

GOVERNMENT OF INDIA
MINISTRY OF HEAVY INDUSTRIES AND PUBLIC ENTERPRISES
DEPARTMENT OF HEAVY INDUSTRY

LOK SABHA
UNSTARRED QUESTION No. 237
TO BE ANSWERED ON 05.02.2019

Scooters India Limited

237. SHRI RADHESHYAM BISWAS:

Will the Minister of HEAVY INDUSTRIES & PUBLIC ENTERPRISES be pleased to state:

- (a) whether the Government has decided to end its 95% share holding in Scooters India Limited;
- (b) if so, the reasons therefor;
- (c) whether the Scooters India Limited is a leading manufacturing unit in the country and if so, the details thereof;
- (d) whether the Government has identified strategic participation and decided the terms and conditions in this regard;
- (e) if so, the details thereof; and
- (f) the steps taken by the Government for revamping Scooters India Limited, so far?

ANSWER

THE MINISTER OF STATE FOR HEAVY INDUSTRIES & PUBLIC ENTERPRISES
(SHRI BABUL SUPRIYO)

(a)&(b): NITI Aayog has identified certain CPSEs, including Scooters India Limited(SIL) for strategic disinvestment, which are not considered as 'High Priority' for the Government, where private sector can bring in value through fresh investment, technical upgradation and better management. The recommendations of NITI Aayog were considered and endorsed by the Core Group of Secretaries on Disinvestment(CGD). The Cabinet Committee on Economic Affairs (CCEA), thereafter accorded "in-principle" approval in the meeting held on 27/10/2016 for disinvestment of entire Government of India shareholding of 93.87% in Scooters India Ltd. to a strategic buyer to be identified through 2 stage auction process.

(c): No, Madam. There are other bigger players in the same segment in the country. SIL has a domestic market share of 0.44% in the three wheeler segment in the year 2017-18, as per SIAM data.

(d): No, Madam. The process of disinvestment is underway as per the guidelines issued by the Department of Investment and Public Asset Management (DIPAM).

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(e): In view of reply to (d) above, not applicable.

(f): Scooters India Limited (SIL) was declared sick in 2010 and came under the purview of BIFR. As per the proposal for Revival of Scooters India Limited (SIL), approved by the CCEA on 31.01.2013, the following assistance has been envisaged/ provided to SIL:

- (i) Infusion of fund of Rs.70.38 crore as equity by GoI for capital expenditure.
- (ii) Rs.20 crore as interest free plan loan by GoI for working capital.
- (iii) Conversion of Plan & Non Plan Loan of Rs.85.21 crore, outstanding as on 31st March 2012, into equity.
- (iv) Waiver of interest accrued and due of Rs.26.37 crore as on 31st March, 2012.

CCEA on 23.05.2018 had also approved assistance to SIL as under:

- i) Reduction of equity of Rs.85.21 crore in the share capital of SIL held by Government of India against accumulated losses (effective as on 31.03.2013);
- ii) Freezing the interest on the Non-Plan Loan of Rs.1.89 crore released to SIL during 2012-13 from the date of its release to the company; and
- iii) Conversion of the outstanding principal amount of Rs.1.89 crore into equity.
