

Scooters India Limited

(A Government of India Enterprise)

Post Bag No.23, GPO, Sarojini Nagar, Lucknow---226008 Uttar Pradesh, India

CIN: L25111UP1972GOI003599 Telephone No.0522---2496242, 0522---2496200,

Fax No.0522-2496190 E-mail: companysecretary@scootersindia.com Website: www.scootersindia.com

SIL: CS: BM: 263:2019

November 14, 2019

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

Subject: Outcome of adjourned board meeting held on November 14, 2019 - Approval of Un-Audited Financial Results for the Quarter and the half year ended at September 30, 2019(AS PER IND-AS)

Sir,
Pursuant to the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, this is to inform you that the Board at its adjourned meeting held on Thursday, November 14, 2019 (meeting started on November 11, 2019 which was not concluded and adjourned) has adopted Un-Audited Standalone Financial Results for the quarter and the half year ended on September 30, 2019 along with Limited Review report.

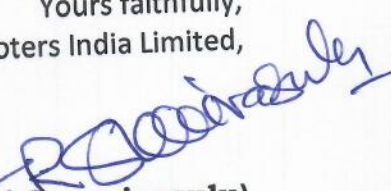
We are enclosing herewith the following:

1. Un-Audited Standalone Financial Results for the Quarter and Half year ended on September 30, 2019.
2. Limited Review Report.

The meeting commenced on November 11, 2019 at 11.00 AM and was adjourned. The meeting resumed on November 14, 2018 at 10:30 AM and was concluded at 12:30 PM.

With regards,

Yours faithfully,
For Scooters India Limited,


(Renati Sreenivasulu)
Chairman & Managing Director
DIN - 07634253

SCOOTERS INDIA LIMITED

(CIN-L25111UP1972GOI003599)

Regd. Office : Post Bag No 23, Sarojini Nagar, Lucknow

Website : www.scootersindia.com

STATEMENT OF STANDALONE UNAUDITED FINANCIAL RESULTS FOR QUARTER AND HALF YEAR ENDED 30.09.2019

Sr. No	PARTICULARS	Quarter Ended						Half Year Ended		Year Ended
		30.09.2019	30.06.2019	30.09.2018	30.09.2019	30.09.2018	31.03.2019			
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited			
I	Revenue from Operations									
II	Other Income	1,767.21	1,369.20	1,833.42	3,136.41	2,911.63	6,385.20			
		32.03	29.83	79.49	61.86	119.81	214.52			
III	Total Income (I+II)	1,799.24	1,399.03	1,912.91	3,198.27	3,031.44	6,599.72			
IV	Expenses									
	Cost of materials consumed									
	Purchases of Stock-in-Trade	840.40	845.35	828.31	1,685.75	1,512.13	4,546.59			
	Changes in Inventories of Finished Goods, Work in Progress and Stock in trade	-	-	-	-	-	-			
	Excise Duty on Sale	615.65	342.32	327.66	957.97	331.70	(606.56)			
	Employee benefits expense	-	-	-	-	-	-			
	Finance costs	481.60	513.88	570.66	995.48	1,088.63	2,230.05			
	Depreciation and amortization expense	-	-	-	-	-	-			
	Other expenses	48.47	48.47	47.80	96.94	95.60	193.30			
	Total Expenses (IV)	1,545.55	1,313.86	1,466.00	4,684.41	4,262.90	6,999.60			
V	Profit/(loss) before exceptional items and tax (I- IV)	2,140.67	2,063.88	1,920.43	4,204.55	3,290.96	7,062.98			
VI	Exceptional items	(341.43)	(664.85)	(7.52)	(1,006.28)	(259.52)	(463.26)			
VII	Profit/(loss) before tax (V- VI)	-	-	-	-	-	-			
VIII	Tax expense :	(341.43)	(664.85)	(7.52)	(1,006.28)	(259.52)	(463.26)			
	(1) Current tax	-	-	-	-	-	-			
	(2) Deferred tax	-	-	-	-	-	-			
IX	Profit (Loss) for the period from continuing operations (VII-VIII)	(341.43)	(664.85)	(7.52)	(1,006.28)	(259.52)	(463.26)			
X	Profit/(loss) from discontinued operations	-	-	-	-	-	-			
XI	Tax expense of discontinued operations	-	-	-	-	-	-			
XII	Profit/(Loss) from Discontinued operations (after tax) (X-XI)	-	-	-	-	-	-			
XIII	Profit/(loss) for the period (IX+XII)	(341.43)	(664.85)	(7.52)	(1,006.28)	(259.52)	(463.26)			
XIV	Other Comprehensive Income									
	A (i) Items that will not be reclassified to profit or loss									
	- Gain / (Loss) of defined benefit Obligation	-	-	-	-	-	(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)(Comprising Profit (Loss) and Other Comprehensive Income for the period)	(341.43)	(664.85)	(7.52)	(1,006.28)	(259.52)	(509.36)			
XVI	Earnings per equity share (for continuing operation):									
	(1) Basic	(0.39)	(0.76)	(0.01)	(1.15)	(0.30)	(0.58)			
	(2) Diluted	(0.39)	(0.76)	(0.01)	(1.15)	(0.30)	(0.58)			
XVII	Earnings per equity share (for discontinued operation):									
	(1) Basic	-	-	-	-	-	-			
	(2) Diluted	-	-	-	-	-	-			
XVIII	Earnings per equity share (for discontinued & Continuing and operation):									
	(1) Basic	(0.39)	(0.76)	(0.01)	(1.15)	(0.30)	(0.58)			
	(2) Diluted	(0.39)	(0.76)	(0.01)	(1.15)	(0.30)	(0.58)			

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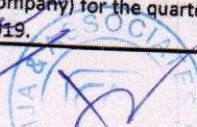
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SCOOTERS INDIA LIMITED
 Sarojini Nagar

Notes:

1 Statement of Assets & Liabilities is placed below :

Particulars	AS AT 30.09.2019 in Lakhs	AS AT 31.03.2019 ₹ in Lakhs
A. ASSETS		
(I) Non-current assets		
(a) Property, Plant & Equipment		1,768.75
(b) Capital work-in progress	1,874.75	
(c) Financial Assets	200.29	434.88
(i) Non-Current Investments	-	-
(ii) Trade receivables	-	-
(iii) Loans	53.73	51.92
(iv) Others -Security Deposits	-	-
(d) Deferred tax assets (Net)	140.94	162.07
(e) Other non-current assets	-	-
Total non-current assets (I)	-	18.71
(II) Current assets	2,269.71	2,436.33
(a) Inventories		
(b) Financial Assets	4,118.39	5,301.65
(i) Current Investments	-	-
(ii) Trade receivables	-	-
(iii) Cash and cash equivalent	37.72	63.52
(iv) Bank balance other than (iii) above	199.70	281.58
(v) Loans	1,644.49	1,592.39
(vi) Others (Loan & Advances)	-	-
(c) Current tax assets (Net)	1.52	1.68
(d) Other current assets	-	-
Sub-total current assets	1,058.21	1,052.12
Non-current assets held for sale	7,060.03	8,292.94
Total current assets (II)	-	-
Total assets (I+II)	7,060.03	8,292.94
	9,329.74	10,729.27
B. EQUITY AND LIABILITIES		
(I) Equity		
(a) Equity share capital		
(b) Other Equity	8,727.39	8,727.39
(i) Equity component of other financial instruments	-	-
(ii) Retained Earnings	-	-
(iii) Reserves	(3,146.66)	(2,127.35)
(iv) Money received against share warrants	4.90	4.90
(v) Other	-	-
Total equity (I)	5,585.63	6,604.94
(II) Liabilities		
(1) Non-current liabilities		
(a) Financial liabilities		
(i) Borrowings		
(ii) Trade payables	1,200.00	1,200.00
(iii) Other financial liabilities	-	-
(b) Non-Current Provisions	-	-
(c) Deferred tax liabilities (Net)	191.12	191.12
(d) Other non-current liabilities	-	-
Total Non-current liabilities (1)	303.82	301.48
(2) Current liabilities	1,694.94	1,692.60
(a) Financial liabilities		
(i) Short Term Borrowings		
(ii) Trade & Other payables		
(iii) Other financial liabilities	742.42	1,154.71
(b) Other current liabilities	400.00	400.00
(c) Current Provisions	793.77	746.85
(d) Current tax liabilities (Net)	112.98	130.17
Total current liabilities (2)	-	-
Total liabilities (II)=[(1)+(2)]	2,049.17	2,431.73
Total equities and liabilities (I+II)	3,744.11	4,124.33
	9,329.74	10,729.27

2. The above financial results of Scooters India Limited (the Company) for the quarter & half year ended 30th Sept., 2019 have been reviewed and approved by the Board of Directors at their meeting held on 11th Nov 2019.




SCOOTERS INDIA LIMITED

3. The Company adopted Indian Accounting Standards (IND AS) from 1 April 2017 accordingly these financial results have been prepared in accordance with the recognition and measurement principles laid down in the Accounting Standards 34 : Interim Financial Reporting : ('IND AS 34') prescribed under section 133 of the Companies Act 2013, read with the relevant rule issued thereunder and other accounting principles generally accepted in India.
4. 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.
5. The Company's business falls within a single business segment in terms of the Indian Accounting Standard 108 "Operating Segments" and hence additional disclosures not required.
6. Revenue from Operations for the Quarter & half year ended 30th Sept. 2019 is net of Goods and Service Tax (GST) which is applicable from July 1 2017.
7. Under Previous GAAP, leasehold land was shown as part of fixed assets, similarly under Ind AS all leases are considered as finance leases and therefore are shown as part of fixed assets under Non- Current assets.
8. The financial results for the quarter & half year ended 30th Sept., 2019 have been subjected to Limited Review by the statutory auditors. These results have been prepared based on the information compiled by the Management. However, the Management has exercised due diligence to ensure that the financial results for the quarter & half year ended 30th Sept., 2019 provide a true and fair view of the results of the Company in accordance with Ind AS.
9. Expenditure capitalized & prior year items has been adjusted in other expenditure.
10. Previous period figures have been regrouped / reclassified wherever necessary to confirm to current period classification.

Place: Lucknow
Date: 14th November 2019



On behalf of Board of Directors
For Scooters India Limited



Chairman & managing Director
DIN-

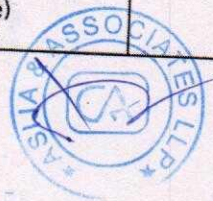
SCOOTERS INDIA LIMITED
Sarojini Nagar
Lucknow - 226008

SCOOTERS INDIA LIMITED
LUCKNOW

CASH FLOW STATEMENT FOR THE SIX MONTHS ENDED 30TH-SEPT-2019

Particulars	Six Months Ended 30.09.2019	Year Ended 31.03.2019
	₹ in Lakhs	₹ in Lakhs
Cash flow from operating activities :		
Net Profit/(Loss) before Tax		
Adjustment for :	(1,006.28)	(463.26)
- Depreciation		
(i) For Current Year	96.94	193.30
(ii) For Prior Period	(13.02)	(44.50)
-Prior Year items	-	-
-Loss Written off	-	-
-Provision for Loss in Value of Investment	-	-
-Provision / Written off for Doubtful Debts	-	-
-Provision for Inventory obsolescence	-	-
-Excess Provision Written Back	0.97	0.06
-Interest Income	-	(3.67)
-Interest Paid	(61.09)	(209.44)
-(Profit)/Loss in exchange rate change	-	-
-(Profit)/Loss on sale of fixed assets	-	-
Operating profit before working capital changes	23.80	0.32
Adjustment for :	(982.48)	(63.93)
-Trade receivables		(527.19)
-Inventories	23.99	(6.15)
-Other current assets	1,182.29	(625.64)
-Financial Assets - Others	(6.09)	105.33
-Other Non-Current Assets	21.13	3.11
-Other Non-Current Liabilities	18.71	-
-Trade payables	2.34	63.67
-Other Current Liabilities	(412.30)	266.93
-Financial Assets - Loans & Advances	46.92	(79.22)
-Capital Reserve	0.16	4.68
-Provisions	-	-
Cash generated/(loss) from operations :	(17.19)	(116.00)
Less Taxes Paid ;		(383.30)
Provision for Income Tax	(122.52)	(910.49)
Net cash from operating activities	(122.52)	(910.49)
Cash flow from Investing activities		
-Increase in fixed assets / capital expenditure	31.65	(72.40)
-Sale/ Adjustments of fixed assets	-	0.41
- Interest Income	61.09	209.44
- Other Fixed deposit with banks realised/(made)	(52.10)	(156.04)
-(Loss)/Gain in exchange rate	-	-
Net cash used in investing activities	40.64	(18.59)
Cash flow from financing activities		
-Interest paid	-	-
-Increase in share capital	-	-
- Repayment of term loan to G.O.I	-	189.00
-Receipt of long term loan from-G.O.I.	-	-
-Settlement of GOI Loan	-	-
-Viability Gap Funding from MNRE	-	(189.00)
-(Decrease)/ Increase in cash credit limits	-	-
Net cash used in financing activities	-	-
Net increase / (decrease) in cash and cash equivalents	(81.88)	(929.08)
Cash and cash equivalents (Opening balance)	281.58	1,210.66
Cash and cash equivalents (Closing balance)	199.70	281.58

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Asija & Associates LLP

Chartered Accountants

LLPIN : AAH-3862

(An Entity Registered with Limited Liability)

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INDEPENDENT AUDITORS' REVIEW OF INTERIM FINANCIAL RESULTS

**TO THE BOARD OF DIRECTORS
SCOOTERS INDIA LIMITED**

1. We have reviewed the accompanying statement of unaudited financial results of **Scoters India Limited** ('the Company') for the quarter and Half Year ended 30th September, 2019 ("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 5th July, 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.

We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, Review of Interim Financial Results 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 from 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.

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with applicable accounting standards and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.

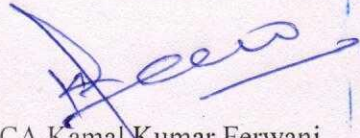
2. Emphasis of Matter

a) Attention is invited to the point No. 4 of the foot note to the unaudited financial results, where the company has not provided for the arrears to the employees who were on the pay roll of the company as on 01-04-2013, as the approval is awaited from GOI and pending outcome of the proceeding before the Central Government Industrial Tribunal, Lucknow.

b) We have reviewed the financial results and other information for the quarter and half year ended 30th September, 2019 which is solely based on the financial information compiled by the management and that the Financial Statements give a true and fair view and are free from material misstatement, whether due to fraud or error subject to **Annexure-1** enclosed with this report.



For & Behalf of
Asija & Associates LLP
Chartered Accountants
(FRN: - 003155C/C400011)



CA Kamal Kumar Ferwani
(Sr. Partner)
(M. No.-402982)
UDIN:-19402982AAAAEH1161



Place: Lucknow
Date: 14th November, 2019

Audit Observations for Review and Half Yearly Audit of Scooters India Limited FY 2019-20

**TO THE BOARD OF DIRECTORS
SCOOTERS INDIA LIMITED**

1. Observation related to Sales

- i) During the course of audit, it has been observed by us that the invoice for the sale of 3-Wheeler Vehicles has been raised by the company but the vehicles has not been despatched on the date of invoice. The detail of invoices is mentioned below:

S.No.	Invoice No.	Invoice Date	Amount (₹)	Vehicle Despatched Date (as per Gate Pass)
1	19-20/ 3W00723	26/09/2019	1,66,720.00	04/10/2019

As per Ind AS 18 (Revenue Recognition), Revenue from the sale of goods shall be recognized when the entity has transferred to the buyer the significant risks and rewards of ownership of the good. But, in above case Invoice No.: 19-20/ 3W00723 the risks and rewards of the ownership had not been transferred to the buyer till 04th October 2019 thus the amount of this invoice cannot be shown in the head of sales.

2. Other Observations

- i) **Research & Development (60927):** During the course of Audit, it has been observed by us that the expenditure amounting to ₹ 7,92,454.77 incurred on Research & Development is related to development of Electronic Vehicle (EV), which is not launched by the company so far. In context to the same, we are of the opinion that the same should not appear in the head of R&D and be treated as **Deferred Revenue Expenditure**.
- ii) During the course of Audit, it has been observed by us that the provision in respect of certain service expenses are not made on the reasonable basis rather the same are being made on adhoc basis. The detail of the same is given below:

S. No.	Account Code	Service Expenses	Provision (₹)	Remarks
1)	60953	Free Service Coupon	3,13,600.00	Refer Note 1
2)	60980	Pre-Sales-Services (Pre-Dispatch Inspection)	56,070.00	Refer Note 2
3)	60981	After-Sales services	39,576.37	NA
4)	60983	Warranty Replacement	5,72,975.91	NA

- 1) Policy Related to Free-Service Coupon has not been provided to us during the course of our Audit and 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.



2) During the course of audit, following discrepancies related to Pre-Sale Services has been observed by us:

i) 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.

ii) While verifying the Credit Note issued for Pre-Sale Services, it has been observed that the dates on the "Settlement of PDI Claims" has been manually altered. The detail of the same is given below:

- Credit Note issued to M/s Vishal Agencies on 30th September for ₹ 7,300.00
- Credit Note issued to M/s Arvind Motors on 30th September for ₹ 3,100.00
- Credit Note issued to M/s Shree Balaji Motors on 30th September for ₹ 7,100.00

iii) During the course of audit, it was observed that following material relating to Financial Year 2018-19 are still under inspection:

S.No.	MIR Date	Party Name	Amount
1	20.12.2018	Nicks India	₹ 27,528.00
2	14.02.2019	JKEW Forgings	₹ 1,02,089.00
4	14.03.2019	Bundy India Limited	₹ 13,723.00
TOTAL			₹ 1,43,340.00

It is advised to the management to either complete the inspection of such items or return them in case the material is defective.

iv) During the course of Audit, it was found that Stock material is measured/ valued by the SIL at cost. However, as per Para 9 of IND AS 2- Inventories, "Inventories shall be measured at the lower of cost and net realizable value", but the company is not following the above IND AS by valuing stock at cost.

i) The Closing Inventory of Other Stock includes:

a. Petrol costing ₹ 14,182.78 since 2009-10. As per the discussion with the management team, we were informed that such oil is not usable as it got mixed with other oils and there is a possibility that the amount of such oil could be Nil and hence is not saleable. We were also informed that management 99% of the petrol is evaporated. Hence, provision for 99% is made by management.

As per the provisions of Ind AS-2, Valuation of Inventories, Inventory or Consumable should be valued at its cost or Net Realisable value, whichever is lower. We are of the opinion that if the value of the oil is Nil, then it should be valued at Nil rate and hence should be written off from the books. Further, we have physically verified the petrol but no such stock was found by us.

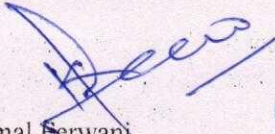
b. The valuation of Uniform was done at cost of ₹ 1,07,915.45 since 2015-16. However, while doing physical verification of the Uniform kept in the Store Room, we came to the conclusion that value which is shown in the books of accounts i.e. ₹ 1,07,915.45 is not appropriate as the condition of the uniforms was not up to mark. Further, the condition of stationery stock amounting to ₹6,02,765.38 in books of the company was inappropriate as we were unable to verify the same physically.



Further, as per the discussion with the management in the last Quarter (Q1), the provision @ 90% has been made in respect of the uniform lying in the closing stock but we are of the opinion that the same should be written off as not in the usable condition.

- v) Current liabilities include Provision for Payment of Bonus to employees amounting to ₹ 6,97,531.95 for the FY 2017-18, 2016-17 & 2014-15 in line with Payment of Bonus Act. However, during the course of audit, we observed that the said bonus is not paid till date and therefore contravenes with the provision of Section 19 of the said Act.
- vi) During the course of audit, it was observed that no Budget is being prepared by the company to predict its probable income, expenses and expected target. This may result in excess expenditure as compared to the incomes of the company.
It is advised to the company to prepare budget on annual basis and compare it with the actual performance periodically to achieve the desired outcome.
- vii) It has been observed that Penalty was imposed by BSE ₹ 47,51,860.00 till 30.10.2019 for which no provision has been made.

For Asija & Associates LLP
Chartered Accountants


CA Kamal Ferwani
(Sr. Partner)
M. No.: - 402982
UDIN:-19402982AAAAEH1161



Place: Lucknow
Date: 14th November, 2019