



# Scooters India Limited

(A Government of India Enterprise)

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

CIN: L25111UP1972GOI003599

Telephone No. 0522-2476244, 0522-2476200, Fax No. 0522-2476190

E-mail: [Companysecretary@scootersindia.com](mailto:Companysecretary@scootersindia.com); Website: [www.scootersindia.com](http://www.scootersindia.com)

Date: 30.05.2022

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

**Subject: Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 - Outcome of Board Meeting of M/s Scooters India Limited held on May 30, 2022**

Dear Sir/ Madam,

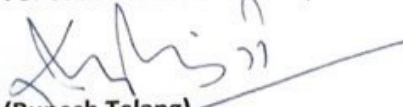
Pursuant to provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, this is to inform you that the Board of Directors of M/s Scooters India Limited (Scrip code: 505141) in their 284<sup>th</sup> meeting held on Monday, May 30, 2022 (commenced at 11:30 A.M. & closed at 4:00 pm) has adopted Audited Standalone Financial Results of the Company for the quarter and year ended at March 31, 2022 along with Independent Auditors report. The Board also approved the Audited financial statements for the year ended at March 31, 2022.

Further, we are enclosing herewith the following:

1. Audited Standalone Financial Results of the Company for the quarter & year ended at March 31, 2022 as 'Annexure — 1'.
2. Independent Auditors Report on Audited Financial Results of the Company for the quarter & Year ended at March 31, 2022 as 'Annexure — 2'.
3. Statement on Impact of Audit Qualifications as Annexure -3.

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

Thanking You,  
For Scooters India Limited,

  
(Rupesh Telang)

Chairman & Managing Director

Encl.: as above

**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 THE YEAR ENDED ON 31.03.2022**

(₹ in lakhs)

Sr. No	PARTICULARS	Quarter Ended				Year ended	
		31.03.2022	31.12.2021	30.09.2021	30.06.2021	31.03.2022	31.03.2021
		Audited	Audited	Audited	Audited	Audited	Audited
I	Revenue from Operations	-	-	-	-	-	500.31
II	Other Income	2,460.64	17.20	119.38	21.62	2,618.84	437.99
III	<b>Total Income (I+II)</b>	<b>2,460.64</b>	<b>17.20</b>	<b>119.38</b>	<b>21.62</b>	<b>2,618.84</b>	<b>938.30</b>
IV	Expenses						
	Cost of materials consumed	-	-	4.93	-	4.93	23.59
	Purchases of Stock-in-Trade	-	-	-	-	-	-
	Changes in Inventories of Finished Goods, W.I.P and Stock in trade	3.96	-	-	(3.96)	-	506.75
	Employee benefits expense	60.46	58.22	314.46	172.10	605.24	2,796.99
	Finance costs	136.48	139.51	139.51	142.55	558.05	-
	Depreciation and amortization expense	-	-	(32.51)	32.51	-	216.63
	Other expenses	543.99	50.47	68.77	29.40	692.63	2,258.97
	<b>Total Expenses (IV)</b>	<b>744.89</b>	<b>248.20</b>	<b>495.16</b>	<b>372.60</b>	<b>1,860.85</b>	<b>5,802.93</b>
V	Profit/(loss) before exceptional items and tax (I- IV)	1,715.75	(231.00)	(375.78)	(350.98)	757.99	(4,864.63)
VI	Exceptional items	-	-	-	-	-	-
VII	<b>Profit/(loss) before tax (V- VI)</b>	<b>1,715.75</b>	<b>(231.00)</b>	<b>(375.78)</b>	<b>(350.98)</b>	<b>757.99</b>	<b>(4,864.63)</b>
VIII	Tax expense :	-	-	-	-	-	-
	(1) Current tax	-	-	-	-	-	-
	(2) Deferred tax	-	-	-	-	-	-
IX	<b>Profit (Loss) for the period from continuing operations (VII-VIII)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(4,864.63)</b>
X	Profit/(loss) from discontinued operations	1,715.75	(231.00)	(375.78)	(350.98)	757.99	-
XI	Tax expense of discontinued operations	-	-	-	-	-	-
XII	<b>Profit/(Loss) from Discontinued operations (after tax) (X-XI)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
XIII	<b>Profit/(loss) for the period (IX+XII)</b>	<b>1,715.75</b>	<b>(231.00)</b>	<b>(375.78)</b>	<b>(350.98)</b>	<b>757.99</b>	<b>(4,864.63)</b>
XIV	Other Comprehensive Income						
	A (i) Items that will not be reclassified to profit or loss	-	-	-	-	-	-
	- Gain / (Loss) of defined benefit Obligation	-	-	-	-	-	(87.41)
	(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	<b>Total Comprehensive Income for the period (XIII+XIV)(Comprising Profit (Loss) and Other Comprehensive Income for the period)</b>	<b>1,715.75</b>	<b>(231.00)</b>	<b>(375.78)</b>	<b>(350.98)</b>	<b>757.99</b>	<b>(4,952.04)</b>
XVI	Earnings per equity share (for continuing operation):						
	(1) Basic	1.97	(0.26)	(0.43)	(0.40)	0.87	(5.67)
	(2) Diluted	1.97	(0.26)	(0.43)	(0.40)	0.87	(5.67)
XVII	Earnings per equity share (for discontinued operation):						
	(1) Basic	-	-	-	-	-	-
	(2) Diluted	-	-	-	-	-	-
XVIII	Earnings per equity share (for Discontinued & Continuing and operation) :						
	(1) Basic	1.97	(0.26)	(0.43)	(0.40)	0.87	(5.67)
	(2) Diluted	1.97	(0.26)	(0.43)	(0.40)	0.87	(5.67)

1. The above financial results of Scooters India Limited (the Company) for the quarter ended 31st March, 2022 have been reviewed by Audit Committee and approved by the Board of Directors at their meeting held on 31st May, 2022 and have been subjected to the Limited Review 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. 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.
4. Revenue from Operations for the Quarter ended 31st March, 2022 is net of Goods and Service Tax (GST) which is applicable from July 1 2017.
5. 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.
6. The financial results for the Quarter ended 31st March, 2022 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 ended 31st March, 2022 provide a true and fair view of the results of the Company in accordance with Ind AS.
7. pursuant to letter No. F. No. 3(1)/2020-PE-VI, dated 28/01/2021 issued by the Govt. of India, Ministry of Heavy Industries & Public Enterprises, Department of Heavy Industry, New Delhi, communicating the decision regarding closure of the Company along with shutting down all the operations as per DPE Guideline vide OM dated 14/06/2018, the Board of Directors in compliance of the same in their meeting held on 11/02/2021 has decided to proceed with closure of the Company. Accordingly, the Company has ceased to be a going concern.  In compliance of the above letter, the management had actioned the Assets of the Company (excluding Building & Solar Power System) through MSTC and realisation of the accounted for in the Books. Further, Management of the Company is also in the process to sale the remaining Assets of the Company as per the guidelines at the earliest; in accordance with the same remaining assets have been shifted in a separate disposable group and classified as "Assets Held for Sale." An Independent Valuer has been appointed by the Company for the valuation Solar Power System, as per report of the valuer value of the Solar Power System has been adjusted accordingly.  Accordingly, as per the relevant provisions of Ind AS 105, depreciation on fixed assets has not been charged during the year.
8. Previous period figures have been regrouped/ reclassified wherever necessary to confirm to current period classification.

Place: Lucknow  
Date: 30th May, 2022  
UDIN - 22402982AJWARS1787



On behalf of Board of Directors  
For Scooters India Limited  
*[Signature]*  
Director Finance (Additional Charge)  
DIN-08778135

*[Signature]*  
CMD/Additional Charge  
DIN - 09218342

**Notes:-**

**1. Statement of Assets & Liabilities is placed below:-**

Particulars	AS AT 31.03.2022 ₹ in Lakhs	AS AT 30.09.2021 ₹ in Lakhs	AS AT 31.03.2021 ₹ in Lakhs
<b>A. ASSETS</b>			
(I) Non-current assets			1,553.36
(a) Property, Plant & Equipment	-	-	4.94
(b) Right of Use Assets	4.94	4.94	-
(c) Capital work-in progress	-	-	191.37
(d) Financial Assets			-
(i) Non-Current Investments	-	-	-
(ii) Trade receivables	15.09	15.09	60.79
(iii) Loans	-	-	-
(iv) Others -Security Deposits	103.64	102.12	140.71
(e) Deferred tax assets (Net)	-	-	-
(f) Other non-current assets	-	-	-
<b>Total non-current assets (I)</b>	<b>123.67</b>	<b>122.15</b>	<b>1,951.17</b>
(II) Current assets		642.70	638.74
(a) Inventories	-	-	-
(b) Financial Assets			-
(i) Current Investments	-	-	-
(ii) Trade receivables	-	17.28	8.64
(iii) Cash and cash equivalent	4,678.43	1,118.73	4,124.12
(iv) Bank balance other than (iii) above	1,654.74	1,648.54	1,569.19
(v) Loans	-	-	-
(vi) Others (Loan & Advances)	-	1.52	1.52
(c) Current tax assets (Net)	-	-	-
(d) Other current assets	1,715.36	1,570.38	1,881.04
<b>Sub-total current assets</b>	<b>8,048.53</b>	<b>4,999.15</b>	<b>8,223.25</b>
Non-current assets held for sale	102.85	1,744.73	-
<b>Total current assets (II)</b>	<b>8,151.38</b>	<b>6,743.88</b>	<b>8,223.25</b>
<b>Total assets (I+II)</b>	<b>8,275.05</b>	<b>6,866.03</b>	<b>10,174.42</b>
<b>B. EQUITY AND LIABILITIES</b>			
(I) Equity			
(a) Equity share capital	8,727.39	8,727.39	8,727.39
(b) Other Equity			
(i) Equity component of other financial instruments	-	-	-
(ii) Retained Earnings	(7,924.06)	(9,419.46)	(8,682.05)
(iii) Reserves	4.90	4.90	4.90
(iv) Money received against share warrants	-	-	-
(v) Other	-	-	-
<b>Total equity (I)</b>	<b>808.23</b>	<b>(687.17)</b>	<b>50.24</b>
(II) Liabilities			
(1) Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	5,700.00	5,700.00	5,300.00
(ii) Lease Liabilities	2.94	2.94	2.94
(iii) Trade payables	-	-	-
(A) Total outstanding dues of micro enterprises and small enterprises	-	-	-
(B) Total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	-
(iv) Other financial liabilities	-	-	-
(b) Non-Current Provisions	18.01	18.01	303.47
(c) Deferred tax liabilities (Net)	-	-	-
(d) Other non-current liabilities	227.32	288.82	288.82
<b>Total Non-current liabilities (1)</b>	<b>5,948.27</b>	<b>6,009.77</b>	<b>5,895.23</b>
(2) Current liabilities			
(a) Financial liabilities			
(i) Short Term Borrowings	-	-	-
(ii) Lease Liabilities	0.25	0.25	0.25
(iii) Trade & Other payables			
(A) Total outstanding dues of micro enterprises and small enterprises	2.84	2.84	2.84
(B) Total outstanding dues of creditors other than micro enterprises and small enterprises	616.51	785.07	1,370.88
(iv) Other financial liabilities	-	-	400.00
(b) Other current liabilities	898.95	748.84	2,403.44
(c) Current Provisions	-	6.43	51.54
(d) Current tax liabilities (Net)	-	-	-
<b>Total current liabilities (2)</b>	<b>1,518.55</b>	<b>1,543.43</b>	<b>4,228.95</b>
<b>Total liabilities (II)=[(1)+(2)]</b>	<b>7,466.82</b>	<b>7,553.20</b>	<b>10,124.18</b>
<b>Total equities and liabilities (I+II)</b>	<b>8,275.05</b>	<b>6,866.03</b>	<b>10,174.42</b>



**SCOOTERS INDIA LIMITED**  
**LUCKNOW**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31st March-2022**  
**PURSUANT TO CLAUSE 32 OF THE LISTING AGREEMENT**

Particulars	Year Ended	Year Ended	Year Ended
	31.03.2022	30.09.2021	31.03.2021
	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
<b>Cash flow from operating activities :</b>			
<b>Net Profit/(Loss) before Tax</b>	<b>757.99</b>	<b>(737.41)</b>	<b>(4,864.63)</b>
Adjustment for :			
- Depreciation			
(i) For Current Year	-	-	216.63
(ii) For Prior Period	-	-	-
-Prior Year Items	-	-	-
-Loss Written off	-	-	-
-Provision for Loss in Value of Investment	-	-	-
-Provision / Written off for Doubtful Debts	-	-	9.31
-Provision for Inventory obsolescence	-	-	1,853.98
-Excess Provision Written Back	-	-	-
-Interest Income	(83.55)	(27.43)	(437.99)
-Interest Paid	558.05	282.06	-
-(Profit)/Loss in exchange rate change	-	-	-
-(Profit)/Loss on sale of fixed assets	-	-	-
<b>Operating profit before working capital changes</b>	<b>474.50</b>	<b>254.63</b>	<b>1,641.93</b>
Adjustment for :	1,232.49	(482.78)	(3,222.70)
-Trade receivables	54.34	37.06	(10.65)
-Inventories	638.74	(3.96)	497.79
-Other current assets	165.68	310.66	(907.37)
-Financial Assets - Others	37.07	38.59	18.92
-Other Non-Current Assets	(102.85)	-	-
-Other Non-Current Liabilities	(61.25)	-	(1.70)
-Trade payables	(754.37)	(585.81)	745.13
-Other Current Liabilities	(1,504.74)	(1654.60)	1,708.04
-Financial Assets - Loans & Advances	1.52	-	-
-Capital Reserve	-	-	-
-Provisions	(337.00)	(330.57)	(6.92)
<b>Cash generated/(loss) from operations :</b>	<b>(630.37)</b>	<b>(2,671.41)</b>	<b>(1,179.46)</b>
Less Taxes Paid :			
Provision for Income Tax	-	-	-
<b>Net cash from operating activities</b>	<b>(630.37)</b>	<b>(2,671.41)</b>	<b>(1,179.46)</b>
<b>Cash flow from investing activities</b>			
-Increase in fixed assets / capital expenditure	1,744.73	-	(0.00)
-Sale/ Adjustments of fixed assets	-	-	-
- Interest income	83.55	27.43	437.99
- Other Fixed deposit with banks realised/(made)	(85.55)	(79.35)	667.09
-(Loss)/Gain in exchange rate	-	-	-
<b>Net cash used in investing activities</b>	<b>1,742.73</b>	<b>(51.92)</b>	<b>1,105.08</b>
<b>Cash flow from financing activities</b>			
-Interest paid	-	-	-
-Increase in share capital	-	-	-
- Repayment of term loan to G.O.I	(558.05)	(282.06)	-
-Receipt of long term loan from-G.O.I.	-	-	4,100.00
-Settlement of GOI Loan	-	-	-
-Viability Gap Funding from MNRE	-	-	-
-(Decrease)/ Increase in cash credit limits	-	-	-
<b>Net cash used in financing activities</b>	<b>(558.05)</b>	<b>(282.06)</b>	<b>4,100.00</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>554.31</b>	<b>-3005.39</b>	<b>4,025.62</b>
<b>Cash and cash equivalents (Opening balance)</b>	<b>4124.12</b>	<b>4124.12</b>	<b>98.50</b>
<b>Cash and cash equivalents (Closing balance)</b>	<b>4678.43</b>	<b>1118.73</b>	<b>4,124.12</b>





## **INDEPENDENT AUDITORS' REVIEW OF INTERIM FINANCIAL RESULTS**

### **TO THE BOARD OF DIRECTORSSCOOTERS INDIA LIMITED**

1. We have reviewed the accompanying statement of unaudited financial results of **Scooters India Limited** ('the Company') for the quarter ended 31<sup>st</sup> March, 2022 ("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 5<sup>th</sup> 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.
2. 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.
3. Attention has been invited to **Note No. 50** of Notes to Financial Statements, where we have come across the Letter of Shutting down the operations (*term as "Closure Letter"*) of the company issued on **28<sup>th</sup> January 2021** through **Letter No. 3(1)/ 2020-PE-VI** by Ministry of Heavy Industry & Public Enterprises (*Department of Heavy Industry (PE-VI Section)*)

The above letter includes the directions and assistance towards the closure of company. However, the said letter shall be strictly adhered to guidelines of DPE on time bound closure of sick/ loss making CPSEs vide OM dated: 14-06-2018.

With effect from the above Closure Letter –

- a) Loan of ₹ 65.12 crore (with interest) will be disbursed for closure of the company.

**Comment:** Government of India has disbursed the amount of ₹ 41.00 crore out of sanctioned amount ₹ 65.12 crore (with interest) on 29-03-2021. As per Point 6 of Sanction Letter No. 3/ (3)/2021- PE-VI dated 26<sup>th</sup> March 2021, The Company has to

furnish a certificate of utilization of funds sanctioned via above mentioned letter to the ministry within one year from the date of release of the funds.

*In Pursuance to the same, no communication has been provided whereby we couldn't be able to verify whether the Certificate of Utilization has been submitted to Government of India or not.*

b) Monetization of Trademarks & Brands of SIL

**Comment:** According to Closure Notice of 28-01-2021, the company should monetize the Trademark & Brand and utilise the proceeds for closure process, but if company fails to monetize the brand/ trademark it will be vested to GOI.

In pursuance to the same, Board Meeting has been conducted on 14<sup>th</sup> February 2022 in which it was discussed that a Company has executed a MOU for engagement of MSTC as its auctioning agency for disposal of assets of the Company as per terms of letter no. 3(1)/2020-PE-VI dated 28<sup>th</sup> January 2021 issued by DHI read with Guidelines issued on 14/06/2018 by Department of Public Enterprises. Thus, it was decided that no fresh MOU is proposed to be executed for sale of Intellectual properties.

However, the Company has got the valuation report from two valuers for Trademarks and placed it before the board of members. Based on the recommendations of the Audit Committee, the board considered the matter and desired to thoroughly review the terms and place the same before the next meeting.

c) Return of Land about 147.499 acres to UPSIDA at the mutually agreed rates.

**Comment:** The company (*lessee*) has outstanding Lease Liability amounting to ₹3,18,479.65, and company shall made reassessment of Lease Liability.

As per **Para 39 of Ind AS 116 Leases** “*After the commencement date, a lessee shall apply paragraphs 40–43 to remeasure the lease liability to reflect changes to the lease payments. A lessee shall recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset. However, if the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, a lessee shall recognise any remaining amount of the remeasurement in profit or loss.”*

We observed that SIL has taken steps in order to return the land to UPSIDA and initiated the communication via mail dated 02/03/2021 but no response has been received by the SIL in respect of purchase of land by UPSIDA even after various mails and letters. So we are of the opinion that management of SIL should seek active response from UPSIDA regarding the same and thereafter re-valuation of lease liability according to lease agreement with UPSIDA.

d) Delisting of the company shares from listed BSE Stock Exchange.

**Comment:** We reviewed the relevant minutes of Board Meeting relating to process of the delisting of shares of the company in accordance and consolation with Department of Heavy Industries.

During the audit, while reviewing the relevant minutes of Board Meetings and as per discussion with management we have not got any information relating to initiation of process of delisting from the stock exchange.

- e) Funds received from the sale proceeds, proceeds of return of land to UPSIDA and sale of Brands & Trademarks shall be utilized to pay back interest free loan of ₹ 16 crore from GOI and the loan with interest of ₹ 65.12 crores.

**Comment:** During the audit, along-with the discussion with management, company has initiated the communication with UPSIDA but no response has been received by the SIL in respect of purchase of land by UPSIDA even after various mails and letters

We have observed that Government of India has disbursed the loan of ₹41 crore out sanctioned loan of ₹65.12 crore (with interest) which is payable from the sale proceeds, proceeds of return of land to UPSIDA along with Brand & Trademarks. We suggest that the company should seek active response from UPSIDA regarding the same to avoid the unnecessary interest burden on the loan amount i.e., ₹41 crore. Further, with the availability of the funds company may also be able to return the said loans to GOI.

- f) Closure in accordance with the Office Memorandum (OM) dated 14.06.2018 and the timeline as per guidelines of DPE.

**Comment:** During the audit and as per the discussion with management, the company has considered the deviation from timelines as mentioned in above letter due to additional delisting process. In connection to the same, Management of the Company held the meeting on 11/2/2021 and disclosed the fact of the closure during the current Financial Year. In reference to the above company should specify exactly the proposed date for the completion of all the necessary activities for closure operation.

4. Reconciliation and confirmation of balances under trade payables, advances from customer, security deposits, trade receivables, and other advances have not been carried out and obtained. In our opinion the consequential impact on the financial statement is not ascertainable pending such reconciliation and conformation. Moreover lack of details have come in the way to quantify time barred liabilities and consequential impact on the accounts.

5. Attention has been invited to Note No. 2.1 in relation to Land/Building.

- As Per **Para No .8 of IND AS 105 Non-Current Assets Held for Sale and Discontinue Operations** *“For the sale to be highly probable, the appropriate level of management must be committed to a plan to sell the asset (or disposal group), and an active program to locate a buyer and complete the plan must have been initiated. Further, the asset (or disposal group) must be actively marketed for sale at a price that is reasonable in relation to its current fair value. In addition, the sale should be expected to qualify for recognition as a completed sale within one year from the date of classification and actions required to complete the plan should indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.”*

In reference to Para 8 of **IND AS 105 Non-Current Assets Held for Sale and Discontinue Operations,**



We observed that SIL has taken steps in order to return the land to UPSIDA and initiated the communication via mail dated 02/03/2021 but no response has been received by the SIL in respect of purchase of land by UPSIDA even after various mails and letters. So we are of the opinion that management of SIL should seek active response from UPSIDA regarding the same.

In addition to this, Land and Building are still reflecting on the historical value despite of being classified as Held for Sale. Hence, it is evident that fair valuation of Land and Building has not been done during the FY 2021- 22 in accordance with **IND AS 105**.

## **6. 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. Attention is invited to following notes of the Standalone Financial Statements:

### **1. Mismatch in Paid-up-Share Capital**

Attention has been invited to **Note No. 13** of Notes to Financial Statements 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 ₹15,637.50.

### **2. Attention has been invited to **Note No. 12** of Significant Accounting Policies & Notes to Standalone Financial Statements where it has been observed by us that "Advance to LIC" in respect of Gratuity and Leave Encashment amounting to ₹ 8,18,42,261.00 is standing as on 31/03/2022. Further the payment of ₹ 3,39,64,549.00 against the gratuity has been debited during the current Financial Year based on the management's estimate, however as reported earlier by us no actuarial valuation has been provided for Gratuity and Leave Encashment for FY 2020-21.**

### **3. Attention has been invited to **Notes No. 4** of Notes to Financial Statements relating Sundry Debtors (unsecured) were: -**

- i) that the total debtors outstanding (including North, East, West & South Zones) as on 31.03.2022 amounting to ₹ 430.93 Lakhs against the provision amounting to ₹ 415.84 lakhs had been running from earlier years.
- ii) No external confirmation regarding any Sundry Debtors outstanding for more than a year has been provided.
- iii) In respect of one of the Debtor "Maarz Mechatronics Pvt" a vehicle has been given by the company for Research work, where the said party has provided a Bank Guarantee (BG) of ₹1,00,000 in favour of company. However, it was observed by us that the BG provided was expired on 18/12/2019 and vehicle has not been returned by the party.

4. Attention has been invited to the following mentioned Notes to Financial Statements, we couldn't be able to verify the existence of following events: -
- i) **Notes No. 5** of Notes to Financial Statements relating to Deposit was made with Landlord amounting to ₹2.43 Lakhs.
  - ii) **Notes No. 12** of Notes to Financial Statements relating to Deposit was made with Others amounting to ₹10.74 Lakhs and Misc. Advance to Staff recoverable amounting to ₹1.59 Lakhs.
  - iii) **Notes No. 18** of Notes to Financial Statements relating to Advance from Customer amounting to ₹1.89 Lakhs.
5. Attention has been invited to **Notes No. 23** of Notes to Financial Statements relating to-
- i) Arrears on Wages amounting to ₹39.79 Lakhs are payable in respect of retired employees which are not associated with company presently.
  - ii) Liability for adhoc payment amounting to ₹0.43 lakhs are payable in respect of retired employees which are no more associated with company.
6. Attention has been invited to **Notes No. 21** of Notes to Financial Statements relating Sundry Creditors were: -
- i) That the total creditors outstanding as on 31.03.2021 amounting to ₹ 619.35 lakhs.
  - ii) No external confirmation regarding Sundry Creditors outstanding for more than a year has been provided.
7. Based on our review conducted as above , except for the matters described in Paragraph 3,4,5 and 6, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with the 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.
8. We have not reviewed the financial results and other information for the quarter ended 31<sup>st</sup> March, 2022 this is solely based on the financial information compiled by the management.

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



CA Kamal Kumar Ferwani  
(Sr. Partner)  
(M. No.-402982)  
UDIN:-22402982AJWARS1787

Place: Lucknow  
Date: 30/5/2022





स्कूटर्स इण्डिया लिमिटेड

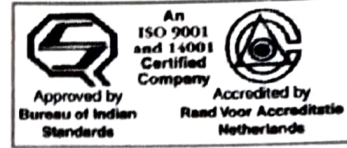
(भारत सरकार का उद्यम)

सरोजनी नगर, लखनऊ -226008

**Scooters India Limited**

(A Government of India Enterprise)

Sarajini Nagar, Lucknow-226008



**Annexure-**

**I**

**Statement on Impact of Audit Qualification (for audit report with modified opinion) submitted along with Annual Audited Financial Results (Standalone)**

Statement of impact of Audit Qualifications for the financial year ended March 31, 2022(Regulations 33/52 of the SEBI (LODR) Amendment regulations, 2016)				
	SL No	Particulars	Audited Figures (as reported before adjusting for the qualifications)	Adjusted Figures(audited figures after adjusting for qualifications)
I	1	Turnover/ Total Income	2618.84	2618.84
	2	Total Expenditure	1860.85	1860.85
	3	Net Profit(Loss)	757.99	757.99
	4	Earnings Per Share	0.87	0.87
	5	Total Assets	8275.05	8275.05
	6	Total Liabilities	7466.82	7466.82
	7	Net Worth	808.23	808.23
	8	Any Other Financial Items(s) (as felt appropriate by the management)		
<b>II Audit Qualification (each audit qualification separately)</b>				
	<b>a</b>	<b>Details of Audit Qualifications:</b>		
	<b>b</b>	<b>Type of Audit Qualifications: Qualified opinion /Disclaimer of opinion/Adverse opinion</b>	<b>Modified</b>	
	<b>c</b>	<b>Frequency of qualifications: Whether appeared first time /repetitive / since how long continued</b>	<b>Non-Repetitive</b>	
	<b>d</b>	<b>For Audit Qualification(s) where the impact is quantified by the auditor, management's Views:</b>		
	<b>e</b>	<b>For Audit Qualifications(s) where the impact is not qualified by the auditor</b>	<b>(i) Attention has been invited to Note No. 50 of Notes to Financial Statements, where we have come across the Letter of Shutting down the operations (term as "Closure Letter") of the company issued on 28<sup>th</sup> January 2021 through Letter No. 3(1)/ 2020-PE-VI by Ministry of Heavy Industry &amp; Public Enterprises (Department of Heavy Industry (PE-VI Section)</b>	

The above letter includes the directions and assistance towards the closure of company. However, the said letter shall be strictly adhered to guidelines of DPE on time bound closure of sick/ loss making CPSEs vide OM dated: 14-06-2018.

With effect from the above Closure Letter –

a) Loan of ₹ 65.12 crore (with interest) will be disbursed for closure of the company.

**Comment:** Government of India has disbursed the amount of ₹ 41.00 crore out of sanctioned amount ₹ 65.12 crore (with interest) on 29-03-2021. As per Point 6 of Sanction Letter No. 3/ (3)/2021- PE-VI dated 26<sup>th</sup> March 2021, The Company has to furnish a certificate of utilization of funds sanctioned via above mentioned letter to the ministry within one year from the date of release of the funds.

*In Pursuance to the same, no communication has been provided whereby we couldn't be able to verify whether the Certificate of Utilization has been submitted to Government of India or not.*

b) Monetization of Trademarks & Brands of SIL.

**Comment:** According to Closure Notice of 28-01-2021, the company should monetize the Trademark & Brand and utilize the proceeds for closure process, but if company fails to monetize the brand/ trademark it will be vested to GOI.

In pursuance to the same, Board Meeting has been conducted on 14th February 2022 in which it was discussed that a Company executed a MOU for engagement of MSTC as its auctioning agency for disposal of assets of the Company as per terms of letter no. 3(1)/2020-PE-VI dated 28<sup>th</sup> January 2021 issued by DHI read with Guidelines issued on 14/06/2018 by Department of Public Enterprises. Thus, it was decided that no fresh MOU is proposed to be executed for sale of Intellectual property.

However, the Company has got the valuation report from two valuers for Trademarks and placed it before the board of members. Based on the recommendations of the Audit Committee, the board considered the matter and desired to thoroughly review the terms and place the same before the next meeting.

c) Return of Land about 147.499 acres to UPSIDA at the mutually agreed rates.

**Comment:** The company (lessee) has outstanding Lease Liability amounting to ₹3,18,479.65, and company shall made reassessment of Lease Liability.

*As per Para 39 of Ind AS 116 Leases "After the commencement date, a lessee shall apply paragraphs 40–43 to remeasure the lease liability to reflect changes to the lease payments. A lessee shall recognize the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset. However, if the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, a lessee shall recognize any remaining amount of the remeasurement in profit or loss."*

We observed that SIL has taken steps in order to return the land to UPSIDA and initiated the communication via mail dated 02/03/2021 but no response has been received by the in respect of purchase of land by UPSIDA even after various mails and letters. So we are of the opinion that management of SIL should seek active response from UPSIDA regarding the same and thereafter re-valuation of lease liability according to lease agreement with UPSIDA.

d) Delisting of the company shares from listed BSE Stock Exchange

**Comment:** We reviewed the relevant minutes of Board Meeting relating to process of the delisting of shares of the company in accordance and consultation with Department of Heavy Industries.

During the audit, while reviewing the relevant minutes of Board Meetings and as per discussion with management we have not got any information relating to initiation of process of delisting from the stock exchange.

e) Funds received from the sale proceeds, proceeds of return of land to UPSIDA and sale of Brands & Trademarks shall be utilized to pay back interest free loan of ₹ 16 crore from GOI and the loan with interest of ₹65.12 crores.

**Comment:** During the audit, along-with the discussion with management, company has initiated the communication with UPSIDA but no response has been received by the SIL in respect of purchase of land by UPSIDA even after various mails and letters

We have observed that Government of India has disbursed the loan of ₹41 crore out sanctioned loan of ₹65.12 crore (with interest) which is payable from the sale proceeds, proceeds of return of land to UPSIDA along with Brand & Trademarks. We suggest that the company should seek active response from UPSIDA regarding the same to avoid the unnecessary interest burden on the loan amount i.e., ₹41 crore. Further, with the availability of the funds company may also be able to return the said loans to GOI.

Closure in accordance with the Office Memorandum (OM) dated 14.06.2018 and the timeline as per guidelines of DPE.

**Comment:** During the audit and as per the discussion with management, the company has considered the deviation from timelines as mentioned in above letter due to additional delisting process. In connection to the same, Management of the Company held the meeting on 11/2/2021 and disclosed the fact of the closure during the current Financial Year.

In reference to the above company should specify exactly the proposed date for the completion of all the necessary activities for closure operation.

(ii) Reconciliation and confirmation of balances under trade payables, advances from customer, security deposits, trade receivables, and other advances have not been carried out and obtained. In our opinion the consequential impact on the financial statement is not ascertainable pending such reconciliation and conformation. Moreover, lack of details has come in the way to quantify time barred liabilities and consequential impact on the accounts.

(iii) Attention has been invited to **Note No. 2.1** in relation to Land Building.

**As Per Para No .8 of IND AS 105 Non-Current Assets Held for Sale and Discontinue Operations** *“For the sale to be highly probable, the appropriate level of management must be committed to a plan to sell the asset (or disposal group), and an active program to locate a buyer and complete the plan must have been initiated. Further, the asset (or disposal group) must be actively marketed for sale at a price that is reasonable in relation to its current fair value. In addition, the sale should be expected to qualify for recognition as a completed sale within one year from the date of classification and actions required to complete the plan should indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.*

		<p>In reference to Para 8 of <b>IND AS 105 Non-Current Assets Held for sale and Discontinue Operations</b>, we observed that SIL has taken steps in order to return the land to UPSIDA and initiated the communication via mail dated 02/03/2021 but no response has been received by the SIL in respect of purchase of land by UPSIDA even after various mails and letters. So, we are of the opinion that management of SIL should seek active response from UPSIDA regarding the same.</p> <p>In addition to this, Land and Building are still reflecting on the historical value despite of being classified as Held for Sale. Hence, it is evident that fair valuation of Land and Building has not been done during the FY 2021- 22 in accordance with <b>IND AS 105</b>.</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, reason for the same.	(i) Management is in process to comply with the remaining provisions related to the closure of the Company stage wise in the upcoming financial years.
	(iii) Auditor's Comments on (i) or (ii) above:	
<b>III</b>	<b>Signatories:</b>	
	• CEO/ Managing Director	
	• CFO	
	• Audit Committee Chairman	
	• Statutory Auditor	
	<b>Place:</b>	Lucknow
	<b>Date:</b>	30/05/2022