D.S. SHUKLA & CO.
CHARTERED ACCOUNTANTS

Lucknow
Mumbai
New Delhi
Gorakhpur

AUDITORS' REPORT ON QUARTERLY FINANCIAL RESULT AND YEAR TO DATE RESULT OF SCOOTERS INDIA LIMITED PERSUANT TO THE REGULATION 33 OF THE SEBI (LISTING OBLIGATION AND DISCLOSURE REQUIREMENTS) REGULATION 2015

TO THE BOARD OF DIRECTORS
SCOOTERS INDIA LIMITED

1. We have audited the quarterly financial results of Scooters India Limited ("The Company") for the quarter ended March 31,2016 and the year to date financial results for the period from April 1,2015 to March 31, 2016 attached herewith, being submitted by the company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirement) Regulation 2015, these quarterly financial result and year to date financial results have been prepared on the basis of the interim financial statement, which are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial results based on our audit of such interim financial statement, which have been prepared in accordance with the recognition and measurement principles laid down in Accounting Standard for interim financial reporting (AS) 25, prescribed under Section 133 of the Companies Act 2013 read with relevant rules issued there under and other accounting principles generally accepted in India .

2. We conducted our audit in accordance with the auditing Standard generally accepted in India. This standard requires that we plan and perform the review to obtain reasonable assurance as to whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amount disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by the management. We believe that our audit provides a reasonable basis for our opinion

3. **Emphasis of Matter**
   a) Attention is invited to footnote 3 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 and waiver of the loan, with the Ministry of Heavy Industry however Ministry approval on the same is pending.

   a) Attention is invited to Note No. 4 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.

D. S. SHUKLA & CO. CHARTERED ACCOUNTANTS

In our opinion and to the best of our information and according to the explanation given to us, these quarterly and year to date financial results

(i) Have been prepared in accordance with the requirement of Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 in this regards

(ii) Give a true and fair view of the net profit and other financial information for the quarter ended March 2016 as well as the year to date result for the period from April 1 2015 to March 31 2016.

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

D.S. SHUKLA & CO. CHARTERED ACCOUNTANTS LUCKNOW

Shreeharsh Shukla

(Shreeharsh Shukla)
Partner
Membership Number. 408990

Place: New Delhi
Date: 26th May 2016

SCOOTERS INDIA LIMITED

Post Bag No 23,Sarojini Nagar,Lucknow
www.scootersindia.com

STATEMENT OF AUDITED RESULTS FOR THE QUARTER AND YEAR ENDED 31.03.2016

(Rs. in lakhs)

Sl. No.	Particulars	3 Months Ended	Preceeding 3 Months Ended	Corresponding 3 Months Ended in the previous year	Year to Date Figure For Current Period Ended	Previous Year Ended
		31.03.2016	31.12.2015	31.03.2015	31.03.2016	31.03.2015
		Audited	Unaudited	Audited	Audited	Audited
1.	**Income From Operations**					
	(a) Net Sales/Income from operations (Net of excise duty)	3,481.69	3,824.53	3,563.41	13,903.03	15,193.20
	(b) Other Operating Revenue	-	-	1.97	6.42	8.60
	Total Income from Operation (Net)	**3,481.69**	**3,824.53**	**3,565.38**	**13,909.45**	**15,201.80**
2.	**Expenses**					
	(a) Cost of Materials consumed	2,439.13	2,158.07	3,682.41	7,635.11	11,323.62
	(b) Purchase of stock-in trade	315.88	335.50	313.72	1,379.75	1,457.19
	(c) Change in inventories of finished goods, work-in-progress and stock-in-trade	(821.06)	161.48	(2,321.77)	51.09	(3,015.80)
	(d) Employee benefits expenses	1,211.53	876.99	1,103.64	3,665.78	3,548.11
	(e) Depreciation	47.79	47.36	106.35	189.22	202.02
	(f) Other expenses	402.27	268.91	363.71	1,229.78	1,181.34
	TOTAL Expenses	**3,595.54**	**3,848.31**	**3,248.06**	**14,150.73**	**14,696.48**
3.	**Profit/Loss from Operations before other income, finance costs & exceptional items (1-2)**	**(113.85)**	**(23.78)**	**317.32**	**(241.28)**	**505.32**
4.	Other Income	544.08	121.78	137.88	953.66	632.83
5.	**Profit/ (loss) from ordinary activities before finance costs and exceptional items (3+4)**	**430.23**	**98.00**	**455.20**	**712.38**	**1,138.15**
6.	Finance Costs	27.27	26.58	17.28	135.12	29.29
7.	**Profit/(loss) from ordinary activities after finance costs but before exceptional items (5-6)**	**402.96**	**71.42**	**437.92**	**577.26**	**1,108.86**
8.	Exceptional Items	-	-	-	-	-
9.	**Profit/Loss from Ordinary Activities before Tax (7+8)**	**402.96**	**71.42**	**437.92**	**577.26**	**1,108.86**
10.	Tax Expense	14.59	14.29	-	28.88	-
11.	**Net Profit/Loss from Ordinary Activities After Tax (9-10)**	**388.37**	**57.13**	**437.92**	**548.38**	**1,108.86**
12.	Extraordinary Items (Net of Tax Expense)	-	-	-	-	-
13.	**Net Profit/Loss for the period (11-12)**	**388.37**	**57.13**	**437.92**	**548.38**	**1,108.86**
14.	Paid-up equity share capital (Face value of Rs.10/- per share)	8,538.39	8,538.39	8,538.39	8,538.39	8,538.39
15.	Reserves excluding revaluation reserves as per balance-sheet of previous accounting year	-	-	-	-	-
16.i	Earnings Per Share (before extraordinary items) (of Rs. 10/- each) (not annualised)					
	a) Basic	0.45	0.07	0.51	0.64	1.30
	b) Diluted	0.45	0.07	0.51	0.64	1.30
16.ii	Earnings Per Share (after extraordinary items) (of Rs. 10/- each) (not annualised)					
	(a) Basic	0.45	0.07	0.51	0.64	1.30
	(b) Diluted	0.45	0.07	0.51	0.64	1.30

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LUCKNOW

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NOTE:

1 Statement of Assets and Liabilities as on 31st March 2016 is placed below

	Particulars	AS AT 31.03.2016 ₹ in Lakhs	AS AT 31.03.2015 ₹ in Lakhs
A.	**EQUITY AND LIABILITIES**		
1	**Shareholder's Funds**		
	(a) Share Capital	8,538.39	8,538.39
	(b) Reserves and Surplus	1,331.69	783.31
	(c) Money received against share warrants	-	-
	Sub-total - Shareholders' funds	9,870.08	9,321.70
2	**Share application money pending allotment**	-	-
3	**Minority Interest**	-	-
4	**Non-Current Liabilities**		
	(a) Long-term borrowings	1,789.00	2,189.00
	(b) Deferred tax liabilities (Net)	-	-
	(c) Other Long term liabilities	207.52	209.02
	(d) Long term provisions	396.73	603.49
	Sub-total - Non-current liabilities	2,393.25	3,001.51
5	**Current Liabilities**		
	(a) Short-term borrowings	886.03	1,059.94
	(b) Trade payables	2,518.74	3,076.11
	(c) Other current liabilities	1,885.83	1,369.90
	(d) Short-term provisions	254.37	235.57
	Sub-total - Current liabilities	5,544.97	5,741.52
	TOTAL - EQUITY AND LIABILITIES	17,808.30	18,064.73
B.	**Assets**		
1	**Non-current assets**		
	(a) Fixed assets	1,264.07	1,288.12
	(b) Goodwill on Consolidation	-	-
	(c) Non-current investments	-	-
	(d Deferred tax assets (net)	-	-
	(e) Long term loans and advances	378.46	329.82
	(f) Other non-current assets	-	-
	Sub-total - Non-current assets	1,642.53	1,617.94
2	**Current assets**		
	(a) Current investments	-	-
	(b) Inventories	8,049.46	8,190.36
	(c) Trade receivables	114.57	143.23
	(d) Cash and Bank Balances	5,613.60	6,640.54
	(e) Short-term loans and advances	2,259.65	1,297.67
	(f) Other current assets	128.49	174.99
	Sub-total - Current assets	16,165.77	16,446.79
	TOTAL - ASSETS	17,808.30	18,064.73

2 The above financial results have been approved by Board of Directors in their meeting held on 26th May 2016. The results have been subjected to audit by Statutory Auditors of the Company.

3 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.

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

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4 Regarding revision of Officers w.e.f. 01.01.2007, the proposal of implementation of revision with cutoff date 01.04.2013 for all officers on the rolls of the Company on 01.04.2013, has been forwarded to the Ministry for consideration. Regarding revision of workmen w.e.f. 01.01.2007 for all workmen on the rolls of the Company on 01.04.2013, the consent for implementation of wage revision with a cutoff date 01.04.2013 had been sought from workmen of the Company.

The revision (2007) of Officers is still awaiting approval of Government of India.

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

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

The above Interim Relief is being paid against the final adjustment, if any, from increase in the salary/wages/arrear on accounts of pay/wage revision 2007. During the financial year 2015-16 Rs. 333.68 lakhs (previous year Rs. 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.

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

6 Status of shareholders' complaints received during the quarter ended 31.03.2016
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

7 Expenditure capitalized & prior year items has been adjusted in other expenditure.

8 Previous period figures have been regrouped/reclassified wherever necessary to confirm to current period classification.

Date : 26th May 2016
Place : New Delhi

D. S. SHUKLA & CO. CHARTERED ACCOUNTANTS LUCKNOW

Pravin Agrawal
Chairman & Managing Director (Incharge)