

50th ANNUAL REPORT 2021-22




Scooters India Limited

(A Government of India Enterprise)

An ISO 9001 Company

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**BOARD OF DIRECTORS****Functional Directors**

Shri Rupesh Telang	Chairman & Managing Director (Additional Charge)	From 25 th April 2021 to till date
Shri Mukesh Kumar	Director (Finance) (Additional Charge)	From 30.08.2020 to 30.08.2022
Shri Raj Kumar	Independent Director	From 02/01/2021 to till date
Shri Renati Sreenivasulu	Chairman & Managing Director	From 06.10.2018 to 25.04.2021

Government Nominee Director

Shri S.K Singh	GOI, Part time Official Director	From 15.01.2018 to 24.03.2022
Shri Ramakant Singh	GOI, Part time Official Director	From 10.11.2020 to till date
Smt Rakesh Sharma	Non-Executive, Independent Director	From 28.01.2020 to till date
Shri M.P. Singh	Non-Executive, Independent Director	From 28.01.2020 to till date

STATUTORY AUDITOR

Asija & Associates LLP
1st Floor, 34/5 Gokhle Marg,
Lucknow 226001

SECRETARIAL AUDITOR

Amit Gupta & Associates Office:
C-17, Vinay Nagar, Krishna
Nagar, Lucknow - 226 023

REGISTERED OFFICE & WORKS

Lucknow-Kanpur Road
(16th Mile Stone)
Post Bag No.23
(Po) Sarojini Nagar
Lucknow-226008

INTERNAL AUDITOR

Pawan Tiwari & Associates
Chartered Accountants,
CP-71, TF-1, Galaxy Tower,
Viraj Khand, Gomti Nagar,
Lucknow

STOCK EXCHANGE

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

REGISTRAR & TRANSFER AGENT

Skyline Financial Services Private
Limited D-153/A, 1st Floor
Okhla Industrial
Area Phase-1
New Delhi-110020 Ph-011-26812682
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**DIRECTORS' REPORT**

Dear Shareholders,

The Board of Directors of your Company is pleased to present the 50th Annual Report on the business and operations of the Company together with the audited Balance Sheet and statement of Profit and Loss Account and Auditors' Report thereon for financial year ended 31st March, 2022.

1. PRODUCTION REVIEW

Description	2020-21	(Nos.) 2021-22
Three Wheeler	11	0

2. SALES REVIEW

The Sales performance for the year is shown below:

Description	2020-21		2021-22	
	Physical	Financial	Physical	Financial
		(Rs. In lakhs)		(Rs. In lakhs)
Three Wheeler	23	125.43	0	0.00
Spares		227.44		0.00
Petrol, Diesel, Lubricants etc.		Nil		0.00
Other Operating Revenue		147.44		0.00
Total		500.31		0.00

3. FINANCIAL REVIEW

The salient features of the Company's financial results for the year under review are as follows:

Description	2020-21	(Rs. In lakhs) 2021-22
a) Profit/Loss before Depreciation, Interest, Taxes, Prior Year Items & Other Income.	(5085.99)	(1302.80)
b) Profit/Loss before Depreciation, Interest, Taxes, & Other income	(5085.99)	(1302.80)
c) PBIDT	(4648.00)	1316.04
d) Profit/(Loss) for the year	(4864.63)	757.99



During the year under report:

- I. Profit before depreciation, interest, taxes, prior year items & other income increased by Rs. 3,783.19 lakhs as compared to the previous year.
- II. Profit before depreciation, interest, taxes, & other income increased by Rs. 3,783.19 Lakhs as compared to the previous year.
- III. Profit before depreciation, interest & taxes, increased by Rs. 5,964.04 lakhs as compared to the previous year.
- IV. Profit for the year increased by Rs. 5,622.62 lakhs as compared to the previous year.

4. CONTRIBUTION TO EXCHEQUER

The company has contributed a sum of Rs. 768.19 lakhs (towards duties & taxes) to the exchequer during the period under review vis-à-vis Rs. 102.35 lakhs during previous financial year.

5. DIVIDEND

In view of accumulated losses, the Directors did not recommend final dividend for the Financial Year 2021-22.

6. TRANSFER TO RESERVES

In view of the losses, the Company does not propose to transfer to the general reserves out of the amount available for apportion.

7. ISSUE OF SHARES WITH OR WITHOUT DIFFERENTIAL RIGHT, SWEAT EQUITY, ESOP:

The Company has not issued any share with differential right, sweat equity, employee stock option during the year, hence, not applicable.

8. EXPORT

The export during the year was NIL.

9. EXPENDITURE ON ADVERTISEMENT AND PUBLICITY:

Expenditure on account of advertisement and publicity was NIL in the year.

10. STATUS OF REPAYMENT OF LOAN FROM GOI

The Government of India, Ministry of Industries & Public Enterprises, Department of Heavy Industry released funds by way of interest free plan loan amounting to Rs. 2000.00 lakhs during the financial year 2013-14 for working capital under an approved revival package of Scooters India Limited by Cabinet/ Misc. Application approved by BIFR. As per sanction 23.7.2013/BIFR order the loan was repayable in 5 installments commencing from 23.7.2016 onwards i.e. 3 years from date of sanctioning i.e. beginning w.e.f. 23.7.2016. In accordance with the Board's decision in their meeting held on 8th April 2016 and in the background of letter F.No. 3(15)/2013-PE-VI dated 5th March 2015, the interest on CAPEX funds temporarily deployed as FDR remitted to Government of India in April 2014 amounting to Rs. 128.11 lakhs was adjusted against the installment of Rs. 400.00 lakhs due on 23rd July 2016. Accordingly principal of Rs 1600 lacs is outstanding. The cabinet sanctioned a loan of Rs. 65 crores out of which a loan of Rs 41 crore was



disbursed on 28.03.2021 for VRS/VSS scheme of employees and other vendor payments.

11. MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED FROM 01.04.2021 TO DATE

In terms of the communication vide letter no. F. No. 3(1)/2020-PE-VI dated 28.01.2021 from DHI, the operations of the Company had been stopped and process for closure of SIL has been initiated. In terms of the said communication all regular employees had been released and from 29.04.2021, the regular strength of the Company is NIL. The Company has ceased to be a going concern and necessary steps as per the said communications are being implemented.

12 Management Discussion and Analysis:

The Company has ceased to be a going concern and necessary steps as per the letter no. F. No. 3(1)/2020-PE-VI dated 28.01.2021 from DHI, are being implemented. The Company is following the steps as confirmed in the letter and the process of closure is going on.

MISSION, VISION & OBJECTIVE

VISION SIL Vision is to grow as an organization in the field of automobiles with greater emphasis on E- Mobility.

MISSION Our Mission is to strengthen SIL presence in E-Mobility by foraying into Electric Vehicle market and thus to provide cleaner mobility solutions for future generations.

OBJECTIVE

- Design, Development and Commercialization of two variants of Electric 3-Wheeler/ one variant of BS-VI 3-Wheeler by 2021-22.
- Design, Development and Commercialization of two more variants of Electric 3-Wheeler/BS-VI 3-Wheeler by 2022-23.
- Consolidation of E-Mobility business and BS-VI 3-Wheelers to make SIL a force of domination in 3-Wheeler Industry.
- Creating Niche markets in Electric Vehicle Market.

However, as the Department of Heavy Industries in the letter No.3 (1) 2020-PE-VI dated 28th January 2021 has ordered for closure of SIL therefore the afore-mentioned objectives cannot be achieved anymore.

A. MARKET SCENARIO-SEGMENT /PRODUCT WISE PERFORMANCE

The Company ceased to be a segment player in this market, during the period under review there were no production of three wheelers in the Company.

B. Future Outlook:

As the Department of Heavy Industries in the letter No.3 (1) 2020-PE-VI dated 28th January 2021 has ordered for closure of SIL therefore the Future Outlook of the Company is to comply with steps defined under said order.

**C. Strategic Road Map:**

As the Department of Heavy Industries in the letter No.3 (1) 2020-PE-VI dated 28th January 2021 has ordered for closure of SIL therefore the Company ceased to be a segment player in this market. Therefore there is no strategic Road Map.

ADEQUACY OF INTERNAL CONTROL:

The Company has proper and adequate system of internal controls to ensure that all activities are monitored and controlled against any unauthorized use of disposal of assets, and that the transactions are authorized, recorded and reported correctly.

The Company ensures adherence to all internal control policies and procedures as well as compliance with all regulatory guidelines. The Company has in place adequate internal financial controls with reference to financial statements. The Statutory Auditors of the Company tested such controls and no reportable material weakness in the design or operation was observed.

OPERATIONAL REVIEW vs FINANCIAL REVIEW

During the year under report the company operations reported a decrease in production nos. as well as revenue from operations and as a result of which the net losses are increased significantly as compared to previous financial year. The operations of company remained under stress as vide letter no. F. No. 3(1)/2020-PE-VI dated 28.01.2021 it was communicated that CGD, Hon'ble Minister (HI&PE) has given in-principle approval for initiating the process of closure of SIL and further the company received the letter no. F.No.3(1)/2020-PE-VI dated 28.01.2021 from DHI for closure of the company.

MATERIAL DEVELOPMENTS IN HUMAN RESOURCES/INDUSTRIAL RELATIONS FRONT AND NUMBER OF PEOPLE EMPLOYED:

The manpower strength of the Company as on 31st March 2021 was 75 only. In terms of the communication vide letter no. F. No. 3(1)/2020-PE-VI dated 28.01.2021 from DHI, the operations of the Company had been stopped and process for closure of SIL has been initiated. In terms of the said communication all regular employees had been released and from 29.04.2021, the regular strength of the Company is NIL.

SIGNIFICANT CHANGES IN FINANCIAL RATIOS

[Pursuant to Schedule V(B) to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

Key Financial Ratios for the financial year ended 31st March, 2022 along with details of significant changes (i.e. change of 25% or more as compared to the immediately previous financial year) in key financial ratios, and the detailed explanations, are provided below:



Financial Ratio	Standalone Change		Reason for such change
	2020-21	202122	
Operation Profit Margin	0.00	-1016.57	Due to closure of operations and payment of outstanding dues.
Net Profit Margin	28.944	-972.32	Due to closure of operations and sales proceed from auction of Company Assets

Status before BIFR

On 18th February, 2010, BIFR has declared the Company as sick industrial company in terms of the provisions of section 3(1)(o) of the Sick Industrial Companies (Special Provisions) Act, 1985 (SICA) on reference being made after full erosion of the Net- worth of the Company, as per annual accounts for the year ended at 31st March, 2009. BIFR approved the miscellaneous application filed by the Company for seeking necessary permission/ appropriate directions for reliefs & concessions enabling issue of shares, restructuring of balance sheet and for release of funds for capital expenditure and working capital in line with the cabinet decision for revival of SIL. The Draft Rehabilitation Scheme (DRS) was submitted by the Operating Agency (SBI) for submission with BIFR. BIFR in its hearing dated 15.09.2015 directed that SIL ceases to be a sick industrial company, within the meaning of Section 3(1)(o) of the SICA as its net worth has turned positive and It is, therefore, discharged from the purview of SICA/BIFR.

13. DIRECTORS' RESPONSIBILITY STATEMENT:

In accordance with the provisions of section 134(3)(c) and 134(5) of the Companies Act, 2013 your Directors to the best of their knowledge confirm that:

- in preparation of the annual accounts for the year ended March 31, 2022, the applicable accounting standards have been followed and that there are no material departures in adoption of these standards.;
- they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year ended on March 31, 2022 and of the losses of the Company for year ended on that date;
- they have taken proper and sufficient care, to the best of their knowledge and ability, for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- they have prepared the annual accounts on a going concern basis;
- they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively to the best of their knowledge and ability; and
- Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and are operating effectively.

**14. DIRECTORS, KEY MANAGERIAL PERSONNEL, APPOINTED AND RESIGNED:**

Government of India, Ministry of Heavy Industries & Public Enterprises, Department of Heavy Industry has vide its Order No. F.No.:3(23)/2012-PE-VI- (Part II), Dated 23rd April, 2021, appointed Mr. Rupesh Telang, GM, BHEL, FSIP as Chairman & Managing Director of SIL on additional charge basis w.e.f. April 25, 2021 for the period of One year. The Company has received an order for extension of Managing Director term till March 2023 Mr. Renati Sreenivasulu ceases as Chairman & Managing Director w.e.f. April 25, 2021..

Government of India, Ministry of Heavy Industries & Public Enterprises, Department of Heavy Industry has vide its Letter No. F. No.3(4)/2018-PE-VI dated 27.08.2020, appointed during the year Shri Mukesh Kumar as Director Finance (Additional Charge) of Scooters India Limited, Shri Mukesh Kumar has completed his tenure with effect from August 29, 2022.

Mr. Rama Kant Singh, Director, DHI was appointment as part Time Official on Board of Scooters India Limited in place of Mrs. Ritu Pande, Ex-Director, DHI as per Govt. of India, Ministry of Heavy Industries & Public Enterprises, Department of Heavy Industry, New Delhi vide letter No. F. No.2- 03/2/2017-PE-VI, Dtd.10.11.2020.

Government of India, Ministry of Heavy Industries & Public Enterprises, Department of Heavy Industry has vide its order No. 3(20)/2013-PE-VI dated 28.01.2020, appointed Shri Mahendra Pratap Singh and Smt Rakesh Sharma as an Independent Directors for the period of three years or till further orders.

In accordance with the provisions of Section 152 of the Act read with the Articles of Association of the Company, Mr. Rupesh Telang, Managing Director will retire by rotation at the ensuing AGM and being eligible, offer himself for reappointment. The Board has recommended his reappointment. The Board commends for his re-appointment.

The Board of Directors of the Company are appointed by the Government of India as per guidelines issued by the Department of Public Enterprises (DPE), Government of India from time to time. The remuneration of Managing Director/Whole time Director is fixed as per grade and other terms and conditions issued by the DPE. The Government Directors on the Board of the Company draw their remuneration from Government of India and not from the Company. The independent directors if any, are paid the sitting fee only (within the limits prescribed under the Companies Act), as per Articles of Association, besides reimbursement of the expenses to attend the meeting. No other remuneration is paid to the independent directors.

During the year Company Secretary and Compliance Officer Mr. Samarth Dev, joined from July 20, 2021 and relieved from the services w.e.f 01.04.2022.

As regards, the appointment and remuneration of Key Managerial Personnel and other employees, the appointment of all employees below board level is made as per Recruitment & Promotion Rules of the Company and remuneration is paid to them as per DPE guidelines.



The Nomination & Remuneration Committee (NRC) has been constituted. As appointments of Directors are made by the Government of India, accordingly, evaluation of Directors are done by the Government of India. It may also be noted that Ministry of Corporate Affairs vide notification dated 5th June 2015 has exempted Government Companies from the provisions of section 178(2), (3) and(4) which requires formulation of criteria for determining qualifications, positive attributes, independence and annual evaluation of Directors & Policy relating to remuneration of Directors. Similar exemption is anticipated from SEBI under SEBI LODR. The other matters relating to remuneration, if any, are placed to Nomination and Remuneration Committee.

15. NUMBER OF MEETINGS OF THE BOARD

The Board met 10 times during the financial year, the details of which are given in the Corporate Governance Report that forms part of this Annual Report. The intervening gap between any two meetings was within the period prescribed by the Companies Act, 2013 and the Listing Agreement Regulations.

16. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

A statement giving details of conservation of energy, technology absorption, foreign exchange earnings and outgoing accordance with the Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of The Companies (Accounts) Rules, 2014 is provided at **ANNEXURE-1, 1-A and 1-B** to this report.

17. PARTICULARS OF EMPLOYEES:

Information under Section 197(12) of the Companies Act, 2013 read with rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 be treated as NIL as none of the employee of the company is getting salary more than the prescribed limit.

18. INDUSTRIAL RELATION:-

During the period under review, the industrial relations have been by and large satisfactory, however non-regular employee [ATTs/Cont. (JT)] has been protesting hard for safe guarding their services in closure activity for while Ministry had already provided in principle approval.

21. HUMAN RESOURCE DEVELOPMENT:

Due to Notice issued by Department of Heavy Industries (DHI) through Letter No.: 3(1)/2020-PE-VI on Dated 28/01/2021, all operation of the company has been permanently shut down and as per the instruction stated in the said letter, in accordance to the said notice all employees/ officers of the company has been released during the year 2020-21.

22. REPRESENTATIVE FOR SCHEDULED CASTES & SCHEDULE TRIBE:

The Company operations are closed therefore there are no employees. As on 31.03.2022 the total strength of the company is NIL.