

Limited Review Report

Review Report to the Board of Directors of M/s. Coventry Coil-O-Matic (Haryana) Limited

We have reviewed the accompanying statement of unaudited financial results of M/s Coventry Coil-O-Matic (Haryana) Limited for the quarter and period and nine months ended 31st December, 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.

We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity issued by the Institute of Chartered Accountant of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of 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.

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with 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 subject to:

- i. Note No.(ii) of the statement of unaudited Financial Result for demand pronounced by DRT-I on 18-01-2016 of Rs. 8449.39 Lakhs together with Simple interest of 13.5% P.A. from 14-05-2007 which amounts to Rs.18577.89 Lakhs as on 31st March'16 and Rs. 19446.67 Lakhs till 31st December'16 (Gross Value before adjusting repayment through Cash and Land) related to liability of IFCI debt. Other liability of IDBI and Kotak Mahindra Bank are yet to be ordered by Courts. Liability provided in the book against these are only of Rs. 393.59 lakhs, non-provision of Rs. 19758.41 Lakhs. As per the interim direction of the Hon'ble Supreme Court of India on 1-March-2013, the company had to give physical possession of a part of land comprising of approx. 10 acres to Assignee of the lenders at a value not determined by the apex court, whose approx. cost appearing in books is Rs. 12.02 Lakhs, which has not been written off in books of accounts and profit on transfer of land & capital gain tax could not be determined and accounted for in books of accounts.
- ii. The company has negative net worth and have legal proceedings against it, indicating that going concern assumption is no longer be appropriate. Therefore, in our opinion, the company will not be able to continue as a going concern for the foreseeable future. Consequently, adjustment for amount of assets and classification of liabilities required to the recorded. The financial statement (and notes thereto) do not disclose this fact.

Place: New Delhi
Date: 11th Feb'17



For Singhi & Co.
Chartered Accountants
Firm Reg. No. 302049E

B.L. Choraria
Partner
Membership No.022973

COVENTRY COIL-O-MATIC (HARYANA) LIMITED

Regd. Office : 87th Km Stone, NH 8, Delhi Jaipur Road, Village Salawas, Sangwari, Dist. Rewari 123401 (Haryana).

CIN : L74999HR1988PLC030370, Website : (www.coilomatic.com); email: info@coilomatic.com; Phone No : (+91) 787 6105344

EXTRACT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 31st DECEMBER, 2016

SL No.	PARTICULARS	Quarter ended			Nine Months Ended		Accounting Year ended
		31-12-2016	30-09-2016	31-12-2015	31-12-2016	31-12-2015	
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	
1	Total Income from operations (Net)	1223.48	1035.28	1165.47	3,367.73	3,736.17	4,998.87
2	Net profit from ordinary activities after Tax	(28.10)	(43.07)	(68.18)	(130.10)	(180.55)	(222.49)
3	Equity Share Capital	450.80	450.80	450.80	450.80	450.80	450.80
4	Reserves (Excluding Revaluation reserves as shown in Balance Sheet of previous year	-	-	-	-	-	-
5	Earning per share (EPS)(Face value of Rs.10/-each) Basic & Diluted	(0.62)	(0.96)	(1.51)	(2.89)	(4.01)	(4.94)

Notes :

1. The above results were reviewed by the Audit Committee and approved by the Board of Directors in its meeting held on 11th January, 2017.

2. The above is an extract of the detailed format of Quarterly and Yearly Financial Results filed with the Stock Exchanges under regulation 33 of the SEBI (Listing and other Disclosure Requirements) Regulations, 2015. The full format of the Quarter ended on 31st December, 2016 are available on the stock exchanges website, www.bseindia.com / www.nseindia.com and Company's website at www.coilomatic.com



Place : Rewari (Haryana)

Date : 11th February, 2017

for and on behalf of the Board of Directors


R.M. Bafna

Director

(DIN No. 00159855)

COVENTRY COIL-O-MATIC (HARYANA) LIMITED

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UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 31st DECEMBER, 2016

(Rs. In Lakhs)

Sl. No.	Particulars	Quarter ended			Nine Months Ended		Accounting year ended
		31.12.2016 (Unaudited)	30.09.2016 (Unaudited)	31.12.2015 (Unaudited)	31.12.2016 (Unaudited)	31.12.2015 (Unaudited)	31.03.2016 (Audited)
1	Income from operations						
	(a) Gross sales/income from operations	1359.77	1162.44	1308.13	3774.38	4199.65	5613.24
	(b) Other operating income	14.00	6.37	6.15	23.45	15.26	23.21
	Total income from operations	1373.77	1168.81	1314.28	3797.83	4214.91	5636.45
2	Expenses						
	(a) Cost of materials consumed	703.72	545.40	650.78	1916.43	2180.98	2995.31
	(b) Purchases of stock-in-trade						
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	5.23	(5.12)	18.24	7.11	102.12	136.04
	(d) Employee benefits expense	155.22	159.61	163.76	464.89	469.02	579.77
	(e) Power & Fuel	87.56	92.83	90.32	282.96	295.19	389.44
	(f) Depreciation and amortisation expense	7.08	7.48	8.26	22.19	26.30	33.72
	(g) Excise Duty	150.29	133.53	148.81	427.86	478.74	637.58
	(h) Other expenses	281.02	270.56	296.43	783.23	831.49	1095.24
	Total expenses	1390.12	1204.28	1376.60	3904.67	4383.84	5867.10
3	Profit from operations before other income, finance costs and exceptional items (1-2)	(16.36)	(35.47)	(62.32)	(106.84)	(168.93)	(230.65)
4	Other income	-0.37	1.47	0.18	1.49	0.75	22.20
5	Profit from ordinary activities before finance costs and exceptional items (3 + 4)	(16.72)	(34.01)	(62.14)	(105.35)	(168.18)	(208.45)
6	Finance costs	11.37	9.05	6.04	24.75	12.37	14.04
7	Profit from ordinary activities after finance costs but before exceptional items (5 - 6)	(28.10)	(43.05)	(68.18)	(130.10)	(180.55)	(222.49)
8	Exceptional items	-	-	-	-	-	-
9	Profit from ordinary activities before tax (7 + 8)	(28.10)	(43.05)	(68.18)	(130.10)	(180.55)	(222.49)
10	Tax expense (Net)	-	-	-	-	-	-
11	Taxation adjustments in respect of earlier years (Net)	-	-	-	-	-	-
12	Extraordinary items (net of tax expense Lakhs)	-	-	-	-	-	-
11	Net Profit for the period (9-10)	(28.10)	(43.05)	(68.18)	(130.10)	(180.55)	(222.49)
12	Paid-up equity share capital (Face Value Rs. 10/- each)	450.80	450.80	450.80	450.80	450.80	450.80
13	Reserve excluding Revaluation Reserves as per balance sheet						
14	Earnings per share (EPS)	(0.62)	(0.96)	(1.51)	(2.89)	(4.01)	(4.94)
	Basic & Diluted	(0.62)	(0.96)	(1.51)	(2.89)	(4.01)	(4.94)



For Coventry Coil-o-Matic (Haryana) Ltd.

[Signature]
Director

Notes:

Limited Review

The Limited Review as required under Regulation 33 f of the SEBI (Listing Obligations and Disclosure Requirements), 2016 has been completed by Statutory Auditors of the Company for the Quarter and period ended 31-12-2016.

Notes to Financial Statements for the Quarter and Period Ended 31st December 2016.

- 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 Rs. 925.67 lakhs between 1990 and 1992 from the consortium, with ICICI as the lead Institution. However the total amount so received was only Rs. 894.03 lakhs 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 Rs. 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 Rs. 1,286.77 lakhs out of which Rs. 1,101.89 lakhs 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 Rs. 329.93 lakhs 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 Rs. 2.62 lakhs 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 Rs. 2.62 lakhs.

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 Rs. 304.00 lakhs and 12-08-2008 for Rs. 411.50 lakhs 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 Rs. 472.07 lakhs
- In DRT-I, New Delhi by AARCL on 11-12-2008 for recovery of Rs. 13,370.26 lakhs for dues calculated on the IFCI debts.
- In DRT-I, New Delhi by AARCL on 21-05-2012 for recovery of Rs. 9,315.19 lakhs for dues calculated on the IDBI debts.

The Company has also filed counter claims of more than Rs. 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 Rs. 14,446.60 lakhs 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 Rs. 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 Rs. 5 crores was appropriated as follows:

- Rs. 300 lakhs to Alchemist Assets Reconstruction Company Ltd., and
- Rs. 200 lakhs to Kotak Mahindra Bank Ltd.

Apart from the aforesaid payment of Rs. 5 00 lakhs the assignees were also given the liberty to recover further sum of Rs. 1350 lakhs from the sale of the surplus 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. The Appeals are pending adjudication before the Division Bench of Hon'ble Punjab & Haryana High Court.

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.

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 Rs. 51.81 lakhs 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 in Debts Recovery Tribunal-1, Delhi (DRT-I) for dues calculated on the IFCI debts is complete and pronouncement of the Order was made on 18-01-2016 for recovery of Rs. 8449.40 lakhs together with simple interest @ 13.5% p.a. The Company has filed an Appeal in the Appellate Court against this order, as the Company is of the view that the said Order is not in accordance with the law and 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 which claims have been filed by the Company.



For Coventry Coil-o-Matic (Haryana) Ltd.

Director

In the meanwhile, the Appeal filed by the Company before the Commissioner, Gurgaon Div. has been allowed on 10-03-2016. Court has held that the Assignment Deed on the basis of which AARCL filed the case in DRT-I is understopel to the extent of about Rs. 5 crores Stamp Duty.

1. The company had given physical possession of Approx. 10 Acre land whose approx. cost appearing in books is Rs. 12.02 Lac, to Alchemist Asset Reconstruction Company Ltd., assignees of IDBI & IFCI (Financial Institutions) on 8th March 13 as per the directions of the Hon'ble Supreme Court who re-affirmed the Interim Orders of Hon'ble Punjab & Haryana High Court, Chandigarh of 09-08-2011. Since this was only an interim order and the amount is yet to be adjudicated, no effect has been given in the Fixed Assets Schedule of the Accounts, consequent effect of profit/loss on the said land in these Accounts.
2. Contingent liability not provided for claims under adjudication
 - in DRT-II, New Delhi by KMBL for recovery of Rs. 472.07 lakhs and
 - in DRT-I, New Delhi by AARCL for recovery of the dues calculated on the IDBI Debts Rs. 9315.19 lakhs(The Company has also filed counter claims of more than Rs. 500 Crores on both KMBL and AARCL.)
- iii) The Company has incurred significant operating losses, negative operating cash flow, adjudication of legal process against the company for loan liability and negative net worth. However the management is continuing with the operations, therefore the accounts have been prepared on basis of going concern assumption. Consequently, adjustment for amount of assets and classification of liabilities required to be recorded has not been carried out.
- iv) There being virtual uncertainties of taxable income in subsequent years, hence deferred tax assets has not been created in these accounts.
- v) 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 Directors at its meeting held on 11th February, 2017
- vi) Previous year's figures have been regrouped wherever necessary.

Place : Rewari (Haryana)
Date : 11-Feb-17



for and on behalf of the Board of Directors


R.M. Bafna
Director
(DIN No. 00159855)