

UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 31st DECEMBER, 2010

SL.NO	PARTICULARS	(Rs./lacs)				
		Quarter ended 31.12.2010 (Unaudited)	Quarter ended 31.12.2009 (Unaudited)	Fifteen Months Ended 31.12.2010 (Unaudited)	Fifteen Months Ended 31.12.2009 (Unaudited)	Year Ended (Twelve Months) 30.09.2009 (Audited)
1	Sales Volume (Nos)	22683	15847	83992	59645	43798
2 (a)	Net Sales / Income From Operations	7449.13	5487.30	28928.29	21100.33	15613.03
(b)	Other Operating Income	502.74	386.17	2614.45	1552.16	1163.99
3	Expenditure					
(a)	(Increase)/Decrease in Stock In Trade and Work In Process	334.57	356.81	(423.44)	(205.25)	(582.18)
(b)	Consumption of Raw material & Components	5316.17	3380.27	20782.39	14424.97	11044.70
(c)	Employees cost	656.31	536.92	3297.70	2401.92	1885.00
(d)	Depreciation & Amortisation	391.42	426.85	2082.19	2177.77	1748.92
(e)	Other Expenditures	1548.29	1320.49	7295.89	5365.36	4044.87
	Total	8248.76	6023.44	33014.53	24184.77	16141.33
4	Profit/(Loss) from Operations before Other Income, Interest and Exceptional Items (2-3)	(294.89)	(147.97)	(1470.79)	(1512.28)	(1364.31)
5	Other Income	4.65	5.77	33.40	75.71	69.94
6	Profit/(Loss) before Interest and Exceptional Items (4+5)	(290.24)	(142.20)	(1437.39)	(1436.57)	(1294.37)
7	Interest	772.92	683.88	3826.51	3219.30	2535.42
8	Profit/(Loss) after Interest but before Exceptional items (6-7)	(1063.16)	(826.08)	(5063.90)	(4655.87)	(3829.79)
9	Exceptional items	-	-	-	1316.55	1316.55
10	Profit/(Loss) from Ordinary Activities before Tax (8-9)	(1063.16)	(826.08)	(5063.90)	(9972.42)	(5146.34)
11	Tax expense (FBT)	-	-	-	15.98	15.98
12	Profit/(Loss) from Ordinary Activities after Tax (10-11)	(1063.16)	(826.08)	(5063.90)	(5988.40)	(5162.32)
13	Extraordinary item (net of tax expense)	-	-	-	0.00	-
14	Net Profit/(Loss) for the period (12-13)	(1063.16)	(826.08)	(5063.90)	(5988.40)	(5162.32)
15	Paid-up Share Capital					
(a)	Equity Share Capital (Face value of Rs. 10 each)	8198.43	8198.43	8198.43	8198.43	8198.43
(b)	Preference Share Capital (Face value of Rs.100 each)	11842.52	11842.52	11842.52	11842.52	11842.52
16	Reserves excluding Revaluation Reserve	-	-	-	-	(41615.88)
17	Basic/Diluted Earning per Share for the period (Rs.)	(1.30)	(1.01)	(6.18)	(7.30)	(6.40)
18	Public shareholding:					
-	Number of Shares	60197649	60197649	60197649	60197649	60197649
-	Percentage of Shareholding	73.43%	73.43%	73.43%	73.43%	73.43%
19	Promoters and Promoter Group Shareholding					
a)	Plodged/Encumbered					
-	Number of shares	-	-	-	-	-
-	Percentage of shares (as a % of the total shareholding of promoter and promoter group)	-	-	-	-	-
-	Percentage of shares (as a % of the total share capital of the Company)	-	-	-	-	-
b)	Non-encumbered					
-	Number of Shares	21786671	21786671	21786671	21786671	21786671
-	Percentage of shares (as a % of the total shareholding of promoter and promoter group)	100%	100%	100%	100%	100%
-	Percentage of shares (as a % of the total share capital of the Company)	26.57%	26.57%	26.57%	26.57%	26.57%

Notes

- The 4-stroke geared scooter was introduced by the Company in select domestic markets from the last week of April 2009, export of which had commenced from December 2008. The response to the vehicle both from domestic and export market is encouraging.
- Since the net worth of the Company had become negative, the Company has been registered and declared a Sick Industrial Company by the Board for Industrial and Financial Reconstruction (BIFR) under the Sick Industrial Companies (Special Provisions) Act, 1985 (SICA).
- The current financial year of the Company has been extended by 6 months and will end now on 31st March, 2011.
- Segmental Information:
 - Primary (Business) Segment - The operations of the Company relate to only one segment viz. Motorised Two-wheelers.
 - Secondary (Geographical) Segment - Secondary segment reporting is on the basis of geographical location of the customers. The Company's revenue during the quarter by geographical markets are: Domestic sales Rs. 2724.86 lacs and Export sales Rs. 4724.17 lacs. Geographical segment wise profits and capital employed are not given since the production unit and administrative expenses are common.
- Comments on the Auditors' Qualifications relating to the Annual Accounts for the Financial Year 2009-09:
 - In respect of Court cases pending against:
 - Esston Synthetics Limited for recovery of Rs. 945.00 lakhs
 - Mr. Sita Ram Singhania, for recovery of Rs.12.00 lakhs
 as the matters are sub-judice, the impact, if any, will be given after the adjudication process stands completed.
 - In respect of recovery of Rs. 1516.12 lakhs from VCCL Limited, pending finalisation of action for recovery, the impact, if any, will be given, pursuant to such action and results achieved thereto.
 - In respect of :
 - Accounting Standard 2 (AS-2), Valuation of inventory ; and
 - Accounting Standard 28 (AS-28), Impairment of assets
 both Issued by The Institute of Chartered Accountants of India.
 - Non confirmation of balances of some of the sundry debtors, creditors, lenders and loans and advances:
 - Non provision for interest under the Micro, Small and Medium Enterprises Development Act, 2006:

The Company is in process of restructuring / revival of its business under the aegis of BIFR which, inter alia, includes finalisation of product plan. The process of determining slow moving / non moving / obsolete items of inventory and possible utilisation / realisation thereof and also determination of impairment of loss, if any, on its assets including capital work in progress and matters relating to Current Assets and Liabilities including interest under the Micro, Small and Medium Enterprises Development Act, 2006 will be undertaken inter alia upon finalisation of the product plan and approval of revival scheme.
 - In respect of provision of interest on term loans, interest has been charged as per the Multi Parity Agreement.
 - The Company's ability to continue, as a going concern is dependent upon successful restructuring and revival of its business. In case the going concern concept is violated, necessary adjustments will be required on the carrying amount of Assets and Liabilities which are presently not ascertainable.
- Investors' complaints received and disposed off during the quarter ended 31.12.2010

-Complaints pending at the beginning of the quarter (Nos)	Nil
-Complaints received during the quarter (Nos)	2
-Complaints disposed off during the quarter (Nos)	2
-Complaints lying unresolved at the end of the quarter (Nos)	Nil
- Previous period figures have been regrouped wherever necessary to make them comparable.
- These results have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on 31st January, 2011 and the Limited Review of the same has been carried out by the Statutory Auditors of the Company.

For and on behalf of the Board

Deepak Singhania
(Deepak Singhania)
Chairman & Managing Director

Place Gurgaon
Date: 31.01.2011

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