

## REVIEW REPORT

The Board of Directors,  
Coventry Coil-o-Matic (Haryana) Ltd.

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We have reviewed the accompanying Statement of Unaudited Financial results of M/s. **COVENTRY COIL-O-MATIC (HARYANA) LIMITED**, for the quarter ended 30<sup>th</sup> June 2017 being submitted by the company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016. Attention is drawn to the fact that the figures for the corresponding quarter ended 30<sup>th</sup> June 2016 including the reconciliation of net loss for the quarter under Ind AS of the corresponding quarter with net loss for the quarter reported under previous GAAP, as reported in these financial results have been approved by the Company's Board of Directors but have not been subjected to review.

This Statement which is the responsibility of the Company's Management and has been approved by the Board of Directors has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" (Ind AS 34) prescribed under section 133 of the Companies Act 2013, read with relevant rules issued thereunder and other accounting principles generally accepted in India. 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 Engagements (SRE) 2410, "Review of interim Financial information performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants 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 the applicable Indian Accounting Standards as prescribed under section 133 of the Companies Act 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016 including the manner in which it is to be disclosed, or that it contains any material misstatement subject to:



# Singhi & Co.

Chartered Accountants

1. Going Concern Assumption may no longer be appropriate- As 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 indicating that going concern assumption is no longer be appropriate. 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.
2. Note No. (5) 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.19727.93 Lakhs as on 31st March'17 and Rs. 20012.31 Lakhs till 30th June'17 (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. 20324.05 Lakhs. The company had to give physical possession of a part of land comprising of approx. 10 acres whose approx. cost appearing in books is Rs. 12.02 Lakhs, to Alchemist Asset Reconstruction Company Ltd., assignees of IDBI & IFCI (Financial Institution) on 8th March 2013 as per the direction of Honourable Supreme Court who re-affirmed the interim orders of Honourable Punjab & Haryana High Court, Chandigarh of 9th August 2011. As informed to us, registry and other documents relating to sale of the land to third party is not available with the company, therefore necessary accounting entries and profit on transfer of land & capital gain tax could not be determined and accounted for in books of accounts.

Place: Noida

Date: 14th Sept, 17



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

*B.L. Choraria*  
B.L. Choraria  
Partner

Membership No.022973

**COVENTRY COIL-O-MATIC (HARYANA) LIMITED**

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**STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2017**

		Rs. in Lakhs	
		3 months ended	
		Unaudited	
Sl.No.	Particulars	30.06.2017	30.06.2016
1	Income From Operations		
	(a) Revenue from operations	1309.64	1234.51
	(b) Other operating income	16.06	3.09
	(b) Other income	0.45	0.39
	<b>Total Revenue (a + b):</b>	<b>1326.15</b>	<b>1237.99</b>
2	Expenses		
	a. Cost of materials consumed	661.00	667.31
	b. Purchase of Stock-in-Trade	-	-
	c. Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	17.68	7.00
	d. Excise Duty	145.12	141.92
	e. Employee benefit expenses	164.92	148.16
	f. Power & Fuel	95.45	102.57
	g. Financial costs	7.85	4.83
	h. Depreciation and amortization expense	7.14	7.63
	i. Other expenses	251.29	216.13
	<b>Total Expenses:</b>	<b>1350.45</b>	<b>1295.05</b>
3	Profit / (Loss) before exceptional items and Tax (1-2)	(24.30)	(57.06)
4	Exceptional Items	-	-
5	Profit / (Loss) before tax (3-4)	(24.30)	(57.06)
6	Tax expense:		
	(a) Current tax	-	-
	(b) Deferred tax	-	-
7	Profit / (Loss) for the period (5-6)	(24.30)	(57.06)
8	Other Comprehensive Income (Net of tax):		
	A. Items that will not be reclassified to profit or loss	(1.90)	(1.90)
	B. Items that will be reclassified to profit or loss	-	-
	<b>Total Other Comprehensive Income (Net of tax) (8'a + 8 b):</b>	<b>(1.90)</b>	<b>(1.90)</b>
	<b>Total Comprehensive Income for the period (7+8)</b>	<b>(26.20)</b>	<b>(58.96)</b>
9	Paid Up Equity Share Capital (Face value-Rs.10/-)	450.80	450.80
10	Earning per Share (of Rs.10/-each not annualised) Basic and Diluted	(0.54)	(1.27)

See accompanying notes to the Financial Results

**NOTES:**

- The above unaudited financial results were reviewed by Audit Committee and approved by the Board of Directors at its meeting held on 14.09.2017. The statutory auditors of the Company have conducted a "Limited Review" of the above unaudited financial results for the quarter ended June 30, 2017.
- With effect from 1st April 2017, the company has adopted the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Companies Act 2013, read with the relevant rules issued thereunder, and accordingly these financial results have been prepared in accordance with Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended). The financial results presented in accordance with Ind AS -101- First time adoption of Indian Accounting Standards, have been prepared in accordance with the recognition and measurement principles prescribed in Ind AS -34- Interim Financial Reporting. Further, the Company has opted to avail the exemption and thereby not present the results of the previous period/year ended March 31, 2017 under Ind AS.
- The Ind AS compliant financial results pertaining to the quarter ended June 30, 2016 has not been subjected to Limited Review in line with SEBI circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016. However, the management has exercised necessary due diligence to ensure that the financial results provide a true and fair view of its affairs.



- 4 Reconciliation of Net profit / (Loss) as previously reported on account of transition from Previous Indian GAAP to Ind AS for the quarter ended June 30, 2016 is given below:

Particulars	Quarter ended June 30, 2016 (Unaudited) (Refer Note 3)
	Rs. in lakhs
Net profit under previous GAAP	(58.96)
Add/(Less): Impact on account of :	
Remeasurement of Post employment benefit obligations	(1.90)
Tax effects of adjustments	0.00
Total adjustments	(1.90)
Net profit for the quarter Under Ind AS	(57.06)
Other Comprehensive Income (Net of tax)	(1.90)
Total Comprehensive Income Under Ind AS	(58.96)

- 5 Notes to Financial Statements for the Quarter Ended 30th June, 2017

**Secured loans**

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. 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 Rs. 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 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. 12,86,76,952 out of which Rs. 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 Rs. 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 Rs. 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 Rs. 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 Rs. 3,04,00,000 and 12-08-2008 for Rs. 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-I, New Delhi by KMBL on 23-01-2007 for recovery of Rs. 4,72,06,961
- \* In DRT-I, New Delhi by AARCL on 11-12-2008 for recovery of Rs. 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 Rs. 93,15,19,000 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. 144,46,60,272 against dues calculated on both IFCL 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. 3 crores to Alchemist Assets Reconstruction Company Ltd., and
- Rs. 2 crores to Kotak Mahindra Bank Ltd.

Apart from the aforesaid payment of Rs. 5 Crores the assignees were also given the liberty to recover further sum of Rs. 13.50 Crores 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 Debt Recovery Appellate Tribunal, Delhi (DRAT), the Company deposited with the Debt Recovery Tribunal - I, Delhi (DRT-I) a sum of Rs. 51,80,619, which was received from the District Revenue Officer - 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 Debt Recovery Tribunal-3, Delhi (DRT-3) for dues calculated on the IFCL debts is complete and pronouncement of the Order was made on 18-01-2016 for recovery of Rs. 849.40 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 (RTO) 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.

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-1 is understated 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 & IFCL (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. 4,72,96,961 and
  - in DRT-I, New Delhi by AARCL for recovery of the dues calculated on the IDBI Debts Rs. 93,15,19,000(The Company has also filed counter claims of more than Rs. 500 Crores on both KMBL and AARCL.)
6. 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
7. There being virtual uncertainties of taxable income in subsequent years, hence deferred tax assets has not been created in these accounts.
8. Figures of the earlier period, wherever necessary, have been regrouped to conform with those of the current quarter

For Coventry Colli-O-Matic (Haryana) Ltd.

Managing Director

Place: Rewari  
Date: 14-09-2017

