash equivalents | 2019-20 | 2018-19 |
|--|----------------|----------------|
| Cash in hand | 0.89 | 0.77 |
| Cheques in hand | - | - |
| Balance with Banks | | |
| Current accounts | 95.14 | 278.48 |
| Deposit with Bank with original maturity of less than 3 months | 2.47 | 2.33 |
| | 98.50 | 281.58 |

| | | | |
|---|--|--|---|
| Sd/- (R.S.Tiwari) Chief Finance Officer | Sd/- (S. Sakthimani) Director Finance (Additional Charge) DIN-07482308 | Sd/- (Sunil KumarSingh) Director DIN-08043768 | Sd/- (R.Sreenivasulu) Chairman and Managing Director DIN -07634253 |
|---|--|--|---|

In terms of our report of even date For Asija & Associates LLP
Chartered Accountants
FR No. - 003155C/ C400011

Sd/-
(CA Kamal Kr. Ferwani)
M. No.- 402982

Place : Lucknow
Date : 29 June, 2020



STATEMENT OF CHANGES IN EQUITY

Name of the Company : **SCOOTERS INDIA LIMITED**

Statement of Changes in equity for the period ended 31st March, 2020

A. Equity Share Capital

Balance as at the 1st April, 2018

Changes in equity share capital during the year

Balance as at the 31st March, 2019

Changes in equity share capital during the year

Balance as at the 31st March, 2020

B. Other Equity

(₹ In Lakhs)

8,538.39

189.00

8,727.39

0.00

8,727.39

(Rs. In Lakhs)

Reserves and Surplus

| | Share application money pending allotment | Equity component of compound financial instruments | Capital Reserve | Securities Premium Reserve | Other Reserves (Specify nature) | Retained Earnings | Debt instrument through Other Comprehensive Income | Equity instrument through Other Comprehensive Income | Effective portion of cash flow Hedges | Revaluation Surplus | Exchange differences on translating the financial statements of foreign operation | Other items of Other Comprehensive Income (Specify Nature) | Money received against share warrants |
|--|---|--|-----------------|----------------------------|---------------------------------|-------------------|--|--|---------------------------------------|---------------------|---|--|---------------------------------------|
| Balance at April 1, 2018 | | | 4.90 | | | (1,573.49) | | | | | | | (1,568.59) |
| Changes in the accounting policy or prior period error | | | 0.00 | | | - | | | | | | | - |
| Less: Prior Year Expense | | | 0.00 | | | (44.50) | | | | | | | (44.50) |
| Less: Adjustment as per IND AS | | | 0.00 | | | - | | | | | | | - |
| Add: Net Profit/(Loss) During The Year | | | 0.00 | | | (463.26) | | | | | | | (463.26) |
| Add: Other Comprehensive income | | | 0.00 | | | (46.10) | | | | | | | (46.10) |
| Balance at March 31, 2019 | | | 4.90 | | | (2,127.35) | | | | | | | (2,122.45) |
| Changes in the accounting policy or prior period error | | | 0.00 | | | - | | | | | | | - |
| Less: Prior Year Expense | | | 0.00 | | | - | | | | | | | - |
| Less: Adjustment as per IND AS | | | 0.00 | | | (1.40) | | | | | | | (1.40) |
| Add: Net Profit/(Loss) During The Year | | | 0.00 | | | (1572.52) | | | | | | | (1,572.52) |
| Add: Other Comprehensive income | | | 0.00 | | | (28.73) | | | | | | | (28.73) |
| Balance at March 31, 2020 | | | 4.90 | | | (3,730.00) | | | | | | | (3,725.10) |

In terms of our report of even date
For Asija & Associates LLP
Chartered Accountants
FR No. - 003155C/C400011

Place : Lucknow Date : 29th Jun 2020
(CA Kamal Kr. Ferwani)
M. No.- 402982

(R.S.Tiwari)
Chief Finance Officer

(S.Sakthimani)
Director Finance
(Additional Charge)
DIN-07482308

(SunilKumarSingh)
Director
DIN-08043768

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

**Annexed to and forming part of the Accounts****Note No. - 1****SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE IND AS FINANCIAL STATEMENT****1. STATEMENT OF COMPLIANCE**

The financial statements have been prepared as a going concern in accordance with Indian Accounting Standards (Ind AS) notified under the Section 133 of the companies Act, 2013 ("the Act") read with the Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act.

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.

All assets and liabilities have been classified as current or non-current according to the Company's operating cycle and other criteria set out in the Schedule III of Companies Act 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current non-current classification of assets and liabilities.

(ii) Going concern:

The Board of Directors have considered the financial position of the Company as at March 31, 2020 and the projected cash flows and financial performance of the Company for at least twelve months from the date of approval of these financial statements as well as planned cost and cash improvement actions, and believe that the plan for sustained profitability remains on course. The board of directors have taken actions to ensure that appropriate long-term cash resources are in place at the date of signing the accounts to fund the Company's operations.

(iii) Use of Estimates:

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities and disclosures of contingent assets and liabilities at the date of these financial statements and the reported amounts of revenues and expenses for the years presented. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed at each balance sheet date. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected. In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are included in the following notes:

- a. Notes 6: Recoverability / recognition of deferred tax assets
- b. Notes 16: Assets and obligations relating to employee benefits
- c. Notes 22: Provision for Warranty



(iv) **PROPERTY, PLANT AND EQUIPMENT**

Property, plant and equipment are stated at cost of acquisition or construction less accumulated depreciation less accumulated impairment, if any.

Freehold land is measured at cost and is not depreciated.

Such assets are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. Other repairs and maintenance of revenue nature are charged to profit or loss during the reporting period in which they are incurred.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from continued use of asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of asset and recognised in profit or loss.

The tools manufactured departmentally / purchased valuing individually below Rs.1,00,000 and having estimated useful life less than one period being of consumable nature are accounted for as revenue expenditure under relevant natural heads.

Construction period expenses exclusively attributable to projects are capitalized. Depreciation on other tangible fixed assets is charged on straight-line method in accordance with Schedule II of Companies Act 2013, as amended from time to time, except

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

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

(v) **NEW ACCOUNTING STANDARD-IND AS 116**

The Company evaluates each contract or arrangement, whether it qualifies as lease as defined under IndAS 116.

The Company as a lessee

The Company enters into an arrangement for lease of land and buildings. Such arrangements are generally for a fixed period but may have extension or termination options. The Company assesses, whether the contract is, or contains, a lease, at its inception. A contract is, or contains, a lease if the contract conveys the right to –

- a) control the use of an identified asset,
- b) obtain substantially all the economic benefits from use of the identified asset,



and
c) direct the use of the identified asset

The Company determines the lease term as the non-cancellable period of a lease adjusted with an option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and there by assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term costs relating to the termination of the lease and the importance of the underlying asset to the Company's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances. The Company assesses whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

Measurement and recognition of leases as a lessee

At lease commencement date, the Company recognises a right-of-use asset ('ROU') and a corresponding lease liability on the balance sheet. The right-of-use asset is measured at cost, which comprises of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date, any initial direct costs incurred by the Company, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

The Company depreciates the right-of-use assets using the written down value method (and straight-line method in respect of certain subsidiaries) from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Company also assesses the right-of-use asset for impairment when such indicators exist.

At the commencement date, the Company measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Company's incremental borrowing rate. Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

Extension and termination options are included in a number of property and equipment leases across the Company. These are used to maximize operational flexibility in terms of managing the assets used in the Company's operations. The majority of extension and termination options held are exercisable only by the Company and not by the respective lessor.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is re-measured to reflect any reassessment or

modification, or if there are changes in in-substance fixed payments. When the lease liability is re-measured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

The accounting policies applicable to the Company as a lessor in the comparative period were not different from Ind AS 116.

Transition to Ind AS 116

Effective April 1, 2019, the Company adopted Ind AS 116 "Leases", using the modified retrospective method and has taken the cumulative adjustment to retained earnings, on the date of initial application. Accordingly, the comparatives have not been retrospectively adjusted. On transition, the adoption of the new standard resulted in recognition of Right of use asset ('RoU') of ₹5.16 Lakhs and a lease liability of ₹3.12 Lakhs. The cumulative effect of applying the standard resulted in ₹1.40 Lakhs being debited to retained earnings, net of taxes.

For contracts in place at the date of initial application, the Company has elected to apply the definition of a lease from Ind AS 17 and has not applied Ind AS 116 to arrangements that were previously not identified as lease under Ind AS 17.

In the comparative period, as a lessee, the determination of whether an arrangement is (or contains) a lease was based upon the substance of the arrangement at the inception of the lease (Ind AS 17). The arrangement is, or contains, a lease if fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement. A lease was classified at the inception date as a finance lease or an operating lease. Leases where the lessor transfers substantially all the risks and rewards incidental to ownership to the Company were classified as a finance lease and other leases were classified as operating leases.

For the year, the Company has elected to not include initial direct costs in the measurement of the right-of-use asset for operating leases in existence at the date of initial application of Ind AS 116, being April 1, 2019. At this date, the Company has also elected to measure the right-of-use assets as if Ind AS 116 had always been applied from the start to those leases but using the incremental borrowing rate applicable at the time of initial application.

On transition, for leases previously accounted for as operating leases with a remaining lease term of less than twelve months and for leases of low-value assets, the Company has applied the optional exemptions to not recognize right-of-use assets but to account for the lease expense on a straight-line basis over the remaining lease term.

On transition to Ind AS 116, the weighted average incremental borrowing rate has been applied to lease liabilities recognized under Ind AS 116.

(vi)

BORROWING COST:

Borrowing cost directly attributable in relation to acquisition, construction of assets



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

(vii) INTANGIBLE ASSETS:

Intangible assets are stated at cost of acquisition less accumulated amortization. Technical Knowhow is amortised over the useful life of the underlying plant. Computer Software is amortised over a period of 5 years. Amortisation is done on straight line basis Expenditure on an intangible item shall be recognised as an expense when it is incurred unless it forms part of the cost of an intangible asset that meets the recognition criteria

(viii) 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. It may be possible to determine fair value less costs to sell, even if an asset is not traded in an active market. However, sometimes it will not be possible to determine fair value less costs to sell because there is no basis for making a reliable estimate of the amount obtainable from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. In this case, the entity may use the asset's value in use as its recoverable amount.

Deemed cost of property, plant and equipment and other intangible assets

In accordance with Ind-AS transitional provisions, the Company opted to consider previous GAAP carrying value of property, plant and equipment and other intangible assets as deemed cost on transition date.

(ix) INVESTMENTS:

- a) Current Investments are valued at cost or market value whichever is lower.
- b) Non-Current Investments are valued at cost. However, in case of permanent diminution in the value of investments, suitable provision is made in the books of accounts.
- c) Income from dividend is recognized in books of accounts when the right to receive such dividend is established.
- d) Investments in subsidiaries, joint controlled entities and associates in separate financial statements.

In accordance with Ind-AS transitional provisions, the company opted to consider previous GAAP carrying value of investments as deemed cost on transition date for investments in subsidiaries, joint ventures and associates in separate financial statement.

(x) INVENTORIES:

Inventories are valued at the lower of cost and net realisable value. Cost of raw materials, components and consumables are ascertained on a FIFO basis. Cost,



including fixed and variable production overheads, are allocated to work-in-progress and finished goods determined on a full absorption cost basis. Net realisable value is the estimated selling price in the ordinary course of business less estimated cost of completion and selling expenses. Cost of inventories also include all other costs incurred in bringing the inventories to their present location and condition. Costs of purchased inventory are determined after deducting rebates and discounts.

Stock-in-trade is valued at lower of cost or net realizable value.

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

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

(xi) **PROVISIONS:**

a) **PROVISION FOR REDUNDANCY/OBsolescence:**

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

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

c) **PROVISION FOR WARRANTY CLAIMS:**

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

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

(xii) **INPUT CREDIT:**

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

(xiii) **REVENUE RECOGNITION**

Revenue Recognition criteria as per Ind AS 115 "Revenue from Contract with Customers". Since, the sales recorded should have been recorded as per above mentioned Ind AS. Thus, entity should incorporate the below mentioned para as a



part of notes forming the parts of accounts. The Company recognises revenue when the amount of revenue and its related cost can be reliably measured and it is probable that future economic benefits will flow to the entity and degree of managerial involvement associated with ownership or effective control have been met for each of the Company's activities as described below. The Company bases its estimates on historical results, taking into consideration the type of customer, the type of transactions and the specifics of each arrangement.

Sales of Goods:

The Company recognizes revenues from the sales of commercial and passenger vehicles for domestic and export sales when control including risks and rewards and title of ownership pass over such products to the customer on dispatch from the factory respectively.

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.

(iii) Employees Benefit:**Short-Term Obligation**

Liabilities for wages and salaries including non-monetary benefits that are expected to be settled within the operating cycle after the end of the period in which the employees render the related services are recognized in the period in which the related services are rendered and are measured at the undiscounted amount expected to be paid.

Other long-Term Employee Benefit Obligation

Liabilities for leave encashment and compensated absences which are not expected to be settled wholly within the operating cycle after the end of the period in which the employees render the related service are measured at the present value of the estimated future cash outflows using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period on Government bonds that have terms approximating to the terms of the related obligation. Re-measurement as a result of experience adjustments and changes in actuarial assumptions are recognized in profit or loss.

Post-Employment Obligations**Defined benefit plans**

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

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

Actuarial Gain / Loss on Defined Benefits Plans

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in profit or loss as past service cost.

Termination benefits

A liability for the termination benefit is recognized at the earlier of when the Company can no longer withdraw the offer of the termination benefit and when the Company recognizes any related restructuring costs.

Leave encashment for retiring employees is being settled by the Company through its own resources & the company does not maintain fund with LIC1 for the same. The excess/deficit in actuarial valuation is recognized as assets/liabilities immediately and consequent gain/loss arising from such valuation is charged to revenue in the year in which they arise.

(xv) TAXES ON INCOME:

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

Deferred Tax: Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profits. Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences and incurred tax losses to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

(xvi) ACCOUNTING FOR INCOME AND EXPENDITURE:

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

(xvii) 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.

(xviii) **RESEARCH AND DEVELOPMENT:**

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

(xix) **ACCOUNTING OF GOVERNMENT GRANT:**

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. 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.

(xx) **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.

(xxi) **PROPOSED DIVIDEND**

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

(xxii) **DUTIES ON BONDED STOCK:**

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

3. **CONTINGENT LIABILITIES AND COMMITMENTS:**

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

D. Capital Commitments:

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



NOTE NO. 2
Property, Plant and Equipments

| DESCRIPTION | GROSS BLOCK AT COST | | | | | ACCUMULATED DEPRECIATION | | | | NET BLOCK | | |
|---|-------------------------|---|-------------------|--|--------------------------------------|--------------------------|-------------------------|----------|----------|-----------------|-------------------------|-------------------------|
| | AS AT 01.04. 2019 | Acquisi- tion through Business Combin- ation | Other Addition | Total Addition during the year | Deduction/ Adjustment Transfer | AS AT 31.03. 2020 | AS AT 01.04. 2019 | Addition | Ded/Trf | For the Year | AS AT 31.03. 2020 | AS AT 01.04. 2019 |
| A | | | | | | | | | | | | |
| Tangible Assets | 410.96 | - | 0.75 | 0.75 | - | 411.71 | 356.26 | - | - | 1.28 | 357.55 | 54.70 |
| Building(including Roads Services & Tubewell | 3,323.47 | - | 160.61 | 160.61 | - | 3,484.08 | 2,445.84 | - | - | 141.30 | 2,587.15 | 877.63 |
| Plant and Machinery | 1,866.43 | - | - | - | - | 1,866.43 | 1,743.98 | - | - | 15.66 | 1,759.65 | 122.45 |
| Special Tools | 113.33 | - | - | - | - | 113.33 | 104.80 | - | - | 0.91 | 105.70 | 8.53 |
| Handling Equipment | 332.61 | - | 3.60 | 3.60 | - | 336.21 | 313.47 | - | - | 2.74 | 316.21 | 19.14 |
| Furniture & Fixtures | 69.75 | - | 17.49 | 17.49 | - | 87.24 | 61.13 | - | - | 3.26 | 64.39 | 8.62 |
| Office Equipments | 876.47 | - | 30.31 | 30.31 | - | 906.78 | 240.24 | - | - | 33.66 | 273.89 | 636.23 |
| Electrical Equipments | 152.92 | - | 4.02 | 4.02 | - | 156.93 | 123.07 | - | - | 8.03 | 131.10 | 29.85 |
| Installation & Fittings | | | | | | | | | | | | |
| Vehicles | | | | | | | | | | | | |
| TOTAL | 7,145.94 | - | 216.78 | 216.78 | - | 7,362.71 | 5,388.79 | - | - | 206.84 | 5,595.64 | 1,767.06 |
| B | | | | | | | | | | | | |
| Assets Not in Use** | 54.18 | - | - | - | - | 54.18 | 51.38 | - | - | - | 51.38 | 2.80 |
| Capital Work in Progress | | | | | | | | | | | | |
| Capital items awaiting installation | 95.05 | - | 364.91 | 364.91 | 442.66 | 17.30 | - | - | - | - | 17.30 | 95.05 |
| - Tangible | | | | | | | | | | | | |
| - Intangible*** | | | | | | | | | | | | |
| Construction work in progress | | | | | | | | | | | | |
| Assets under inspection | 330.91 | - | 208.07 | 208.07 | 364.91 | 174.07 | - | - | - | - | 174.07 | 330.91 |
| TOTAL | 425.96 | - | 572.98 | 572.98 | 807.57 | 191.37 | - | - | - | - | 191.37 | 425.96 |

Note :

1. Amount of Borrowing Cost Capitalised during the year is NIL (Previous Year - NIL)
2. Plant, Machinery, Equipment, and Jigs & Fixtures costing individually Rs. 100000 and below are depreciated fully in the year of purchase. In case of tools where average estimated useful life is greater than five years but less than ten years, depreciation is charged @ 20% as was being done prior to introduction of Schedule II.
3. During the financial year 2015-16, the componentization on Fixed Asset has been carried out in accordance with provision of The Companies Act 2013, the impact of which is nil.
4. ** The Fixed Assets amounting to Rs. 54.18 lakhs in which are not in active use has been recorded at its book value which is lower of its net realizable value in the financial year 2015-16.
5. Regarding leasing of the company owned petrol pump (HPCL) has been temporarily leased for operations to HPCL w.e.f. 8th November 2016

Note No. 2.1 :-
Right-of use assets

Amount in ₹ ₹ in Lakhs

| Particulars | Land | |
|--|------------------|-------------|
| | ₹ | ₹ in Lakhs |
| Reclassified on adoption of Ind AS 116, as on April 1, 2019 | 516957.52 | 5.17 |
| Additions during the year | 0.00 | 0.00 |
| Additions through business combination | 0.00 | 0.00 |
| Deletions during the year | 0.00 | 0.00 |
| Depreciation during the year | 11380.53 | 0.11 |
| Translation adjustments | 0.00 | 0.00 |
| Balance as on March 31, 2020 | 505576.99 | 5.06 |

NOTE NO. 3 :
Financial Assets - Non Current Investments

| | ASAT 31.03.2020 ₹inLakhs | ASAT 31.03.2019 ₹inLakhs |
|--|--------------------------------|--------------------------------|
| Investment at cost (Unquoted fully paid) | | |
| UP Instruments Limited | | |
| 1,55,030 Equity Shares (Previous Year 1,55,030 Equity Shares) of ₹ 10 each | 15.50 | 15.50 |
| UP Tyres & Tubes Limited | | |
| 5,22,800 Equity Shares (Previous Year 5,22,800 Equity Shares) of ₹ 10 each | 52.28 | 52.28 |
| Co-operative Electric Supply Society Limited | | |
| 5,700 Equity Shares (Previous Year 5,700 Equity Shares) of ₹ 10 each | 0.57 | 0.57 |
| | 68.35 | 68.35 |
| Less : Provision for estimated loss in value | 68.35 | 68.35 |
| | - | - |

- a. The Government of India approved participation in the equity share capital of M/s U.P. Instruments Ltd. (A State Government Undertaking) to the extent of ₹15.68 Lakhs, i.e., 49% of equity share capital and the Company/Nominees have so far invested ₹15.50 lakhs towards equity share capital (Previous years i.e. FY 2017-18 ₹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 i.e. FY 2017-18 ₹52.28 lakhs).

As the net worth of UPTT has become negative, the estimated realisable value of the shares is considered as Nil. Accordingly, possible loss in the investment (₹ 52.28 lakhs) has been provided for in the Accounts during 1996-1997.

- c. The company invested ₹0.57 lakh in the shares of the Co-operative Electric Supply Society Limited in the year 1984. In absence of any information regarding the net worth of the company, a provision for the same has been made in the year 2006- 2007.

NOTE NO. 4
Trade Receivables

| | AS AT 31.03.2020 ₹inLakhs | AS AT 31.03.2019 ₹inLakhs |
|---|--|--|
| Unsecured | | |
| (i) Debts outstanding for a period exceeding 12 months from the date it becomes due | | |
| a) Considered good | 54.79 | 51.92 |
| b) Considered doubtful | 415.84 | 419.70 |
| | 470.63 | 471.62 |
| (ii) Other debts considered good | - | - |
| | 470.63 | 471.62 |
| Less : Provision for doubtful debts | 415.84 | 419.70 |
| | 54.79 | 51.92 |

- (i) Legal proceedings are in progress for recovery of outstanding in case of 35 parties, the amount involved, as on 31-3-2020 is ₹ 406.69 Lakhs (Previous year i.e. FY 2018-19 35 parties amounting to ₹ 406.69 lakhs) against which provision has been made. The company has also initiated legal proceeding against FWL for recovery of royalty dues and protection of SIL rights in Lambretta Trademark and expenditure of ₹ 5.86 lakhs (previous year i.e. FY2018-19 is ₹ 39.78 lakhs) has been incurred during the year under report.

NOTE NO. 5
NON-Current Financial Assets - Others

| | ASAT 31.03.2020 ₹inLakhs | ASAT 31.03.2019 ₹inLakhs |
|--|---|---|
| Security Deposits | 84.25 | 85.16 |
| Less: Provision for doubtful adv/recv. | 4.07 | 4.07 |
| | 80.18 | 81.09 |
| Other Loans & Advances | 79.45 | 80.98 |
| | 159.63 | 162.07 |

NOTE NO. 6
Deferred Tax Assets

| | AS AT 31.03.2020 ₹inLakhs | AS AT 31.03.2019 ₹inLakhs |
|--|---------------------------------|---------------------------------|
| (A) Deferred tax liability | | |
| On account of timing difference with regard to depreciation. | 207.96 | 216.20 |
| Total A | 207.96 | 216.20 |
| (B) Deferred tax Assets | | |
| On account of timing difference with regard to disallowance of provision in Income Tax. | 183.12 | 221.43 |
| On account of timing difference with regard to unabsorbed depreciation, scientific research expenditure and carry forward losses | 2,302.41 | 640.70 |
| Total B | 2,485.53 | 862.12 |
| Deferred Tax Assets (B-A) | 2,277.57 | 645.92 |

In consideration of prudence, the above deferred tax as sets aggregating to ₹2277.57 lakhs (FY2018-19 is ₹ 645.92 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. 7
Other Non-Current Assets

| | ASAT 31.03.2020 ₹inLakhs | ASAT 31.03.2019 ₹inLakhs |
|--|--------------------------------|--------------------------------|
| Capital Advances | - | - |
| Advance other than capital advances | | |
| 1 Unsecured considered good: | | |
| a) Security Deposits | - | - |
| b) Others | - | 18.71 |
| 2 Unsecured Considered doubtful | - | - |
| | - | 18.71 |
| Less : Provision for doubtful advances | - | - |
| | - | 18.71 |

NOTE NO. 8
Inventories

| | AS AT 31.03.2020 ₹inLakhs | AS AT 31.03.2019 ₹inLakhs |
|--|---|---|
| Raw Materials and Components* | 1,138.25 | 1,399.81 |
| Stores and Spares | 242.17 | 237.32 |
| Loose Tools and Consumables* | 439.23 | 509.45 |
| Work-in-progress @ | 512.46 | 1,183.90 |
| Finished goods @ | 701.56 | 1,914.75 |
| Material-in-transit | - | - |
| Material under Inspection | 0.33 | 12.33 |
| Disposal Stores | 111.50 | 202.40 |
| Other Stocks # | 7.09 | 7.62 |
| | 3,152.59 | 5,467.58 |
| Less : Provision for Inventory Obsolescence | 134.95 | 139.63 |
| : Provision for material lying with sub-contractor doubtful of recovery | 27.13 | 26.30 |
| | 2,990.51 | 5,301.65 |

*Raw - materials, loose tools and consumables lying with sub - contractors amount to ₹28.45 lakhs (Previous year i.e. FY 2018-19 is ₹29.59 lakhs). The Company held no security in respect of material lying with third parties/contractors to the tune of ₹28.45 lakhs (Previous year i.e.FY2018-19 is ₹29.59 lakhs).

#Other Stocks includes Petrol Pump of ₹0.14 lakhs (Previous Year i.e. FY 2018-19 is ₹0.14 lakhs) This is 100% provided for.

a. Provision available for material lying with Sub-Contractor doubtful of recovery is ₹27.13 lakhs (FY2018-19 is ₹26.30).

NOTE NO. 9
Trade Receivables

| | ASAT 31.03.2020 ₹in Lakhs | ASAT 31.03.2019 ₹in Lakhs |
|--|---|---|
| Unsecured | | |
| (i) Debts outstanding for a period less than 12months from the date it becomes due | | |
| a) Considered good | 13.30 | 63.52 |
| b) Considered doubtful | - | - |
| | 13.30 | 63.52 |
| (ii) Other debts considered good | - | - |
| | 13.30 | 63.52 |
| Less : Provision for doubtful debts | - | - |
| | 13.30 | 63.52 |

NOTE NO. 10
Cash and Bank Balances

| | AS AT 31.03.2020 ₹inLakhs | AS AT 31.03.2019 ₹inLakhs |
|--|---------------------------------|---------------------------------|
| Cash and Cash Equivalents : | | |
| Cash in hand # | 0.89 | 0.77 |
| Cheques in hand | - | - |
| Balance with Banks | | |
| Current accounts | 95.14 | 278.48 |
| Deposit with Bank with original maturity of less than 3 months* for other commitments | 2.47 | 2.33 |
| | 98.50 | 281.58 |
| Other Bank Balances | | |
| Fixed deposits with banks | 676.76 | 119.53 |
| Deposit with Bank with original maturity of more than 3 months but less than 12 months held | 1,557.52 | 1,472.86 |
| Deposit with Bank with original maturity of more than 12 months held for other commitments** | 2.00 | - |
| | 2,236.28 | 1,592.39 |
| | 2,334.78 | 1,873.97 |

**includes ₹1458.94 lakhs (previous year i.e.FY2018-19 is ₹1402.24 lakhs) earmarked for Capital Expenditure.

**includes ₹13.59 lakhs (previous year i.e.FY2018-19 is ₹13.59 lakhs) has been frozen by Indian Overseas Bank in connection with order of court in one legal case.

NOTE NO. 11
Current Financial Assets - Others

| | ASAT 31.03.2020 ₹inLakhs | ASAT 31.03.2019 ₹inLakhs |
|------------------------|--------------------------------|--------------------------------|
| Other Loans & Advances | 1.52 | 1.68 |
| | 1.52 | 1.68 |

NOTE NO. 12
Other Current Assets

| | AS AT 31.03.2020 ₹inLakhs | AS AT 31.03.2019 ₹inLakhs |
|--|---------------------------------|---------------------------------|
| A. Advances other than capital advances | | |
| 1 Secured considered good | 0.01 | 0.01 |
| 2 Unsecured considered good: | | |
| a) Deposits | 27.68 | 96.93 |
| b) Others advances (comprising of Advance to LIC, Staff Advance and other advances to parties/vendors) | 857.62 | 911.00 |
| 3 Unsecured Considered doubtful | 122.32 | 122.32 |
| | 1,007.63 | 1,130.26 |
| Less : Provision for doubtful advances | 122.32 | 122.32 |
| | 885.31 | 1,007.94 |
| B. Others- Interest accrued on Term Deposits | 88.36 | 44.18 |
| | 973.67 | 1,052.12 |



NOTE NO. 13
Share Capital

| | AS AT 31.03.2020 ₹inLakhs | AS AT 31.03.2019 ₹inLakhs |
|--|---------------------------------|---------------------------------|
| Authorised Capital 25,00,00,000 Equity Shares (Previous Year 25,00,00,000) of ₹10 each. | 25,000.00 | 25,000.00 |
| Issued Capital 8,72,75,500 Equity Shares (Previous year 8,53,85,500) of ₹10 each | 8,727.55 | 8,727.55 |
| Subscribed and Fully Paid up Capital Balance as at the beginning of the period (8,72,72,255 Equity Shares* of ₹10 each) | 8,727.23 | 8,727.23 |
| Changes in equity share capital during the year | - | - |
| Balance as at the end of the period | 8,727.23 | 8,727.23 |
| Forfeited Shares | 0.16 | 0.16 |
| Advance against Share Capital | - | - |
| | 8,727.39 | 8,727.39 |

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

a. The reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period areas follows:

| Particulars | As at 31.03.2020 | | As at 31.03.2019 | |
|---|---------------------|----------|---------------------|----------|
| | Number | ₹ | Number | ₹ |
| Shares outstanding at the beginning of the year | 87275500 | 8,727.55 | 85385500 | 8,538.55 |
| Shares Issued during the year | 0 | 0.00 | 1890000 | 189.00 |
| Shares outstanding at the end of the year | 87275500 | 8,727.55 | 87275500 | 8,727.55 |

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

1890000 shares at ₹10/- each has been issued during F.Y. 2018-19 under reference of account freezing of interest on the Non-Plan loan of ₹1.89 crore released to SIL during FY 2013-14 from the date of its release to company.

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

| Name of Shareholder | As at 31.03.2020 | | As at 31.03.2019 | |
|---------------------|---------------------|--------------|---------------------|--------------|
| | No. of Shares held | % of Holding | No. of Shares held | % of Holding |
| Government of India | 81,924,029 | 93.87 | 81,924,029 | 93.87 |

c. Terms/Rights attached to Equity Shares

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

NOTE NO. 14
Other Equity

| | AS AT 31.03.2020 ₹inLakhs | AS AT 31.03.2019 ₹inLakhs |
|--|---------------------------------|---------------------------------|
| Capital Reserve* | | |
| Balance at the beginning of the reporting period | 4.90 | 4.90 |
| Changes in the accounting policy or prior period error | - | - |
| Less: Adjustment as per IND AS | - | - |
| | 4.90 | 4.90 |
| Add: Net Profit/(Loss) During The Year | - | - |
| Add: Other Comprehensive income | - | - |
| Balance at the end of the reporting period | 4.90 | 4.90 |
| Retained Earnings | | |
| Balance at the beginning of the reporting period | (2,127.35) | (1,573.49) |
| Changes in the accounting policy or prior period error | - | - |
| Less: Prior Year Expense** | - | (44.50) |
| Less: Adjustment as per IND AS | (1.40) | - |
| | (2,128.75) | (1,617.99) |
| Add: Net Profit/(Loss) During The Year | (1,572.52) | (463.26) |
| Add: Other Comprehensive income | (28.73) | (46.10) |
| Balance at the end of the reporting period | (3,730.00) | (2,127.35) |

*Share forfeiture adjustment during 198081 was ₹4.90 lakhs

**Prior year adjustment is on account of Research & Development expenses pertaining to the FY 2017-18.

NOTE NO. 15
Non-Current Borrowings

| | ASAT 31.03.2020 ₹inLakhs | ASAT 31.03.2019 ₹inLakhs |
|-----------------------------------|--------------------------------|--------------------------------|
| Unsecured Loan from Related Party | 1,200.00 | 1,200.00 |
| Loans from Government of India* | 1,200.00 | 1,200.00 |

* Refer Note No. 48

NOTE NO. 16
Non-Current Lease Liabilities

| | ASAT 31.03.2020 ₹inLakhs | ASAT 31.03.2019 ₹inLakhs |
|------------------|--------------------------------|--------------------------------|
| Lease Obligation | 2.64 | 5.00 |
| | 2.64 | 5.00 |

**NOTE NO. 17****Non-Current Provisions**

| | ASAT 31.03.2020 ₹inLakhs | ASAT 31.03.2019 ₹inLakhs |
|--|---|---|
| Provision for Retirement Benefits | | |
| Gratuity | - | - |
| Leave Encashments | 214.61 | 191.12 |
| | 214.61 | 191.12 |

a. Liability for Gratuity & Leave Encashment has been determined by an actuary, appointed for the purpose, in conformity with the principles set out in Ind AS -19 the details of which are given in Note No. 43.

NOTE NO. 18**Other Non-Current Liabilities**

| | ASAT 31.03.2020 ₹inLakhs | ASAT 31.03.2019 ₹inLakhs |
|--|---|---|
| Advances from Customers | 1.90 | 1.90 |
| Security Deposits | 288.92 | 294.58 |
| | 290.82 | 296.48 |
| Related Party | | |
| Refund of TDS on Interest payable to Government of India | - | - |
| | 290.82 | 296.48 |

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

NOTE NO. 19**Current Borrowings**

| | ASAT 31.03.2020 ₹inLakhs | ASAT 31.03.2019 ₹inLakhs |
|--------------------------------------|---|---|
| Secured | | |
| Loans and advances from Banks | | |
| State Bank of India | - | - |
| Indian Overseas Bank | - | - |
| Allahabad Bank | - | - |
| | - | - |

NOTE NO. 20
Current Lease Liabilities

| | ASAT 31.03.2020 ₹inLakhs | ASAT 31.03.2019 ₹inLakhs |
|------------------|--|--|
| Lease Obligation | 0.25 | 0.37 |
| | 0.25 | 0.37 |

NOTE NO. 21
Trade & Other Payables

| | ASAT 31.03.2020 ₹inLakhs | ASAT 31.03.2019 ₹inLakhs |
|--|--|--|
| Acceptances | - | - |
| Other Trade Payable | | |
| MSME | 2.84 | 1.55 |
| Other Payables* (comprising of Sundry Creditors (General, Ancilliary and Others) | 625.75 | 1153.16 |
| | 628.59 | 1154.71 |
| | 628.59 | 1154.71 |

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

NOTE NO. 22
Other Financial Liabilities

| | ASAT 31.03.2020 ₹inLakhs | ASAT 31.03.2019 ₹inLakhs |
|--|--|--|
| Related Party | | |
| Current Maturities of Long Term Loan from GOI* | 400.00 | 800.00 |
| | 400.00 | 800.00 |

* Refer Note No. 48

**NOTE NO. 23****Other Current Liabilities**

| | AS AT 31.03.2020 ₹inLakhs | AS AT 31.03.2019 ₹inLakhs |
|---|--|--|
| Advances and Deposits@ | 83.24 | 166.13 |
| Interest accrued but not due | - | - |
| Interest Accrued & Due on GOI Loans | - | - |
| Unspent Balance against Workmen Housing Colony* | 42.33 | 42.32 |
| Other Liabilities and Payables** (comprising of Salary & Wages, Liability for Expenses and Grants) | 569.82 | 538.40 |
| | 695.39 | 746.85 |

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

| * Refer Note No. 33 (v). The details are as follows: | 2019-20 | 2018-19 |
|---|----------------|----------------|
| Amount recovered so far from workmen | 148.36 | 148.27 |
| Less : Expenditure on Workmen's Housing Colony | 106.04 | 106.04 |
| | 42.32 | 42.23 |

** Includes Payable to Workmen Housing Colony ₹3.99 lakhs (Previous Year ₹3.99 lakhs).

NOTE NO. 24**Current Provision**

| | AS AT 31.03.2020 ₹ in Lakhs | AS AT 31.03.2019 ₹ in Lakhs |
|--|--|--|
| Provision for Retirement Benefits : | | |
| Gratuity | - | - |
| Leave Encashments | 49.96 | 69.19 |
| | 49.96 | 69.19 |
| Provision for Others : | | |
| Warranty | 9.95 | 6.10 |
| Income Tax | - | 54.88 |
| | 59.91 | 130.17 |

a. Liability for Gratuity & Leave Encashment has been determined by an actuary, appointed for the purpose, in conformity with the principles set out in Ind AS-19 the details of which are given in Note No. 43

b. The details of provision for warranty are given below: (₹ In Lakhs)

| Particulars | 2019-20 | 2018-19 |
|---|----------------|----------------|
| Opening Balance | 6.10 | 6.30 |
| Add: Provision for the year (net) including additional/ less provision for earlier years | 3.85 | 3.42 |
| Total | 9.95 | 9.72 |
| Less: Payment/Debits | - | 3.62 |
| Closing Balance | 9.95 | 6.10 |

NOTE NO. 25
Revenue from Operation

| | Year Ended 31.03.2020 ₹ in Lakhs | Year Ended 31.03.2019 ₹ in Lakhs |
|----------------------------------|--|--|
| Sale of Product | | |
| Three-Wheeler | 6,757.21 | 6,196.53 |
| Spare-parts | 347.72 | 185.67 |
| Petrol, Diesel, Lubricants etc.* | - | - |
| | 7,104.93 | 6,382.20 |
| Other Operating Revenue | | |
| Miscellaneous Items & Scrap | 95.72 | 3.00 |
| | 95.72 | 3.00 |
| | 7,200.65 | 6,385.20 |

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

NOTE NO. 26
Other Income

| | Year Ended 31.03.2020 ₹ in Lakhs | Year Ended 31.03.2019 ₹ in Lakhs |
|---|--|--|
| Miscellaneous Receipts | | |
| Sale of : | | |
| a) Empties | 3.25 | 1.41 |
| Interest on : | | |
| a) Vehicle advance to employees | | |
| a) Advance to Suppliers/Dealers | | |
| a) Term deposits | 117.84 | 153.94 |
| b) Others | 9.09 | 6.56 |
| Royalty | - | - |
| Profit on sale of fixed assets | - | - |
| Gain in exchange rate | - | - |
| Excess Provision writtenback | 9.33 | 3.67 |
| Other receipts (comprising of rent received, petrol pump recovery, etc.) | 67.91 | 48.94 |
| TOTAL | 207.42 | 214.52 |



NOTE NO. 27
Consumption of Materials

| | Year Ended 31.03.2020 ₹ in Lakhs | Year Ended 31.03.2019 ₹ in Lakhs |
|---|--|--|
| (I) Consumption of Materials : | | |
| a) Raw Materials and Components | | |
| Opening Stock | 1,399.81 | 1,436.97 |
| Add : Purchases | 3,350.38 | 4,509.44 |
| | 4,750.19 | 5,946.40 |
| b) Less : | | |
| i) Closing Stock | 1,138.25 | 1,399.81 |
| ii) Shortages in inventory written off | - | - |
| | 1,138.25 | 1,399.81 |
| c) Consumption of Materials (a- b) | 3,611.94 | 4,546.59 |
| (II) Petrol Pump | | |
| a) Opening Stock | 0.14 | 0.14 |
| Add : Purchases | - | - |
| | 0.14 | 0.14 |
| b) Less : i) Closing Stock | 0.14 | 0.14 |
| ii) Shortages written off | - | - |
| | 0.14 | 0.14 |
| c) Cost of sales at Petrol Pump (a- b) | - | - |

- 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. 28
Change in Inventories of Finished Goods, Work in Progress, Disposal Stores

| | Year Ended 31.03.2020 ₹ in Lakhs | Year Ended 31.03.2019 ₹ in Lakhs |
|--------------------------------------|--|--|
| Opening Stock | | |
| Finished Goods | 1,914.75 | 1,601.95 |
| Work-in-progress | 1,183.90 | 884.87 |
| Disposal Stores | 202.39 | 207.66 |
| A | 3,301.04 | 2,694.48 |
| Closing Stock | | |
| Finished Goods | 701.56 | 1,914.75 |
| Work-in-progress | 512.46 | 1,183.90 |
| Disposal Stores | 111.50 | 202.39 |
| B | 1,325.52 | 3,301.04 |
| (Accretion) / Decretion (A-B) | 1,975.52 | (606.56) |

NOTE NO. 29
Employees' Benefit Expenses

| | Year Ended 31.03.2020 ₹ in Lakhs | Year Ended 31.03.2019 ₹ in Lakhs |
|---|--|--|
| Salaries , Wages and Bonus* | 1,539.94 | 1,660.21 |
| Contribution to Provident and Other Funds | 200.87 | 246.29 |
| Staff Welfare Expenses | 312.26 | 323.55 |
| Total | 2,053.07 | 2,230.05 |

*Includes stipend paid to the trainees/apprentices for the FY 2019-20 is ₹73.27 lakhs (FY 2018-19 is ₹71.36 lakhs).
Note: Refer Note No. 45 regarding interim relief & revision of pay.

NOTE NO. 30
Finance Cost

| | Year Ended 31.03.2020 ₹ in Lakhs | Year Ended 31.03.2019 ₹ in Lakhs |
|--|--|--|
| Interest on Loans and advances from : | | |
| Government of India | - | - |
| Banks | - | - |
| Others | - | - |
| | - | - |

**NOTE NO. 31****Other expenses of Manufacturing, Administration and Selling & Distribution**

| | Year Ended 31.03.2020 ₹ in Lakhs | Year Ended 31.03.2019 ₹ in Lakhs |
|---|--|--|
| Consumption of stores, Spares and Tools | 187.17 | 51.62 |
| Power & fuel | 280.63 | 276.06 |
| Rent | 12.37 | 16.17 |
| Repairs:a) Building | 23.94 | 10.63 |
| b) Plant & Machinery | 18.52 | 9.96 |
| c) Others | 29.46 | 35.25 |
| Fabrication Charges | - | - |
| Insurance | 5.28 | 4.56 |
| Rates and Taxes | 35.86 | 17.69 |
| Miscellaneous Expenses | 22.64 | 23.24 |
| Research and Development | 122.96 | 119.03 |
| Excise Duty with Cess | - | - |
| Postage, Telegram and Telephone | 8.33 | 10.30 |
| Directors' Sitting Fees | - | - |
| Travelling Expenses | 36.12 | 29.20 |
| Printing and Stationery | 8.59 | 8.37 |
| Board Meeting Expenses | 0.45 | - |
| Legal Expenses | 22.64 | 8.83 |
| Consultancy Charges | 19.83 | 12.78 |
| Vehicle Running and Maintenance | 2.74 | 2.47 |
| Bank Charges | 1.36 | 0.74 |
| Demands and Interest on Taxes | 21.08 | 2.44 |
| Advertisement & Sales Promotion Expenses | 188.56 | 16.19 |
| Freight & Packing Expenses | 24.49 | 14.80 |
| Service Expenses (Free Coupon/After Sales Service) | 36.58 | 29.21 |
| Cash Discount & Incentives | - | - |
| Entry Tax | - | - |
| Loss in Exchange Rate due to Fluctuation | - | - |
| Bad and Doubtful Debts, Advances and others written off | - | - |
| Deferred Revenue Expenditure Written Off | - | - |
| Provision for doubtful debts/advances | 13.48 | - |
| Provision for Inventory obsolescence | 10.00 | 0.06 |
| Loss in Value of Investment | - | - |
| Total | 1,133.08 | 699.60 |

NOTE NO. 32
Depreciation

| | Year Ended 31.03.2020 ₹ in Lakhs | Year Ended 31.03.2019 ₹ in Lakhs |
|-------------------------------------|--|--|
| Depreciation | 206.85 | 193.30 |
| Depreciation on Right of Use Assets | 0.11 | - |
| | 206.97 | 193.30 |

NOTE NO. 33
Tax Expenses

| | Year Ended 31.03.2020 ₹ in Lakhs | Year Ended 31.03.2019 ₹ in Lakhs |
|--|--|--|
| Income Tax current Year | - | - |
| Income Tax pertaining to Earlier Years | - | - |
| | - | - |

NOTE NO. 34
Earning Per Share (EPS)

| | Year Ended 31.03.2020 ₹ in Lakhs | Year Ended 31.03.2019 ₹ in Lakhs |
|---|--|--|
| Profit as per Profit & Loss Account (₹ in lakhs) | (1,601.24) | (509.36) |
| Average number of Equity Shares (Face value ₹10 each) | 87272255 | 87272255 |
| Basic & Diluted Earning per share (in ₹) | (1.83) | (0.58) |



Note No.- 35
Contingent Liabilities & Commitments

| | As at 31.3.2020 ₹ In Lakhs | As at 31.3.2019 ₹ In Lakhs |
|---|--|---|
| Company is contingently liable for | | |
| (i) Claims against the Company not acknowledged as debts. | Intermediate | Indeterminate |
| (a) Consumer Forum Cases (Refer Point No. A) | 95.00 excluding Interest Wherever Applicable | 103.51 excluding Interest Wherever Applicable |
| (b) Cases of Private Parties. | 30.00 + Interest Thereon | 30.00 + Interest thereon |
| (c) In connection with guarantee/ Indemnity given by SIL to OBC (Refer Point No B.) | | |
| (d) SIL vs ESIC (Refer Point No. C). | 27.34 | 27.34 |
| (e) Punjab National Bank vs SIL (Refer Point No. D). | 213.00 | 213.00 |
| (f) SIL Vs The Micro and Small Enterprise Facilitation Council & Others | 11.07 Excluding Compound Interest thereon | 11.07 Excluding Compound Interest thereon |
| (g) A.N. Kapoor vs SIL | 1.50 + Interest thereon | Nil |
| (h) SEBI/BSE Penalty levied as per SEBI LODR regulations. (Refer Point No. E) | 57.29 | Nil |
| (i) Demand Notices raised by Central Excise and Service Tax Authorities. | 34.53 Plus Interest Indeterminate | 34.53 Plus Interest Indeterminate |
| (j) Demand Notices raised by Income Tax Authorities of previous years for which appeals are pending before the competent authorities. However based upon appeals filed by the company seeking relief, the Hon'ble High Court of Judicature, Allahabad (Lucknow Bench) has decided appeals for Assessment year 2002-03 to 2009-10 wherein substantial reliefs have been given. Consequently the demands are likely to nullify after appellate order. | 1470.83 | 1508.71 |
| (ii) Unfavorable Arbitration award in the matter between Ordnance Factory Board and the Company (Refer Point No. F) | 23.85 + Interest thereon | 23.85 + Interest thereon |
| (iii) Counter claim of M/s UPSICL (Refer Point No. G) | 9.27 Plus Interest Indeterminate | 9.27 Plus Interest Indeterminate |
| (iv) Employees' Cases pending before various Court | 51 Nos. & Amount Indeterminate | 46 Nos. & Amount Indeterminate |
| (a) In Labour Court | 29 Nos. & Amount Indeterminate | 38 Nos. & Amount Indeterminate |
| (b) In Others | | |
| (v) The Workmen Housing Colony (Refer Point No. H) | 2412.00 | 2412.00 |



Point No. A

The amount involved in 1 consumer case pending before Supreme Court of India and 1 consumer case pending before National Consumer Disputes Redressal Commission, New Delhi is indeterminate (previous years i.e. FY 2018-19 amount involved in 9 cases of consumers is estimated at ₹ 10 lakhs) & remaining 63 cases of Consumer pending before different Consumer Forums in India is Indeterminate (previous year i.e. FY 2018-19 amount of 64 cases was indeterminate). An amount of ₹ 1.37 lakhs (previous year i.e. FY 2018-19 is ₹ 1.37 lakhs) has been deposited against 5 cases with relevant authorities under protest.

Point No. B

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

Point No. C

Employee State Insurance Corporation (ESIC) demanded ESI contribution of the employees from SIL in contravention of the judgment and order dated 22.06.2005 passed in SIL vs BIFR & Others and Appeal No. 304 of 2002 by tribunal AAIFR. The case is pending before High Court, Lucknow Bench. The company has not recognized liability of ₹ 27.34 lakhs (previous year i.e. FY 2018-19 is ₹ 27.34 lakhs) in the books of accounts and it is shown as contingent liability.

Point No. D

Punjab National Bank filed a case against SIL for the recovery against indemnity provided by SIL for loan availed by UP Tyres and Tubes. The case is pending before DRT Lucknow. The company has not recognized liability of ₹ 213 lakhs (previous year i.e. FY 2018-19 is ₹ 213 lakhs) in the books of accounts and it is shown as contingent liability.

Point No. E

SEBI penalized Scooters India Limited for non-compliance of Regulation 17(1), 18(1), 19(1), 19(2), 20(1), 21(2) of SEBI (LODR) Regulations 2015 amounting to ₹ 57.29 lakhs. In this regard SIL has submitted as under :

- i. Scooters India Limited is a "Government Company" pursuant to section 2(45) of the companies Act 2013 and 93.87% of the total paid up share capital of the company is held by Government of India through President of India. The composition of Board of Directors of Scooters India Limited has an approximate mix of Executive Directors represented by Functional Directors including CMD and non-executive Directors, represented by Government Nominee Directors. In line with the compliance under Regulations 17(1), we have one Woman Director on the Board and not less than 50% of the Board comprise of non-executive Directors. We have no Independent Directors on the Board. Therefore, could not comply with Regulation 17(1), 18(1), 19(1) & 19(2) of SEBI (LODR) Regulations 2015.
- ii. Scooters India Limited is Public Sector Undertaking and as per Articles of Association 112(f) clause of SIL power for appointment of Directors lies with Department of Heavy Industry/ Administrative Department.

In view of above submissions, we would like to submit that non-compliance with regard to composition of the Board was not due to any negligence/ default by the company as the same was not under the control of the Company and therefore, the Company should not be held liable to pay the penalties.

Point No. F

In the matter of arbitration case between Ordnance Factory Board and the Company, a representation was made in 2011 to the Ministry for reviewing the order passed by the Law Secretary being arbitrary. The representation is still pending. Since the Law Secretary has not considered the issue on the merit as pointed out by the Committee on Disputes and, therefore, pending further action, the company has not recognized liability of ₹ 23.85 lakhs plus interest thereon (previous year i.e. FY 2018-19 is ₹ 23.85 lakhs plus interest thereon) in the books of accounts and it is shown as contingent liability.

Point No. G

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. H

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 Tehsildar, Lucknow.

Aggrieved by the recovery notice, Company filed writ petition in Hon'ble High Court. The Court stayed recovery notice and ordered the Company to pay a sum of ₹ 4.55 lakhs to District Magistrate, Lucknow. Honorable High Court has given the decision in favour of company.

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

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.

NoteNo.-36

| | As at 31.03.2020 ₹ In Lakhs | As at 31.03.2019 ₹ In Lakhs |
|--|--|--|
| Estimated amount of contracts (net of advances) remaining to be executed on Capital Accounts and not provided for. | NIL | NIL |

NoteNo.-37

Sales-tax assessment both under UPVAT and CST has been completed upto the Financial year 2014-15. The Income-tax assessment has been completed up to assessment year 2017-18 (financial year ended on March 31,2017).

Note No.- 38

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

Note No.- 39

The Company which was in physical possession of property at 64-65, Najafgarh Road, New Delhi where Regional Office, North Region was located has been handed over to H.V.O.C. Ltd. On 31st August 2017 as per directive issued by Ministry of Department of Heavy Industry vide their letter No. 3(15)/2008 – PE VI dated 11.05.2017.

Note No.- 40

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 Ind AS-108 on Operating Segments.

Note No.- 41

As per guidelines issued under Ind AS-36 "Impairment of Assets", the company has assessed and found that no indication of impairment exists in relation to assets as on 31-03-2019

Note No.- 42

Related party disclosure as required by Ind AS-24

(a) List of related parties during the financial year 2019-20 (Till 31.03.2020)

I. Government of India

II. Whole-Time Directors

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

Shri S. Sakthimani, Director Finance (Additional Charge) – (From 04th June 2018)

Part-Time Directors

Shri S.K. Singh, Director (From 15th January 2018)

Smt. Ritu Pande, Director (From 13th November 2018)

Shri Mahendra Pratap Singh, Non-Official Independent Director (From 28th January, 2020)

Smt Rakesh Sharma, Non Official Independent Director (From 28th January 2020)

(b) **Transaction with related parties**

(₹ In Lakhs)

| Sl.No | Nature of Transaction | Persons having control over the Company | Remuneration |
|-------|---------------------------|---|--------------|
| 1. | Remuneration to Directors | - | 28.55 |
| 2. | Total | - | 28.55 |

**Note No.- 43**

Liability for Gratuity & Leave Encashment has been determined by an actuary, appointed for the purpose, inconformity with the principles set out in Indian AS19 the details of which are given as under:

(₹in Lakhs)

| Amount To be Recognized in Balance Sheet | Gratuity (Funded) As at 31.03.20 | Leave Encashment (Unfunded) As at 31.03.20 | Gratuity (Funded) As at 31.03.19 | Leave Encashment (Unfunded) As at 31.03.19 |
|---|---|---|---|---|
| Present Value of Funded Obligation | 456.88 | 264.56 | 553.82 | 260.31 |
| Fair Value of Plan Assets | (854.37) | 0.00 | (967.15) | 0.00 |
| Net Liability | (397.50) | 264.56 | (413.33) | 260.31 |
| Amounts in Balance sheet | | | | |
| Liability | (397.50) | 264.56 | (413.33) | 260.31 |
| Assets | - | - | - | - |
| Net Liability | (397.50) | 264.56 | (413.33) | 260.31 |
| Expenses to be Recognized in the statement of Profit & Loss | | | | |
| Current Service cost | 25.97 | 20.47 | 26.74 | 19.01 |
| Interest on Defined Benefit Obligation | 41.88 | 19.50 | 61.88 | 25.08 |
| Expected Return on Plan Assets | 72.44 | 0.00 | 95.67 | 0.00 |
| Net Actuarial Losses/(Gains) | 21.94 | 28.73 | 39.50 | 46.10 |
| Recognised in Year | | | | |
| Total Included in "Employees' Emoluments" | 16.95 | 68.70 | 32.45 | 90.19 |
| Actual Return on Plan Assets | 64.13 | 0.00 | 79.54 | 0.00 |
| Reconciliation of Benefit Obligations & Plan Assets For the Period Change in Defined Benefit Obligation Opening Defined Benefit Obligation | | | | |
| Benefit Obligation | 553.82 | 260.31 | 814.24 | 330.00 |
| Current Service Cost | 25.97 | 20.47 | 26.74 | 19.01 |
| Interest Cost | 41.48 | 19.50 | 61.88 | 25.08 |
| Actuarial Losses / (Gain) | 13.83 | 28.73 | 23.37 | 46.10 |
| Benefits Paid | (178.03) | (64.45) | (372.41) | (159.88) |
| Closing Defined Benefit Obligation | 456.88 | 264.56 | 553.82 | 260.31 |
| Change in Fair Value of Assets | | | | |
| Opening Fair Value of Plan Assets | 967.15 | 0.00 | 1258.80 | 0.00 |
| Expected Return on Plan Assets | 72.44 | 0.00 | 95.67 | 0.00 |
| Actuarial Gain / (Losses) | (8.31) | 0.00 | (16.12) | 0.00 |
| Contributions by Employer | 1.12 | 64.45 | 1.21 | 159.88 |
| Benefits Paid | (178.02) | (64.45) | (372.41) | (159.88) |
| Closing Fair Value of Plan Assets | 854.37 | 0.00 | 967.15 | 0.00 |

(₹ in Lakhs)

| Summary of the Actuarial Assumptions | Gratuity (Funded) As at 31.03.20 | Leave Encashment (Unfunded) As at 31.03.20 | Gratuity (Funded) As at 31.03.19 | Leave Encashment (Unfunded) As at 31.03.19 |
|--------------------------------------|----------------------------------|--|----------------------------------|--|
| Discount Rate | 6.69% | 6.69% | 7.49% | 7.49% |
| Rate of Return on Assets-MFR | 0.50% | | 0.50% | |
| - Quarter ending 30.06.2019 | 7.65% | NA | 7.29% | NA |
| - Quarter ending 30.09.2019 | 7.46% | NA | 7.36% | NA |
| - Quarter ending 31.12.2019 | 7.36% | NA | 7.46% | NA |
| - Quarter ending 31.03.2020 | 7.27% | NA | 7.59% | NA |
| Salary Escalation Rate- Senior Staff | 6.5% | 6.5% | 6.5% | 6.5% |
| - Junior Staff | 6.5% | 6.5% | 6.5% | 6.5% |

*Payment done by Scooters India Limited to Retiring Employees.

The salary escalation assumption rate of 6.50% has been taken based on interest rate, inflation, projected salary hike, etc.

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

Note No.- 44

The Company was declared sick under section 3(1)(o) of the SICA, by BIFR in its meeting held on February 18, 2010, consequent to the reference made by the Company, due to erosion of its net worth as on March 31, 2009. The Cabinet committee, GOI approved the revival package of ₹20,196 lakhs, which inter-alia includes the infusion of fresh funds, conversion of plan & nonplan loans into equity & waiver of interest. The Draft Rehabilitation Scheme (DRS) was under preparation by Operating Agency(SBI) and was to be submitted in due course before BIFR for sanction. However Pending finalization of DRS & sanction by the Hon'ble BIFR, the Miscellaneous application filed by the Company for early implementation of revival package was approved by BIFR in its hearing dated June 19, 2013, in terms of section 18 and 32A of SICA, which inter-alia envisaged Increase in Authorised Share Capital from ₹ 7500 lakhs to ₹ 25000 lakhs, Conversion of Plan & Non Plan Loans of ₹ 8521.12 lakhs into Equity, Issue & allotment of Equity shares against share application money pending allotment of ₹1049 lakhs, Reduction of Equity Share Capital against Accumulated losses by ₹8521.12 lakhs, write off of Interest accrued & due and Interest accrued but not due on Plan & Non Plan Loan of ₹ 2637.60 lakhs against accumulated losses & as also for Income Tax, if any required under section 115JB of the Income Tax Act, 1961 regarding Minimum Alternate Tax for the book profit. The matter of repayment of principal & interest on non-plan loan sanctioned during financial year 2012-13 of ₹189 Lakhs, which has been followed up with Department of Heavy Industry since the year 2013-14, has been



approved and Ministry of Heavy Industry and Public Enterprises vide its letter No. F3-33/2009PE-VI (Vol-IV) dated 5th June 2018 communicated the freezing of the interest on the Non Plan Loan of ₹1.89 crore and conversion into Equity of the Outstanding Principal amount of ₹1.89 Crore.

On 15th September 2015, Hon'ble bench of BIFR, New Delhi has discharged the Company from BIFR on submission made by Operating Agency (State Bank of India) to the effect that Net-worth of the Company as on 31st March, 2014 has turned positive. The BIFR discharged the company from purview of SICA with inter-alia the following directions:

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

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

Note No. - 45

The Board in its 224th meeting held on May 28, 2013 approved the implementation of negotiated pay scale (2002) of workmen. Accordingly the Company provided in financial year 2013-14 for total recoverable amount which was estimated around ₹125.83 lakhs and total payable amount which was estimated around ₹ 42.25 lakhs. Against the said amount, around ₹1.87 lakhs, ₹16.28 lakhs, ₹12.82 lakhs, ₹ 8.26 lakhs, ₹ 5.53 lakhs and ₹1.22 lakhs have been recovered in financial year 2014-15, 2015-16, 2016-17, 2017-18, 2018-19 and 2019-20 respectively and ₹ 1.11 lakhs & ₹ 0.97 lakhs has been paid during the financial year 2013-14 to 2018-19 and 2019-20 respectively.

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

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

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

The above Interim Relief is being paid against the final adjustment, if any, from increase in the salary/wages/arrear on accounts of pay/wage revision 2007. During the financial year 2019-20 ₹ 72.49 lakhs (previous years i.e. FY 2018-19 is ₹ 104.73 lakhs, FY 2017-18 is ₹ 162.62 lakhs, FY 2016-17 is ₹ 254.29 lakhs, FY 2015-16 is ₹ 333.68 lakhs, FY 2014-15 is ₹ 99.70 lakhs,) has been paid on account of Interim Relief.

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

Note No.- 46

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

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

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

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

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

Note No.- 47

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



Note No. 48
Loans From Government of India

₹ in Lakhs

| Particulars | Loan Amount | Rate of Interest (Normal/Penal) | Month of Last Installment Due | Default up to 31.03.2020 | | | Outstanding as on 31.03.2020 | | | Outstanding as on 31.03.2019 | | | |
|--|-----------------|------------------------------------|--|--------------------------|--------------------|-------------------|------------------------------|--------------------|-------------------|------------------------------|--------------------|-------------------|---|
| | | | | Principal | Normal Interest | Penal Interest | Principal | Normal Interest | Penal Interest | Principal | Normal Interest | Penal Interest | |
| Plan Loan | 2,000.00 | Interest Free | July-2020 | 800.00 | - | - | 1,600.00 | - | - | - | 1,600.00 | - | - |
| Non Plan Loan | 165.00 | 13.50%/2.75% | July-2017 | - | - | - | - | - | - | - | - | - | - |
| | 24.00 | 13.50%/2.75% | July-2017 | - | - | - | - | - | - | - | - | - | - |
| Total | 2,189.00 | | | - | - | - | 1,600.00 | - | - | - | 1,600.00 | - | - |
| Less: Included in Current Maturities (Note No. 22) | | | | | | | 400.00 | - | - | - | 400.00 | - | - |
| Less: Interest Accrued & Due on Government of India Loan (Note No. 23) | | | | | | | | | | | | | |
| Amount Included in Note No. 15 | | | | | | | 1,200.00 | - | - | - | 1,200.00 | - | - |

*Based on BIFR approval through miscellaneous application the Company has not made any provision for interest on Non-Plan loan of ₹189 lakhs. However this Non-Plan loan of ₹189 lakhs has been converted into equity during FY2018-19 vide letter dt:13.02.2019 & Board resolution passed in its 255th meeting held on 03rd Aug-2018.

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

**Note No. 49**

Additional information pursuant to Schedule III part II of the Companies Act, 2013

1. Stock and Turnover for the year ended Mar31,2020

| | Stocks | | | | | |
|-----------------------|-----------------|-----------|----------|-----------|----------|-----------|
| | At Commencement | | At Close | | Turnover | |
| | Nos | ₹in Lakhs | Nos | ₹in Lakhs | Nos | ₹in Lakhs |
| Vikram Three Wheeler | 1,083 | 1298.35 | 312 | 454.37 | 4,599 | 6757.21 |
| | (831) | (854.99) | (1083) | (1298.35) | (4252) | (6196.53) |
| Spares and Components | - | 616.41 | - | 247.19 | - | 347.72 |
| | (-) | (746.96) | (-) | (616.41) | (-) | (185.67) |
| Petrol Pump stock* | 774 | (0.14) | 774 | (0.14) | - | - |
| (QuantityLtrs.) | (774) | (0.14) | (774) | (0.14) | (-) | (-) |

Explanatory Notes :

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

- (1) Figures in brackets relate to previous year.
- (2) Practical/Achievable capacity has reduced to 12500 Nos. against installed capacity of 16500 Nos. during the year 2015-16 as per the report of chartered engineer.
- (3) Petrol Pump turnover represents the sale of Diesel, Petrol & Other Oil & Lubricants. The Company purchased NIL Itrs. Of Diesel/Petrol (Previous financial Year NIL Itrs). There has been no evaporation loss (Previous Year NIL Itrs.).
- (4) The company owned petrol pump (HPCL) has been temporarily leased for operations to HPCL w.e.f. 8th November 2016. However formal agreement has not been registered and is subject to approval and finalisation. Further since the rental or other income is not determinable for want of formal agreement, the same is not recognized in profit & loss accounts.
- (5) Turnover includes the following export sales

| | 2019-20 | | 2018-19 | |
|---------------------|---------|------------|---------|------------|
| | Nos | ₹ in Lakhs | Nos | ₹ in Lakhs |
| Spares & components | - | 7.84 | - | 14.02 |

Note : Export sales includes deemed export of ₹7.84 Lakhs (Previous Year ₹14.02 Lakhs).

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

| | 2019-20 | 2018-19 |
|--|---------|---------|
| A. C.I.F. Value of imports | | |
| Spare parts /Components | - | - |
| Capital goods | - | - |
| Others | - | - |
| B. Expenditure in foreign currencies | | |
| On account of royalty, know-how, professional, consultation fees, interest, provisions and others. | - | - |
| C. Earnings in foreign currencies | | |
| Export of goods calculated on F.O.B. Basis.* | - | - |

Explanatory Notes :

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.

| Materials | Unit | 2019-20 | | 2018-19 | |
|------------------------|------|-------------|-----------------|-------------|-----------------|
| | | Qty. | Value | Qty. | Value |
| | | (₹in Lakhs) | | (₹in Lakhs) | |
| Ferrous | Kg. | 358,540 | 135.19 | 549,281 | 192.72 |
| | Mtrs | 27,135 | 84.10 | 35,248 | 103.59 |
| Non-ferrous | Kg. | 25,688 | 32.37 | 59,862 | 75.43 |
| B.O.S.F. | - | - | 1,047.15 | - | 1,299.92 |
| Tyres & Tubes | Nos | 30,124 | 218.84 | 37,734 | 275.08 |
| Spare-parts Components | - | - | 2,094.30 | - | 2,599.85 |
| | | | 3,611.94 | | 4,546.59 |

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

| | 2019-20 | | 2018-19 | |
|---|-----------------|---------------|-----------------|---------------|
| | ₹in Lakhs | % | ₹in Lakhs | % |
| (a) Imported (CIF, custom duty and other charges) | - | - | - | - |
| (b) Indigenous | 3,611.94 | 100.00 | 4,546.59 | 100.00 |
| | 3,611.94 | 100.00 | 4,546.59 | 100.00 |

4. Auditor's Remuneration

| | 2019-20 | 2018-19 |
|--|-------------|-------------|
| | ₹in Lakhs | ₹in Lakhs |
| (a) Statutory Auditor's Audit fees | 1.60 | 1.60 |
| (b) Fee for Certification & Consultation | 2.33 | 2.33 |
| (c) Cost Audit Fees | 0.00 | 0.00 |
| (d) Tax Audit Fees | 0.30 | 0.30 |
| (e) Internal Audit Fees | 5.49 | 5.06 |
| | 9.71 | 9.29 |

The above figures includes Goods and Service tax.

Note No. 50

The financial statement for the year ended March 31, 2020 are prepared as per Schedule III of the Companies Act 2013. Previous year's figures have been regrouped, rearranged and recast, wherever necessary, to make them comparable with those of the current year.

| | | | |
|---|--|---|---|
| Sd/- (R.S.Tiwari) Chief Finance Officer | Sd/- (S. Sakthimani) Director Finance (Additional Charge) DIN-07482308 | Sd/- (Sunil Kumar Singh) Director DIN-08043768 | Sd/- (R.Sreenivasulu) Chairman and Managing Director DIN -07634253 |
|---|--|---|---|

In terms of our report of even
date For Asija & Associates LLP
Chartered Accountants
FR No. - 003155C/ C400011

Sd/-
(CA Kamal Kr. Ferwani)
M. No.- 402982

Place : Lucknow
Date : 29th June, 2020



SCOOTERS INDIA LIMITED

(A Government of India Enterprise)

Corporate identity No. L25111UP1972GOI003599

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

E-mail: cs@scootersindia.com, Website:www.scootersindia.com

NOTICE

Notice is hereby given that the 48th Annual General Meeting of the members of the Scooters India Limited will be held at 10:30 a.m. on Monday, the 28th day of September 2020, at the Registered Office of the Company at Lucknow -Kanpur Road, (16th Mile Stone), Sarojini Nagar, Lucknow-226008, Uttar Pradesh, India, through Video Conferencing to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited financial statement of the company for the year ended 31.03.2020.

"RESOLVED THAT the audited financial statements of the company including the balance sheet as at March 31, 2020, profit and loss account, the cash flow statement for the year ended on that date, report of Board of Directors and auditors thereon be and are hereby received, considered and adopted."

2. To appoint a director in place of Mr. R. Sreenivasulu, who retires by rotation & being eligible has offered him-self for re-appointment.

"RESOLVED THAT Mr. R. Sreenivasulu (DIN: 07634253) who retires by rotation and being eligible, offers who has himself for re-appointment, be and is hereby reappointed as director of the company liable to retire by rotation."

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

"RESOLVED that pursuant to Section 142 of the Companies Act 2013, and other applicable provisions, if any, of the Companies Act, 2013, the remuneration of the Statutory Auditors appointed by Comptroller & Auditor General of India (C & AG) under section 139(5) of the said act, be and is hereby approved to be fixed at Rs. 1,60,000/- for the year 2020-21."

SPECIAL BUSINESS :

4. **Appointment of Mr. MahendraPratap Singh as an Independent Director**

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



“RESOLVED THAT Pursuant to the provision of Section 149, 150, 152 read with Schedule IV and any other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of Regulation 17 and other applicable regulations, if any, of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the approval of the members of the Company be and is hereby accorded to the appointment of ShriMahendraPratap Singh (DIN: 07937931), aged 56 years, as an Independent director on the board of the company for the term of three years with effect from 13.02.2020 and his term of office shall not be subject to retirement by rotation.

5. Appointment of Mrs. Rakesh Sharma as an Independent Director

To consider and, if thought fit, to pass with or without modifications, the following as

Special Resolution:

“RESOLVED THAT Pursuant to the provision of Section 149, 150, 152 read with Schedule IV and any other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of Regulation 17 and other applicable regulations, if any, of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the approval of the members of the Company be and is hereby accorded to the appointment of Mrs. Rakesh Sharma (DIN: 08695154), aged 55 years, as an Independent director on the board of the company for the term of three years with effect from 13.02.2020 and her term of office shall not be subject to retirement by rotation.

Date: 02.09.2020

Place: Lucknow

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

**Notes:**

1. As you are aware, in view of the situation arising due to COVID-19 global pandemic, the general meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated April 8, 2020, Circular No. 17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020. The forthcoming AGM will thus be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
2. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.
3. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the EGM/AGM through VC/OAVM will be made available to atleast 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the EGM/AGM without restriction on account of first come first served basis.
4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
5. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.
6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM/EGM has been uploaded on the website of the Company at www.scootersindia.com. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited at www.bseindia.com respectively. The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM/EGM) i.e. www.evotingindia.com.
7. The AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 8, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.
8. The provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the

Companies (Management and Administration) Rules, 2014 (as amended) e-voting facility has been provided to its Members in respect of the business to be transacted at the AGM. Manner of casting vote(s) through e-voting:

- a) Members will have an opportunity to cast their vote(s) on the business as set out in the Notice of the AGM through electronic voting system ("e-voting").
 - b) The manner of voting remotely ("remote e-voting") by members holding shares in dematerialized mode, physical mode and for members who have not registered their email addresses has been provided in the Notice of the AGM. The details will also be available on the website of the Company at www.scootersindia.com.
 - c) The facility for voting through electronic voting system will also be made available at the AGM and Members attending the AGM who have not cast their vote(s) by remote e-voting will be able to vote at the AGM.
 - d) The login credentials for casting votes through e-voting shall be made available to the members through email. Members who do not receive email or whose email addresses are not registered with the Company/Depository Participant(s), may generate login credentials by following instructions given In the Notes to Notice of AGM.
 - e) The same login credentials may also be used for attending the AGM through VC/ OAVM.
9. Mr. Amit Gupta, Practicing Company Secretary, Lucknow, (Membership No. FCS 5478 CP No. 4682) has been appointed as the Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner.
 10. The Scrutinizer shall after the conclusion of voting at the general meeting, will unblock the votes cast through e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
 11. The Results declared along with thereportoftheScrutinizershallbeplacedon the website of the Company www.scootersindia.com and on the website of CDSL www.evotingindia.com immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the Stock Exchange viz. BSE Limited.
 12. Members are requested to carefully read all the Notes set out in the Notice of the AGM and in particular, instructions for Joining the AGM, manner of casting vote through remote e-voting or voting during the AGM.
 13. Member are further Informed that the remote e-voting period shall start from 10.00 A.M on Friday, September 25, 2020 to 5.00 P.M. (IST) on Sunday, September 27, 2020 (both days Inclusive).
 14. A person, whose name is recorded in the Register of Members or In the Register of Beneficial Owners (in case of electronic shareholding) maintained by the Depositories as on the cut-off date i.e, September 21, 2020, only shall be entitled to vote.
 15. All registers required to be placed at AGM, documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection through virtual data room (10.00 am to 5.00 pm) on all working days between Monday and Friday of every week, up to and including the date of the AGM of the Company. A member seeking such inspection may submit his request at cs@scootersindia.com.



16. The Explanatory Statement pursuant to the provisions of Section 102 of the Companies Act, 2013, setting out material facts in respect of the item no. 4 & 5 is annexed hereto.

INSTRUCTIONS FOR E-VOTING (BOTH REMOTE E-VOTING AND E-VOTING DURING AGM)

INSTRUCTIONS FOR SHAREHOLDERS FOR REMOTE E-VOTING ARE AS UNDER:

- (i) The voting period begins on 10.00 A.M on Friday, September 25, 2020 to 5.00 P.M. (IST) on Sunday, September 27, 2020 (both days Inclusive). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of September 21, 2020 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iv) Click on "Shareholders" module.
- (v) Now enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.

OR

Alternatively, if you are registered for CDSL's **EASI/EASIEST** e-services, you can log-in at <https://www.cdslindia.com> from **Login - Myeasi** using your login credentials. Once you successfully log-in to CDSL's **EASI/EASIEST** e-services, click on **e-Voting** option and proceed directly to cast your vote electronically.

- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

| For Shareholders holding shares in Demat Form and Physical Form | |
|--|---|
| PAN | Enter your 10 digit alpha -numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) ? Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA. |
| Dividend Bank Details OR Date of Birth (DOB) | Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. ? If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v). |



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



PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to compliances@skylinerta.com.
 2. For Demat shareholders -, please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to compliances@skylinerta.com.
- Members may also register Email, online at <http://www.skylinerta.com/EmailReg.php>

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Shareholder will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-Voting system. Shareholders may access the same at <https://www.evotingindia.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.
2. The Skyline Financial Services Private Limited, Registrar and Share Transfer Agent, of the Company will be providing VC/OAVM Services.
3. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
4. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
5. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
6. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance at least **two days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at compliances@skylinerta.com. The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance **two days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at cs@scootersindia.com. These queries will be replied to by the company suitably by email.
7. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

INSTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING DURING THE AGM/EGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the EGM/AGM is same as the instructions mentioned above for Remote e-voting.
2. Only those shareholders, who are present in the EGM/AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting



- system available during the EGM/AGM.
3. If any Votes are cast by the shareholders through the e-voting available during the EGM/AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.
 4. Shareholders who have voted through Remote e-Voting will be eligible to attend the EGM/AGM. However, they will not be eligible to vote at the EGM/AGM.

(i) Note for Non – Individual Shareholders and Custodians

Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the “Corporates” module.

- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; cs@scootersindia.com, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

If you have any queries or issues regarding attending AGM & e-Voting from the e-Voting System, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to or contact Mr.NitinKunder (022-23058738) or Mr.MehboobLakhani (022-23058543) or Mr.RakeshDalvi (022-23058542).

All grievances connected with the facility for voting by electronic means may be addressed to Mr. RakeshDalvi, Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to or call on 022-23058542/43.



Explanatory Statement pursuant to the provisions of Section 102

Item No. 4 & 5

Government of India, Ministry of Heavy Industries & Public Enterprises, Department of Heavy Industry has vide its order No. 3(20)/2013-PE-VI dated 28.01.2020, appointed Shri Mahendra Pratap Singh and Smt Rakesh Sharma as an Independent Directors for the period of three years or till further orders. The Board at the meeting held on February 13, 2020, appointed them as an Independent Directors of the Company for the term of the three years with effect from February 13, 2020, in terms of Section 149 read with Schedule IV of the Companies Act, 2013 ('the Act'), and Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations 2015'), as set out in the Resolutions relating to his appointment.

The Board is of the view that they fulfill the conditions and meet the criteria of Independence prescribed under Section 149 of the Act read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 16 of the Listing Regulations 2015. The aforesaid Independent directors shall be entitled to sitting fees for attending the meeting of the Board of committee and reimbursement of expenses for attending the said meetings as approved by the Board from time to time. In terms of the aforesaid provisions, the Independent Directors shall not be liable to retire by rotation.

The consent of the Members by way of Special Resolution is required for the appointment of Shri Mahendra Pratap Singh and Smt Rakesh Sharma, in terms of Section 149 of the Act.

Brief resume of the proposed appointees, nature of their expertise in specific functional areas and names of companies in which they hold directorships and memberships / chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated under SEBI (LODR) Regulations with the Stock Exchanges and the Secretarial Standard on General Meetings, are provided herein below and detailed profiles are provided in this Annual report. They do not hold any share in the Company, either in their individual capacity or on a beneficial basis for any other person.

Shri Mahendra Pratap Singh and Smt Rakesh Sharma and their relatives, are interested in the Special Resolutions relating to their respective re-appointment. None of the other Directors and Key Managerial Personnel of the Company, or their relatives, is interested in these Special Resolutions.

The Board recommends the Special Resolutions proposed at item no. 4 & 5 for your approval.



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

Mr. Renati Sreenivasulu: aged 57 years, has been appointed as full time CMD of SIL w.e.f 06.10.2016. He has 31 years of Industry experience in Vishakhapatnam Steel Plant at various positions since 1985. He is not director in any other Company. He also does not hold any committee membership.

Mr. Sakthimani Sheshamani: aged 48 years, was appointed a Director (Finance) of SIL w.e.f. 30.05.2018 on additional charge basis. He is Cost and Management Accountant, Company Secretary and Metallurgical Engineer, having vast experience in Strategic Planning, Finance & Accounts, Corporate Affairs, Operations, Quality Assurance & Auditing. He has worked with Steel Authority of India limited, Rashtriya Ispat Nigam Limited, Usha Martin & Tata Steel. He is also serving as a Director (Finance) of Cement Corporation of India Limited. He is member of Stakeholders Relationship Committee of SIL.

Mr. S.K Singh: has been appointed as Part time Official Director w.e.f15.01.2018. He is Director in the Department of Heavy Industry, Ministry of Heavy Industries & Public Enterprises. He is also director in Braithwaite Burn & Jessop Construction Company Limited, Tunga Bhadra Steel Products Limited. He is member of Audit Committee & Nomination & remuneration Committee of SIL and Chairman of Stakeholders Relationship Committee.

Mrs.Ritu Pande: has been appointed as Part time Official Director w.e.f 13.11.2018. She is Director in Department of Heavy Industry, Ministry of Heavy Industries & Public Enterprises. Apart from SIL she is director of HMT Bearings Limited.

Mrs. Rakesh Sharma: aged 55 years, Graduate from Punjab University, Chandigarh (UT) and Diploma in Computers from RCC Chandigarh has been appointed as Independent Director w.e.f 13.02.2020. She has worked extensively in social sector and surveyed and worked for adopting Mundapathur village of Pondicherry, which was affected by tsunami, led an awareness campaign with Mahila Mandal, self-help groups and youth clubs regarding various development schemes in rural areas, served as District Consumer Forum member from 2000 to 2005. She is life member of Child Welfare Council (HP) from 2001 & life member of Red Cross. She has been director of HP State Social Welfare Board from 2001 to 2003. She has received Bharat Jyoti Award for outstanding social work. She is members of Audit Committee, Nomination & Remuneration Committee & Stakeholders Relationship Committee of SIL. She does not hold directorship of any other Company.

Mr. M Pratap Singh: aged 56 years, has been appointed as Independent Director w.e.f 13.02.2020. He is Chartered Accountant practicing in Varanasi. He also Independent Director in NTPC Limited. He is Chairman of Audit Committee and member of Nomination & Remuneration Committee of SIL.



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.

www.scootersindia.com