

33rd

ANNUAL REPORT

2020-2021



Coventry Coil-o-Matic (Haryana) Ltd.



Coventry Coil-o-Matic (Haryana) Limited
CIN No.L74999HR1988PLC030370

Corporate Information

Board of Directors

Mr. R. M. Bafna, Managing Director & CEO
Mr. Atul Kumar Chaturvedi, Director
Ms. Rajni Sharma, Director
Mr. Akshit Bafna, Additional Director

Board Committee

Audit Committee Ms. Atul Kumar Chaturvedi, Chairman Ms. Rajni Sharma, Director Mr. R. M. Bafna, Managing Director & CEO	Stakeholders Relationship Committee Mr. Atul Kumar Chaturvedi, Chairman Mr. R. M. Bafna, Managing Director & CEO
Nomination & Remuneration Committee Mr. R. M. Bafna, Managing Director & CEO Mr. Atul Kumar Chaturvedi, Director Ms. Rajni Sharma, Director	Registrar & Share Transfer Agents Link Intime India Private Limited Noble Heights, 1stFloor,C-1 Block, LSC Nagar, Savitri Market, Janakpuri, New Delhi - 110058 Ph. 011-41410591
Auditors M/s. J K V S & Co. Chartered Accountants (Formerly Jitendra K Agarwal & Associates) 209, Hans Bhawan, 1, Bahadur Shah Zafar Marg, New Delhi - 110002	Secretarial Auditors Siddiqui & Associates Company Secretaries D 49, Sarita Vihar New Delhi -110076

Registered Office:
Vill. Salawas, Post Sangwari
Distt. Rewari 123401, Haryana

Company Secretary – Ms. Zeba Shaukat **Chief Financial Officer** : Mr. K. K. Sharma

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Important Communication to Members

The Ministry of Corporate Affairs has taken a “Green Initiative in the Corporate Governance” by the paperless compliances by the Companies and has issued circulars stating that allowing services of notice/documents including Annual Report can be sent by e mail to its Members. To support this green initiative 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 & Share Transfer Agents Link Intime India Private Limited.

NOTICE

NOTICE is hereby given that the **33rd Annual General Meeting of the Company shall be held on Wednesday, the 22nd December, 2021** at 11:30 a.m. at its Registered Office - Village: Salawas, P.O. Sangwari, Distt. Rewari - 123 401 (Haryana), to transact the following business:

ORDINARY BUSINESS

- To receive, consider and adopt the Balance Sheet of the Company as at 31st March 2021 and Profit and Loss Account for the year ended on that date together with the Reports of the Auditors and Directors thereon.
- To appoint Director in place of Mr. R. M. Bafna, who retires by rotation, but being eligible, offers himself for re-appointment.

SPECIAL BUSINESS

- 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 152 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), Mr. Akhsit Bafna (DIN: 02151860), who was appointed as an Additional Director with effect from 01st August 2021 in accordance with the section 161 of the Companies Act 2013 and who holds office upto the conclusion of this Annual General Meeting and in respect of whom the Company has received a notice in writing proposing appointment of Mr. Akhsit Bafna (DIN:02151860) as Director liable to retire by rotation, be and is hereby appointed as Director of the Company.”

- 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 Sections 196, 197 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment for the time being in force) and the Companies (Appointment of Managerial Personnel) Rules 2014 and subject to Approval of Shareholders at Annual General Meeting, Mr. Akhsit Bafna (DIN: 02151860) be and is hereby appointed as Whole Time Director for a period of three years with effect from 1st August 2021 till 31st July 2024 on the terms and conditions including remuneration as per the following details, so as not to exceed the limits specified in schedule V of the Companies Act 2013 or any amendments thereto.

REMUNERATION

Salary Rs. 1,60,000/- per month

PERQUISITIES**Part A – Perquisites & Allowances**

Housing: Rent Free furnished Accommodation or House Rent Allowance @50% of the Salary.

Medical / Travel : Reimbursement of Medical Expenses and/or Leave Travel Expenses (like fare, lodging, boarding, conveyance and other expenses) incurred on one or more occasions in a year whether in India or abroad in respect of himself or Family subject to the condition that the total reimbursement shall not exceed one month's basic salary.

Provident Fund Contribution: Company's contribution to Provident Fund shall be as per Rules framed under the Company's relevant scheme.

Gratuity: Gratuity, as per rules of the Company

Bonus: Bonus (as per Company policy as applicable to all employees upto limit of 20% of the Basic Salary)

Entertainment Expenses: The Company shall pay actual entertainment and traveling expenses in connection with the Company's business

Leave: Leave with full pay or encashment thereof as per rules of the Company

Part B - Amenities

Use of Car as per Rules of the Company.

Use of Telephone/Mobile Phones as per general policy of the Company

OVERALL REMUNERATION

The aggregate of Salary and perquisites, in any corporate financial year shall not exceed the limits prescribed from time to time under sections 196 and 197 and other applicable provisions of the Companies Act 2013 read with Schedule V to the said Act as may for the time being in force.

MINIMUM REMUNERATION

In the event of loss or inadequacy of profits in any financial year, Mr. Akhsit Bafna (DIN: 02151860) shall be entitled to receive a total remuneration including perquisites, etc. not exceeding the ceiling limit as approved by the Remuneration Committee and Schedule V of the Companies Act 2013.

Presently as per Schedule V of the Companies Act 2013, Annual Minimum remuneration is Rs 60,00,000/- in our Company. Provided that the remuneration in excess of above Limit may be paid if the resolution passed by the shareholders, is a special resolution. The Company is considering to pass a special resolution at this Annual General Meeting.

OTHER TERMS & CONDITIONS

The appointment of Mr. Akhsit Bafna (DIN: 02151860) as Whole Time Director will be terminable by giving two months' notice, by either party as per the terms of appointment.

RESOLVED FURTHER THAT the Board of Director of the Company is further authorised to alter, vary and modify the said terms of appointment and/or remuneration in such manner as the case may be agreed to between the Board and Mr. Akhsit Bafna (DIN:02151860) within and in accordance with and subject to the limits prescribed in schedule V to the Companies Act 2013, including any amendment or statutory modification thereto for the time being in force.

By order of the Board of Directors
For **COVENTRY COIL-O-MATIC (HARYANA) LIMITE**

Date : 13th August, 2021
Place : Rewari

R. M. Bafna
Managing Director
DIN 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 dematerialized 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 16th December 2021 to 22nd December 2021 (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 33rd Annual General Meeting dated 13th August, 2021. 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 19th December 2021 to 21st December 2021. The Company has fixed 26th November, 2021 as a cut-off date to record the entitlement of the Shareholders to cast their votes electronically at the 33rd Annual General Meeting. The Company has appointed Mr. K O Siddiqui, Company Secretary of Siddiqui & Associates, Company Secretaries, New Delhi, as scrutinizer for the purpose of e voting for this Annual General Meeting.

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 No. 3rd & 4th of the accompanying Notice dated 13th August, 2021.

Item No. 3

The Board of Directors have appointed Mr. Akshit Bafna (DIN: 02151860), as an Additional Director with effect from 13th August 2021 in accordance with the section 161 of the Companies Act 2013 and who holds office upto the conclusion of this Annual General Meeting and in respect of whom the Company has received a notice in writing proposing appointment of Mr. Akshit Bafna (DIN: 02151860) as Executive Director of the Company liable to retire by rotation.

Mr. Akshit Bafna, is not disqualified from being appointed as a Director in terms of Companies Act 2013 and has consented to act as Director. The Board considers it desirable to avail the expertise and guidance of Mr. Akshit Bafna, on the Board and recommends his appointment.

The Board recommends the Resolution at Item No. 4 for approval by the Members.

None of the Directors (except Mr. R. M. Bafna, Managing Director) or Key Managerial Personnel or their respective relatives are concerned or interested in the Resolution at Item No. 3 of the Notice.

Item No. 4

In terms of the Companies Act 2013, the Whole Time Director includes a Director who is in whole time employment of the Company. The appointment of Whole Time Director is subject to approval of shareholder in General Meeting to be held immediately after the date of such appointment.

The appointment of Mr. Akshit Bafna (DIN: 02151860), as Whole Time Director was approved at the Meeting of Board of Directors held on 13th August 2021 which is subject to approval of Shareholders in Annual General Meeting. Earlier the appointment was also approved by Nomination & Remuneration Committee of the Company. The appointment was approved for a period of three years with effect from 01st August 2021 on the terms and conditions set out set out in the Resolution of Item No 4 of the accompanying Notice. The details as stated in the Resolution as aforesaid may be treated as information under section 190 of the Companies Act 2013.

The information required as per Schedule V, Part II, Section II (B), clause (iv) of the Companies Act 2013 is as hereunder

The Company is manufacturing precision springs for Auto Industry. The production of the Company was started 28 years back. Presently the Company is facing certain financial difficulties. The Company is not having any Foreign Investment. Mr. Ashit Bafna has done BBA and has about Fifteen years of experience. For last eight years he was Business Head (Operation) in the Company. During these 8 years he has contributed to the growth and progress of the Company. He was responsible for the Operation of the Company. Now it is being proposed to appoint him as Whole Time Director & pay him Rs. 1,60,000/ pm. The average Remuneration in the Auto Industry is ranging from Rs. 2 cr pm to Rs. 6 cr pm.

Mr. Akshit Bafna is holding 5,920 Equity Shares (0.1313 %) in the Company. The Company is not having any holding, subsidiary or associate Company. Mr. Akshit Bafna is not Director in any other listed Company. None of the other Directors, except Mr. R. M Bafna (0.0224%) are holding any Shares in the Company.

The aforesaid information may be treated as disclosure under 36(3) of SEBI (Listing Obligation and Disclosure Requirements) Regulations 2015.

The reasons for losses in the Company are because of slump in the Market and increase in the input cost. The Company is looking for better sources for its inputs and the Company is also trying to find new buyers for its products.

He is related to Mr. R. M. Bafna, Managing Director of the Company. The Company is having two other Directors, both are Independent Directors.

The approval of shareholders is sought pursuant to the provisions of sections 196 and 197 of the Companies Act 2013 read with schedule V thereto, for the above appointment of Mr. Akshit Bafna as Whole Time Director of the Company and payment of remuneration to him.

A copy of the Resolution passed by the Board of Directors at its meeting held on 13th August 2021 is available for inspection of members during business hours on all working days at the registered office of the Company.

The Board of Directors recommend passing of Resolution as sent out in Item No 4 of the notice. None of the Directors or Key Managerial Personnel or their respective relatives, except Mr. R. M. Bafna, Managing Director are, in any way, concerned or interested in the said Resolution.



DIRECTORS REPORT

Your Directors have pleasure in presenting the 33rd Annual Report together with the audited accounts and the Reports of the Auditors for the year ended 31st March 2021.

OPERATIONS AND FINANCIAL RESULTS:

The financial working results for the year are as under: -

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Revenue from Operations	3,909.55	4546.07
Other Income	17.66	22.72
Total Income	3,927.21	4568.78
Operating Profit (PBDIT)*	7.73	324.44
Gross Profit (PBDT)*	14.58	305.17
Profit/loss before Tax	(48.44)	(211.89)
Other Comprehensive Income / (Loss)	7.93	(7.86)
Balance carried to Balance Sheet	(40.51)	(219.76)
Other Equity – Closing Balance	(1704.60)	1664.08)

*excluding Exceptional Items

The year 2021-22 was a very uncertain & extremely tough year for the Company. The Indian Automotive industry faced one of its most difficult years in FY 2020-21. The overall slowdown in demand, BS-VI compliance burden on costs and timeline, and outbreak of COVID-19 pandemic weighed heavily on the entire industry and particularly on our Company. Moreover, Increase in Labour costs, Increase in Legal fees and in addition to that the cost of Inputs was also raised Consequently, the Company witnessed negative growth and we witnessed a decrease of around 14.22% of turnover when compared with last year Turnover.

There was no change in the business of the Company.

There are no material changes and commitments affecting the financial position of the Company. The Company did not transfer any amount to General Reserve.

COVID 19 IMPACT

The second wave in Covid-19 now exceed 3 lakh cases per day across India. A complete lockdown, likethe last time, is not yet enforced. While fear, economic uncertainty and disruptions continue to impactthe already fragile business environment and our operations, the full impact of this cannot be assessedat this point of time. However, this does not affect the going concern status of the Company.

However, your directors are hopeful to post better result during the year 2021-22

MANAGEMENT

Following are the disclosures required in respect of Management of the Company.

a. Retirement by rotation

Pursuant to Article 136 of the Articles of Association of the Company and Section 149, 152 and other applicable provisions if any of the Companies Act, 2013, one third of such of the Directors as are liable to retire by rotation, shall retire every year at the Annual General Meeting and if eligible, may offer themselves for re-appointment. Consequently Mr.R M Bafna, Whole Time Director will retire by rotation at the ensuing Annual General Meeting and being eligible offers herself for re-appointment in accordance with the provisions of Companies Act, 2013.

Your Directors recommend her reappointment at the ensuing Annual General meeting.

b. Changes in Directors and Key Managerial Personnel

During the year Ms. Princy Agarwal resigned as Company Secretary with effect from 9th June 2020 and Ms. Zeba Shaukat was appointed as Company Secretary of the Company on 01st September 2020. Mr. R. P. Verma resigned as Chief Finance Officer on 13th February 2021 and Mr. K. K. Sharma was appointed as Chief Finance Officer of the Company on 13th February 2021. There was no other change in the Directors and Key Managerial Personnel of the Company during the year.

c. Declaration by an Independent Director(s) and re-appointment

The Company has received declarations from all the Independent Directors of the Company confirming that they meet with the criteria of independence as prescribed under sub section (7) of Section 149 of the Companies Act, 2013 and Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

d. Formal Annual Evaluation

SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Rule 8 of the Companies (Accounts) Rules, 2014, mandates that the Board shall monitor and review the Board evaluation framework. The framework includes the evaluation of Directors on various parameters such as

- Board Dynamics and relationships
- Information flows
- Decision making
- Relationship with stakeholders
- Company performance and strategy
- Tracking Board and Committees effectiveness
- Peer evaluation

The Companies Act, 2013 states that a formal evaluation needs to be made by the Board of its own performance and that of its committees. Schedule IV of the Companies Act, 2013, states that the performance evaluation of independent directors shall be done by the entire Board of Directors excluding the director being evaluated.

The evaluation of all the Directors and the Board as a whole was conducted based on the criteria and framework adopted by the Board & Nomination & Remuneration Committee. The Board approved the evaluation results as collated by the Nomination & Remuneration Committees.

e. Directors Remuneration & Mean Remuneration of Employees

The numbers of permanent employees on the rolls of the company are 108.

The information required pursuant to Section 197 read with Rule 5 (1) (i) of The Companies (Appointment and Remuneration) Rules, 2014 in respect of ratio of remuneration Managing and Whole Time Director to the median remuneration of the employees of the Company for the Financial Year ended 31st March 2021 are as under:

Remuneration of Managing Director Rs. 1,87,500/- p.m.

Mean Remuneration of the Employees of the Company: Rs.29,345/- p.m.

The Managing Director and Whole Time Director of the Company are not drawing any commission from the Company. The Company is not having any Holding, subsidiary or Associate Company.

INDEPENDENT DIRECTORS

The Company is having two Independent Directors (including one Women Independent Director) namely Mr. Atul Kumar Chaturvedi and Ms. Rajni Sharma. As per the provisions of section 149(4) the Company is required to have one third of Directors as Independent Director and the Company is having two Directors as Independent Director out of Four Directors. Moreover as the paid up Share Capital of the Company is Rs. 4,50,80,000 and its net worth is less than Rs. 25 crores and the regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is not applicable to the Company.

DIVIDEND

In order to conserve the resources of the Company, your Directors do not recommend any dividend for the year 2020-21

SUBSIDIARY, JOINT VENTURES & ASSOCIATE COMPANIES

The Company is not having any subsidiary, joint ventures or Associate Companies. Accordingly a Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures as Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014 is not applicable.

INTERNAL FINANCIAL CONTROLS

The Company has in place adequate internal financial controls with reference to financial statements. The Internal Financial Control has been designed to provide for:

- Adoption of Accounting policies in line with applicable Accounting standards
- Proper recording of transaction with internal checks and reporting mechanism.
- Compliance with applicable statutes, policies, management policies and procedures.

The Management of your Company periodically reviews the financial performance against the approved plans across various parameters and takes necessary action, whenever necessary.

DISCLOSURES

Meetings of the Board

Four meetings of the Board of Directors were held during the year as per details as hereunder:

S. No.	Date of Board Meeting	Strength of Board	Nos. of Directors present
1.	30.06.2020	Four Directors	Four Directors
2.	15.09.2020	Four Directors	Four Directors
3.	11.11.2020	Four Directors	Three Directors
4.	13.02.2021	Three Directors	Three Directors

Meetings of the Committee of Board

The Company is having Audit Committee, Stakeholders Relationship Committee and Nomination & Remuneration Committee.

Audit Committee

Audit Committee is comprised of Mr. Atul Kumar Chaturvedi, Independent Director as Chairman, Mr. R. M. Bafna, Managing Director, as Member and Ms. Rajni Sharma, Independent Director as Member.

During the year, the Audit Committee held Four Meetings which were attended by all the Members of the Committee. The Audit Committee meetings were held on 30th June 2020, 15th September 2020, 11th November 2020 and 13th February 2021.

Stakeholders Relationship Committee

Stakeholders Relationship Committee comprises of Mr. Atul Kumar Chaturvedi, Independent Director as Chairman and Mr. R. M. Bafna, Managing Director, as Member of the Committee. During the year the Company held only two Meeting on 29th June 2020 and 08th February 2021.

Nomination & Remuneration Committee.

During the year ended 31st March 2021 the Nomination & Remuneration Committee was comprised of Mr. Atul Kumar Chaturvedi, Independent Director as Chairman, Mr. R. M. Bafna, Managing Director, as Member, Ms. Smriti Bafna, Whole Time Director as Member and Ms. Rajni Sharma, Independent Director as Member.

During the year, the Nomination & Remuneration Committee held no Meeting of Nomination & Remuneration Committee was held.

It may be taken note of that Board has accepted the recommendation of all the committees wherever required. The Company has also drafted the Vigil mechanism and also the Policy on Related Party Transaction and Policy of Prohibition on Insider Trading.

Vigil Mechanism

Pursuant to rule 7 of the Companies (Meeting of Board & Power) Rules 2014, the Company has established a Vigil Mechanism/Whistle Blower Policy. The purpose of this mechanism is to provide a framework to report concerns about unethical behavior, actual or suspected fraud or violation of the Company's code of conduct or ethics policy and provide adequate safeguards against the victimization of the person availing this mechanism. This policy has been appropriately communicated with in the Organisation and is effectively operational. The policy provides mechanism whereby whistle blower may send protected disclosures directly to the Chairman of Audit Committee or Ethics Officer.

Risk Management Policy

Pursuant to Section 134(3)(n) of the Companies Act, 2013, the Company has laid down Risk Management Policy to inform Board Members about the risk assessment and minimization procedures.

Nomination and Remuneration Policy

The Board on the recommendation of Nomination & Remuneration Committee has framed a policy for selection and appointment of Director & KMP and their remuneration. The Policy is annexed herewith as Annexure B.



Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company has put in place and practiced an Anti-Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee (ICC) had been set up to redress complaints regarding sexual harassment. All employees are covered under this policy. During the year under review, the Company has not received any complaint under the said Policy.

Related Party Transaction as per section 188 of the Companies Act 2013

Transaction entered by the Company with related Parties during financial year 2020-21 were in the ordinary course of business and on arm's length basis. The Company has formulated a policy on related party Transactions.

In terms of section 134(3) (h) of the Companies Act 2013 and Rules made thereunder, during the year under review, the Company has not entered into any contract/ arrangements /transaction with related parties which could be considered material.

The details of the related party transaction entered during the year are provided in the accompanying financial statements.

Corporate Social Responsibility

Provisions relating to Corporate Social Responsibility under section 135 of the Companies Act, 2013 are not applicable to the Company.

Particulars of Loans given, Investments made, Guarantees given and Securities provided

During the year the Company has not given any loans, made any investments and given any guarantees under 186 of the Companies Act, 2013 and also did not provide any securities for the purpose of loans or guarantees to any other Company.

Particulars of Employees

The Company is not having any Employee drawing salary in excess of the prescribed limits in terms of the provisions of Section 197(12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Purchase of Shares of the Company

In accordance to section 67(3) of the Companies Act 2013, the Company has not given any loans to persons in the employment of the company or its directors or KMP, to purchase or subscribe for fully paid-up shares in the company or its holding company (the Company do not have any holding Company) to be held by them by way of beneficial ownership.

Issue of ESOP Shares in the Company

In accordance to Rule 12(9), 16(4) of The Companies (Share Capital and Debentures) Rules, 2014 and clause 14 of SEBI (Share Based Employee Benefits) Regulations 2014 the Company has not issued any Employees Stock Option Scheme. Accordingly, the aforementioned Rules and said SEBI (SBEB) Regulations 2014 are not applicable.

Disclosure under section 136 of the Companies Act, 2013

Having regard to the provisions of the first proviso to Section 136(1) of the Act and as advised, the Annual Report excluding the aforesaid information is being sent to the members of the Company. The said information is available for inspection at the registered office of the Company during working hours and any member interested in obtaining such information may write to the Company and the same will be furnished on request. The full Annual Report including the aforesaid information is being sent electronically to all those members who have registered their email addresses.

Extract of the annual return

As per Section 134, extract of Annual Return in MGT-9 was required to be filed with Directors Report. However this provision has been amended by Companies Amendment Act, 2017 as per notification dated 31st July, 2018 provision in relation to MGT-9 has been removed from Section 134. Therefore extract of the annual return in Form No. MGT-9 is not required. However MGT 9 is placed on Company's website www.coilomatic.com

Industrial Relations

During the year under review, Industrial Relations in the Company continued to be cordial and peaceful.

Significant and Material Orders of Regulators or Courts or Tribunals

As per requirement Rule 8(5)(vii) of the Companies (Account) Rules 2014, the details of significant material Orders passed by regulator or courts or Tribunals impacting the going concern status and Company's operation in future is as hereunder:

The Company availed Term Loans of Rs. 925.67 lakhs between 1990 and 1992 from the consortium of ICICI, IDBI and IFCI of which ICICI was the lead Institution. Due to Financial Crisis in the Country during the implementation of the Project, there was cost over runs leading to tight Cost flows and incurring huge losses. The Company went to BIFR and during that time had repaid the Institutions, a substantial amount. In all, by 2004/2005, company paid back Rs. 1286.77 lakhs to the lending consortium members. However, the Loans were assigned to various Asset Reconstructions Companies who went to Court for recovery of exorbitant amounts of the balance of Debts. The details of the litigation cases are mentioned in the Notes to the Financial Statements for the year ended 31st March 2021 under the Note No. 20(B) (viii).

On **18th January 2016**, the Debt Recovery Tribunal -1, Delhi (DRT-1) pronounced an Order for the recovery of Rs. 8449.40 lakhs together with simple interest @ 13.5% p.a. The Company filed on Appeal in the Appellate Court (DRAT) against this order raising substantial legal and factual grounds, along with an application for waiver of the pre-deposit. However, the application for waiver was dismissed by the DRAT on 12th October 2017 and consequently the appeal was dismissed by DRAT on 30th November 2017 on account of non-deposit of 75% of the amount ordered by DRT.

In the meanwhile, the Securitisation company attempted to take possession of the Company's Assets in 2009. However, with timely action, the Company was able to obtain stay from the Hon'ble Punjab & Haryana High Court. In the appeal LPA 1755/2010 filed by the company, Hon'ble Punjab & Haryana High Court vide order dated **17.12.2010** was pleased to stay any coercive action against the company, if taken under SARFAESI Act for taking over the possession of the company's property. Company's appeal was admitted by the High Court on **9.8.2011**. The matter reached Hon'ble Supreme Court. A sum of Rs.5 crore and company's surplus land measuring 10.04 acres (valued at Rs. 18 cr by securitization company) was given by the company to the securitization company (including Kotak Bank, assignee of ICICI) in compliance of orders passed by High Court and Supreme Court.

As Securitization company failed to share Rs.450 lakhs with KMBL out of the sale proceeds of 10.04 acre land of the company as was ordered by Hon'ble Supreme court vide order dated **7.5.2012**, KMBL filed Contempt Petition in Hon'ble Supreme court which directed Securitization company to deposit Rs.450 lakh in the Court. Finally, Hon'ble Supreme court disposed off the contempt petition on **23.9.2019** and released said Rs.450 lakhs alongwith accrued interest to KMBL. In view of the fact that KMBL received Rs.6.50 crore (Rs.2 crore out of deposit of Rs.5 crore made by Company in Punjab & Haryana High Court and Rs.4.50 crore out of sale of Company's 10.04 acre land), KMBL and Coventry settled the pending matter OA 2/2007 and filed a joint application before DRT-2 Delhi in this regard, which then disposed off the matter as settled vide order dated **6.2.2021**. The joint application inter-alia records the stipulation: "With the receipt of entire OTS amount of Rs.6.50 Crores along with accrued interest, the Applicant Bank/KMBL is left with no further claim against the Defendant No.1". However, it was agreed that Counter-claim of Coventry will continue against other lenders / assignees.

Pursuant to DRT-1 Judgement / Recovery Certificate dated 18-01-2016, the Recovery Officer-II of DRT-1, Delhi in **February 2019** served a

Notice for settling sale proclamation for the sale of the Factory Property. Company has filed an application CM 39-40/2019 in LPA 1755/2010 in Hon'ble Punjab & Haryana High Court which has issued notice on the said application on 27.1.2019 in which company has prayed for restraining the Id. RO from proceeding ahead in the matter. Company's application MA 40/2017 is also pending before Presiding Officer, DRT-1 Delhi wherein company has submitted that Id. RO-DRT, Delhi has no jurisdiction in the matter and have prayed for transfer of recovery proceedings to DRT, Chandigarh. Company's application vide Dy. No.2273 dt 8.4.2021 is also pending before the Recovery Officer ("RO") DRT-1 Delhi wherein company has inter-alia prayed for keeping the RC proceedings in abeyance till MA 40/2017 is decided by the PO and till LPA 1755/2010 is decided by Hon'ble Punjab & Haryana High Court.

Whether the amounts claimed by creditors / securitization company is exaggerated or not would be decided by Hon'ble Punjab & Haryana High Court LPA 1755/2010 which is pending. There is a strong possibility that eventually a refund comes out due from the securitization company (Alchemist) to the company.

CAPITAL AND DEBT STRUCTURE

As per disclosure regarding the Share Capital in accordance with Rule 4(4) and 8(13) of The Companies (Share Capital and Debentures) Rules, 2014, during the year there was no change in the Capital & Debt structure of the Company. Share Capital was not reclassified or restructured or no change in voting rights. The Company has not issued any shares with differential rights, Sweat Equity Shares or Employees Stock Option.

DIRECTOR'S RESPONSIBILITY STATEMENT:

Pursuant to Section 134 (5) of the Companies Act 2013 the Directors confirm that:

- in the preparation of the annual accounts for the year ended March 31, 2021, the applicable accounting standards read with requirements set out under Schedule III to the Act, have been followed and there are no material departures from the same;
- the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2021 and of the profit of the Company for the year ended on that date;
- the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- the Directors have prepared the annual accounts on a 'going concern' basis;
- the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

This may further noted that the Independent Directors have evaluated the Board and it was satisfied with the evaluation

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

The information relating to Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and outgo required as per the provisions of Section 134 (3)(m) read with rule 8 (3) the Companies (Accounts) Rules, 2014, the required particulars are set out in Annexure – C, forming part of this Report.

AUDITOR'S AND AUDITORS' REPORT

M/s. J K V S & Co. Chartered Accountants (Formerly Jitendra K Agarwal & Associates) (Firm Registration No. 318086E) Auditors of the Company were appointed as Statutory Auditors of the Company at the 29th Annual General Meeting held on 23rd September 2017 to hold office for five consecutive years subject to ratification at every Annual General Meeting. Your Company has received confirmation from abovementioned firm regarding consent and eligibility under section(s) 139 and 141 of the Companies Act 2013 read with Companies (Accounts) Rules 2014. As required under the LODR, the Auditors have also confirmed that they hold a valid certificate issued by the Peer Review of the Institute of Chartered Accountants of India. Pursuant to the notification of section 40 of the Companies Amendment Act 2017 whereby the proviso to section 139(1) is removed. Accordingly the ratification of Auditors appointment is not required by the Shareholders this year.

The Auditors of the Company have not reported any Fraud in the Company.

Sub-section (3) of section 134 of the Act requires that the details in respect of frauds reported by auditors under sub-section (12) of section 143 other than those which are reportable to the Central Government shall be disclosed in the Report.

The observations of Auditors in the Auditors Report Management Reply to these Observations are explained in Annexure I to the Directors Report.

COST AUDITORS

Maintenance of cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013, is required by the Company and accordingly such accounts and records are made and are being maintained.

The Company on the recommendation of the Audit Committee has appointed M/s. Upreti & Co. (Firm Reg. No. 001928) Cost Accountants, with Neeraj Upretias Proprietor having office at C2/112, Lodhi Colony, New Delhi 110003 or the financial year 2021-22, to look after the compliance into the matter.

Your Company has received consent from M/s. Upreti & Co., Cost Auditors of your Company for the financial year 2021-22 along with a certificate confirming their Independence.

SECRETARIAL AUDIT

In accordance with the provisions of section 204 of the Companies Act 2013 read with the Companies (Appointment of Managerial Personnel) Rules 2014, your Company has appointed M/s Siddiqui & Associates, Company Secretaries to conduct the Secretarial Audit of your Company for the year 2021-22. The Secretarial Audit Report for the year 2020-21 is annexed herewith as Annexure II to this Report. The Secretarial Audit Report does not contain any qualifications, reservations or adverse remark.

DEPOSIT UNDER CHAPTER V OF THE COMPANIES ACT 2013

During the financial year 2020-21, there were no such deposits, within the meaning of section 73 and 76 of the Companies 2013 read with Companies (Acceptance of Deposit) Rules 2014, at the beginning or during or at the end of the financial year. However, the Company is having Unsecured Loans from Directors which is exempted deposit under the provisions of rule 2(1)(viii) of the Companies (acceptance of deposit) Rules 2014.

LISTING

The shares of your Company are listed on Mumbai and Calcutta Exchanges.



CASH FLOW STATEMENT

A Cash Flow Statement, as required by the definition of Financial Statement under section 2(40) of the Companies Act 2013, 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 Board of Directors.

Place: New Delhi
Dated: 13.08.2021

R. M. Bafna
Managing Director
DIN 00159855

Atul Kumar Chaturvedi
Director
DIN 01759365