

Limited Review Report

Review Report to The Board of Directors Cimmco Limited

1. We have reviewed the accompanying statement of unaudited financial results of Cimmco Limited ("the Company") for the quarter ended June 30, 2013 (the "Statement"), except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the management and have not been reviewed by us. 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 the Statement based on our review.
2. 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 Statement is free of material misstatement. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. We draw attention to the following:
 - a) Demand of Rs 1325 lacs (Rs 1325 lacs as at March 31, 2013) plus interest and liquidated damages towards past financial assistance, made by Asset Reconstruction Company (India) Limited (ARCIL), which is disputed by the Company and hence, no provision there against has been made in the accounts. Pending outcome of the matter, the impact, if any, of the above non provision is presently unascertainable and upon which we are unable to comment on.
 - b) Certain claims of Rs 4899.34 lacs (Rs 4899.34 lacs as at March 31, 2013), net of Rs 150 lacs received under a guarantee given by the Company, which have been considered good of recovery by the management. Pending decision of the Courts/ Arbitration proceedings, the recoverability of these



claims is presently unascertainable, although the management is hopeful to recover these claims in full and upon which we are unable to comment on.

- c) Recognition of net deferred tax asset (DTA) of Rs 329.71 lacs (including Rs. 198.71 lacs recognized during the quarter) on unabsorbed depreciation and brought forward business losses upto June 30, 2013, is based on the future profitability projections made by the management. However, in our opinion the same does not meet the criteria regarding virtual certainty as required by Accounting Standard 22, Accounting for Taxes on Income. Accordingly, had the impact of item (c) stated above been considered, the loss for the quarter would have been Rs.715.60 lacs as against the reported loss of Rs. 385.89 lacs.

These had also caused us to qualify our audit opinion on the financial statements for the year ended March 31, 2013.

4. Based on our review conducted as above, except for the possible effects of our observations in para 3(a) and 3(b) and the effect of observation in para 3(c), nothing has come to our attention that causes us to believe that the accompanying Statement of unaudited financial results prepared in accordance with the recognition and measurement principles laid down in Accounting Standard 25 "Interim Financial Reporting", notified pursuant to the Companies (Accounting Standards) Rules, 2006, (as amended) and other recognised accounting practices and policies, has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreement including the manner in which it is to be disclosed, or that it contains any material misstatement.

For S. R. BATLIBOI & CO. LLP
Firm Registration Number: 301003E
CHARTERED ACCOUNTANTS


per Bhaswar Sarkar
Partner
Membership No. 55596



Place: Kolkata.
Date: August 05, 2013