



Scooters India Limited

(A Government of India Enterprise)

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

Corporate Identity No. L25111UP1972GOI003599

Telephone No. 0522-2476242, 0522-2476200, Fax No. 0522-2476190

E-mail: companysecretary@scootersindia.com

Website: www.scootersindia.com

Date: 30.07.2020

To,

BSE Limited

P.J. Towers, Dalal Street,

Mumbai 400 001, India.

Subject: Discrepancies in Standalone Financial Results for the year ended on March 31, 2020

Dear Sir/ Madam,

This has reference to your mail dated 28/07/2020 regarding discrepancies in standalone financial results for the year ended on March 31, 2020 under Regulation 33/52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. In this regard we are enclosing rectified following documents:

1. Audit Report on Audited Financial Results of the Company for the quarter and the year ended at March 31, 2020 in the prescribed format as '*Annexure - 1*'.
2. Audited Financial Results of the Company for the quarter and the year ended at March 31, 2020 in the prescribed format as '*Annexure - 2*'.
3. Cash Flow Statement for Standalone Results as '*Annexure - 3*'.

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

**Asija & Associates LLP****Chartered Accountants**

LLPIN : AAH-3862

(An Entity Registered with Limited Liability)

Reg. Off : 1st Floor, 34/5 Gokhle Marg,

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Independent Auditor's Report on Annual Financial Result of the Company pursuant to the Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 (as amended)

To the Board of Directors of Scooters India Limited

Opinion

1. We have audited the accompanying annual financial results of **Scooters India Limited** ("the company") for the quarter ended 31st March, 2020 and the year to date results for the period 01st April, 2019 to 31st March, 2020, attached herewith, being submitted by the company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended).
2. These statements have been prepared on the basis of the **annual audited financial statements**, 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 annual audited financial statements, which have been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 (Ind AS 34) for Interim Financial Reporting, prescribed, under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder; or by the Institute of Chartered Accountants of India, as applicable and other accounting principles generally accepted in India.
3. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatement(s). An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.
4. In our opinion and to the best of our information and according to the explanations given to us these quarterly financial results as well as the year to date results: -
 - i) are presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
 - ii) Except for the matter described in Paragraph (a) & (b) of the **Basis of Qualified Opinion** paragraph, give a true and fair view in conformity with the applicable Indian Accounting Standard (Ind AS) prescribed under Section 133 of the Companies Act, 2013, read with relevant rules issued thereunder, and accounting principles generally



accepted in India of the net loss and other comprehensive income and other financial information of the company for the year ended 31st March,2020.

Basis for Qualified Opinion

5. 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 standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone 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 Attachment-2.

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

- 6. 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.
- 7. 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.
- 8. 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

- 9. 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.
- 10. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:



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- 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.
11. 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.
 12. 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.



Other Matter

13. 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**.

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



[Signature]
CA Kamal Kumar Ferwani
(Senior Partner)
(M. No.-402982)

Place: Lucknow
Date: 29th June, 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 amount of ₹15,367.5.

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

- i) Notes No. 5 of Significant Accounting Policies & Notes to Financial Statement were 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.

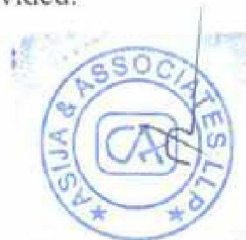
4. Attention has been invited to Notes No. 21 of Significant Accounting Policies & Notes to Financial Statement relating to

- 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 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 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 consist of WIP of 3Wheelers on Bharat Stage IV Norms amounting to 495.89 Lakhs regarding which valuation couldn't be verified by us.



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 where 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 Goyt. 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:

- Uncertainties relating to forecasting the future sales of these of BS IV Norms vehicles
- 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: -

- 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.
- 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:

- Uncertainties relating to the collation of items which are obsolete items carrying on BS IV Norms.
- 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:

- it is impossible for management to bifurcate WIP into model wise production of vehicles.
- 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:

- 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



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

- Evaluated the design of internal control relating to assets under inspection.
- Carried out a combination of procedure involving enquiry and observation, reperformance 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 were 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 were 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 were 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)**



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.



SCOOTERS INDIA LIMITED

(CIN-L25111UP1972GOI003599)

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

Website : www.scootersindia.com

STATEMENT OF STANDALONE AUDITED FINANCIAL RESULTS FOR QUARTER AND YEAR ENDED 31.03.2020

(' in lakhs)

Sr. No	PARTICULARS	Quarter Ended					Year Ended	
		31.03.2020	31.12.2019	30.09.2019	30.06.2019	31.03.2019	31.03.2020	31.03.2019
		Audited	Unaudited	Unaudited	Unaudited	Unaudited	Audited	Audited
I	Revenue from Operations	2,062.58	2,001.66	1,767.21	1,369.20	1,873.26	7,200.65	6,385.20
II	Other Income	112.50	33.06	32.03	29.83	51.13	207.42	214.52
III	Total Income (I+II)	2,175.08	2,034.72	1,799.24	1,399.03	1,924.39	7,408.07	6,599.72
IV	Expenses							
	Cost of materials consumed	807.79	1,118.40	840.40	845.35	1,654.54	3,611.94	4,546.59
	Purchases of Stock-in-Trade	-	-	-	-	-	-	-
	Changes in Inventories of Finished Goods, W.I.P and Stock in trade	810.19	207.36	615.65	342.32	(548.46)	1,975.52	(606.56)
	Excise Duty on Sale	-	-	-	-	-	-	-
	Employee benefits expense	570.98	486.61	481.60	513.88	610.25	2,053.07	2,230.05
	Finance costs	-	-	-	-	-	-	-
	Depreciation and amortization expense	61.55	48.48	48.47	48.47	49.90	206.97	193.30
	Other expenses	277.34	387.33	154.55	313.86	301.01	1,133.08	699.60
	Total Expenses (IV)	2,527.85	2,248.18	2,140.67	2,063.88	2,067.24	8,980.58	7,062.98
V	Profit/(loss) before exceptional items and tax (I- IV)	(352.77)	(213.46)	(341.43)	(664.85)	(142.85)	(1,572.51)	(463.26)
VI	Exceptional Items	-	-	-	-	-	-	-
VII	Profit/(loss) before tax (V- VI)	(352.77)	(213.46)	(341.43)	(664.85)	(142.85)	(1,572.51)	(463.26)
VIII	Tax expense :							
	(1) Current tax	-	-	-	-	-	-	-
	(2) Deferred tax	-	-	-	-	-	-	-
IX	Profit (Loss) for the period from continuing operations (VII-VIII)	(352.77)	(213.46)	(341.43)	(664.85)	(142.85)	(1,572.51)	(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)	(352.77)	(213.46)	(341.43)	(664.85)	(142.85)	(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)	(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)(Comprising Profit (Loss) and Other Comprehensive Income for the period)	(381.50)	(213.46)	(341.43)	(664.85)	(188.95)	(1,601.24)	(509.36)
XVI	Earnings per equity share (for continuing operation):							
	(1) Basic	(0.44)	(0.24)	(0.39)	(0.76)	(0.22)	(1.83)	(0.58)
	(2) Diluted	(0.44)	(0.24)	(0.39)	(0.76)	(0.22)	(1.83)	(0.58)
XVII	Earnings per equity share (for discontinued operation):							
	(1) Basic	-	-	-	-	-	-	-
	(2) Diluted	-	-	-	-	-	-	-
XVII	Earnings per equity share (for Discontinued & Continuing and operation) :							
	(1) Basic	(0.44)	(0.24)	(0.39)	(0.76)	(0.22)	(1.83)	(0.58)
	(2) Diluted	(0.44)	(0.24)	(0.39)	(0.76)	(0.22)	(1.83)	(0.58)



[Handwritten Signature]

Notes:

1 Statement of Assets & Liabilities is placed below :

Particulars	AS AT 31.03.2020 In Lakhs	AS AT 31.03.2019 ₹ in Lakhs
A. ASSETS		
(I) Non-current assets		
(a) Property, Plant & Equipment	1,769.87	1,768.75
(b) Right of Use Asset	5.06	-
(c) Capital work-in progress	191.37	434.88
(d) Financial Assets	-	-
(i) Non-Current Investments	-	-
(ii) Trade receivables	54.79	51.92
(iii) Loans	-	-
(iv) Others -Security Deposits	159.63	162.07
(e) Deferred tax assets (Net)	-	-
(f) Other non-current assets	-	18.71
Total non-current assets (I)	2,180.72	2,436.33
(II) Current assets		
(a) Inventories	2,990.51	5,301.65
(b) Financial Assets	-	-
(i) Current Investments	-	-
(ii) Trade receivables	13.30	63.52
(iii) Cash and cash equivalent	98.50	281.58
(iv) Bank balance other than (iii) above	2,236.28	1,592.39
(v) Loans	-	-
(vi) Others (Loan & Advances)	1.52	1.68
(c) Current tax assets (Net)	-	-
(d) Other current assets	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	8,727.39	8,727.39
(b) Other Equity	-	-
(i) Equity component of other financials instrument	-	-
(ii) Retained Earnings	(3,730.00)	(2,127.35)
(iii) Reserves	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	1,200.00	1,200.00
(ii) Lease Liabilities	2.64	-
(iii) Trade payables	-	-
(iv) Other financial liabilities	-	-
(b) Non-Current Provisions	214.61	191.12
(c) Deferred tax liabilities (Net)	-	-
(d) Other non-current liabilities	290.82	301.48
Total Non-current liabilities (1)	1,708.07	1,692.60
(2) Current liabilities		
(a) Financial liabilities		
(i) Short Term Borrowings	-	-
(ii) Lease Liabilities	0.25	-
(iii) Trade & Other payables	628.59	1,154.71
(iv) Other financial liabilities	400.00	400.00
(b) Other current liabilities	695.39	746.85
(c) Current Provisions	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

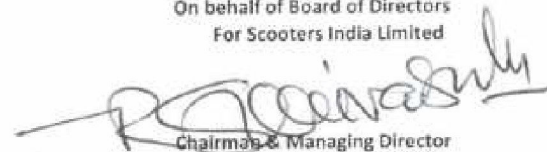
1. The above financial results of Scooters India Limited (the Company) for the quarter & year ended 31st March, 2020 have been reviewed by Audit Committee and approved by the Board of Directors at their meeting held on 29th June, 2020 and have been subjected to audit by the Statutory Auditor of the Company.
2. 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.

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.
4. 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.
5. Revenue from Operations for the Quarter & year ended 31st March, 2020 is net of Goods and Service Tax (GST) which is applicable from July 1 2017.
6. Under Previous GAAP, leasehold land was shown as part of fixed assets, similarly under Ind AS-116 all leases are transferred to Right of Use Assets and disclosed appropriately.
7. The financial results for the Quarter & year ended 31st March, 2020 have been subjected to audit 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 & year ended 31st March, 2020 provide a true and fair view of the results of the Company in accordance with Ind AS.
8. Expenditure capitalized & prior year items has been adjusted in other expenditure.
9. Previous period figures have been regrouped / reclassified wherever necessary to confirm to current period classification.

Place: Lucknow
Date: 29th June 2020




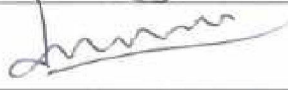

On behalf of Board of Directors
For Scooters India Limited

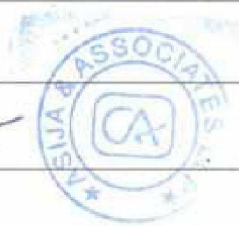

Chairman & Managing Director
DIN-07634253

Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along-with Annual Audited Financial Results - (Standalone and Consolidated separately)

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2020 [See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]				
I.	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
	1.	Turnover / Total income	7408.07	7408.07
	2.	Total Expenditure	8980.57	8980.57
	3.	Net Profit/(Loss)	(1572.5)	(1572.5)
	4.	Earnings Per Share	(1.08)	(1.08)
	5.	Total Assets	8494.05	8494.05
	6.	Total Liabilities	3492.21	3492.21
	7.	Net Worth	5002.29	5002.29
	8.	Any other financial item(s) (as felt appropriate by the management)	-	-
II.	<u>Audit Qualification (each audit qualification separately):</u>			
	a. Details of Audit Qualification:			
	b. Type of Audit Qualification: Qualified Opinion/Disclaimer of Opinion/ Adverse Opinion		Modified	
	c. Frequency of qualification: Whether appeared first time / repetitive / since how long continuing		Non-Repetitive	
	d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:			
	e. For Audit Qualification(s) where the impact is not quantified by the auditor:		<p>i) 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</p>	

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		<p>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.</p> <p>ii) 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.</p>
	(i) Management's estimation on the impact of audit qualification:	No Assessment of impact can be made
	(ii) If management is unable to estimate the impact, reasons for the same:	<p>1) Follow up will be done in respect of sale of BS-IV Norms Vehicles subsequent quarters. Research & department has started development regarding the production of vehicles.</p> <p>2) As the machines are quite old and revaluation is not possible. Even if nominal reevaluation value is taken the impact of the same on the financials shall not be material considering the size and operations of the company.</p>
	(iii) Auditors' Comments on (i) or (ii) above:	
III.	Signatories:	
	• CEO/Managing Director	
	• CFO	
	• Audit Committee Chairman	
	• Statutory Auditor	
	Place:	LUCKNOW
Date:	29 th JUNE, 2020	



SCOOTERS INDIA LIMITED
LUCKNOW
CASH FLOW STATEMENT FOR THE FINANCIAL YEAR ENDED 31st-MAR-2020
PURSUANT TO CLAUSE 32 OF THE LISTING AGREEMENT

Particulars	Year Ended 31.03.2020	Year Ended 31.03.2019
	₹ in Lakhs	₹ in Lakhs
Cash flow from operating activities :		
Net Profit/(Loss) before Tax	(1,572.51)	(463.26)
Adjustment for :		
- Depreciation		
(i) For Current Year	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	26.28	0.32
Operating profit before working capital changes	(1,546.23)	(527.19)
Adjustment for :		
-Trade receivables	38.18	(6.15)
-Inventories	2,306.89	(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)
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 investing activities	(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	-	-
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



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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:

	2019-20	2018-19
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	2.47	2.33
	98.50	281.58




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

Place : Lucknow
Date : 29th June 2020

