

INDEPENDENT AUDITORS' LIMITED REVIEW REPORT

TO THE BOARD OF DIRECTORS  
SCOOTERS INDIA LIMITED

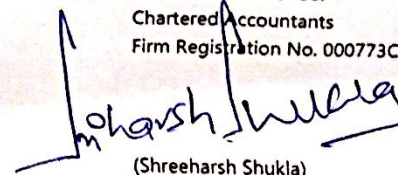
1. We have reviewed the accompanying statement of unaudited financial results of Scooters India Limited ('the Company') for the quarter ended 30<sup>th</sup> June 2016 ("the statement") attached herewith, being submitted by the company pursuant to the requirement of Regulation 33 of the SEBI ( Listing obligation and Disclosure Requirement) Regulation 2015 read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5 2016. This statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on these financial statements based on our review.
2. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, Review of Interim Financial Performed by the Independent Auditor of the Entity issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. **Emphasis of Matter**
  - a) Attention is invited to footnote 2 to the unaudited financial results for the quarter under review regarding repayment of principal and interest on non plan loan of Rs. 189 lakhs received by the company from the Government of India at an interest rate of 13.50% per annum the company has not provided interest over it as it has filed an application for freezing of the interest, with the Ministry of Heavy Industry however Ministry approval on the same is pending.
  - b) Attention is invited to Note No. 3 where the company has not provided for the arrears to the employees who were on the pay roll of the company as on 01-04-2013, as the approval is awaited from GOI.

Our report is not modified on the above matter.
4. Based on our review conducted as stated above , nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with recognition and measurement principle laid down in the applicable Accounting Standards specified under the Companies Act, 1956 which are deemed to be applicable as per section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI ( Listing obligation and Disclosure Requirement) Regulation 2015 read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5 2016 including the manner in which it is to be disclosed, or that it contains any material misstatement.

Place: Lucknow

Date: 09 August 2016

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

  
(Shreeharsh Shukla)

Partner

Membership No. 408990



Our Other Offices :- Gorakhpur-Mumbai-New Delhi

**SCOOTERS INDIA LIMITED**  
Post Bag No 23, Sarojini Nagar, Lucknow  
www.scootersindia.com

**STATEMENT OF UNAUDITED RESULTS FOR THE QUARTER ENDED 30.06.2016**

(Rs. in lakhs)

| Sl. No.      | Particulars  | 3 Months Ended  | Preceding 3 Months Ended | Corresponding 3 Months Ended in the previous year | Period Year Ended |
|--------------|--|-----------------|--------------------------|---|-------------------|
|              |  | 30.06.2016      | 31.03.2016               | 30.06.2015  | 31.03.2016        |
|              |  | Unaudited       | Audited                  | Unaudited   | Audited           |
| <b>1.</b>    | <b>Income From Operations</b>  |                 |                          |   |                   |
|              | (a) Net Sales/Income from operations (Net of excise duty)  | 2,782.61        | 3,481.69                 | 2,852.71  | 13,903.03         |
|              | (b) Other Operating Revenue  | -               | -                        | 6.42  | 6.42              |
|              | <b>Total Income from Operation (Net)</b>   | <b>2,782.61</b> | <b>3,481.69</b>          | <b>2,859.13</b>                                   | <b>13,909.45</b>  |
| <b>2.</b>    | <b>Expenses</b>  |                 |                          |   |                   |
|              | (a) Cost of Materials consumed   | 1,334.96        | 2,439.13                 | 1,598.02  | 7,635.11          |
|              | (b) Purchase of stock-in trade   | 94.14           | 315.88                   | 396.85  | 1,379.75          |
|              | (c) Change in inventories of finished goods, work-in-progress and stock-in-trade                     | 657.98          | (821.06)                 | (258.15)  | 51.09             |
|              | (d) Employee benefits expenses   | 725.46          | 1,211.53                 | 820.56  | 3,665.78          |
|              | (e) Depreciation   | 39.82           | 47.79                    | 46.43   | 189.22            |
|              | (f) Other expenses   | 296.01          | 402.27                   | 292.73  | 1,229.78          |
|              | <b>TOTAL Expenses</b>  | <b>3,148.37</b> | <b>3,595.54</b>          | <b>2,896.44</b>                                   | <b>14,150.73</b>  |
| <b>3.</b>    | <b>Profit/Loss from Operations before other income, finance costs &amp; exceptional items (1-2)</b>  | <b>(365.76)</b> | <b>(113.85)</b>          | <b>(37.31)</b>                                    | <b>(241.28)</b>   |
| <b>4.</b>    | Other Income   | 104.75          | 544.08                   | 146.61  | 953.66            |
| <b>5.</b>    | <b>Profit/ (loss) from ordinary activities before finance costs and exceptional items (3+4)</b>      | <b>(261.01)</b> | <b>430.23</b>            | <b>109.30</b>                                     | <b>712.38</b>     |
| <b>6.</b>    | Finance Costs  | 21.97           | 27.27                    | 40.38   | 135.12            |
| <b>7.</b>    | <b>Profit/(loss) from ordinary activities after finance costs but before exceptional items (5-6)</b> | <b>(282.98)</b> | <b>402.96</b>            | <b>68.92</b>                                      | <b>577.26</b>     |
| <b>8.</b>    | Exceptional Items  | -               | -                        | -   | -                 |
| <b>9.</b>    | <b>Profit/Loss from Ordinary Activities before Tax (7+8)</b>   | <b>(282.98)</b> | <b>402.96</b>            | <b>68.92</b>                                      | <b>577.26</b>     |
| <b>10.</b>   | Tax Expense  | -               | 14.59                    | -   | 28.88             |
| <b>11.</b>   | <b>Net Profit/Loss from Ordinary Activities After Tax (9-10)</b>                                     | <b>(282.98)</b> | <b>388.37</b>            | <b>68.92</b>                                      | <b>548.38</b>     |
| <b>12.</b>   | Extraordinary Items (Net of Tax Expense)   | -               | -                        | -   | -                 |
| <b>13.</b>   | <b>Net Profit/Loss for the period (11-12)</b>  | <b>(282.98)</b> | <b>388.37</b>            | <b>68.92</b>                                      | <b>548.38</b>     |
| <b>14.</b>   | Paid-up equity share capital (Face value of Rs.10/- per share)                                       | 8,538.39        | 8,538.39                 | 8,538.39  | 8,538.39          |
| <b>15.</b>   | Reserves excluding revaluation reserves as per balance-sheet of previous accounting year             | -               | -                        | -   | -                 |
| <b>16.i</b>  | Earnings Per Share (before extraordinary items) (of Rs. 10/- each) (not annualised)                  |                 |                          |   |                   |
|              | a) Basic   | (0.33)          | 0.45                     | 0.08  | 0.64              |
|              | b) Diluted   | (0.33)          | 0.45                     | 0.08  | 0.64              |
| <b>16.ii</b> | Earnings Per Share (after extraordinary items) (of Rs. 10/- each) (not annualised)                   |                 |                          |   |                   |
|              | (a) Basic  | (0.33)          | 0.45                     | 0.08  | 0.64              |
|              | (b) Diluted  | (0.33)          | 0.45                     | 0.08  | 0.64              |

**NOTE:**

- 1 The above financial results have been approved by Board of Directors in their meeting held on 4th August 2016. The results have been subjected to limited review by Statutory Auditors of the Company.
- 2 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 Rs. 20,196 lakhs, which inter-alia includes the infusion of fresh funds, conversion of plan & non plan loan in to equity & waiver of interest. The Draft Rehabilitation Scheme (DRS) was under preparation by Operating Agency (SBI) and was to be submitted in due course before BIFR for sanction. However Pending finalization of DRS & sanction by the Hon'ble BIFR, the Miscellaneous application filed by the Company for early implementation of revival package was approved by BIFR in its hearing dated June 19, 2013, in terms of section 18 and 32A of SICA, which inter-alia envisaged Increase in Authorised Share Capital from Rs. 7500 lakhs to Rs. 25000 lakhs, Conversion of Plan & Non Plan Loan of Rs. 8521.12 lakhs in to Equity, Issue & allotment of Equity shares against share application money pending allotment of Rs. 1049 lakhs, Reduction of Equity Share Capital against Accumulated losses by Rs. 8521.12 lakhs, write off of Interest accrued & due and Interest accrued but not due on Plan & Non Plan Loan of Rs. 2637.60 lakhs against accumulated losses & Non provision of interest on Non Plan Loan of Rs.189.00 lakhs released during the financial year 2012-13 as also for Income Tax, if any required under section 115JB of the Income Tax Act, 1961 regarding Minimum Alternate Tax for the book profit. The matter of repayment of principal & interest on non-plan loan sanctioned during financial year 2012-13 of Rs. 189 Lakhs has been taken up with Department of Heavy Industry for maintaing the status quo. The Company has incorporated the same in its books of account w.e.f. FY 12-13.

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

- a. The Company M/s Scooters India Limited ceases to be a sick industrial company, within the meaning of section 3(1)(o) of the SICA as its net worth has turned positive. It is therefore, discharged from the purview of SICA/BIFR.
- b. The Board discharges SBI from the responsibility of OA to the board.

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

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

- 3 Regarding revision of pay 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 wages 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 pay 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 quarter of current financial year 2016-17 Rs. 74.67 lakhs (for corresponding quarter of financial year 2015-16 Rs. 94.99) 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.

- 4 Status of shareholders' complaints received during the quarter ended 30.06.2016
  - a) Total complaints pending at the beginning of the quarter - NIL
  - b) Total complaints received during the quarter - NIL
  - c) Total complaints resolved during the quarter -NIL
  - d) Total complaints lying unresolved at the end of the quarter - NIL
- 5 Expenditure capitalized & prior year items has been adjusted in other expenditure.
- 6 Previous period figures have been regrouped/reclassified wherever necessary to confirm to current period classification.

Date : 9th August 2016  
Place : New Delhi

**Vinita Srivastava**  
Chairman & managing Director