



26th

ANNUAL REPORT

2013-14



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Coventry Coil-o-Matic (Haryana) Ltd.





CORPORATE INFORMATION

Board of Directors

R.M. Bafna
Wholetime Director

Arun Mittal
Director

Narpat Raj Mohnot
Director

Board Committees

Audit Committee
Arun Mittal
Narpat Raj Mohnot
R.M. Bafna

**Share Transfer and
Investors' Grievance
Committee**
Arun Mittal
R.M. Bafna

Secretarial Advisor SIDDIQUI & ASSOCIATES

Company Secretaries
D-49, Sarita Vihar
New Delhi-110044

Auditors
SINGHI & CO.
Chartered Accountants
401-408, Pragati House,
47-48, Nehru Place
New Delhi - 110019

Bankers
Bank of India
HDFC Bank Ltd

Registered Office & Works

Vill- Salawas, Post- Sangwari,
Distt- Rewari -123401 (Haryana)
Website: www.coventrycoil.co.in
e-mail: info@coilomatic.com

Administrative Office
209, Hans Bhawan
1, Bahadur Shah Zafar Marg
New Delhi - 110 002
Ph. Nos: 011-23370390
Fax : 011-23370621

Registrars & Share Transfer Agents

LINK INTIME INDIA PVT. LTD.
44, Community Centre, 2nd Floor,
Naraina Industrial Area, Phase-I, Near PVR,
Naraina **New Delhi - 110028.**
TEL: (011) 41410592-93-94 FAX: (011) 41410591
E-mail: delhi@linkintime.co.in

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NOTICE

NOTICE is hereby given that the 26th Annual General Meeting of the Company shall be held on Saturday, the 27th September, 2014 at 11:30 a.m. at its Registered Office - Village: Selawas, P.O. Sangwari, Distt. Rewari - 123 401 (Haryana) to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Balance Sheet of the Company as at 31st March 2014 and Profit and Loss Account for the year ended on that date together with the Reports of the Auditors and Directors thereon.
2. To appoint Director in place of Mr. Rajendra Mal Bafna, who retires by rotation, but being eligible, offers himself for re-appointment.
3. To appoint Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to authorise the Board of Directors to fix their remuneration. M/s. Singh & Co., (Firm's Registration No. 302049E) Chartered Accountants, the retiring Auditors are eligible for re-appointment.

"**RESOLVED THAT** pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and Rules framed thereunder, as amended from time to time, Messrs Singh & Co., (Firm's Registration No. 302049E), Chartered Accountants, be and are hereby re-appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the 29th Annual General Meeting of the Company to be held in the year 2017 (subject to ratification of their appointment at every Annual General Meeting), at such remuneration plus service tax, out-of-pocket, travelling and living expenses, etc., as may be mutually agreed between the Board of Directors of the Company and the Auditors."

SPECIAL BUSINESS

1. To appoint Mr. Arun Mittal (DIN: 00049425) as an Independent Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

"**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Arun Mittal (DIN: 00049425), a non-executive director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, and who was appointed as a Director liable to retire by rotation and whose term expires at this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 3 (three) consecutive years for a term up to the conclusion of the 29th Annual General Meeting of the Company in the calendar year 2017."

2. To appoint Mr. Narpal Raj Mohnot (DIN: 01871319) as an Independent Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

"**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Narpal Raj Mohnot (DIN: 01871319), a non-executive director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, and who was appointed as a Director liable to retire by rotation and whose term expires at this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 3 (three) consecutive years for a term up to the conclusion of the 29th Annual General Meeting of the Company in the calendar year 2017."

3. To consider and if thought fit, to pass with or without modification(s), the following Resolution as a Special Resolution:

"**RESOLVED THAT** pursuant to the provisions of Section 14 and all other applicable provisions of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the draft regulations contained in the Articles of Association submitted to this Meeting be and are hereby approved and adopted in substitution of the existing Articles of Association of the Company."

"**RESOLVED FURTHER THAT** the Board of Directors of the Company or any other person authorized in this behalf, be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

By order of the Board of Directors
for **COVENTRY COIL-O-MATIC (HARYANA) LIMITED**

Date: 23rd August, 2014
Place: Rewari

R.M. Bafna
Executive Director
DIN No. 00159855



NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. Proxies, in order to be effective, must be received at the registered office of the company not less than 48 hours before the commencement of the meeting. Members, who hold shares in dematerialised form, are requested to bring their DP I.D. and Client I.D. for identification. A person can act as a proxy on behalf of Members not exceeding 10% of total share capital of the Company carrying voting rights. A Member holding more than 10% of total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.
3. Corporate Members intending to send their representatives to attend the Meeting are requested to send to the Company a certified copy of resolution authorizing their representative to attend and vote on their behalf at the Meeting.
4. The Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 in respect of the special business is annexed hereto.
5. The Register of Beneficial Owners, Register of Members and Share Transfer Books of the Company will remain closed from 20th September 2014 to 27th September 2014 (both days inclusive).
6. Members are requested to bring their copy of the Annual Report, as Copies of the Report will not be distributed again at the Meeting.
7. Members who have multiple accounts are requested to intimate to the Company, the Ledger Folio Numbers of such accounts and send all relevant Share Certificates to enable the Company to consolidate all shareholding into one account. The Share Certificates will be returned back to the Members after consolidation.
8. Members are requested to notify the Company of any change in address in full with Pin code numbers.
9. Members desirous of getting any information about the accounts and operations of the Company are requested to send their queries to the Company at its Registered Office, so as to reach at least 10 days before the date of meeting to enable the Management to keep the information ready.
10. Members/proxy-holders are requested to produce at the entrance the attached Admission Slip duly completed and signed for admission to the meeting hall.
11. All documents referred to are open for inspection at the Registered Office of the Company during Office hours on any working days.
12. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company/Registrar and Share Transfer Agents Link Intime India Private Limited.
13. Voting through electronic means
As per Sections 107 and 108 of the Companies Act, 2013, read with Companies (Management and Administration) Rules, 2014, facility is provided to the Shareholders for e-Voting through CDSL to enable them to cast their votes electronically on the resolutions mentioned in the Notice of the 26th Annual General Meeting dated 13th August, 2014. The detailed process, instructions and manner for availing e-Voting facility is shown elsewhere in this Annual Report. The e-voting shall remain open from 22nd to 24th September 2014. The Company has fixed 26th August, 2014 as a cut-off date to record the entitlement of the Shareholders to cast their votes electronically at the 26th Annual General Meeting. The Company has appointed Mr. K O Siddiqui, Company Secretary of Siddiqui & Associates, Company Secretaries, New Delhi, as scrutiner for the purpose of e voting for this Annual General Meeting.
14. Information under clause 49(IV)(E) and 49(IV)(G)(i) of the Listing Agreement of the Director proposed to be reappointed in the Annual General Meeting scheduled to be held on 27th September 2014:
A. Mr. R. M. Bafna, Director of the Company retires by rotation and being eligible, offers himself for reappointment. Mr. Arun Mittal was co-opted on the Board on 16th March 1997. Mr. Arun Mittal is an Independent non executive Director. He is M. Pharma and has over 37 years of experience in Finance and Administration. He is Director in the following other Companies:

S.No.	Name of the Companies	Nature of Interest
1.	Coventry Crystronics Ltd.	Director
2.	Key Publications Pvt. Ltd.	Director

The shareholding of Mr. R.M. Bafna in the Company as on 31st March 2014 is 1100 Equity Shares.

Important Communication to Members

The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing the paperless compliance by the companies and has issued circulars stating that services of notice/documents including Annual Report can be sent by e-mail to its Members. To support this green initiatives of the Government in full measure, members who have not registered their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold the shares in physical form are requested to send the details of their e mail id to the Company or its Registrar and Share Transfer Agents Link Intime India Private Limited.

Explanatory Statement

(Pursuant to Section 102 of the Companies Act, 2013)

As required by Section 102 of the Companies Act, 2013, (hereinafter referred to as "the Act") the following Explanatory Statements set out all material facts relating to the business mentioned under Item Nos. 3 to 4 of the accompanying Notice dated 23rd August, 2014.

Item No. 3

This explanatory statement is provided though strictly not required as per Section 102 of the Act.

Messrs Singhi & Co., (Firm's Registration No. 302049E), Chartered Accountants (CAs), New Delhi were appointed as the statutory auditors of the Company for financial year 2013-14 at the Annual General Meeting (AGM) of the Company held on 25th September, 2013.

This may be noted that the Auditors of the Company Messrs Singhi & Co. has been Auditors of the Company since the incorporation of the Company. As per the provisions of Section 139 of the Act, no listed company can appoint or re-appoint an audit firm as auditor for more than two terms of five consecutive years. Section 139 of the Act has also provided a period of three years from the date of commencement of the Act to comply with this requirement.

In view of the above, Messrs Singhi & Co., being eligible for re-appointment and based on the recommendation of the Audit Committee, the Board of Directors has, at its meeting held on 23rd August, 2014, proposed the appointment of Messrs Singhi & Co., as the statutory auditors of the Company for a period of three years to hold office from the conclusion of this Annual General Meeting till the conclusion of the 29th Annual General Meeting of the Company to be held in the year 2017 (subject to ratification of their appointment at every AGM).

The Board commends the Resolution at Item No. 2 for approval by the Members.

None of the Directors or Key Managerial Personnel or their respective relatives are concerned or interested in the Resolution at Item No. 5 of the Notice.

Item No. 4 & 5

Mr. Arun Mittal (DIN: 00049425), and Mr. Narpat Raj Mohnot (DIN 01871319) have been appointed as Independent Directors w.e.f. 30.01.2002 and 29.09.2008 respectively. Pursuant to Section 149 read with Section 152 (including any statutory modification(s) and re-enactment thereof for the time being in force) and Schedule IV of the Companies Act, 2013 and as per Clause 49 of the Listing Agreement and any other applicable provisions thereof or Rules / Regulations made thereunder, it is proposed to appoint Mr. Arun Mittal (DIN: 00049425), and Mr. Narpat Raj Mohnot (DIN 01871319), as Independent Directors of the Company for a term of one year, not liable to retire by rotation, commencing from the date of this Annual General Meeting till the conclusion of next Annual General Meeting. In the opinion of the Board, Mr. Arun Mittal (DIN: 00049425), and Mr. Narpat Raj Mohnot (DIN 01871319), fulfills the conditions specified in the Companies Act, 2013 and Rules made thereunder for their appointment as Independent Directors and are independent of the management. Brief profile of Mr. Arun Mittal (DIN: 00049425), and Mr. Narpat Raj Mohnot (DIN 01871319) are given in the Clause 14 of this Notice.

The terms and conditions of appointment of the above Directors shall be open for inspection by the Members at the Registered Office of the Company between 9.30 a.m. and 12.30 p.m. and between 2.30 p.m. and 4.30 p.m. on any working day, excluding Saturday. The Directors recommend the Resolutions at Item Nos. 3 and 4 of the Notice for your approval.

Mr. Arun Mittal (DIN: 00049425), and Mr. Narpat Raj Mohnot (DIN 01871319) are not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given her consent to act as a Director. They hold "nil" equity shares in the Company.

The Company has also received declarations from Mr. Arun Mittal (DIN: 00049425), and Mr. Narpat Raj Mohnot (DIN 01871319) that they meet with criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under Clause 49 of the Listing Agreement.

Mr. Arun Mittal (DIN: 00049425), and Mr. Narpat Raj Mohnot (DIN 01871319) may be deemed to be interested in the resolution set out respectively at Item No 3&4.

None of the other Directors / Key Managerial Personnel of the Company and their relatives is/are, in any way, concerned or interested, financially or otherwise, in the aforesaid Resolution Nos. 3 and 4 of the Notice.

This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges with which the Shares of the Company are listed.

Item No. 6

The existing Articles of Association of the Company are based on the Companies Act, 1956 and several regulations in the existing Articles of Association contain references to specific sections of the Companies Act, 1956 and some regulations in the existing Articles of Association are no longer in conformity with the Companies Act, 2013. As the Companies Act, 2013 is now in force, the provisions of the Companies Act, 1956 are required to be replaced by provisions of the Companies Act, 2013 and the rules made thereunder.

Accordingly, it is proposed to replace the existing Articles to streamline and align it with the corresponding provisions of the Companies Act, 2013. Members' attention is invited to certain salient provisions of the Companies Act, 2013, which are applicable to the existing Articles of Association of the Company viz.:

- (i) A member may exercise his vote at a meeting by electronic means in accordance with Section 108 and shall vote only once.
- (ii) Company's lien now extends also bonuses declared from time to time in respect of shares over which lien exists.
- (iii) The Nominee(s) of a deceased sole member are recognized as having titled to the deceased's interest in the shares.
- (iv) Existing Articles have been streamlined and aligned with the Act and provisions of the existing AoA which are already part of statute in the Act have not been reproduced as they would only lead to duplication – their non-inclusion makes the new AoA crisp, concise and clear and aids easy of reading and understanding.

None of the Directors / Key Managerial Personnel of the Company and their relatives is/are, in any way, concerned or interested, financially or otherwise, in the aforesaid Resolution No. 5 of the Notice. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges with which the Shares of the Company are listed.



COVENTRY COIL O MATIC (HARYANA) LIMITED

Regd. Office: 87 Km, NH 8, Village: Salawas, P.O. Sangwari, Distt. Rewari - 123 401 (Haryana).
CIN: L74999HR1988PLC030370

NOTICE OF 26th ANNUAL GENERAL MEETING, E-VOTING INFORMATION AND BOOK CLOSURE

Notice is hereby given that the 26th Annual General Meeting of the Company will be held on Saturday, the 27th September, 2014 at 11:30 a.m. at its Registered Office - Village: Salawas, P.O. Sangwari, Distt. Rewari - 123 401 (Haryana).

E - Voting : The members are hereby informed that pursuant to Clause 35B of the Listing Agreement and Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is providing to its members facility to cast their vote by electronics means to transact the following businesses.

1. To consider and adopt the Financial Statements as at on 31st March, 2014 together with the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Rajendra Mal Bafna who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to authorise the Board of Directors to fix their remuneration. Messrs Singhi & Co., (Firm's Registration No. 302049E), Chartered Accountants, the retiring Auditors are eligible for re-appointment. the retiring Auditors are eligible for re-appointment
4. Appointment of Mr. Arun Mittal (DIN: 00049425), as an Independent Director
5. To appoint Mr. Narpal Raj Mohnot (DIN: 01871319) as an Independent Director
6. To alter the Article of Association to make it in conformity of Companies Act 2013

The details pursuant to the provisions of the Companies Act, 2013 and the rules are given hereunder:

1. Pursuant to Clause 49 of the Listing Agreement, brief profile along with other disclosures of Mr. Rajendra Mal Bafna as Director and Mr. Arun Mittal and Mr Narpal Raj Mohnot proposed to be appointed as Independent Directors as item no 2, 4&5 are given in the Notice of the Annual General Meeting and corporate Governance Report.
2. User Ids and passwords for exercising e - voting facility have been send to the shareholders holding shares in DEMAT form and to all other shareholders by posts at their usual addresses registered with the Company.
3. Date of Completion of dispatch of Annual report is 29th August, 2014.
4. The e-voting facility shall be available during the following voting period after which the portal will be blocked and shall not be available for e-voting.

Commencement of e-voting	From 9.00 a.m. (IST) on Monday, September 22 nd , 2014
End of e-voting	Upto 06.00 p.m. (IST) on Wednesday, September 24 th , 2014

5. Important Notice: e - Voting shall not be allowed beyond 6.00p.m (IST) on September 24, 2014.
6. The cut off date (i.e. the record date for the purpose of e-voting is August 25, 2014.
7. The Notice of the 26th Annual General Meeting is available on cdsi website (<https://www.evoting.nsdl.com>).
8. For electronic voting instructions, Shareholders may go through the instructions in the Notice of 26th Annual General Meeting and in case of any query /grievances connected with the electronic voting, shareholders may refer the Frequently Asked Questions(FAQs) and e-voting manual for shareholders available at the download section of the website (<https://www.evotingindia.com>.)
9. Notice pursuant to Section 91 of the Companies Act, 2013 and rule 10 of the Companies (Management and Administration) Rules, 2014, read with Clause 16 of the Listing Agreement is also hereby given that the Registers of Members and Share Transfers Books of the Company will remain closed from 20th September, 2014 to 27th September,2014 (Both days inclusive)

By order of the Board of Directors
for COVENTRY COIL-O-MATIC (HARYANA) LIMITED

Date: 23rd August, 2014
Place: New Delhi

R.M. Bafna
Executive Director
DIN No. 00159855

DIRECTORS' REPORT

TO THE MEMBERS,

Your Directors have the pleasure in presenting the 26th Annual Report and the Audited Accounts of the Company for the year ended 31st March 2014.

FINANCIAL RESULTS

Particulars	₹ In lacs)	
	2013-14	2012-13
Net Turnover	4101.34	3,680.20
Other Income	68.06	54.08
Increase/(Decrease) in Stocks	81.01	52.00
TOTAL	4250.41	3786.29
Profit before Interest, Depreciation & Taxes	(183.54)	(30.10)
Profit Before Tax	(261.74)	(103.93)
Profit on Compulsory Acquisition of Land by NHAI		
Less: Provision For Tax (Including Deferred Tax)	47.82	30.75
Profit After Tax	(213.92)	(73.18)
Balance from Balance Sheet	(183.32)	(110.14)
Less: Unreconciled Allotment Money in Arrears written off		
Balance Carried to Balance Sheet	(397.23)	(183.32)

PERFORMANCE OVERVIEW

The financial year 2013-14 was extremely stressful for your Company due to the slowdown in the Automobile market, volatile economic conditions, rise in input costs and depreciation of the Rupee.

The Net Sales of the Company increased by about 11.44% amounting to ₹ 4101.34 lakhs for the 2013-14. However as the cost of inputs were raised which resulted in Operating Loss (before Interest, Depreciation and Taxes) of 183.54 lakhs as against an Operating Profit (PBIDT) of ₹ 30.10 lakhs during 2012-13 and Net Loss (PAT) was at ₹ (213.92) lakhs compared with the Net Profit (PAT) of ₹ 73.18 lakhs for the previous year.

A detailed analysis of the Company's operations in terms of performance in markets, manufacturing activities, business outlook, risks and concerns forms part of the Management Discussion and Analysis, which is a separate section of the Annual Report.

DIRECTORS

In terms of Article 136 of the Articles of Association of the Company, Mr. Rajendra Mal Bafna, Director will retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

INDEPENDENT DIRECTORS

The Company is having two Independent Directors namely Mr. Arun Mittal and Mr. Naipal Raj Mahnot Pursuant to Section 149 read with Section 152 (including any statutory modification(s) and re-enactment thereof for the time being in force) and Schedule IV of the Companies Act, 2013 and as per Clause 49 of the Listing Agreement and any other applicable provisions thereof or Rules / Regulations made thereunder, it has become necessary to appoint both of these Directors as Independent Director. The Office of Independent Director is not liable to retire by rotation. The Independent Directors are appointed for a period of three years. Therefore the resolution for their appointment is placed in the notice of Annual General Meeting.

DIVIDEND

In order to conserve the resources of your Company, your Directors do not recommend any dividend for the financial year 2013-14.

DIRECTOR'S RESPONSIBILITY STATEMENT

Pursuant to Section 217 (2AA) of the Companies (Amendment) Act, 2008, the Directors confirm that

1. in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
2. appropriate accounting policies have been selected and applied therein consistently and have made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period.
3. proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. the annual accounts of the Company have been prepared on a "going concern basis".

ARUN MITTAL
Independent Director
Date: 15.03.2014

ARUN MITTAL
Director
Date: 15.03.2014

ARUN MITTAL
Director
Date: 15.03.2014



COMPLIANCE CERTIFICATE

As per Section 383A of the Companies Act, 1956, the Compliance certificate as at 31st March, 2014 is attached herewith.

CORPORATE GOVERNANCE

Your Company has been following the principles and practices of good Corporate Governance. The Company has complied with Corporate Governance requirement, as stipulated under Clause 49 of the Listing agreement of Stock Exchange. A separate report on Corporate Governance, together with a certificate from the statutory auditors confirming compliance with corporate governance requirement, has been annexed as part of this report.

INDUSTRIAL RELATIONS

The Company continues to have cordial relations with its employees and the Board records its appreciation of the commitment and support of employees at all levels.

AUDITORS AND AUDITORS' REPORT

M/s Singhi & Co., Chartered Accountants, Auditors of the Company, retire at the forthcoming Annual General Meeting of the Company and being eligible, offer themselves for re-appointment.

As per the provisions of section 217(3) of the Companies Act 1956, replies to the Qualifications given by the Auditors are set out in Annexure - 1 forming part of this Report.

All other observations of the Auditors have already been dealt with in the respective Notes on Accounts and need no further clarifications.

APPOINTMENT OF AUDITORS

Messrs Singhi & Co., (Firm's Registration No. 302049E), Chartered Accountants Auditors of the Company retire at the end of this Annual General Meeting and are eligible for re-appointment. This may be noted that the Auditors of the Company Messrs Singhi & Co., (Firm's Registration No. 302049E), Chartered Accountants has been Auditors of the Company since the incorporation of the Company. As per the provisions of Section 139 of the Act, no listed company can appoint or re-appoint an audit firm as auditor for more than two terms of five consecutive years. Section 139 of the Act has also provided a period of three years from the date of commencement of the Act to comply with this requirement. Therefore Messrs Singhi & Co., (Firm's Registration No. 302049E), Chartered Accountants Auditors are being appointed for a period of three years and their terms of appointment shall be rectified each year.

COST AUDITOR

The Company has appointed M/s Cheena & Associates, Cost Accountants, to issue the Cost Compliance Report for the year 2014-15.

The Cost Audit Report for the year ended 31st March 2014 will be submitted in due course. Moreover the Company has duly filed the Cost Compliance Report for the year ended 31st March 2014.

FIXED DEPOSITS

The Company has not accepted any Fixed Deposit during 2013-14 or any of the earlier years.

PARTICULARS OF EMPLOYEES

There were no employees drawing remuneration in excess of the limits prescribed under Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNING AND OUTGO.

In pursuance of the provisions of Section 217 (1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988, the required particulars are set out in the Annexure - II forming part of this Report.

LISTING

The shares of your Company are listed on Delhi, Mumbai, Calcutta and Ahmedabad Stock Exchanges, and pursuant to Clause 38 of the Listing Agreement, the Annual listing fee for the Current Financial Year has been paid to them well before the due date.

CASH FLOW STATEMENT

A Cash Flow Statement, as required by an amended Clause of the Stock Exchange Listing Agreement is included in the Annual Report.

ACKNOWLEDGMENTS

Your Directors would like to express their grateful appreciation for the co-operation and support extended to the Company by its Customers, and various agencies of the Central Government, State Government of Haryana and Banks.

Your Directors wish to place on record their sincere appreciation for the devoted services of all its employees and also express their gratitude to the member-shareholders for their continued patronage.

for and on behalf of the Board

Date: 13th August, 2014
Place: Rewari

ARUN MITTAL
Director
DIN No. 00049425

R.M. BAFNA
Whole-time Director
DIN No. 00159855

ANNEXURE TO DIRECTORS' REPORT

ANNEXURE - I

(A) BASIS OF QUALIFIED OPINION IN THE AUDITORS' REPORT

The Auditors in its Auditors Report has expressed qualified opinion as under

1. The company has not made provisions of Interest & Other Charges on Secured Loans taken from Financial Institutions/Banks ₹ 9,56,40,344/- as per interim order of the Divisional bench of Punjab and Haryana High Court, Chandigarh, as stated in Note No. -(viii) of other notes 21(B) had the Provision been made, the loss up the year after tax ₹ 2,13,91,916/- would have resulted in loss ₹ 11,70,32,260/-, Reserve & Surplus (Balance of Profit and Loss account would have been ₹ 13,53,63,744/- instead of ₹ 3,97,23,400/-

The company had given physical possession of Approx. 10 Acre land whose approx. cost appearing in books is ₹12.02 Lac, to Alchemist Asset Reconstruction Company Ltd., assignees of IDBI & IFCI on 8th March 2013 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 &

Attention has been invited to Note No. 21 (B) (iii), (iv) & (xv) relating to Debtors confirmation, Vendors Confirmation & Contingent Liabilities not provided for claims respectively.

(B) OBSERVATIONS MADE IN THE ANNEXURE TO THE AUDITORS' REPORT**(i) Para (ix) a**

According to the records of the Company, the Company is irregular in depositing undisputed statutory dues including provident fund, employees' state insurance, sales-tax, excise duty, cess and other statutory dues applicable to it with the appropriate authorities. There ₹ 5000/- undisputed outstanding VAT at the year end for a period of more than six months from the date they became payable.

Reply

During 2013-14, the continued recession in the market resulted in the Company facing short-term financial crisis. Consequently, there was a minor disruption in the cycle of such deposits in the beginning of the year. The Company shall deposited undisputed amount of ₹ 5,000/- towards VAT.

(ii) Para (xi)

In regard to the default in repayment of Term Loan, the divisional bench of Punjab and Haryana High Court, Chandigarh has passed an interim order of total long term loan, interest etc. for ₹18,50,00,000/-. The company has not made provision during the year for balance amount of ₹ 9,56,40,344/- as referred to in Note No. (viii) of Other Notes 21(B).

Reply

The matter has been discussed in (A) above.



INFORMATION AS PER SECTION 217(1)(e) OF THE COMPANIES ACT, 1956 READ WITH COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31st MARCH 2014.

A. CONSERVATION OF ENERGY

The Company's operations involve low energy consumption. Wherever possible, energy conservation measures have already been implemented and there are no major areas where further energy conservation measures can be taken. However, efforts to conserve and optimize the use of energy through improved operational methods and other means will continue.

FORM 'A'

(See Rule 2)

FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

		<u>31.03.2014</u>	<u>31.03.2013</u>
a) DHBVN Ltd.-Power Purchased			
DHBVN Ltd. - Power Purchased (kwh)	Units	34,88,794	33,47,857
Total Amount	₹ lacs	267.02	208.13
Rate per Unit	₹	7.65	6.22
b) Captive Generation			
D.G. Sets (kwh)	Units	6,51,665	7,92,600
Total Amount (HSD)	₹ lacs	83.71	81.48
Rate per Unit	₹	12.85	10.28
CONSUMPTION PER UNIT OF PRODUCTION - PRODUCT (SPRING)			
Electricity - Total Units (kwh)		41,40,459	41,40,257
- kwh / MT of Product		1,088	1,265