

Unaudited Financial Results for the Quarter and Half Year Ended 30th September 2015

Part 1	(Rupees in Lacs)					
	3 months ended 30.09.2015	3 months ended 30.06.2015	Corresponding 3 months ended in the previous year 30.09.2014	Year to date figure for the period ended 30.09.2015	Corresponding year to date figure for the period ended 30.09.2014	Previous accounting year ended 31.03.2015
(Refer notes below)	(Un-audited)					(Audited)
1 Income from operations						
a) Net sales/income from operations (Net of excise duty)	1,251.81	1,318.89	1,046.96	2,570.70	2,129.81	4,581.87
b) Other operating income	-	-	12.63	-	21.90	40.26
Total income from operations (net)	1,251.81	1,318.89	1,059.59	2,570.70	2,151.71	4,622.11
2 Expenses						
a) Cost of materials consumed	719.37	810.83	538.84	1,530.20	1,242.94	2,735.80
Changes in inventories of finished goods, work-in-progress and						
b) Stock-in-Trade	28.61	54.26	89.51	83.87	74.86	31.84
c) Stores & Spare Parts Consumed	104.93	94.24	92.46	199.17	177.60	315.77
d) Power & Fuel Consumed	100.75	104.12	110.10	204.87	215.26	434.46
e) Employee benefits expense	150.88	154.38	160.93	305.26	304.23	607.35
f) Depreciation and amortization expense	9.24	8.80	31.08	18.04	62.08	85.19
g) Other expenses (Any item exceeding 10% of the total expenses relating to continuing operations to be shown separately)	185.25	150.64	172.71	335.89	290.29	697.15
Total expenses	1,300.04	1,377.27	1,495.41	2,677.31	2,367.36	4,887.35
3 Profit from operations before other income, finance costs and exceptional items (1-2)	-48.23	(58.38)	-136.82	-106.61	-215.65	(265.23)
4 Other income	-0.16	0.73	0.27	0.57	0.56	22.72
Profit from ordinary activities before finance costs and exceptional items (3+4)	-48.39	(57.65)	-136.55	-106.04	-215.09	(242.51)
5 Finance costs	3.76	2.67	3.03	6.33	4.60	17.74
7 Profit after interest but before Exceptional items (5-6)	-52.15	(60.22)	-139.58	-112.37	-219.69	(260.25)
8 Exceptional items	-	-	-	-	-	-
9 Profit from ordinary activities before Tax (7-8)	-52.15	(60.22)	-139.58	-112.37	-219.69	(260.25)
10 Tax Expense (including DT & Tax)						
a) Current Tax	-	-	-	-	-	-
b) Tax for earlier years	-	-	-	-	-	1.32
c) Deferred Tax	-	-	-	-	-	137.62
11 Net Profit from ordinary activities after tax (9-10)	-52.15	-60.22	-139.58	-112.37	-219.69	(399.19)
12 Extra ordinary items	-	-	-7.56	-	-	-7.56
13 Not Profit for the period (11-12)	-52.15	-60.22	-132.02	-112.37	-219.69	(391.63)
14 Share of profit/loss of Associates	NA	NA	NA	NA	NA	NA
15 Minority Interest	NA	NA	NA	NA	NA	NA
Net Profit after taxes, minority interest and share of profit/loss of associates	-52.15	-60.22	-132.02	-112.37	-219.69	(391.63)
17 Paid up Equity Share Capital (Face Value of the share Rs. 10/- each)	450.80	450.80	450.80	450.80	450.80	450.80
18 Reserves excluding revaluation reserves as per Balance Sheet of previous accounting year	-	-	-	-	-	-
19 Earning Per Share (EPS) before extraordinary items (of Rs 10 each not annualised)						
Basic and diluted	(1.16)	(1.34)	(3.10)	(2.49)	(4.87)	(6.88)
19.ii Earning Per Share (EPS) after extraordinary items (of Rs 10 each not annualised)						
Basic and diluted EPS after extraordinary items	(1.16)	(1.34)	(3.10)	(2.49)	(4.87)	(6.88)

See accompanying note to the financial results

Part 2

Particulars	Select Information for the Quarter/Half Year Ended 30th September 2015					
	30.09.15	30.06.15	30.09.2014	30.09.2015	30.09.2014	31.03.2015
(Refer notes below)	(Un-audited)					(Audited)
<b>A PARTICULARS OF SHAREHOLDING</b>						
1 Public Shareholding						
Number of shares	2502670	2502670	2502670	25,02,670	2502670	2502670
Percentage of shareholding	55.52%	55.52%	55.52%	55.52%	55.52%	55.52%
2 Promoters & Promoter Group Shareholding						
a) Pledged / Encumbered						
i) No. of Shares	Nil	Nil	Nil	Nil	Nil	Nil
ii) % of Shares (as a % of the total shareholding of promoter and promoter group)	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
iii) Percentage of Shares (as a % of the total shareholding capital of the Company)	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
b) Non encumbered						
i) Number of Shares	20,05,330	20,05,330	20,05,330	20,05,330	20,05,330	20,05,330
ii) % of Shares (as a % of the total shareholding of promoter and promoter group)	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
iii) Percentage of Shares (as a % of the total shareholding capital of the Company)	44.48%	44.48%	44.48%	44.48%	44.48%	44.48%

Sl No.	Particulars	3 months ended 30/09/2015
B	<b>INVESTOR COMPLAINTS</b>	
	Pending at the beginning of the quarter	Nil
	Received during the quarter	Nil
	Disposed of during the quarter	Nil
	Remaining unresolved at the end of the quarter	Nil

	30.09.2015 (Un-audited)	31.03.2015 Audited
<b>A EQUITY AND LIABILITIES</b>		
<b>1 Shareholders' funds</b>		
(a) Share capital	450.80	450.80
(b) Reserves and surplus	-536.58	-824.21
(c) Money received against share warrants		
Sub-total - Shareholders' funds	-485.78	-373.41
<b>2 Share application money pending allotment</b>		
<b>3 Minority Interest</b>		
<b>4 Non-current liabilities</b>		
(a) Long-term borrowings	48.60	10.81
(b) Deferred tax liabilities (Net)		
(c) Other Long-term liabilities		
(d) Long-term provisions	170.43	170.43
Sub-total - Non-current liabilities	219.03	181.24
<b>5 Current liabilities</b>		
(a) Short-term borrowings		
(b) Trade payables	1,094.24	1,092.38
(c) Other current liabilities	537.03	578.12
(d) Short-term provisions	15.78	15.78
Sub-total - current liabilities	1,647.05	1,686.26
<b>TOTAL - EQUITY AND LIABILITIES</b>	<b>1,380.29</b>	<b>1,494.09</b>
<b>B ASSETS</b>		
<b>1 Non-current assets</b>		
(a) Fixed assets		
(i) Tangible assets	418.98	437.02
(ii) Intangible assets		
(iii) Capital work-in-progress	23.05	
(iv) Intangible assets under development		
(v) Assets Held for Disposal	1.21	1.21
(b) Non-current investments		
(c) Deferred tax assets (net)		
(d) Long-term loans and advances	33.18	33.18
(e) Trade receivables		
(f) Other non-current assets		
Sub-total - Non-current assets	477.04	471.41
<b>2 Current assets</b>		
(a) Current investments		
(b) Inventories	233.29	361.25
(c) Trade receivables	549.98	560.49
(d) Cash and cash equivalents	15.76	6.16
(e) Short-term loans and advances	86.85	75.82
(f) Other current assets	17.37	17.16
Sub-total - Current assets	903.26	1,022.68
<b>TOTAL - ASSETS</b>	<b>1,380.29</b>	<b>1,494.09</b>
	-0.00	-

For Company Cash & Credit Controller

  
Director

Notes:

- i) As defined in Accounting standard 17- Segment Reporting, the business activity of the Company falls within a single primary business segment i.e. Automobile.
- ii) The Company is contesting in various Courts and Tribunals the exaggerated claims by the assignees of the various Term Loans availed between 1990 and 1992 from a consortium of 3 Financial Institutions (FIs) namely ICICI, IDBI and IFCI.

The Company availed Term Loans of ₹ 9,25,66,743 between 1990 and 1992 from the consortium, with ICICI as the lead institution. However the total amount so received was only ₹ 8,94,02,900 and the balance was adjusted against Interest payable. Due to recession in the market and accumulated losses which were partly occasioned by high interest rates and partly by time over-run and cost over-run, and despite best efforts of the promoters and the management, the Company turned into a sick company and was referred to the Board for Industrial and Financial Reconstruction (BIFR) vide Reference Case No.197/97.

A Rehabilitation Scheme/Package formulated and agreed upon by all the FIs was approved by the BIFR on 27-12-1999 wherein the dues were freshly determined and fixed as ₹ 1178 lakhs to be paid by 31-03-2002.

The Net Worth of the Company turned positive and after considering the Balance Sheet for the year ended on 31st March 2000, the BIFR closed the reference case on 04-10-2001.

As per the package, one of the sources of finance to repay the FIs was Working Capital facilities. Since the Company was under RBI's defaulters list, no banks were willing to extend the required working capital limits. This was duly brought to the notice of the BIFR. However, despite the best efforts, the Company could not arrange the working capital limits thereby leading to delayed repayments to the Financial Institutions.

In all, however, over the years, the Company made a total repayment of ₹ 12,86,76,952 out of which ₹ 11,01,88,705 was made under/after the BIFR Scheme to the consortium members. The major portion of this was paid to the lead institution, ICICI, as part of approval for the BIFR Rehabilitation Scheme/Package. As the Company did not have the details of amounts adjusted by and amongst members of the Consortium out of the various repayments made by it and since, ICICI had filed a winding-up petition in the High Court of Punjab & Haryana at Chandigarh on 08-10-2004 for recovery of ₹ 3,29,92,998, the Company, after October 2005, preferred not to make any further payments to the FIs since the matter was sub-judice.

In 2005, the RBI released a Scheme / Guidelines for One-Time Settlement of loan accounts of Small and Medium Companies. Since the Company fulfilled the criteria for availing the benefits under the said Scheme, which is binding upon the Banks and FIs, the Company re-calculated the payments made under the said Scheme, and after adjusting the amounts already paid to the consortium members, the dues towards the consortium came out to be 2,62,126 only.

The Company accordingly made an application under the OTS Scheme to the FIs before the deadline of end March 2006 and offered to pay the said amount of ₹ 2,62,126.

However, the Financial Institutions did not settle the Company's matter under RBI's OTS Guidelines and demanded unreasonably high amounts.

In the meanwhile, ICICI assigned its debts to Kotak Mahindra Bank Ltd. (KMBL) on 25-04-2005, and both IFCI and IDBI assigned their debts to Dhir & Dhir Asset Reconstruction and Securitisation Company Ltd. (now known as Alchemist Assets Reconstruction Company Ltd. (AARCL)) on 05-03-2008 for ₹ 3,04,00,000 and 12-08-2008 for ₹ 4,11,50,000 respectively.

Thereafter, the assignees filed various Applications under section 19 of The Recovery of Debts Due to Banks and Financial Institutions Act, 1993 for recovery of debts as follows:

- In DRT-II, New Delhi by KMBL on 23-01-2007 for recovery of ₹ 4,72,06,961
- In DRT-I, New Delhi by AARCL on 11-12-2008 for recovery of ₹ 133,70,25,581 for dues calculated on the IFCI debts.
- In DRT-I, New Delhi by AARCL on 21-05-2012 for recovery of ₹ 93,15,19,000 for dues calculated on the IDBI debts.

The Company has also filed counter claims of more than ₹ 500 crores on both KMBL and AARCL.

The final adjudication of the debt liability is yet to be completed.

AARCL (formerly D&DARSCL) also issued notice on 12-12-2008 under Section 13(2) of The Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act (SARFAESI), 2002 demanding an amount of ₹ 144,46,60,272 against dues calculated on both IFCI and IDBI debts. With an application filed on 29-07-2009 u/s 14 of the SARFAESI Act with Dy. Commissioner, Rewari, they made an attempt to take possession of the Company's Assets. However, with timely actions, the Company has obtained from the Hon'ble Punjab & Haryana High Court, Chandigarh Stay Order against any coercive action, if any, taken under SARFAESI Act for taking over the possession of the property in dispute.

The Hon'ble Punjab & Haryana High Court, Chandigarh had through interim orders dated 21-01-2011 and 11-03-2011 directed the Company to deposit a sum of ₹ 5 crores in the High Court, which the Company complied with.

As per further directions of the Hon'ble High Court vide order dated 09-08-2011 the sum of ₹ 5 crores was appropriated as follows:

- ₹ 3 crores to Alchemist Assets Reconstruction Company Ltd., and
- ₹ 2 crores to Kotak Mahindra Bank Ltd.

Apart from the aforesaid payment of ₹ 5 crores the assignees were also given the liberty to recover further sum of ₹ 13.50 crores from the sale of the extra land appurtenant to the factory premises. This had further been re-affirmed by the Hon'ble Supreme Court with modifications vide Orders dated 07-05-2012, 30-07-2012 and 01-03-2013. As per the directions of the Hon'ble Supreme Court on 01-03-2013, the Company has given physical possession of a part of the property comprising of approx. 10 acres of land to Alchemist Assets Reconstruction Company Ltd. on 08-03-2013.

Since this was only an Interim Order and the amount is yet to be adjudicated, no provision for differential interest has been made by the Company, nor has any effect been given in the Fixed Assets Schedule of the Accounts.

There has been no further progress in the above matters due to frequent judicial changes in the last more than one year.

Also, in compliance to the directions given by Hon'ble Debts Recovery Appellate Tribunal, Delhi (DRAT), the Company deposited with the Debts Recovery Tribunal - I, Delhi (DRT-I) a sum of ₹ 51,80,619, which was received from the District Revenue Officer-cum-Competent Authority, Rewari as land acquisition compensation for acquisition of approx. 0.69 acres of the Company's land for widening of the Delhi-Jaipur NH-8 Highway.

Final Arguments have begun in Debts Recovery Tribunal-1, Delhi (DRT-I) for dues calculated on the IFCI debts, and is expected to get completed shortly. Further course of action will only be decided after pronouncement of the Order.

However, the Company is of the view that after applying the Reserve Bank of India One-Time Settlement (RBI OTS) Guidelines and after adjusting amounts already paid, physical possession of part property given and amount deposited with the DRT, the Company is of the opinion that nothing will be due and payable by the Company to the Lenders/Assignees. On the contrary amounts may become recoverable for which claims have been filed by the Company.

iii) There being virtual uncertainties of taxable income in subsequent years, hence deferred tax assets has not be created in these accounts.

iv) The above financial results have been reviewed by the Statutory Auditors and Audit Committee of the Company and taken on record by the Board of Director's on 7th November 2015

v) Figures for earlier Quarter / year have been re-grouped / re-arranged to make comparable for the Current Quarter / Year.

COVENTRY COIL-O-MATIC (HARYANA) LIMITED

  
R.M. Bafna  
DIRECTOR

Place : Rewari  
Date : 07/11/2015