

34<sup>th</sup>  
ANNUAL REPORT

**2021-2022**



*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. Akshit Bafna, Whole Time Director  
 Ms. Rajni Sharma, Director  
 Mr. Vivek Saxena, Additional Director

**Board Committee**

<b>Audit Committee</b> Mr.Vivek Saxena, Chairman Ms. Rajni Sharma, Director Mr. R. M. Bafna, Managing Director & CEO	<b>Stakeholders Relationship Committee</b> Mr. Vivek Saxena, Chairman Mr. R. M. Bafna, Managing Director & CEO
<b>Nomination &amp; Remuneration Committee</b> Mr. R. M. Bafna, Managing Director & CEO Mr. Vivek Saxena, Director Ms. Rajni Sharma, Director	<b>Registrar &amp; Share Transfer Agents</b> <b>Link Intime India Private Limited</b> Noble Heights, 1stFloor,C-1 Block, LSC Nagar, Savitri Market, Janakpuri, New Delhi - 110058 Ph. 011-41410591
<b>Auditors</b> <b>M/s. J K V S &amp; Co.</b> Chartered Accountants (Formerly Jitendra K Agarwal & Associates) 209, Hans Bhawan, 1, Bahadur Shah Zafar Marg, New Delhi - 110002	<b>Secretarial Auditors</b> 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 34th Annual General Meeting of the Company shall be held on Thursday, the 29th September, 2022 at 10:00 a.m. at its Registered Office - Village: Salawas, P.O. Sangwari, Distt. Rewari - 123 401 (Haryana), to transact the following businesses: -

**ORDINARY BUSINESS**

1. To receive, consider and adopt the Balance Sheet of the Company as at 31st March 2022 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. Akshit Bafna, who retires by rotation, but being eligible, offers himself for re-appointment.

**SPECIAL BUSINESS**

3. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

**Appointment of Mr. Vivek Saxena (DIN: 07903817) as an Independent Director of the Company:**

**“RESOLVED THAT** pursuant to the provisions of Section 149, 150, 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 (the Act) and the Companies (Appointment and Qualifications of Directors) Rules, 2014, (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), on the recommendation of the Nomination & Remuneration Committee and approval of the Board of Directors for appointment of Mr. Vivek Saxena (DIN: 07903817) as an Additional Director in the capacity of an Independent Director of the Company w.e.f. February 14, 2022, who has submitted a declaration that he meets the criteria for independence as provided under Section 149(6) of the Act and Regulation 16(1) (b) of the Listing Regulations and is eligible for appointment, and in respect of whom the Company has received a notice in writing in terms of Section 160(1) of the Act and who holds office as such up to the date of ensuing Annual General Meeting, be and is hereby, appointed as a Non-Executive Independent Director of the Company not liable to retire by rotation, to hold office for a period of five years with effect from February 14, 2022 till February 13, 2027.”

**“RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution.”

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

**Appointment of Ms. Renu Sharma (DIN: 03608863) as Independent Women Director of the Company:**

**“RESOLVED THAT** pursuant to the provisions of Section 149, 150, 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 (the Act) and the Companies (Appointment and Qualifications of Directors) Rules, 2014, (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), on the recommendation of the Nomination & Remuneration Committee and approval of the Board of Directors for appointment of Ms. Renu Sharma (DIN: 03608863) as an Additional Director in the capacity of an Independent Women Director of the Company w.e.f. August 10, 2022, who has submitted a declaration that she meets the criteria for independence as provided under Section 149(6) of the Act and Regulation 16(1) (b) of the Listing Regulations and is eligible for appointment, and in respect of whom the Company has received a notice in writing in terms of Section 160(1) of the Act and who holds office as such up to the date of ensuing Annual General Meeting, be and is hereby, appointed as a Non-Executive Independent Women Director of the Company not liable to retire by rotation, to hold office for a period of five years with effect from August 10, 2022 till August 09, 2027.”

**“RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution.”

5. 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 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, including any statutory modification(s) or re-enactment(s) thereof for the time being in force, **M/s. J K V S & Co.** Chartered Accountants (Firm Registration No. 318086E), Chartered Accountants be and is hereby appointed as the Joint Statutory Auditor of the Company for a term of five years commencing from the Company's financial year 2022-23 to hold office from the conclusion of the 34th Annual General Meeting of the Company till the conclusion of the 39th Annual General Meeting to be held in 2027 on such remuneration plus GST, out-of-pocket expenses etc. as decided by the Board of Directors.

**RESOLVED FURTHER THAT** the Board of Directors of the Company (including its Committee thereof) be and is hereby authorized to do all acts and take all such steps as may be considered 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 : 10th August, 2022  
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 22nd September 2022 to 29th September 2022 (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 34th Annual General Meeting dated 10th August 2022. 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 26th to 28th September 2022. The Company has fixed 2nd September, 2022 as a cut-off date to record the entitlement of the Shareholders to cast their votes electronically at the 34th 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. 3 & 4 of the accompanying Notice dated 10th August, 2022.

#### **Item No. 3**

The Board of Directors of the Company at its meeting held on February 13, 2022, appointed Mr. Vivek Saxena (DIN: 07903817) as an Additional Director of the Company in the capacity of Independent Director for a term of 5 years with effect from February 14, 2022, subject to the approval of the Members of the Company. In terms of section 160 of the Companies Act, 2013, the Nomination and Remuneration Committee and the Board have recommended the appointment of Mr. Vivek Saxena (DIN: 07903817) as an Independent Director pursuant to the provisions of Sections 149 and 152 of the Companies Act, 2013.

The Company has also received a notice in writing from a member proposing the candidature of Mr. Vivek Saxena (DIN: 07903817) to be appointed as Director of the Company. The Company has received a declaration from Mr. Vivek Saxena confirming that he meets the criteria of independence under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Further, the Company has also received Mr. Vivek Saxena's consent to act as a Director in terms of section 152 of the Companies Act, 2013 and a declaration that he is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013.

In the opinion of the Board, Mr. Vivek Saxena fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, for his appointment as an Independent Director of the Company and he is independent of the management. Considering Mr. Vivek Saxena's knowledge and experience, the Board of Directors is of the opinion that it would be in the interest of the Company to appoint him as an Independent Director for a period of five years with effect from February 14, 2022.

Copy of letter of appointment of Mr. Vivek Saxena setting out the terms and conditions of appointment is being made available for inspection by the members. Moreover, he is Graduate and is having expertise in Information Technology. He is not at the Board of any other listed Company. His date of Birth is 16th August 1974 and he is not related to any Director or Key Managerial Personnel of the Company. This information may be treated as information in respect of Mr. Vivek Saxena, pursuant to Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Secretarial Standards on General Meetings (SS-2).

#### **Item No. 4**

The Board of Directors of the Company at its meeting held on February 13, 2022, appointed Ms. Renu Sharma (DIN: 03608863) as an Additional Director of the Company in the capacity of Independent Director for a term of 5 years with effect from August 10, 2022, subject to the approval of the Members of the Company. In terms of section 160 of the Companies Act, 2013, the Nomination and Remuneration Committee and the Board have recommended the appointment of Ms. Renu Sharma (DIN: 03608863) as an Independent Director pursuant to the provisions of Sections 149 and 152 of the Companies Act, 2013.

The Company has also received a notice in writing from a member proposing the candidature of Ms. Renu Sharma (DIN: 03608863) to be appointed as Director of the Company. The Company has received a declaration from Ms. Renu Sharma confirming that she meets the criteria of independence under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Further, the Company has also received Ms. Renu Sharma's consent to act as a Director in terms of section 152 of the Companies

Act, 2013 and a declaration that she is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013.

In the opinion of the Board, Ms. Renu Sharma fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, for her appointment as an Independent Director of the Company and she is independent of the management. Considering Ms. Renu Sharma's knowledge and experience, the Board of Directors is of the opinion that it would be in the interest of the Company to appoint her as an Independent Director for a period of five years with effect from August 10, 2022.

Copy of letter of appointment of Ms. Renu Sharma setting out the terms and conditions of appointment is being made available for inspection by the members. Moreover, she is Graduate and is having expertise in Human Resources Management. She is not at the Board of any other listed Company. Her date of Birth is 15h August 1963 and she is not related to any Director or Key Managerial Personnel of the Company. This information may be treated as information in respect of Ms. Renu Sharma, pursuant to Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Secretarial Standards on General Meetings (SS 2).

#### Item No. 5

M/s. J K V S & Co. Chartered Accountants (Firm Registration No. 318086E), Chartered Accountants were appointed as the Statutory Auditors of the Company at the 29th Annual General Meeting ('AGM') held on September 23, 2017 for a term of 5 years and they hold office upto the conclusion of the ensuing Annual General Meeting of the Company.

M/s. J K V S & Co. Chartered Accountants have been the Auditors of the Company since 2017-18 and will be completing a term of Five years in financial year 2021-22. 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.

In view of the above, M/s. J K V S & Co. Chartered Accountants, being eligible for re-appointment and based on the recommendation of the Audit Committee, the Board of Directors has, at its meeting held on 10th August, 2022, proposed the appointment of M/s. J K V S & Co. Chartered Accountants, as the statutory auditors of the Company for a second term of a period of Five years to hold office from the conclusion of this Annual General Meeting till the conclusion of the Thirty Ninth Annual General Meeting of the Company to be held in the year 2027.

The Board commends the Resolution at Item No. 4 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. 4 of the Notice.

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

Date : 10th August, 2022  
Place : Rewari

**R. M. Bafna**  
Managing Director  
**DIN 00159855**



## DIRECTORS REPORT

Your directors have pleasure in presenting the 34th Annual Report together with the audited accounts and the Reports of the Auditors for the year ended 31st March 2022.

### OPERATIONS AND FINANCIAL RESULTS:

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

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
Revenue from Operations	5,774.67	3,909.55
Other Income	2.08	17.66
Total Income	5,776.75	3,927.22
Operating Profit (PBDIT)*	201.94	(120.55)
Gross Profit (PBDT)*	165.28	(98.24)
Profit/loss before Tax	126.32	(48.45)
Profit/loss after Tax	126.32	(48.45)
Other Comprehensive Income / (Loss)	15.89	(7.93)
Balance carried to Balance Sheet	142.21	(40.51)
Other Equity – Closing Balance	(1562.39)	(1704.60)

\*excluding Exceptional Items

The year 2021-22 has been a satisfying year for your Company due to improved demand. Financial and operational performances have largely been close to the budgets. Your Company managed to implement its plans and executed them more efficiently to post better financial results. The net Turnover of the Company stood at 5,774.67 Lakhs in FY 2021-22 as against Rs. 3,909.55 Lakhs in 2020-21 thereby making a growth of 47.7% over the previous year. The Company posted a profit (PAT) Rs 126.32 Lakhs as against Loss of Rs. 48.45 Lakhs in the previous year. A detailed analysis of Company's operations in terms of performance in Markets business outlook risk and concerns forms part of the Management Discussion and Analysis, a separate section to this Annual Report.

There was no change in the business of the Company.

The Company did not transfer any amount to General Reserve.

### MATERIAL CHANGES AND COMMITMENTS AFFECTING FINANCIAL POSITION BETWEEN THE END OF THE FINANCIAL YEAR AND DATE OF THE REPORT.

There are no material changes and commitments affecting the financial position of the Company that have occurred between the end of the financial year to which the financial statement relates and the date of this Report.

### 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. Akshit 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 his reappointment at the ensuing Annual General meeting.

#### b. Changes in Directors and Key Managerial Personnel

During the year Mr. Atul Kumar Chaturvedi had resigned as Independent Director and Mr. Vivek Saxena was appointed as Additional Director as Independent Director. Moreover Ms. Rajni Sharma also resigned on 10th August 2022 and Ms. Renu Sharma was appointed as Additional Director (Independent). However, there is no change in the Key Management Personnel of the Company. Ms. Zeba Shaikat is Company Secretary of the Company and Mr. Kamal Kishore Sharma is Chief Finance Officer of the Company.

#### c. Declaration by an Independent Director(s) and their 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. The Company has received the notice from a Shareholder for the Appointment of Mr. Vivek Saxena and Ms. Renu Sharma as Appointment of Independent Director and Independent Women Director at the Annual General Meeting being held on 29th September 2022.

#### 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 2022 are as under:

Remuneration of Managing Director Rs. 3,75,000/- p.m.

Mean Remuneration of the Employees of the Company: Rs.33,531/- 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. Vivek Saxena and Ms. Renu 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 2021-22

#### **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. The observation arising out of the Internal Audit are periodically reviewed and its summary along with corrective action plans, if any, are submitted to the top Management for review comments and directions.

#### **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.	30.06.2021	Four Directors	Four Directors
2.	13.08.2021	Four Directors	Four Directors
3.	13.11.2021	Four Directors	Three Directors
4.	14.02.2022	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. Vivek Saxena, 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 2021, 13th August 2021, 13th November 2021 and 14th February 2022.

##### **Stakeholders Relationship Committee**

Stakeholders Relationship Committee comprises of Mr. Vivek Saxena, 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 2021 and 08th February 2022.

##### **Nomination & Remuneration Committee.**

During the year ended 31st March 2022 the Nomination & Remuneration Committee was comprised of Mr. Vivek Saxena, Independent Director as Chairman, Mr. R. M. Bafna, Managing Director as Member, and Ms. Rajni Sharma, Independent Director as Member.

During the year, One Meeting of the Nomination & Remuneration Committee was held on 13th August 2021.

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.

##### **Board Diversity**

The Company recognizes and embraces the importance of a diverse Board in its success. We believe that a truly diverse Board will leverage differences in thought perspective knowledge skill regional and industry experience cultural and geographical background age and gender



which will help us in retaining our competitive advantage. Your Board comprises of experts in various fields and leadership skills and also has one women Director on the Board.

### **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 Redressed) 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 & Redressed) 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**

With reference to section 134(3)(h) of the Companies Act 2013 all the transaction entered by the Company during FY 2021-22 entered by the Company with related Parties during financial year 2021-22 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 there under, 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](http://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**

There were no significant and Material Orders of Regulators or Tribunal which could have bearing on the Affairs of the Company during the year 2021-22.

### **Application under IBC**

No Application made under Insolvency and Bankruptcy Code 2016 during the year 2021-22

### **Details of difference between Valuation Amount on One Time Settlement and valuation while availing Loan from Banks and Financial Institutions**

During the year under review there had been no One Time Settlement with the Bank or Financial Institution.

### **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.

### **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. The existing appointment of Auditors ends with the conclusion of this Annual General Meeting.

The Board of your Company, on recommendation of Audit Committee, has decided to reappoint **M/s. J K V S & Co. Chartered Accountants** as Auditors of the Company for another term of Five years from the year 2022-23 to year 2026-27. Your Company has received confirmation from above mentioned 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.

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 Upreti as Proprietor having office at C2/112, Lodhi Colony, New Delhi 110003 for the financial year 2022-23, 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 2022-23 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 had 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 2021-22 is annexed herewith as Annexure II to this Report. The Secretarial Audit Report does not contain any qualifications, reservations or adverse remark.

#### **Compliance of Secretarial Standards**

Pursuant to provisions of section 118 of the Act the Company has complied with the applicable provisions of the Secretarial Standards issued by the "The Institute of Company Secretaries of India" and notified by Ministry of corporate Affairs.

#### **DEPOSIT UNDER CHAPTER V OF THE COMPANIES ACT 2013**

During the financial year 2021-22, your Company has not accepted any 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)(c) (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.

#### **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, 2022, 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, 2022 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 be 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 B, forming part of this 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: 10.08.2022**

**R. M. Bafna**  
**Managing Director**  
**DIN 00159855**

**Vivek Saxena**  
**Director**  
**DIN 07903817**

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

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

**Basis of Qualified opinion:**

1. Going Concern Assumption may no longer be appropriate – As the Company has incurred significant operating losses, negative operating cash flow, negative working capital, adjudication of legal process against the company for loan liability, Notice of Recovery Officer-II of DRT-1, Delhi for settling sale proclamation for the sale of the factory property 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.

**Management Reply**

Management has evaluated the circumstances and events and is of the view that it is largely because of earlier slowdown in the Auto Industry from which the Company has not been able to recover. The Company has now taken certain measures, the effect of which shall be seen in the coming years. This is a temporary phase and shall not affect the Company's ability to meet its obligations.

**Auditors Qualification**

- 2.1 The Company has not made provisions of Interest & Other Charges on Secured Loans taken from Financial Institutions/ Banks (ICICI Bank and IDBI Bank) Rs. 705.34 lakhs as per interim order of the divisional bench of Punjab and Haryana high court, Chandigarh, as stated in Note No. – 32(7) of Other notes.
- 2.2 Note No. (2K) Note No. 32(7)(E) para (k) of other notes to financial statements describes that company has not made provision calculated on the IFCI debts confirmed 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. 25,434.39 Lakhs as on 31st March'22 (Gross Value before adjusting repayment through Cash and Land) related to liability of IFCI debt. Other liability of IDBI 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. 25746.13 Lakhs.
- 2.3 Had the provision been made, the profit up to the year after tax Rs. 126.32 lakhs would have resulted in loss of Rs. 25,619.82 lakhs, Reserve & Surplus Deficit (Balance of Statement of Profit & Loss) would have been Rs. 27,308.53 lakhs instead of Rs. 1562.39 lakhs.

**Management Reply**

- 2.1., 2.2 and 2.3. The Company had deposited Rs. 5 Crore in the Punjab & Haryana High Court, Chandigarh which was given to Alchemist Asset Reconstruction Company Limited (AARCL) (Rs. 3 crore) and Kotak Mahindra Bank Ltd (KMBL) (Rs. Rs. 2 Crore) and the affect was taken in the Books. The Company, in this regard, has already handed over 10 Acres of land (valued by AARCL at Rs.18 Crores).

**Auditors Qualification**

3. 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. The land is sold by Alchemist Asset Reconstruction Company Ltd. at Rs. 1350 lakhs. The company is not made accounting entries on transfer of such lands and tax thereon if any.
4. Company have not worked out and provided for the Interest and penalty which will arise due to long outstanding of statutory dues and non-filing of statutory returns in time.

**Management Reply**

3. Impact is not ascertainable unless the land of 10 Acres is sold by AARCL, for which the physical possession is already given. Recently the Company has come to know that the Land is sold by AARCL to Varahalakshmi Infrastructure Private Limited, but the Company has not received any formal communication or confirmation in this regard. The effect shall be made in the books only after the amount is ascertainable of the sale and the effect of the Interim Order is carried out.
4. As explained in 2 above.

**Auditors Qualification****Annexure A to the Auditors Report**

- (c) On the basis of our examination of the records of the Company, the title deeds of immovable properties, plant and equipment are held in the name of the company except the company had given physical possession on 08-03-2013 of approx. 10 Acre land whose approx. cost appearing in the books is ₹ 12.02 Lakhs, to M/s. Alchemist Asset Reconstruction Company Ltd. (assignees of IDBI & IFCI) 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. The land is sold by Alchemist Asset Reconstruction Company Ltd. at Rs. 1350 lakhs. The company is not accounted for these as sale till the settlement of court case, therefore necessary accounting entries and profit on transfer of land & capital gain tax could not be determined and accounted for in books of accounts.

**Management Reply**

Registry and other documents relating to sale of the land to third party is not available with the company, therefore necessary accounting entries could not be made in view of the matter stated above, we are unable to form any opinion relating to state of affairs, profit & loss, etc. in regards to the land, no effect has been given in the Fixed Assets Schedule of the Accounts.

**Auditors Qualification**

- a. 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 Rs. 1850.00 lakhs. The company has not made provision during the year for balance amount of Rs. 705.34 lakhs as referred to in note no.- 33(7) (E) of Other notes.

Also, the company has not made provision calculated on the IFCI debts confirmed by the order dated 18-01-2016 in DRT-I, New Delhi by AARCL for the recovery of Rs. 8449.39 lakhs together with simple interest @ 13.50% p.a. from 14-05-2007 which amount to Rs. 23153.06 lakhs as referred in Note No. 33 (7) (E) para (k) of other notes to financial statements.

**Management Reply**

As explained in 2.1 & 2.2 above.