32nd

ANNUAL REPORT

2019-2020

Coventry Coil-o-Matic (Haryana) Ltd.

Corporate Information

Board of Directors

Mr. R. M. Bafna , Managing Director & CEO
Ms. Smriti Bafna, Whole Time Director
Mr. Atul Kumar Chaturvedi, Director
Ms. Rajni Sharma, 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 Ms. Smriti Bafna, Chairman 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, 1st Floor, 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

Chief Financial Officer : Mr. R.P. Verma

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 **32nd Annual General Meeting of the Company shall be held on Wednesday,** the 11th November, 2020 at 10:00 a.m. at its Registered Office - Village: Salawas, 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 2020 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 Ms. Smriti Bafna, who retires by rotation, but being eligible, offers herself for re-appointment.

By Order of the Board of Directors

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

Date: 15th September, 2020
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. The Annual General Meeting is being convened late in the month of November 2020 in accordance with the MCA Order No. ROC/Delhi/AGM Extn./2020/11538 dated 08.09.2020 for the extension of Annual General Meeting for the year 2020.
3. 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.
4. 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.
5. The Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 is nor required as there is no special business to be transacted at the Annual General Meeting.
6. The Register of Beneficial Owners, Register of Members and Share Transfer Books of the Company will remain closed from 4th November 2020 to 11th November 2020 (both days inclusive).
7. Members are requested to bring their copy of the Annual Report, as Copies of the Report will not be distributed again at the Meeting.
8. 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.
9. Members are requested to notify the Company of any change in address in full with Pin code numbers.
10. 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.

11. Members/proxy-holders are requested to produce at the entrance the attached Admission Slip duly completed and signed for admission to the meeting hall.

12. All documents referred to are open for inspection at the Registered Office of the Company during Office hours on any working days.

13. 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.

14. 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 32nd Annual General Meeting dated 15th September, 2020. 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 08th to 10th November 2020. The Company has fixed 09th October, 2020 as a cut-off date to record the entitlement of the Shareholders to cast their votes electronically at the 32nd 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.

DIRECTORS REPORT

To the Members,

The Directors have pleasure in presenting the **32nd Annual Report** together with the audited accounts and the Reports of the Auditors for the year ended **31st March 2020.**

OPERATIONS AND FINANCIAL RESULTS

The Company's financial working results for the year are summarized below: - (Rs. Lakhs)

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
Revenue from Operations	4546.07	6657.28
Other Income	22.72	23.85
Total Income	4568.78	6681.13
Operating Profit (PBDIT)*	324.44	258.90
Gross Profit (PBDT)*	305.17	246.48
Profit/ (Loss) before Tax	(211.89)	(164.53)
Other Comprehensive Income / (Loss)	(7.86)	16.77
Balance carried to Balance Sheet	(219.76)	(147.76)
Other Equity - Closing Balance	(1664.08)	(1444.34)

*excluding Exceptional Items

The year 2019-20 was very uncertain & extremely tough year for the Company. The Indian Automotive industry faced one of its most difficult years in FY 2019-20. The overall slowdown in demand, BS-VI compliance burden on costs and timeline, and finally the outbreak of COVID-19 pandemic weighed heavily on the entire industry and particularly on our Company. Moreover, Labour costs, cost of inputs and Legal fees were also increased. Consequently, the Company witnessed negative growth and we witnessed a decrease of around 32% of turnover when compared with the previous year turnover.

However, your Directors are hopeful to post better results during the year 2020-21.

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 Ms. Smriti 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. Poonam Rani resigned as Company Secretary with effect from 1st May 2019 and Ms. Princy Agarwal was appointed as Company Secretary of the Company on 25th September 2019. 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 2020 are as under:

Remuneration of Managing Director Rs. 2,73,750/- p.m.

Remuneration of Whole Time Director Rs. 2,34,375/- p.m.

Mean Remuneration of the Employees of the Company: Rs. 36,597/- 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 2019-20.

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.	29.05.2019	Four Directors	Four Directors
2.	14.08.2019	Four Directors	Four Directors
3.	14.11.2019	Four Directors	Four Directors
4.	14.02.2020	Four Directors	Four Directors

Meetings of the Committees of the 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 29th May 2019, 14th August 2019, 14th November 2019 and 14th February 2020.

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 one Meeting on 14th February 2020.

Nomination & Remuneration Committee.

Nomination & Remuneration Committee is 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 one Meeting which was attended by all the Members of the Committee. The Nomination & Remuneration Committee meeting was held on 29th May 2019.

It may be taken note that the Board 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 2019-20 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.

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

The Company availed Term Loans of Rs. 925.67 lakhs between 1990 and 1992 from the consortium of ICICI, IDBI and IFCI of with 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. 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 2020 under the Note No. 18(a) [see Page 51].

On 18th January 2016, the Debt Recovery Tribunal -1, Delhi (DRT-I) pronounced an Order for the recovery of Rs. 8449.40 lakhs together with simple interest @ 13.5% p.a. The Company has filed an Appeal in the Appellate Court against this order, as the Company is of the view that the said Order is not in accordance with the law and after applying the Reserve Bank of India One-Time Settlement (RBI OTS) Guidelines and after adjusting amounts already paid, physical possession of part property given and amount deposited with the DRT, the Company is of the opinion that nothing will be due and payable by the Company to the Lenders/ Assignees. On the contrary amounts may become recoverable which claims have been filed by the Company.

CAPITAL AND DEBT STRUCTURE

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:

a. in the preparation of the annual accounts for the year ended March 31, 2020, 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;

b. 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, 2020 and of the profit of the Company for the year ended on that date;

c. 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;

d. the Directors have prepared the annual accounts on a 'going concern' basis;

e. 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

f. 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

CONSERVATIONOF 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 – II, 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 Upreti as Proprietor having office at C2/112, Lodhi Colony, New Delhi 110003 or the financial year 2020-21, 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 2020-21 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 2020-21. The Secretarial Audit Report for the year 2019-20 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 2019-20, 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, and pursuant to Clause 38 of the Listing Agreement.

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

R.M. Bafna	**Atul Kumar Chaturvedi**
Managing Director	**Director**
DIN 00159855	**DIN 01759365**

Place : New Delhi
Dated : 30.06.2020

ANNEXURE – A

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

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

Material Uncertainty related to Going Concern:

Note No. (14) of 33 of other notes to financial statement regarding 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 affect 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 Rs. 705.34 lakhs as per interim order of the divisional bench of Punjab and Haryana high court, Chandigarh, as stated in Note No. – (E) of Other notes 33(7).

2.2 Note No. 33(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. 23,153.06 Lakhs as on 31stMarch'20 (Gross Value before adjusting repayment through Cash and Land) related to liability of IFCI debt. Other liability of IDBI and Kotak Mahindra Bank are yet to be ordered by Courts. Liability provided in the book against these are only of Rs. 393.59 lakhs, non-provision of Rs. 23,464.80 Lakhs.

2.3 Had the provision been made, the loss up to the year after tax Rs. 211.89 lakhs would have resulted in loss of Rs. 23,676.68 lakhs, Reserve & Surplus Deficit (Balance of Statement of Profit & Loss) would have been Rs. 25128.88 lakhs instead of Rs. 1664.08 lakhs.

Management Reply

2.1 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). But it may be noted that the Order of Punjab & Haryana High Court is an Interim Order. Final Order is yet to be pronounced. The Company shall make changes in the books when the Final Order comes into effect.

2.2 Company has already filed an appeal against the Final Order of DRT 1. The Company shall comply with the Final Order depending on the outcome of the Appeal. Accordingly the amount in said Orders is not relevant for the time being.

2.3 As explained in 2.2 above.

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 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

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 was 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 regards. 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 2.2 above.

Auditors Qualification

Annexure A to the Auditors Report

1c 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, as we are unable to form any opinion relating to state of affairs, profit & loss, etc. in regard to the land, no effect has been given in the Fixed Assets Schedule of the Accounts.

Auditors Qualification

viii. 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.

ANNEXURE – B

NOMINATION and REMUNERATION POLICY

Preamble

This Nomination and Remuneration Policy (“Policy”) has been formulated pursuant to the provisions of Section 178 of the Companies Act, 2013 read with the applicable rules thereto and Regulation 19 of SEBI (LODR) Regulations, 2015 (erstwhile Clause 49 of the Listing Agreement), Regulations, Circulars, Clarifications and Notifications as applicable and amended from time to time (hereinafter referred to as “Law”), by the Nomination and Remuneration Committee (“Committee”) and approved by the Board of Directors of Coventry Coil o Matic (Haryana) Limited. (CCHL) (hereinafter referred to as “Board”).

Objective

The objective of this Policy is to provide a consistent framework to the Committee to perform its functions in compliance with the Law pertaining to the appointment of, remuneration payable to and removal of, directors, key managerial personnel and senior management personnel and make appropriate recommendations to the Board.

Applicability

This Policy shall be applicable to all Directors, Key Managerial Personnel, Senior Management Personnel and other employees of CCHL, wherever applicable.

Definitions

"Key Managerial Personnel (KMP)” means the Managing Director & CEO, Chief Financial Officer and Company Secretary. “Senior Management Personnel” shall mean the Chief Operating Officers of the respective SBUs of the Company, people designated as Executive Directors & Corporate Function heads.

Criteria for appointment and removal of Directors, Key Managerial Personnel and Senior Management

1) Appointment criteria and qualifications

a) Subject to Law and the HR Policy of the Company, the Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP and/or Senior Management personnel in the manner as it deems fit and make appropriate recommendations

b) If required and considered fit by the Committee, appropriate consultations shall be held with CCHL MD & CEO.

2) Term / Tenure

The Term / Tenure of the Directors shall be governed by and as prescribed under Law.

3) Removal

Due to reasons for any disqualification mentioned under Law or any other justifiable grounds, the Committee may recommend to the Board, with reasons to be recorded in writing, for removal of a Director or KMP or Senior Management Personnel.

Criteria for determining qualifications, positive attributes and independence of a Director

1. The Committee shall consider the age, education, experience and such specific skills as may be required for the concerned position of an executive, non-executive or independent director and shall assess the professional success, leadership skills, ethics, integrity and values in the candidates recommended to the Board of directors, along with the potential of value addition to CCHL.
2. The Committee shall also consider the personal qualities of each candidate to be able to make a substantial and active contribution to Board deliberations. The candidate must be willing to commit, as well as have, sufficient time available to discharge the duties of a Director.
3. The Director should not have a direct or indirect material or pecuniary relationship with the Company,

including its subsidiaries or affiliates or any member of senior management.

4. The Directors' independence will further be confirmed on an annual basis upon the declarations made by such directors as per the Law.
5. Every director shall be obliged to forthwith inform the Committee and / or Board of any change in circumstances that may jeopardize his or her independence.

Remuneration payable to Directors, Key Managerial Personnel and other employees

1. Managing Director/ Whole-time Directors

a. The Nomination and Remuneration Committee shall make such recommendations to the Board, as it may consider appropriate with regard to remuneration to Managing Director/ Whole-time directors.

b. The Remuneration / Commission etc. to be paid to Managing Director/Whole-time directors shall be governed by Law read with Management Regulations of the Company and be subject to the approval of shareholders of the Company and Central Government, wherever required.

2. Non-Executive/ Independent Directors

a. The Non-Executive / Independent Directors may receive remuneration by way of fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed One lakh per meeting of the Board or Committee or such amount as may be prescribed by Law.

b. The Non-executive / Independent directors may be entitled to reimbursement of reasonable and direct expenses for participation in the Board and other meetings and profit related commission as may be approved by the shareholders of the Company which shall not exceed 1% of the net profits of the Company or such amount as may be prescribed by law from time to time.

c. An Independent director shall not be entitled to any stock option.

d. The sitting fee paid to Independent Directors and Women Directors, shall not be less than the sitting fee payable to other directors.

3. KMP, Senior Management Personnel and other Employees

a. The remuneration of KMP (excluding the MD & CEO) and Senior Management Personnel shall be governed by the HR Policy of CCHL on the basis of recommendation of the MD & CEO of the Company.

b. The remuneration of other employees shall be governed by the HR Policy of CCHL.

c. The remuneration shall be subject to applicable taxes and the Company may withhold therefrom any amounts as are required to be withheld pursuant to the applicable laws. Any tax liability arising in respect of payments made pursuant to the remuneration shall be borne solely by the respective Director, KMP and Senior Management Personnel.

The Committee shall ensure that the –

- level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully;
- relationship of remuneration to performance is clear and meets appropriate performance benchmark; and
- Remuneration to Directors, Key Managerial Personnel and Senior Management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

Performance Evaluation

The evaluation of Directors, KMP and Senior Management Personnel shall be conducted yearly or at such intervals as may be considered necessary.

Disclosure

Adequate disclosures pertaining to this Policy shall be made in the Annual Report as a part of Board's Report and on the website of the Company as required by Law.

Amendments

- The Committee and /or the Board may review and amend this Policy as and when it deems necessary.
- In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date of such amendment(s), clarification, circular(s) etc.

ANNEXURE – C

INFORMATION AS PER SECTION 134(3)(m) OF THE COMPANIES ACT, 2013 READ WITH RULE 8(3) OF THE COMPANIES (ACCOUNTS) RULES, 2014 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31st MARCH 2019.

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

a. DHBVN Ltd. – Power Purchased

		31.03.2020	31.03.2019
DHBVN Ltd. – Power Purchased (kwh)	Units	**23,16,061**	28,18,618
Total Amount	₹ lakhs	**188.64**	232.47
Rate per Unit	₹	**8.14**	8.25

b. Captive Generation

D.G. Sets (kwh)	Units	**6,01,700**	7,55,590
Total Amount	₹ lakhs	**135.86**	131.34
Rate per Unit	₹	**22.57**	17.38

CONSUMPTION PER UNIT OF PRODUCTION – PRODUCT (SPRING)

Electricity	Total Units (kwh)	**29,17,761**	35,75,208
	Kwh/MT of Product	**1194.16**	1204.39

B. TECHNOLOGY ABSORPTION

FORM 'B'

FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO ABSORPTION OF TECHNOLOGY, RESEARCH & DEVELOPMENT (R & D)

a) Research & Development:

(1) Specific areas in which R & D is carried out by the Company:

- Development of suspension springs for the 2-wheeler (Motorcycles and Scooters) Industry.

- Improvement in wire processing line for better surface finish and reducing breakages and warranties.

(2) Benefits derived as a result of the above R & D:

- Development of a new market such as the 2-wheeler Industry where there was no presence.

(3) Future plan of action:

- Review of existing products for developing cost effective products for other market areas.
- Improvising its present manufacturing facilities for attaining higher market share.

(4) Expenditure on R & D:

- As Research & Development is carried out by concerned areas, no separate accounts are, therefore, maintained.

b) Technology absorption, adaptation & innovations:

(1) Efforts towards technology absorption, adaptation and innovation

- Increasing production efficiency by improving material handling systems and reducing stage work-in-process.

(2) Benefits derived as a result of above efforts:

- Reduced development time for new products.

C. FOREIGN EXCHANGE EARNINGS & OUTGO

	2019-20	**2018-19**
Foreign Exchange Earnings	**₹ 43,38,334**	**₹ 28,54,310**
Foreign Exchange Outgo	**₹ 6,81,670**	**₹ 6,42,774**

ANNEXURE – D

Form No. MR-3

SECRETARIAL AUDIT REPORT

(For the Financial year ended 31st March 2020)

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members,

Coventry Coil-O-Matic (Haryana) Limited
87 Km, NH 8, Vill. Salawas, Post Sangwari,
Distt. Rewari 123401 Haryana

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Coventry Coil-o-Matic (Haryana) Limited** (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me/us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the **Coventry Coil-o-Matic (Haryana) Limited** books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on **31st March 2020** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by **Coventry Coil-o-Matic (Haryana) Limited** for the financial year ended on **31st March 2020** according to the provisions of:

i. The Companies Act, 2013 (the Act) and the rules made there under;

ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;

iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

iv. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings. The Company is not having any FDI, ODI or ECB.

v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

   a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

   b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;

   c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

   d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;

   e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

   f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;

h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; and

i. The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulation, 2015;

vi. The Company has complied with various provisions of Labour Laws, Environmental Laws and other related applicable Laws to extent applicable to the Company.

We have also examined compliance with the applicable clauses of the following:

i. Secretarial Standards issued by The Institute of Company Secretaries of India.

ii. The provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. as aforesaid.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the company has had no major events or actions which are having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above.

for **Siddiqui & Associates**
Company Secretaries

Place: New Delhi
Date: 30.06.2020

K.O. SIDDIQUI
FCS 2229; CP 1284
UDIN F002229B000612751

Management Discussion and Analysis

Overview

Coventry Coil-o-Matic (Haryana) Limited (CCHL) is one of India's leading integrated spring solutions Company offering a comprehensive range of products and solutions catering to multiple industries. It is a leading manufacturer of Auto Suspension Springs as well as Power Brake Actuator Springs for Commercial Vehicles and is one of the leading market players in springs for other Industrial Applications. Business from the Auto Suspension Springs and Power Brake Actuator Springs accounted for more than 90% of the total turnover.

Macro-Economic Review

Global

While 2019 began on a weak note, a pick-up was expected in the second half, with full-year growth projections being at 3.3%. In 2020, global economic growth is expected to be 3.6%, ledby an expected rebound in Argentina and Turkey and some improvement in a set of other stressed emerging market and developing economies. During the calendar year, the world continued to witness the continuous US-China trade war with the imposition of tariffs by US and retaliation by China, impacting both countries. According to the International Monetary Fund (IMF), US's GDP growth for Calendar Year (CY) 2019 grew much slower at 2.3% as compared a 2.9% growth for CY 2018. On similar vein, China also faced the impact of the trade war as it posted a growth of 6.1% for CY 2019 as against 6.7% a year earlier. Beyond the most visible trade war between the two economic giants, geopolitical tensions and stress in key emerging market economies like India weighed on global economic activity - especially manufacturing social unrest, other countries saw weather-related disasters – from hurricanes in the Caribbean, to drought and bushfires in Australia, floods in eastern Africa and drought in southern Africa – continued to pose new challenges for the global economic growth. All these impacted the growth rate of Advanced Economies, and Emerging Markets & Developing Economies which slowed to 1.7% and 3.7% respectively from 2.2% and 4.5% respectively in CY 2018, taking the global economic growth to 2.9% for CY 2019, a far cry from the robust growth of 3.6% for CY 2018.

India

FY 2019-20 was an uncertain, challenging and an extremely tough year for the Indian economy. The economy has been growing at a stellar pace in the last few years and was amongst the fastest growing economies in the world. While FY 2018-19 closed at a sub 7% GDP growth rate, it was expected that the economic powerhouse will outshine its previous year and be back on a northward trajectory. But the year began on an uncertain note as the country saw a general election resulting in a complete lull in the economic activity during its first quarter. Even as the results came in, there was widespread hope on strong economic growth in the next quarters, given the overwhelming mandate for the ruling party.

However, the economy continued to face tough and challenging conditions as it was facing a liquidity crisis of the previous financial year. This continued crisis choked the credit flow to the economy, especially the Micro, Small and Medium Enterprises (MSME) sector impacting the economy. The repercussion was that consumer sentiments took a beating, resulting in low demand in the economy. There were some green shoots emerging in the third quarter of the financial year, the news of COVID-19 pandemic and its quick spread in parts of the world and India dashed all hopes of the economic gains in the quarter and the whole financial year. According to data released by the National statistical Office, India saw its economy growth hitting a 11-year low of 4.2% for FY 2019-20

Industry

The Indian Automotive industry faced one of its most difficult years in FY 2019-20. 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. Consequently, it witnessed negative growth in all its key categories.

As per data from Society of Indian Automobile Manufacturers, Passenger Vehicles closed the financial year with a de-growth in production by 13%. Commercial Vehicles production recorded an even sharper contraction of 32.4%. In a year that witnessed even Medium & Heavy Commercial Vehicles (MHCVs) and Light Commercial

Vehicles (LCVs) post negative growth of 47.3% and 22.5% respectively, the overall industry production posted a drop of 17%.

Automotive Spring Market size will witness growth owing to increasing focus on passenger safety, convenience and comfort. Positive outlook for automotive industry drives the auto parts and components demand. Expanding automobile sector in developing countries coupled with rise in disposable income and increasing spending on comfort and luxury will support the automotive spring market.

Based on products, automotive spring market is categorized into coil, leaf, balance and flat spring. Coil springs acquires substantial share owing to its use in passenger cars and two wheelers for smooth vehicle experience. Leaf spring can bear high weight of cargo, absorbs vehicle shocks and carry tons of cargo for longer distance. Increasing demand of commercial vehicle will fuel product demand.

Based on vehicle type, automotive spring market is categorized in to PCV, LCV and HCV. PCV dominates the overall market owing to highest demand across the globe. OEMs focusing on improving driver experience and convenience will support the demand. Demand from LCV is driven by increasing public transport and taxy hire services.

The app-cab aggregators are expanding their operations extensively, resulting in higher demand for passenger vehicles.

The Company has received certifications from its United Registrar of Systems TS 16949 for quality of the products of the Company.

Financial Performance:

The year 2019-20 was a very uncertain & extremely tough year for the Company. The Indian Automotive industry faced one of its most difficult years in FY 2019-20. 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 other inputs also increased. Consequently, the Company witnessed negative growth and we witnessed a decrease of around 32% of turnover when compared with last year Turnover.

With new spring manufacturers coming into the Passenger Vehicle segment, thereby increasing huge competition, CCHL had to offer huge volume and cash Discounts to its Customers to retain and increase its Order Books. The Company's operations were under pressure to generate profits as this contributed to the Company's losses and put a lot of stress on its cash flow. Also with developing of new segment and to maintain quality and delivery schedules, there was high stress on internal efficiencies resulting in spurt in elevation of raw material and operational costs. Concerted efforts are being made to reduce and control the raw material and operational costs in the current fiscal.

Product Development:

Because of high operational costs as explained above, CCHL was not able to adapt the new technology to increase its foray in the Front Suspension Springs for passenger cars and MUVs so as to further enable it to increase its presence in this segment again. However, with better control on its operational costs and reduction in raw material, the Company expects to start generating profits and be able to adapt the newer technology.

OPPORTUNITIES:

The shift towards zero emission mobility is an inevitable transition happening across the world and India cannot remain insulated from it. With growing focus on climate change and global warming, it is essential that India must move fast and take a leadership position in global electric mobility revolution. We at CCHL are already working towards that and trying to find better ways to support the electric mobility.

Moreover, the Government is already offering a number of incentives. Manufacturers such as Hyundai and Tata have already rolled out their EVs. In fact, Tata Nexon EV was launched very recently. The Government shall continue to support EV segment and we at CCHL are continuing with our efforts to produce better products for EV segments.

BUSINESS OUTLOOK AND OVERVEIW

Outlook

We are witnessing a transformational shift in the mobility domain, where the world is shifting towards shared and connected form of transport. India will be driver of shared, connected and zero mobility. By 2030 India is expected that nearly 35% of miles travelled shall be shared. Any change in the mobility landscape should be viewed through this prism. The slowdown is only temporary phase. The Automobile sector will bounce back.

In the wake of the continued drop in inflation and interest rates and favourable macro-economic sentiments, the RBI softened its stance on monetary tightening. Various policy measures were undertaken in FY 2019-20. Similarly, the Automobile segment is witnessing growing demand led by entrance of increasing number of foreign players.

Automotive Mission Plan 2016-26

- Indian automotive industry to grow 3.5-4 times of the current value of USD 74 billion to USD 260 -300 billion by 2026.
- India to be among top three automakers in the world along with China and US Auto Component to grow from the current levels of Rs120 billion to Rs 593.5 –732 billion
- Passenger vehicles likely to increase between 9.4 -13.4 million units from the current level of 3.2 million units Generate 65 million jobs (both direct and indirect) by 2026.
- OEM Domestic to touch 9.32 lakh and component market to 6.62 lakh by 2026.
- BSV norms to be adopted by 2019 and BSVI norms to be implemented by 2023 for passenger vehicles.

Risks

The Company faces several risks due to various uncertainties in external and internal factors. Prudent risk management system protect the Company and strengthen the business operations,as it is better prepared to face unforeseen challenges.

Human Resources

The Company believes that the key to excellent business results is an excellent talent pool. It values its human capital and provides them ample opportunities to grow. The Company ensures a safe, conducive and productive work environment in its plant and office. It provides regular skill and personnel development training to enhance employee productivity. Employee engagement is encouraged through increasing participation in QC (quality control) circles, kaizen and other suggestion schemes. Leadership development is a major thrust area, involving grooming at the next level for managerial and leadership roles. During the year under review, the Company considered the NEEM model for Skill India and Empowerment for the young professionals. This was a step in the direction towards Zero defect requirement from major OEMs suppliers. To enhance intra-functional and inter-functional effectiveness, the Company strives to develop synergy across different functions. As a part of the TQM culture of developing and growing talent internally, the Company focuses on education and training infrastructure. These initiatives have been acknowledged by multiple awards from customers and prestigious HR forums.

(The Company assumes no responsibility in respect of forward looking statements herein which may undergo changes in future on the basis of subsequent development, information or events.)

INDEPENDENT AUDITOR'S REPORT

To the Members of Coventry Coil-O-Matic (Haryana) limited

Report on the Financial Statements

Qualified Opinion

We have audited the accompanying financial statements of **Coventry Coil-O-Matic (Haryana) Limited** ("the company"), which comprise the Balance sheet as at **March 31 2020**, the Statement of Profit and Loss, (including the Statement of Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information(hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, based on Basis of qualified opinion section or our report, aforesaid financial statements does not give the information required by the Companies Act, 2013 ("the Act") in the manner so required and does not give a true and fair view in conformity with the prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, its loss including other comprehensive income, its cash flows and the changes in equity for the year ended on that date

Basis for Qualified Opinion

1. *Material Uncertainty related to Going Concern:*

   Note No. (14) of 33 of other notes to financial statement regarding 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.

2. 2.1 The company has not made provisions of Interest & Other Charges on Secured Loans taken from Financial Institutions/ Banks Rs. 705.34 lakhs as per interim order of the divisional bench of Punjab and Haryana high court, Chandigarh, as stated in Note No. – (E) of Other notes 33(7).

   2.2 Note No. 33(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. 23,153.06 Lakhs as on 31st March'20 (Gross Value before adjusting repayment through Cash and Land) related to liability of IFCI debt. Other liability of IDBI and Kotak Mahindra Bank are yet to be ordered by Courts. Liability provided in the book against these are only of Rs. 393.59 lakhs, non-provision of Rs. 23,464.80 Lakhs.

   2.3 Had the provision been made, the loss up to the year after tax Rs. 211.89 lakhs would have resulted in loss of Rs. 23,676.68 lakhs, Reserve & Surplus Deficit (Balance of Statement of Profit & Loss) would have been Rs. 25128.88 lakhs instead of Rs. 1664.08 lakhs.

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 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.

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.

   Our opinion is qualified in respect of the above matter. Impact with respect to 1, 3 and 4 above are presently not ascertainable and as such cannot be commented upon by us.

   We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants (ICAI) of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the financial statements.

Emphasis of Matter

1. Note No. 33 (1A) (ii) to financial statement, which describes contingent liability not provided for claims under adjudication
   - in DRT-II, New Delhi by KMBL for recovery of Rs. 4,72.07 lakhs and
   - in DRT-I, New Delhi by AARCL for recovery of the dues calculated on the IDCI Debts Rs. 9315.19 lakhs

     (The Company has also filed counter claims of more than Rs.500 Crores on both KMBL and AARCL.)
2. We draw your attention to the following matters:

   a) Note No. 33 (9) to financial statement, which describes Account Reconciliation/Confirmation in respect of certain accounts of Debtors have not been received and they are subject to confirmations and reconciliation. The management is of the opinion that adjustment, if any, arising out of such reconciliation would not have material effect on the financial statement of current year.

   b) Note No. 33 (10) to financial statement, which describes Account Reconciliation/Confirmation in respect of certain accounts of Vendor's have not been received and they are subject to confirmations and reconciliation. The management is of the opinion that adjustment, if any, arising out of such reconciliation would not have material effect on the financial statement of current year.

   Our opinion is not qualified in respect of the above matters.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the financial year ended March 31, 2020. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Sr. No.	Key Audit Matter	Key Audit Matter
1	**Revenue Recognition** Revenue recognition is significant audit risk within the Company. For the financial year ended 31 March, 2020, the Company has recorded revenue amounting to Rs. 4546.07 Lakhs. The accounting policies for revenue recognition are set out in Note 3.5 to the financial statements. We have identified sales cut-off to be significant because of the high volume of transactions and the varying sales, contractual and shipping terms. Revenue recognition is susceptible to the higher risk that the revenue is recognised when the control of goods has not been transferred to the customers	**How our audit addressed the key audit matter:** We assessed the overall sales process and the relevant systems and the design of controls over the capture and recording of revenue transactions. We have tested the effectiveness of controls on the processes related to revenue recognition relevant to our audit. We performed sample testing on revenue and checked that the revenue recognition criteria are appropriately applied. We have also performed cut-off tests to ensure the Company has complied with proper cut-off procedures and revenue is recognised in the appropriate accounting period. **Our Observation:** We found the Company's revenue recognition to be consistent with its accounting policy as disclosed in Note 3.5 to the financial statements. We are satisfied that the Company's revenue has been appropriately recognised and in the relevant accounting period.
2	**Recoverability of Trade Receivable** The gross balance of trade receivables as at March 31, 2020 amounted to Rs. 437.17 Lakhs, against which provision for doubtful debts amounting to Rs. 31.17 Lakhs was made as detailed in Note 6 & 10 to the financial statements. The Company assesses periodically and at each financial year end, the expected credit loss associated with its receivables. When there is expected credit loss impairment, the amount and timing of future cash flows are estimated based on historical, current and forward-looking loss experience for assets with similar credit risk characteristics. We focused on this area because of its significance and the degree of judgement required to estimate the expected credit loss and determining the carrying amount of trade receivables as at the reporting date.	**How our audit addressed the key audit matter:** We obtained an understanding of the Company's credit policy for trade receivables and evaluated the processes for identifying impairment indicators. We have reviewed and tested the ageing of trade receivables. We have reviewed management's assessment on the credit worthiness of selected customers for trade receivables. We further discussed with the key management on the adequacy of the allowance for impairment recorded by the Company and reviewed the supporting documents provided by management in relation to their assessment. We have also reviewed the adequacy and appropriateness of the impairment charge based on the available information. **Our Observation:** Based on our audit procedures performed, we found management's assessment of the recoverability of trade receivables to be reasonable and the disclosures to be appropriate.

3	Evaluation of uncertain tax positions	How our audit addressed the key audit matter:
	The Company has material uncertain tax positions including matters under dispute which involves significant judgment to determine the possible outcome of these disputes.	Obtained details of completed tax assessments and demands for the year ended March 31, 2020 from management. We involved our internal experts to challenge the management's underlying assumptions in estimating the tax provision and the possible outcome of the disputes. Our internal experts also considered legal precedence and other rulings in evaluating management's position on these uncertain tax positions. Additionally, we considered the effect of new information in respect of uncertain tax positions as at April 1, 2019 to evaluate whether any change was required to management's position on these uncertainties.

Information Other than theFinancial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report but does not include the financial statements and our auditor's report thereon. We have obtained all other information prior to the date of this auditors' report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard. When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions, as applicable under the applicable laws and regulations.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes 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 frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements for the financial year ended March 31, 2020 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, we report that:
   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
   (b) In our opinion, except of the matter described in Basis for Qualified Opinion paragraph above, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
   (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
   (d) Due to the effects/ possible effects of the matter described in the basis for qualified opinion paragraph in our opinion, the aforesaid financial statements does not comply with the Accounting Standards specified under Section 133 of the Act, , read with the Companies (Indian Accounting Standards) Rules, 2015, as amended;
   (e) the outcome of the matters described in Basis for Qualified Opinion and Emphasis of Matter paragraph above in our opinion, may have an adverse effect on the functioning of the company.
   (f) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164(2) of the Act;
   (g) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" to this report.
   (h) In our opinion, the managerial remuneration for the year ended March 31, 2020 has been paid/ provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act; and
   (I) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
      i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements – Refer Note No. 33 (1A) to the financial statements;
      ii. The Company does not have any material foreseeable losses on long term contracts including derivative contracts.
      iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For J K V S & Co.
Chartered Accountants
Firm Reg. No. 318086E

SAJAL GOYAL
Partner
Membership No.: 523903
UDIN: 20523903AAAABD6620

Place: Delhi
Dated: 30.06.2020

Annexure - A referred to in paragraph 1 of our report of even date on the other legal and regulatory requirements

Re: Coventry Coil-O-Matic (Haryana) limited

On the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of our audit, we report that:

i. In respect of its fixed assets:

  a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

  b) *The management has made a policy to conduct physical verification once in a block of 3 years. But, no physical verification has been carried out during the year.*

  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.*

ii. The management has conducted physical verification of inventories, except stock in transit, during the year at reasonable interval and no material discrepancies were noticed on such physical verification.

iii. The Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnership or other parties listed in the register maintained under Section 189 of the Companies Act, 2013. Therefore, the provisions of clause 3(iii) of the Order are not applicable.

iv. The Company has no transaction with respect to loan, investment, guarantee and security covered under section 185 and 186 of the Companies Act, 2013.Therefore, the provisions of clause 3(iv) of the Order are not applicable.

v. The Company has not accepted any deposits covered under section 73 to 76 of the Companies Act'2013 and the Companies (Acceptance of Deposits) Rules, 2014 (as amended) during the year. Therefore, the provisions of clause 3(v) of the Order are not applicable.

vi. We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013 and are of the opinion that prima facie, the prescribed records have been made and maintained. We have, however, not made a detailed examination of the said records with a view to determine whether they are accurate or complete.

vii. According to the records of the Company,

  a) The Company is irregular in depositing amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employee's State Insurance, Income-tax, Sales-tax, Service Tax, Goods and Service Tax, Duty of customs, Duty of excise, Value Added Tax, Cess and other material statutory dues with the appropriate authorities. *Company has not deposited following liabilities at the year-end for a period of more than six months*

Nature of Dues	Amount Exceeding Six months (Rs. in Lakhs)
Tax Deducted at Source (TDS)	27.96
Education Cess on TDS	1.35
Provident Fund	6.31
VAT	27.67
CST	35.49
Service Tax	17.29
Excise Duty	67.80

b) The particulars of dues of income tax, sales tax, duty of excise, service tax, duty of customs, and value added tax have not been deposited by the Company on account of disputes are as follows:

Name of the Statute	Nature Of Dues	Amount (Rs.in Lakhs)	Period to which the amount relates	Forum where dispute is pending
Finance Act, 1994	Service Tax	4.11	2007-08	CESTAT
VAT Act, 2003	VAT	4.04	2015-16	Commissioner (ST), Rewari
CST Act, 1956	CST	13.07	2015-16	Commissioner (ST), Rewari

viii. 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

ix. During the year, the company did not raise any money by way of initial public offer or further public offer (including debt instruments) and loans or borrowing from banks and financial institutions. Therefore, the provision of clause 3(ix) of the order are not applicable.

x Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given to us, no fraud by the Company or no fraud on the Company by its officers and employees has been noticed or reported during the year.

xi The company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V to the Companies Act.

xii In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the Order are not applicable.

xiii According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

xiv The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Therefore, the provisions of clause 3(xiv) of the Order are not applicable.

xv According to the information and explanations given to us, the Company has not entered into non-cash transactions with directors or persons connected with directors. Therefore, the provisions of clause 3(xv) of the Order are not applicable.

xvi The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934. Therefore, the provisions of clause 3(xvi) of the Order are not applicable.

For J K V S & Co.
Chartered Accountants
Firm Reg. No. 318086E

SAJAL GOYAL
Partner

Place: Delhi **Membership No.: 523903**
Dated: 30.06.2020 **UDIN: 20523903AAAABD6620**

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Coventry Coil-O-Matic (Haryana) limited of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of COVENTRY COIL-O-MATIC (HARYANA) LIMITED ("the Company") as of 31st March, 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Basis of Qualified opinion

According to the information and explanations given to us and based on our audit, the following material weakness has been identified in the operating effectiveness of the Company's internal financial controls over financial reporting as at March 31, 2020:

a. The company did not have an appropriate internal control system in respect of ascertainment of Going concern assumption, 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.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

Qualified Opinion

In our opinion, the Company has, in all material respects, maintained adequate internal financial controls over financial reporting as of March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India, and except for the possible effects of the material weakness described in the Basis of Qualified Opinion paragraph above on the achievement of the objectives of the control criteria, the Company's internal financial controls over financial reporting were operating effectively as of March 31, 2020.

We have considered the material weakness identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the March 31, 2020 financial statements of the Company, and the material weakness affect our opinion on the financial statements of the Company.

For J K V S & Co.
Chartered Accountants
Firm Reg. No. 318086E

SAJAL GOYAL
Partner
Membership No.: 523903
UDIN: 20523903AAAABD6620

Place: Delhi
Dated: 30.06.2020

BALANCE SHEET AS AT 31st MARCH 2020

(Rs. in Lakhs unless otherwise stated)

Particulars	Note No.		As at 31st March, 2020	As at 31st March 2019
ASSETS				
Non-Current Assets				
(a) Property, Plant & Equipment	5		446.34	475.15
		A	446.34	475.15
(b) Financial Assets				
(I) Other Financial Assets	7		1.81	1.81
(c) Other Non-Current Assets	8		36.40	36.40
		B	38.21	38.21
Current Assets				
(a) Inventories	9		174.83	180.65
(b) Financial Assets				
(i) Trade Receivables	10		406.00	422.72
(ii) Cash and Cash Equivalents	11		21.54	1.70
(iii) Bank balances other than (ii) above	12		4.48	4.48
(v) Other Financial Assets	14		0.46	0.24
(c) Other Current Assets	15		113.26	92.08
		C	720.57	701.87
TOTAL ASSETS		(A+B+C)	1,205.12	1,215.23
EQUITY AND LIABILITIES				
Equity				
(a) Equity Share Capital	16		450.80	450.80
(b) Other Equity	17		(1,664.08)	(1,444.34)
		D	(1,213.28)	(993.54)
LIABILITIES				
Non-Current Liabilities				
(a) Financial Liabilities:				
(i) Borrowings	18		22.01	35.38
(b) Provisions	19		234.68	217.18
		E	256.69	252.56
Current Liabilities				
(a) Financial Liabilities:				
(i) Borrowings	20		155.00	93.00
(ii) Trade Payables	21			
Total outstanding dues of Micro, small & medium enterprises			48.10	-
Total outstanding dues of others			1,086.70	949.15
(iii) Other Financial Liabilities	22		518.00	516.39
(b) Other Current Liabilities	23		347.12	390.40
(c) Provisions	24		6.79	7.28
		F	2,161.71	1,956.21
TOTAL EQUITY & LIABILITIES		(D+E+F)	1,205.12	1,215.23
Corporate and General Information	1			
Basis of Accounting	2			
Significant Accounting Policies	3			
Significant Judgements and Key Estimates	4			
Other notes on accounts	33			

The Notes are an integral part of the Financial Statements

In terms of our report attached
For J K V S & Co.
Chartered Accountants
Firm's Registration No. 318086E

For and on behalf of the Board of Directors
Coventry Coil-O-Matic (Haryana) Limited

Sajal Goyal
Partner
Membership No. 523903

R.M. Bafna
Managing Director

Atul Kumar Chaturvedi
Director

R.P. Verma
Chief Financial officer

Place: Delhi
Date: 30-06-2020

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31st MARCH 2020

(Rs. in Lakhs unless otherwise stated)

	Particulars	Note No.	For the Year Ended 31st March, 2020	For the Year Ended 31st March, 2019
	INCOME			
I	Revenue from Operations	25	4,546.07	6,657.28
II	Other income	26	22.71	24.10
III	Total Income (I+II)		4,568.78	6,681.38
IV	**EXPENSES**			
	(a) Cost of materials consumed	27	2,811.83	4,506.87
	(b) Changes in Inventories of Finished Goods, Stock-In-Trade and Work-in-Progress	28	24.60	(34.74)
	(c) Employee benefits expense	29	665.09	753.92
	(d) Finance costs	30	19.27	12.42
	(e) Depreciation and Amortisation expenses	31	33.51	31.93
	(f) Other expenses	32	1,226.36	1,575.50
	Total expenses		4,780.67	6,845.91
V	Profit before Exceptional Items and Tax	(III-IV)	(211.89)	(164.53)
VI	Exceptional Items		-	-
VII	**Profit before Tax**	(V-VI)	(211.89)	(164.53)
VIII	Tax expense:			
	(1) Current tax		-	-
	(2) Deferred tax		-	-
IX	**Profit for the Year**	(VII-VIII)	(211.89)	(164.53)
X	**Other Comprehensive Income**			
	(i) Items that will not be reclassified to profit or loss		(7.86)	16.77
	(ii) Income tax relating to above		-	-
	Other Comprehensive Income for the Year (Net of Tax)		(7.86)	16.77
XI	**Total Comprehensive Income for the Year**	(IX+X)	(219.74)	(147.76)
	Earning per Share	33(4)		
	(Nominal value of share Rs. 10)			
	(1) Basic		(4.70)	(3.65)
	(2) Diluted		(4.70)	(3.65)
	Corporate and General Information	1		
	Basis of Accounting	2		
	Significant Accounting Policies	3		
	Significant Judgements and Key Estimates	4		
	Other notes on accounts	33		

The Notes are an integral part of the Financial Statements

In terms of our report attached
For J K V S & Co.
Chartered Accountants
Firm's Registration No. 318086E

For and on behalf of the Board of Directors
Coventry Coil-O-Matic (Haryana) Limited

Sajal Goyal
Partner
Membership No. 523903

R.M. Bafna
Managing Director

Atul Kumar Chaturvedi
Director

Place: Delhi
Date: 30-06-2020

R.P. Verma
Chief Financial officer

STATEMENT OF CHANGE IN EQUITY FOR THE YEAR ENDED 31st MARCH, 2020

a) Equity Share Capital

(Rs. in Lakhs unless otherwise stated)

Particulars	Amount
Balance as at 31st March 2019	450.80
Add: Shares issued during the Year	-
Balance as at 31st March 2020	450.80

b) Equity Share Capital

	Retained Earnings	Items of Other Comprehensive Income	Total
		Remeasurement of Defined Benefit Plans	
Balance as at 31st March, 2018	**(1,282.89)**	**(13.69)**	**(1,296.58)**
Profit for the Year	**(164.53)**		(164.53)
Other Comprehensive income for the Year Gain/(Loss)		**16.77**	16.77
Balance as at 31st March, 2019	**(1,447.42)**	**3.08**	**(1,444.34)**
Profit for the Year	**(211.89)**	**-**	**(211.89)**
Other Comprehensive income for the Year Gain/(Loss)	**(7.86)**	**-**	**(7.86)**
Transfer to Retained Earning	**3.08**	**(3.08)**	**-**
Balance as at 31st March, 2020	**(1,664.09)**	**0.00**	**(1,664.08)**

The accompanying notes are an integral part of the financial statements

As per our report of even date attached

For J K V S & Co.
Chartered Accountants
Firm's Registration No. 318086E

For and on behalf of the Board of Directors
Coventry Coil-O-Matic (Haryana) Limited

Sajal Goyal
Partner
Membership No. 523903

R.M. Bafna
Managing Director

Atul Kumar Chaturvedi
Director

Place: Delhi
Date: 30-06-2020

R.P. Verma
Chief Financial officer

STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31st, 2020

(Rs. in Lakhs unless otherwise stated)

	Particulars	For the Year Ended 31st March, 2020	For the Year Ended 31st March, 2019
A	Cash flow from Operating Activities:		
	Net Profit before tax	**(219.74)**	**(164.53)**
	Adjustments for:		
	Depreciation and Amortisation expenses	**33.51**	31.93
	Interest Expense	**19.27**	12.42
	Interest Income	**(1.74)**	(1.85)
	Provision for doubtful debts / loans & Advances	**31.17**	-
	(Profit) / Loss on sale of Property, Plant & Equipment	-	2.62
	Exchange Fluctuations (Gain) / Loss	-	(0.25)
	Operating profit before working capital changes	**(137.53)**	**(119.65)**
	Adjustments for changes in working capital :		
	(Increase) / Decrease in Trade and other receivables	**(35.22)**	99.50
	(Increase) / Decrease in Inventories	**5.82**	(59.69)
	Increase / (Decrease) in Trade and other payables	**167.31**	138.33
	Cash generated from operations	**0.38**	**58.48**
	Income Tax Paid	**(0.41)**	-
	Net cash generated from/(used in) Operating Activities (A)	**(0.03)**	**58.48**
B	**Cash flow from Investing Activities:**		
	Purchases of Property, Plant and Equipments	**(4.70)**	(60.29)
	Proceeds from sales of Property, plant & Equipements	-	2.52
	Interest Received	**1.52**	1.85
	Net cash (used in)/generated from Investing Activities (B)	**(3.18)**	**(55.91)**
C	**Cash flow from financing activities:**		
	Net proceeds/(Repayment) of Long Term & Short Term Borrowings	**48.33**	3.91
	Interest Paid	**(25.28)**	(12.42)
	Net cash generated from/(used in) Financing Activities (C)	**23.05**	**(8.51)**
	Net Increase / (Decrease) in Cash and Cash equivalents (A+B+C)	**19.84**	**(5.94)**
	Cash and Cash equivalents at the beginning of the year	**1.70**	7.64
	Cash and Cash equivalents at the end of the year	**21.54**	**1.70**
		19.84	**(5.94)**

Notes:

1. As per Ind AS 7, the Company is require to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance Sheet for liabilities arising from financing activities, to meet the disclosure requirement. The Company did not have any material impact on the Statement of Cash Flows.
2. The company has prepared cash flow statement as per indirect method.
3. Figures in the bracket indicate cash outgo / income.
4. Previous year figures have been regrouped and rearranged and reclassified wherever necessary to current year's classification.

The accompanying notes are an integral part of these Financial Statements

This is the Cash Flow Statement referred to in our report of even date

For J K V S & Co.
(Formerly JITENDRA K AGARWAL & ASSOCIATES)
Chartered Accountants
Firm's Registration No. 318086E

Sajal Goyal
Partner
M.No. 523903

Place: Delhi
Date: 30-06-2020

For and on behalf of the Board of Directors
Coventry Coil-O-Matic (Haryana) Limited

R.M. Bafna
Managing Director
DIN No. 00159855

Atul Kumar Chaturvedi
Director
DIN No. 01759365

R.P. Verma
Chief Financial officer

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2020

1 CORPORATE AND GENERAL INFORMATION

Coventry Coil-O-Matic (Haryana) Limited is a Public Limited Company incorporated in India having its registered office at Village Salawas, P.O. Sangwari, District Rewari (Haryana), India. It was incorporated as per the provisions of the Companies Act as Coventry Coil-O-Matic (Haryana) Ltd. in the year 23rd Septemeber 1988. The Company is listed on BSE Limited. The Company is primarily engaged in the manufacturing of Cold Formed Coil Springs.

2 BASIS OF ACCOUNTING

2.1 Statement of Compliance

These Financial statements have been prepared in accordance with the Indian Accounting Standards ("Ind AS") as prescribed by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ("the Act"), read with the Companies (Indian Accounting Standards) Rules, 2015 as amended by the companies(Indian Accounting Standards) Amendment Rules,2016, other relevant provisions of the Act and other accounting principles generally accepted in India.

The Financial statements of the Company for the year ended 31st March, 2020 have been approved by the Board of Directors in their meeting held on 30th June, 2020.

2.2 Basis of Measurement

The Financial statements have been prepared on historical cost basis, except for following:

- Financial assets and liabilities that is measured at Fair value/ Amortized cost;
- Defined benefit plans – plan assets measured at fair value.

2.3 Functional and Presentation Currency

The Financial Statements have been presented in Indian Rupees (INR), which is also the Company's functional currency. All Financial information presented in INR has been rounded off to the nearest lakh as per the requirements of Schedule III of "the Act" , unless otherwise stated.

2.4 Use of Estimates and Judgements

The preparation of Financial statements require judgements, estimates and assumptions to be made that affect the reported amount of assets and liabilities including contingent liabilities on the date of the Financial statements and the reported amount of revenues and expenses during the reporting period. Difference between actual results and estimates are recognized in the period prospectively in which the results are known/ materialized.

2.5 Current vs. Non-current classification

The Company presents assets and liabilities in the Balance Sheet based on current/ non-current classification. An asset is classified as current when it is:

- Expected to be realized or intended to sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All the other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;

- It is due to be settled within twelve months after the reporting period; or

- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current. Deferred Tax Assets and Liabilities are classified as non-current assets and liabilities respectively.

3 SIGNIFICANT ACCOUNTING POLICIES

A summary of the significant accounting policies applied in the preparation of the Financial statements are as given below. These accounting policies have been applied consistently to all the periods presented in the Financial Statements.

3.1 Inventories

Inventories are valued at Cost or Net Realizable Value, whichever is lower. Cost comprise all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition and is determined on first in first out(FIFO) basis. Net Realizable Value is the estimated selling price in the ordinary course of business less estimated cost of completion and the estimated cost necessary to make the sale. However materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

3.2 Cash and Cash Equivalents

Cash and cash equivalents in the Balance Sheet comprise cash at banks and on hand and short term deposits with an original maturity of three months or less, which are subject to an insignificant risk of change in value.

3.3 Income Tax

Income Tax comprises current and deferred tax. It is recognized in the Statement of Profit and Loss except to the extent that it relates to an item recognized directly in equity or in Other Comprehensive Income.

3.3.1 Current Tax

Current tax liabilities (or assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the taxation authorities using the tax rates (and tax laws) that have been enacted or substantively enacted, at the end of the reporting period.

3.3.2 Deferred Tax

- Deferred Tax assets and liabilities shall be measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

- Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for Financial reporting purposes and the corresponding amounts used for taxation purposes (i.e., tax base). Deferred tax is also recognized for carry forward of unused tax losses and unused tax credits.

- Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

- The carrying amount of deferred tax assets is reviewed at the end of each reporting period. The Company reduces the carrying amount of a deferred tax asset to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or that entire deferred tax asset to be utilized. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profit will be available.

- Deferred tax relating to items recognized outside the Statement of Profit and Loss is recognized either in Other Comprehensive Income (OCI) or in equity. Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.

- Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

- Deferred tax includes Tax Credit under section 115JAA of Income Tax Act,1961 recognized as an asset only to the extent that there is convincing evidence that the company will pay normal income tax during the specified period i.e. the period for which Tax credit is allowed to be carried forward. The company review the "Tax Credit Entitlement" asset at each reporting date and writes down the assets to the extent the company does not have convincing evidence that it will pay normal tax during the specified period.

3.4 Property, Plant and Equipment

3.4.1 Recognition and Measurement:

-Property, plant and equipment held for use in the production or/and supply of goods or services, or for administrative purposes, are stated in the Balance Sheet at cost, less any accumulated depreciation and accumulated impairment losses (if any).

- Cost of an item of property, plant and equipment acquired comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting any trade discounts and rebates, any directly attributable costs of bringing the assets to its working condition and location for its intended use and present value of any estimated cost of dismantling and removing the item and restoring the site on which it is located.

- In case of self-constructed assets, cost includes the costs of all materials used in construction, direct labour, allocation of directly attributable overheads, directly attributable borrowing costs incurred in bringing the item to working condition for its intended use, and estimated cost of dismantling and removing the item and restoring the site on which it is located. The costs of testing whether the asset is functioning properly, after deducting the net proceeds from selling items produced while bringing the asset to that location and condition are also added to the cost of self-constructed assets.

- If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

- Profit or loss arising on the disposal of property, plant and equipment are recognized in the Statement of Profit and Loss.

3.4.2 Subsequent Expenditure

- Subsequent costs are included in the asset's carrying amount, only when it is probable that future economic benefits associated with the cost incurred will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced.

- Major Inspection/ Repairs/ Overhauling expenses are recognized in the carrying amount of the item of property, plant and equipment as a replacement if the recognition criteria are satisfied. Any Unamortized part of the previously recognized expenses of similar nature is derecognized.

3.4.3 Depreciation and Amortization

- Depreciation on tangible assets is provided on straight line method at the rates determined based on the useful lives of respective assets as prescribed in the Schedule II of the Act.

- In case the cost of part of tangible asset is significant to the total cost of the assets and useful life of that part is different from the remaining useful life of the asset, depreciation has been provided on straight line method based on internal assessment and independent technical evaluation carried out by external valuers, which the management believes that the useful lives of the component best represent the period over which it expects to use those components. In case of certain components of plant and machineries depreciation has been provided based on the useful life considered at 2-15 years.

- Depreciation on additions (disposals) during the year is provided on a pro-rata basis i.e., from (up to) the date on which asset is ready for use (disposed of).

- Depreciation on assets built on leasehold land, which is transferrable to the lessor on expiry of lease period, is amortized over the period of lease.

- Depreciation method, useful lives and residual values are reviewed at each Financial year-end and adjusted if appropriate.

3.4.4. Disposal of Assets

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between net disposal proceeds and the carrying amount of the asset and is recognized in the Statement of Profit and Loss.

3.4.5. Reclassification to Investment Property

When the use of a property changes from owner-occupied to investment property, the property is reclassified as investment property at its carrying amount on the date of reclassification.

3.4.6. Capital Work in Progress

Capital work-in-progress is stated at cost which includes expenses incurred during construction period, interest on amount borrowed for acquisition of qualifying assets and other expenses incurred in connection with project implementation in so far as such expenses relate to the period prior to the commencement of commercial production.

3.5 Revenue Recognition

- Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the Government.

- The Company recognizes revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the company's activities as described below. The company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specific of each arrangement.

3.5.1. Sale of Goods

Revenue from the sale of goods is recognized when significant risks and rewards of ownership are transferred to customers and the company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold. Revenue from the sale of goods is measured at the fair value of the consideration received or receivables, net of returns and allowances, trade discounts and volume rebates.

3.5.2. Interest Income

For all debt instruments measured either at amortized cost or at Fair Value through Other Comprehensive Income (FVTOCI), interest income is recorded using the Effective Interest Rate (EIR). EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the Financial instrument or a shorter period, where appropriate, to the gross carrying amount of the Financial asset.

3.6 Employee Benefits

3.6.1. Short Term Benefits

Short term employee benefit obligations are measured on an undiscounted basis and are expensed as the related services are provided. Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within twelve months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period.

3.6.2. Other Long Term Employee Benefits

The liabilities for earned leaves and sick leaves that are not expected to be settled wholly within twelve months are measured as the present value of the expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the government securities (G-Sec) at the end of the reporting period that have terms approximating to the terms of related obligation. Remeasurements as the result of experience adjustment and changes in actuarial assumptions are recognized in statement of profit and loss

3.6.3. Post Employment Benefits

The Company operates the following post employment schemes:

- Defined Benefit Plans

The liability or asset recognized in the Balance Sheet in respect of defined benefit plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods. The defined benefit obligation is calculated annually by Actuaries using the projected unit credit method.

The liability recognized for defined benefit plans is the present value of the defined benefit obligation at the reporting date less the fair value of plan assets, together with adjustments for unrecognized actuarial gains or losses and past service costs. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. The benefits are discounted using the government securities (G-Sec) at the end of the reporting period that have terms approximating to the terms of related obligation.

Remeasurements of the net defined benefit obligation, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling, are recognized in Other Comprehensive Income. Remeasurement recognized in Other Comprehensive Income is reflected immediately in retained earnings and will not be reclassified to the Statement of Profit and Loss.

- Defined Contribution Plan

Defined contribution plans such as provident fund etc. are charged to the Statement of Profit and Loss as and when incurred.

3.6.4. Termination Benefit

Expenditure incurred on Voluntary Retirement Scheme is charged to the Statement of Profit & Loss immediately.

3.7 Foreign Currency Transactions

- Foreign currency transactions are translated into the functional currency using the spot rates of exchanges at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rate of exchanges at the reporting date.

- Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities are generally recognized in profit or loss in the year in which they arise except for exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those qualifying assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings, the balance is presented in the Statement of Profit and Loss within finance costs.

- Non monetary items are not retranslated at period end and are measured at historical cost (translated using the exchange rate at the transaction date).

3.8 Borrowing Cost

- Borrowing Costs consists of interest and other costs that an entity incurs in connection with the borrowings of funds. Borrowing costs also includes exchange difference to the extent regarded as an adjustment to the borrowing costs.

- Borrowing costs directly attributable to the acquisition or construction of a qualifying asset are capitalized as a part of the cost of that asset that necessarily takes a substantial period of time to complete and prepare the asset for its intended use or sale. The Company considers a period of twelve months or more as a substantial period of time.

- Transaction costs in respect of long term borrowing are amortized over the tenure of respective loans using Effective Interest Rate (EIR) method. All other borrowing costs are recognized in the Statement of Profit and Loss in the period in which they are incurred.

3.9 Financial Instruments

A Financial instrument is any contract that gives rise to a Financial asset of one entity and a Financial liability or equity instrument of another entity.

3.9.1 Financial Assets

- Recognition and Initial Measurement:

All Financial assets are initially recognized when the company becomes a party to the contractual provisions of the instruments. A Financial asset is initially measured at fair value plus, in the case of Financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the Financial asset.

- Classification and Subsequent Measurement:

For purposes of subsequent measurement, Financial assets are classified in four categories:

- Measured at Amortized Cost;
- Measured at Fair Value Through Other Comprehensive Income (FVTOCI);
- Measured at Fair Value Through Profit or Loss (FVTPL); and
- Equity Instruments measured at Fair Value Through Other Comprehensive Income (FVTOCI).

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing Financial assets.

- Measured at Amortized Cost: A debt instrument is measured at the amortized cost if both the following conditions are met:

- The asset is held within a business model whose objective is achieved by both collecting contractual cash flows; and

- The contractual terms of the Financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such Financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method.

- Measured at FVTOCI: A debt instrument is measured at the FVTOCI if both the following conditions are met:

- The objective of the business model is achieved by both collecting contractual cash flows and selling the Financial assets; and

- The asset's contractual cash flows represent SPPI.

Debt instruments meeting these criteria are measured initially at fair value plus transaction costs. They are subsequently measured at fair value with any gains or losses arising on remeasurement recognized in Other Comprehensive Income, except for impairment gains or losses and foreign exchange gains or losses. Interest calculated using the effective interest method is recognized in the Statement of Profit and Loss in investment income.

- Measured at FVTPL: FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as FVTPL. In addition, the company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.
- Equity Instruments measured at FVTOCI: Equity instrument in scope of Ind AS – 109 are measured at fair value. On initial recognition, an equity investment that is not held for trading, the company may irrevocably elect to present subsequent changes in fair value in OCI. The election is made on an investment by investment basis.
- All other Financial instruments are classified as measured at FVTPL.

- Derecognition

The Company derecognizes a Financial asset on trade date only when the contractual rights to the cash flows from the asset expire, or when it transfers the Financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

- Impairment of Financial Assets

The Company assesses at each date of Balance Sheet whether a Financial asset or a group of Financial assets is impaired. Ind AS – 109 requires expected credit losses to be measured through a loss allowance. The company recognizes lifetime expected losses for all contract assets and/ or all trade receivables that do not constitute a financing transaction. For all other Financial assets, expected credit losses are measured at an amount equal to the 12 months expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the Financial asset has increased significantly since initial recognition.

3.9.2. Financial Liabilities

- Recognition and Initial Measurement:

Financial liabilities are classified, at initial recognition, as at fair value through profit or loss, loans and borrowings, payables or as derivatives, as appropriate. All Financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

- Subsequent Measurement:

Financial liabilities are measured subsequently at amortized cost or FVTPL. A Financial liability is classified as FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in Statement of Profit and Loss. Other Financial liabilities are subsequently measured at amortized cost using the effective interest rate method. Interest expense and foreign exchange gains and losses are recognized in Statement of Profit and Loss. Any gain or loss on derecognition is also recognized in Statement of Profit and Loss.

- Financial Guarantee Contracts

Financial guarantee contracts issued by the company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognized initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirement of Ind AS 109 and the amount recognized less cumulative amortization.

- Derecognition

A Financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

- Offsetting Financial instruments

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the counterparty.

3.10 Impairment of Non-Financial Assets

- The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. An asset is treated as impaired when the carrying cost of the asset exceeds its recoverable value being higher of value in use and net selling price. Value in use is computed at net present value of cash flow expected over the balance useful lives of the assets. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or group of assets (Cash Generating Units – CGU).

- An impairment loss is recognized as an expense in the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognized in earlier accounting period is reversed if there has been an improvement in recoverable amount.

3.11 Provisions, Contingent Liabilities and Contingent Assets

3.11.1. Provisions

Provisions are recognized when there is a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost.

3.11.2. Contingent Liabilities

Contingent liability is a possible obligation arising from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events but is not recognized because it is not possible that an outflow of resources embodying economic benefit will be required to settle the obligations or reliable estimate of the amount of the obligations cannot be made. The Company discloses the existence of contingent liabilities in Other Notes to Financial Statements.

3.11.3. Contingent Assets

Contingent assets usually arise from unplanned or other unexpected events that give rise to the possibility of an inflow of economic benefits. Contingent Assets are not recognized though are disclosed, where an inflow of economic benefits is probable.

3.12 Intangible Assets

3.12.1. Recognition and Measurement

Other Intangible Assets

Software which is not an integral part of related hardware, is treated as intangible asset and are stated at cost on initial recognition and subsequently measured at cost less accumulated amortization and accumulated impairment loss, if any.

3.12.2. Subsequent Expenditure

Subsequent costs are included in the asset's carrying amount, only when it is probable that future economic benefits associated with the cost incurred will flow to the Company and the cost of the item can be measured reliably. All other expenditure is recognized in the Statement of Profit & Loss.

3.12.3. Amortization

- Other Intangible assets are amortized over a period of three years.

- The amortization period and the amortization method are reviewed at least at the end of each Financial year. If the expected useful life of the assets is significantly different from previous estimates, the amortization period is changed accordingly.

3.12.4. Intangible Assets under Development

Intangible Assets under development is stated at cost which includes expenses incurred in connection with development of Intangible Assets in so far as such expenses relate to the period prior to the getting the assets ready for use.

3.13 Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effect of all potentially dilutive equity shares.

3.14 Exceptional Items

Exceptional items are transactions which due to their size or incidence are separately disclosed to enable a full understanding of the Company's Financial performance. Items which may be considered exceptional are significant restructuring charges, gains or losses on disposal of investments of subsidiaries, associate and joint ventures and impairment losses/write down in the value of investment in subsidiaries, associates and joint ventures and significant disposal of fixed assets.

3.15 Measurement of Fair Values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both Financial and non-Financial assets and liabilities.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or

- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-Financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the Financial statements are categorized within the fair value hierarchy, described as follows, based on the input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

- Level 2 — Inputs other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

- Level 3 — Inputs which are unobservable inputs for the asset or liability.

External valuers are involved for valuation of significant assets & liabilities. Involvement of external valuers is decided by the management of the company considering the requirements of Ind As and selection criteria include market knowledge, reputation, independence and whether professional standards are maintained.

3.16 Standards issued but not yet effective

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020

3.17 Leases

3.17.1. The company as Lessor

Leases for which the Company is a lessor is classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as finance lease. All other leases are classified as operating leases.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

3.17.2. Company as lessee

The Company assesses whether a contract is or contains a lease, at inception of the contract. The Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the lease term, unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed. Contingent and variable rentals are recognized as expense in the periods in which they are incurred

3.17.3. Lease Liability

The lease payments that are not paid at the commencement date are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Company, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments) payable during the lease term and under reasonably certain extension options, less any lease incentives;"
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;"
- The amount expected to be payable by the lessee under residual value guarantees;"
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and"
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease."

The lease liability is presented as a separate line in the Balance Sheet.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made

The Company re measures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is re measured by discounting the revised lease payments using a revised discount rate"
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is re measured by discounting the revised lease payments using a revised discount rate"

3.17.4. Right of Use (ROU) Assets

The ROU assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses

Whenever the company incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under Ind AS 37- Provisions, Contingent Liabilities and Contingent Assets. The costs are included in the related right-of-use asset

ROU assets are depreciated over the shorter period of the lease term and useful life of the underlying asset. If the company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life. The depreciation starts at the commencement date of the lease

The ROU assets are not presented as a separate line in the Balance Sheet but presented below similar owned assets as a separate line in the PPE note under "Notes forming part of the Financial Statement".

The Company applies Ind AS 36- Impairment of Assets to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as per its accounting policy on 'property, plant and equipment'

As a practical expedient, Ind AS 116 permits a lessee not to separate non-lease components when bifurcation of the payments is not available between the two components, and instead account for any lease and associated non-lease components as a single arrangement. The Company has used this practical expedient

Extension and termination options are included in many of the leases. In determining the lease term the management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option

4 **Significant Judgements and Key sources of Estimation in applying Accounting Policies**

Information about Significant judgements and Key sources of estimation made in applying accounting policies that have the most significant effects on the amounts recognized in the Financial statements is included in the following notes:

- Useful lives of depreciable/ amortizable assets (tangible and intangible): Management reviews its estimate of the useful lives of depreciable/ amortizable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to actual normal wear and tear that may change the utility of plant and equipment.

- Defined Benefit Obligation (DBO): Employee benefit obligations are measured on the basis of actuarial assumptions which include mortality and withdrawal rates as well as assumptions concerning future developments in discount rates, medical cost trends, anticipation of future salary increases and the inflation rate. The Company considers that the assumptions used to measure its obligations are appropriate. However, any changes in these assumptions may have a material impact on the resulting calculations.

- Provisions and Contingencies: The assessments undertaken in recognizing provisions and contingencies have been made in accordance with Indian Accounting Standards (Ind AS) 37, 'Provisions, Contingent Liabilities and Contingent Assets'. The evaluation of the likelihood of the contingent events is applied best judgement by management regarding the probability of exposure to potential loss.

- Allowances for Doubtful Debts: The Company makes allowances for doubtful debts through appropriate estimations of irrecoverable amount. The identification of doubtful debts requires use of judgment and estimates. Where the expectation is different from the original estimate, such difference will impact the carrying value of the trade and other receivables and doubtful debts expenses in the period in which such estimate has been changed.

- Fair value measurement of Financial Instruments: When the fair values of Financial assets and Financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow model. The input to these models are taken from observable markets where possible, but where this not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility.

Notes to the Financial Statement As on 31st March, 2020
NOTE 5. : Property, Plant and Equipment

Particulars										Intangible assets	Grand total
	Free Hold Land	Buildings	Tube well	Plant & machinery	Office equipment	Furniture & fixture	Computers	Vehicles	Total	Software	
Gross block as on 31st March 2019	20.74	227.27	0.39	190.60	30.10	6.84	3.54	81.59	561.07	-	561.07
Additions during the year				2.84	0.51	1.35	-	-	4.70	-	4.70
Deletions during the year				-	-	-	-	-	-	-	-
Gross block as on 31st March 2020	20.74	227.27	0.39	193.44	30.60	8.19	3.54	81.59	565.77	-	565.77
Accumulated depreciation as at 31st March 2019	-	28.36	0.08	32.06	5.93	3.50	1.60	14.39	85.91	-	85.91
Depreciation/amortization for the year	-	9.23	0.06	8.51	4.86	0.20	0.61	10.04	33.51	-	33.51
Depreciation/amortization on deletions during the year	-	-	-	-	-	-	-	-	-	-	-
Accumulated depreciation as at 31st March 2020	-	37.58	0.14	40.57	10.79	3.70	2.21	24.43	119.42	-	119.42
Net block as at 31st March 2019	20.74	198.91	0.31	158.54	24.17	3.35	1.95	67.20	475.16	-	475.16
Net block as at 31st March 2020	20.74	189.68	0.25	152.87	19.81	4.49	1.34	57.16	446.34	-	446.34

a) 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.

b) Assets pledged and Hypothecated against borrowings: Refer Note No. 33(2)

NOTES TO FINANCIAL STATEMENTS

	As at March 31, 2020	As at March 31, 2019
NOTE 6: TRADE RECEIVABLES		
Unsecured		
Considered Good	-	-
Having significant increase in credit risk	-	-
Considered Doubtful- Credit impaired	-	**25.73**
	-	**25.73**
Less: Allowance for Expected credit loss	-	**25.73**
Total	-	-
NOTE 7: OTHER FINANCIAL ASSETS		
(Unsecured, considered good)		
Security Deposits	**1.81**	1.81
Total	**1.81**	1.81
NOTE 8: OTHER NON-CURRENT ASSETS		
(Unsecured Considered Good unless otherwise stated)		
Capital Advances	**0.38**	0.38
Electricity Deposit	**36.02**	36.02
Total	**36.40**	36.40
NOTE 9: INVENTORIES		
(As valued and certified by the Management)		
Raw Materials and Packing Materials etc.	**63.61**	47.85
Work-in-progress		
- Wire	**12.29**	62.08
- Spring	**15.78**	28.43
Finished Goods	**22.67**	3.05
Stores & Spares etc.	**41.10**	38.08
Scrap	**19.38**	1.17
Total	**174.83**	180.65
NOTE 10: TRADE RECEIVABLES		
Unsecured		
Considered good	406.00	422.72
Secured - considered good	-	-
Having significant increase in credit risk	-	-
Considered Doubtful – credit impaired	31.17	-
	437.17	**422.72**
Less: Allowance for expected credit loss	**(31.17)**	-
Total	**406.00**	422.72
NOTE 11: CASH AND CASH EQUIVALENTS		
Balance with Banks		
In Current/Cash Credit Accounts	**20.85**	1.16
Cash in hand	**0.69**	0.54
Total	**21.54**	**1.70**
NOTE 12: BANK BALANCES (OTHER THAN NOTE: 11)		
Balances with Bank in Fixed deposit and Margin Money (Including Interest)	**4.48**	4.48
Total	**4.48**	4.48
NOTE 13: LOANS		
Advances to Employees (Unsecured, Considered good)	-	-
	-	-
NOTE 14: OTHER FINANCIAL ASSETS		
(Unsecured, considered good)		
Interest accrued on Deposits	**0.46**	0.24
Total	**0.46**	0.24
NOTE 15: OTHER CURRENT ASSETS		
Balance with Government Authorities	**37.30**	22.70
Advance Income Tax & TDS	**1.50**	1.10
Advances for materials and services	**20.46**	11.80
Prepaid Expenses	**2.20**	4.67
Amount Paid under Protest(5180619)*	**51.81**	51.81
Total	**113.26**	92.08

*With regard to the amount received by the Company from District Revenue Officer-cum-Competent Authority, Rewari as land acquisition compensation for acquiring land measuring 5 Kanal 11 Marla (approx. 0.69 acre) of the factory land for widening of the Delhi-Jaipur NH-8 Highway.

As per the direction of the Debts Recovery Appellate Tribunal, Delhi (DRAT), the Company deposited in 2 instalments the total amount of ₹ 51,80,619 with Debts Recovery Tribunal-1, Delhi (DRT-1) with a request to keep the same in an interest bearing account.

EQUITY AND LIABILITIES

NOTE 16: EQUITY SHARE CAPITAL

AUTHORISED		
1,00,00,000 (Previous Year: 1,00,00,000) Equity shares of Rs.10/-each	**1,000.00**	1,000.00
	1,000.00	1,000.00
ISSUED, SUBSCRIBED AND PAID-UP		
45,08,000 (Previous Year: 45,08,000) Equity shares of Rs. 10 each fully paid up	450.80	450.80
Total	**450.80**	450.80

a) Reconciliation of equity shares	**No of Share**	**No of Share**
Balance as at the beginning of the year	**4,508,000**	4,508,000.00
Increase/(Decrease) during the year	-	-
Balance as at the end of the year	**4,508,000**	4,508,000.00

b) Terms & Right of Equity shareholders

Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by each share holders. There is no restriction on distribution of dividend, however, the same is subject to the approval of the share holders in the Annual General Meeting except in the case of Interim Dividend.

c) Details of shares held by share holders holding more than 5% of the aggregate shares in the Company.

Coventry Spring & Engineering Company Limited	**1,791,530**	1,791,530.00
(In %)	**39.74%**	0.40

d) Share holding pattern with respect of Holding or ultimate Holding company

The company doesn't have any Holding or ultimate Holding company.

NOTE 17: OTHER EQUITY	**Refer Note**		
Other Comprehensive Income	17(a)	-	3.08
Retained Earnings	17(b)	**(1,664.08)**	(1,447.42)
Total		**(1,664.08)**	(1,444.34)
(a) Other Comprehensive Income-			
Remeasurement of Defined Benefit Plans:-			
Balance at the beginning of the year		**3.08**	(13.69)
Other Comprehensive Income for the year		-	16.77
Less: Transfer to Retained Earning		**(3.08)**	-
Closing Balance		-	3.08
(b) Retained Earnings			
Balance at the beginning of the year		**(1,447.42)**	(1,282.89)
Profit/(Loss) during the year		**(211.89)**	(164.53)
Add: Transfer from Other Comprehensive Income		**3.08**	
Add:- Other comprehensive Income for the year		**(7.86)**	
Closing Balance		**(1,664.08)**	(1,447.42)
Total	(a+b)	**(1,664.08)**	**(1,444.34)**

NOTE 18: BORROWINGS			
Term Loans (Secured)			
From Banks/Financial Institution			
From Banks/Financial Institution	[Refer (a) below]	-	-
Rupee loan			
Vehicle Loans	[Refer (b) below]	**0.19**	2.32
From NBFC			
Rupee loan			
Vehicle Loans	[Refer (c) below]	**21.82**	33.06
Total Amount of Term Loans		**22.01**	35.38
Total Borrowings		**22.01**	35.38
Total Secured Borrowings		**22.01**	35.38
Total Unsecured Borrowings		-	-
Total		**22.01**	35.38

(a) Various Term Loans amounting to ₹ 925.66 lakhs was availed between 1990 and 1992 from a consortium of 3 Financial Institutions (FIs) namely ICICI, IDBI and IFCI, with ICICI as the lead Institution, and was secured by first mortgage ranking pari-passu of all the immovable properties both present and future and a first charge by way of hypothecation of all the movables (save & except book debts) including movable machinery, spares, tools & accessories, present & future subject to prior charge to be created in favour of the company's bankers on the stock of raw materials, semi-finished and finished goods, consumable stock and such movables as may be agreed by the lead institution for securing the working capital requirements.

However the total amount so received was only ₹ 894.02 Lakhs and the balance was adjusted against Interest payable.

Over the years, the Company made a total repayment of ₹ 1286.77 Lakhs out of which ₹ 1101.88 Lakhs was made under/after the BIFR Scheme to the consortium member The major portion of this was paid to the lead institution, ICICI, as part of approval for the BIFR Rehabilitation Scheme/Package.

In the meanwhile, ICICI assigned its debts to Kotak Mahindra Bank Ltd (KMBL) on 25-04-2005, and both IFCI and IDBI assigned their debts to Dhir & Dhir Asset Reconstruction and Securitisation Company Ltd. (now known as Alchemist Assets Reconstruction Company Ltd. (AARCL)) on 05-03-2008 for ₹ 304.00 Lakhs and 12-08-2008 for ₹ 411.50 Lakhs respectively.

Further to directions of the Hon'ble Punjab & Haryana High Court, Chandigarh, the Company deposited ₹ 500 Lakhs in the High Court which was appropriated to Alchemist Assets Reconstruction Company Ltd. (₹ 300 Lakhs) and Kotak Mahindra Bank Ltd, (₹ 200 Lakhs) on 09-08-2011.

"The Company is contesting the assignments and the exaggerated claims by the assignees in various Courts and Tribunals.[for further details see Note no. 33 (7) (E)]" [See Page 59]

(b) Vehicle loan (from HDFC Bank Ltd) are secured by way of hypothecation of related asset. These are repayable in maximum 60 Installments, repayment period thereof varying from May'2016 ending on April'2021, bearing interest rate varying from 9.65% p.a to 11.75% p.a.

(c) Vehicle loans (from Mahindra & Mahindra Finance Limited and Totyota Financial service India Limited) are secured by way of hypothecation of related assets. These are repayable in maximum 60 Installments, repayment period thereof varying from June, 2016 ending on January '2024, bearing interest rate varying from 9.24% p.a to 11.75% p.a.

NOTE 19: PROVISIONS

For Employee Benefits			
(a) Gratuity (Unfunded)		**203.14**	183.03
(b) Leave Encashment (Unfunded)		**31.55**	34.14
Total		**234.68**	217.18

NOTE 20: BORROWINGS

From Directors (UnSecured)	[Refer (a) below]		
Loan		**155.00**	93.00
Total		**155.00**	93.00

(a) Unsecured loan taken from Director (Mr. RM Bafna) vide resolution dated 14th February 2020 for period of nine months at the rate of 11.00 %. which is further extended for one year vide resolution.

NOTE 21: TRADE PAYABLES

Trade Payables for goods and services			
- Total outstanding dues of Micro, Small and Medium enterprises	[Refer note:33(3)]	**48.10**	-
- Total outstanding dues of others		**1,086.70**	949.15
Total		**1,134.81**	949.15

NOTE 22: OTHER FINANCIAL LIABILITIES

Current maturities of Long Term Borrowings	**285.38**	285.67
Employee related Liabilities	**104.59**	96.67
Interest accrued but not due on Borrowings	**0.37**	0.19
Interest accrued but due on Borrowings	**121.60**	121.60
Interest Payable on unsecured loan	**6.07**	12.26
Total	**518.00**	516.39

NOTE 23: OTHER CURRENT LIABILITIES

Advances Received from Customers	**0.48**	1.40
Statutory Dues	**335.30**	377.82
Bonus Liability	**11.34**	11.18
Total	**347.12**	390.40

NOTE 24: PROVISIONS

For Employee Benefits		
(a) Gratuity (Unfunded)	**4.16**	4.09
(b) Leave Encashment (Unfunded)	**2.63**	3.19
Total	**6.79**	7.28

NOTES TO FINANCIAL STATEMENTS

(Rs. in Lakhs unless otherwise stated)

	As at March 31, 2020	As at March 31, 2019
INCOME		
NOTE 25: REVENUE FROM OPERATIONS		
"Sale of Products (Including Export Sales 43.38 Lakhs Previous Year 28.54 Lakhs)"	**4,530.91**	6,587.81
	4,530.91	6,587.81
Other Operating Revenues		
Scrap Sale	**9.53**	56.29
Income from Job Work/Development Charges	**5.62**	13.18
	15.15	69.47
	4,546.07	6,657.28
NOTE 26: OTHER INCOME		
Interest Income (Gross):		
-On Fixed Deposits	**0.22**	0.21
-Others	**1.52**	1.64
-Exchange Fluctuations (Net)	**0.80**	0.25
-Excess Liabilities, Credit Balances, Provisions etc. Written Back	**20.17**	22.00
	22.71	24.10
EXPENSES:		
NOTE 27: COST OF MATERIALS CONSUMED*		
Opening Stock	**47.85**	12.61
Add: Purchase including freight inward	**3,085.87**	4,542.10
	3,133.72	4,554.72
Less: Closing Stock	**63.61**	47.85
Less: Sale of Raw Material	**258.28**	-
	2,811.83	4,506.87

*Cost of material includes material sold without processing Rs. 258.28 Lakhs (Previous Year: 379.69)

	As at March 31, 2020	As at March 31, 2019
NOTE 28: CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS		
Inventories at the beginning of the year		
Finished Goods	**3.05**	4.97
Work in Progress	**90.51**	48.16
Scrap	**1.17**	6.85
	94.72	59.99
Inventories at the end of the Year		
Finished Goods	**22.67**	3.05
Work in Progress	**28.08**	90.51
Scrap	**19.38**	1.17
	70.12	94.72
(Increase)/Decrease	**24.60**	(34.74)
NOTE 29: EMPLOYEE BENEFITS EXPENSE		
Salaries, Wages, Bonus etc.	**564.11**	635.56
Contribution to Provident and Other Funds	**32.92**	39.48
Contribution to Gratuity Fund	**25.40**	24.75
Staff Welfare Expenses	**42.66**	54.13
Total	**665.09**	753.92
NOTE 30: FINANCE COSTS		
Interest to Banks on Term Loan	**5.04**	3.87
Interest to Director on Unsecured Loan	**12.59**	8.55
Interest to Others	**1.64**	-
Total	**19.27**	12.42
NOTE 31: DEPRECIATION AND AMORTISATION EXPENSES		
On Tangible Assets	**33.51**	31.93
Total	**33.51**	31.93

(Rs. in Lakhs unless otherwise stated)

		As at March 31, 2020	As at March 31, 2019
NOTE 32: OTHER EXPENSES			
Consumption of Stores and Spare parts		**144.85**	237.42
Power & Fuel		**327.99**	410.84
Packing Material		**27.89**	34.40
Coating & Plating Charges		**2.82**	3.55
Spring Processing Charges		**28.91**	42.22
Repairs to Buildings		**11.15**	18.20
Repairs to Plant & Equipment		**5.06**	7.41
Repairs to Others Assets		**10.22**	9.83
Insurance		**2.46**	1.89
Legal & Professional fees		**59.27**	88.68
Consultancy Charges		**120.10**	103.51
Conveyance Expenses		**33.71**	45.99
Travelling expenses		**37.33**	40.04
Freight Outward		**185.73**	252.96
Director's Sitting Fees		**1.20**	0.54
Payment to Auditors	[Refer Note: 33(11)]	**3.35**	3.15
Bad debts Write off		**-**	1.29
Provision for doubtful debts / loans & Advances		**31.17**	25.73
Discount		**58.40**	70.61
Loss on sale of Property, Plant & Equipment		**-**	2.62
Watch & Ward expenses		**14.14**	16.20
Other Interest Expenses		**2.03**	25.08
Generator Hire charges		**15.61**	16.41
Miscellaneous Expenses		**102.99**	116.95
Total		**1,226.36**	1,575.50

33. OTHER NOTES ON ACCOUNTS

1 A. Contingent liabilities

(Rs. in Lakhs unless otherwise stated)

Particulars	As at March 31, 2020	As at March 31, 2019
Contingent liabilities not provided in respect of		
(i) Excise duty demand under Appeal No. E/3581/10-SM. Order dated 20.01.2011 amounting to ₹ 5,60,613/- pre deposited ₹ 1,50,000/- on dated 18.02.2011	**4.11**	4.11
(ii) 'Claims Under Adjudication (Refer Note No.21(B) (viii))		
• In DRT-II, New Delhi by KMBL for recovery	**472.07**	472.07
• In DRT-I, New Delhi by AARCL for recovery of the dues calculated on the IDBI debts.	**9315.19**	9,315.19
(The Company has also filed counter claims of more than ₹ 500 crores on both KMBL and AARCL.)		
(iii) Additional Bonus liability for financial year 2014-15	**4.30**	4.30
(iv) Vat Act, 2003 (Rs. 4.04 Lakhs) and under CST Act,1956 (Rs. 13.07 Lakhs)	**17.11**	**17.11**
vide order No.916 for the year 2015-16 dated 03-01-2019		

B. Capital commitments:

(Rs. in Lakhs unless otherwise stated)

Particulars	As at March 31, 2020	As at March 31, 2019
Estimated amount of contract remaining to be executed on Capital Account and not provided for (net of Advances)	**0.88**	0.88

2. Assets Mortgage and/or pledged as security

The carrying amount of assets Mortgage and/or pledged as security for current and non-current borrowings are :

(Rs. in Lakhs unless otherwise stated)

Particulars	As at March 31, 2020	As at March 31, 2019
Current:		
Financial assets		
Inventories	**174.83**	180.65
Total current assets pledged as security	**174.83**	180.65
Non-current:		
Land	**20.74**	20.74
Vehicles	**57.16**	67.20
Buildings	**189.68**	198.91
Plant & Machinery	**152.87**	158.54
Tube Well	**0.25**	0.31
Office Equipments	**19.81**	24.17
Furniture & Fixtures	**4.49**	3.35
Computers	**1.34**	1.95
Total non-currents assets Mortgage and/or pledged as security	**446.34**	475.15
Total assets Mortgage and/or pledged as security	**621.17**	649.99

3 . Statement under the Micro, Small and Medium Enterprises Development Act, 2006, (MSMED):

Based on the information available, there are certain vendors who have confirmed that they are covered under the Micro, Small and Medium Enterprises Development Act, 2006. Disclosures relating to dues of Micro and Small enterprises under section 22 of 'The Micro, Small and Medium Enterprises Development Act, 2006, are given below:

(Rs. in Lakhs unless otherwise stated)

Particulars	As at March 31, 2020	As at March 31, 2019
Principal amount and Interest due thereon remaining unpaid to any supplier as on	**48.10**	-
Interest paid by the Company in terms of Section 16 of the MSMED Act along with the	-	-
amounts of the payment made to the supplier beyond the appointed day		
The amount of interest due and payable for. the year of delay in making payment	-	-
(which have been paid but beyond the appointed day during the year)		
but without adding the interest specified under this Act		
The amount of interest accrued and remaining unpaid during the accounting year.	1.64	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of this Act.	-	-

4 . Earnings per share

(Rs. in Lakhs unless otherwise stated)

Particulars	As at March 31, 2020	As at March 31, 2019
Net Profit/(Loss) After Tax for the year (in Lakhs)	**(211.89)**	(164.53)
Weighted average Number of Equity Shares for computing **Basic** Earnings per share. (in Lakhs)	**45.08**	45.08
Weighted average Number of Equity Shares for computing **Diluted** Earnings per share. (in Lakhs)	**45.08**	45.08
Face value of per share	**10.00**	10.00
- Basic EPS	**(4.70)**	(3.65)
- Diluted EPS	**(4.70)**	(3.65)

5. The following table shows foreign currency exposures on financial instruments at the end/beginning of respective years.

(Rs. in Lakhs unless otherwise stated)

Particulars		As at March 31					
		2020			2019		
		Total	Hedged	Unhedged	Total	Hedged	Unhedged
Creditors	In USD	-	-	-	-	-	-
	In INR	-	-	-	-	-	-
Debtors	In USD	-	-	-	0.02	-	0.02
	In Euro	0.25	-	0.25	0.02	-	0.02
	In INR	20.31	-	20.31	2.68	-	2.68

6. Fair value of Financial assets & Financial liabilities (current & non current)

(A) Financial Instrument by Category

(Rs. in Lakhs unless otherwise stated)

Particulars	As at March 31					
	2020			2019		
	Fair Value through Profit & Loss (FVTPL)	Fair Value through Other Comprehensive Income (FVTOCI)	Amortised Cost	Fair Value through Profit & Loss (FVTPL)	Fair Value through Other Comprehensive Income (FVTOCI)	Amortised Cost
Financial Asset						
Non Current						
Other(Security deposits)	-	-	1.81	-	-	1.81
Current						
Trade Receivables	-	-	406.00	-	-	422.72
Cash and Cash Equivalents	-	-	21.54	-	-	1.70
Bank balances other than above	-	-	4.48	-	-	4.48
Loans	-	-	-	-	-	-
Others	-	-	0.46	-	-	0.24
Total of Financial Assets	-		434.29	-	-	430.96
Financial Liabilities						
Non Current						
Borrowings	-	-	22.01	-	-	35.38
Current						
Borrowings	-	-	155.00	-	-	93.00
Trade Payables	-	-	1,134.81	-	-	949.15
Current maturities of Long Term Debts	-	-	285.38	-	-	285.67
Employee Related Liability	-	-	104.59	-	-	96.67
Interest accrued but not due on Borrowings	-	-	0.37	-	-	0.19
Interest accrued but due on Borrowings	-	-	121.60	-	-	121.60
Interest Payable on unsecured loan	-	-	6.07	-	-	12.26
Others	-	-	-	-	-	-
Total Financial Liabilities	-	-	1,829.81	-	-	1,593.92

Fair Value Hierarchy

B) Financial Assets and liabilities measured at fair value – recurring fair value measurements (Sector wise Disclosure)

(Rs. in Lakhs unless otherwise stated)

Particulars	As at March 31, 2020			As at March 31, 2019		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial Assets						
FVTPL	NA	NA	NA	NA	NA	NA
FVTOCI	NA	NA	NA	NA	NA	NA
Financial Liabilities	NA	NA	NA	NA	NA	NA

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds, ETFs and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the counter derivatives) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

There are no transfers between levels 1 and 2 during the year.

Valuation technique used to determine fair value:

Specific valuation techniques used to value financial instruments include:

- the use of quoted market prices or dealer quotes for similar instruments
- the fair value of the remaining financial instruments is determined using discounted cash flow analysis.

Valuation Techniques used for fair value measurement

(Rs. in Lakhs unless otherwise stated)

Particulars	Fair value as on March 31, 2020	Valuation Technique	Unobservable input	Range
Unquoted Equity	NA	NA	NA	NA
Debt Securities	NA	NA	NA	NA
Hedge Funds	NA	NA	NA	NA
Forward Contract	-	Present Value	Reports from Bank	NA

Valuation processes

1. The finance department of the company includes a team that performs the valuations of financial assets and liabilities required for financial reporting purposes, including level 3 fair values. This team reports directly to the Chief Financial Officer (CFO) and the audit committee (AC).

2. Discussions of valuation processes and results are held between the CFO, AC and the valuation team quarterly, in line with the company's quarterly reporting periods. Changes in level 2 and 3 fair values are analyzed at the end of each reporting period during the quarterly valuation discussion between the CFO, AC and the valuation team. As part of this discussion the team presents a report that explains the reason for the fair value movements.

C) Fair Value of Financial Assets & Liabilities measured at amortized cost

(Rs. in Lakhs unless otherwise stated)

Particulars	As at March 31, 2020		As at March 31, 2019	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Asset				
Non Current				
Others(Security Deposit)	1.81	1.81	1.81	1.81
Current				
Trade Receivables	406.00	406.00	422.72	422.72
Cash and Cash Equivalents	21.54	21.54	1.70	1.70
Bank balances other than Cash & Cash Equivalent	4.48	4.48	4.48	4.48
Loans	-	-	-	-
Others	0.46	0.46	0.24	0.24
Total of Financial Assets	434.29	434.29	430.96	430.96
Financial Liabilities				
Non Current				
Borrowings	22.01	22.01	35.38	35.38
Trade payables				
Current	155.00	155.00	93.00	93.00
Borrowings	1,134.81	1,134.81	949.15	949.15
Trade Payables	285.38	285.38	285.67	285.67
Current maturities of Long Term Debts #	121.60	121.60	121.60	121.60
Interest accrued but due on Borrowings #	104.59	104.59	96.67	96.67
Current maturities of Long Term Debts	0.37	0.37	0.19	0.19
Employee Related Liability	6.07	6.07	12.26	12.26
Interest accrued but not due on Borrowings	-	-	-	-
Total Financial Liabilities	1,829.81	1,829.81	1,593.92	1,593.92

The fair Value of borrowing under litigation is same as carrying value as the matter is subjudice. For detail refer note 33 (7)(E).

- The carrying amounts of trade receivables, trade payables and cash and cash equivalents are considered to be the same as their fair values, due to their short-term nature.
- For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.
- The company has not classified any financial assets as hedge instruments and hence hedge accounting is not applicable.

7. SUMMARY STATEMENT OF FINANCIAL RISK MANAGEMENT

The company's activities expose it to market risk, liquidity risk, credit risk, price risk and legal risk. In order to minimize any adverse effects on the financial.

Risk	Exposure	Measurement	Management Actions
A) Credit Risk	Cash and cash equivalents, trade receivables, financial assets measured at amortised cost	Ageing Analysis	Diversification of bank deposits, credit limits and letter of credit
B) Liquidity Risk	Borrowings and other liabilities	Rolling cash flow forecast	Availability of committed credit lines
C) Market Risk			
- Forex	Future commercial transactions	Sensitivity analysis	Forward foreign exchange contracts
- Interest Rates	Long term borrowings at variable rates	Sensitivity analysis	Interest rate
D) Price Risk	Investment in equity and debt instrument	NA	NA
E) Legal Risk	Borrowings from Banks	Matter is subjuidce	Matter is subjuidce

The Company's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include loans, trade and other receivables and cash and cash equivalents that are derived directly from its operations.

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company is exposed to market, credit and liquidity risk.

The Company's senior management oversees the management of these risks. The senior professionals working to manage the financial risks and the appropriate financial risk governance framework for the Company are accountable to the Board of Directors and Audit Committee. This process provides assurance to Company's senior management that the Company's financial risk-taking activities are governed by appropriate policies and procedures and that financial risk are identified, measured and managed in accordance with Company policies and Company risk objective.

A) Credit Risk Management

The credit risk is the risk of financial loss arising from counter party failing to discharge an obligation. The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk. The credit risk is controlled by analysing credit limits and credit worthiness of customers on continuous basis to whom the credit has been granted, obtaining necessary approvals for credit. For banks and financial institutions, only high rated banks/institutions are accepted.

Credit Risk of various classes of assets is managed as given below:

I. Cash and cash equivalents and deposits with banks

The company maintains its Cash and Cash Equivalents with credit worthy banks and financial institutions and reviews it on an on-going-basis. Moreover, the interest bearing deposits are with banks of good reputation, good past track record and high quality credit rating. Hence the credit risk is assessed to be low. The maximum exposure to credit risk as at 31st March 2020 and 31st March 2019 is the carrying value of such cash and cash equivalents and deposits with banks as shown in note 11 and 12 of the financials.

II. Trade Receivables

Trade receivables of the company are typically unsecured and are derived from revenue earned from customers. Credit risk is managed through credit approvals and periodic monitoring the creditworthiness of customers to which the company grants credit terms in the normal course of business. The major customers of company are highly reputed. Before sales company assess and evaluate the creditworthiness, general feedback about the customer in the market, past experience, if any with customer and accordingly negotiates the terms and conditions with the customers.

The company assesses its Trade receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in profit and loss, the company makes judgments whether there is observable data indicating a measurable decrease in the estimated future cash flows and from such Trade receivables. The company customer base is normally highly reputed clients. The company has a provisioning policy based on past experience, customer creditability and also on the nature of business.

The maximum exposure to the credit risk as at 31st March 2020 and 31st March 2019 is the carrying value of such trade receivables as shown in note 6 and 10 of financials.

Reconciliation of loss allowance provision

(Rs. in Lakhs unless otherwise stated)

Reconciliation of Loss Allowance	Loss allowance measured at 12 months Expected Losses	Loss allowance measured at Life time Expected Losses	
		Financial asset for which credit risk has increased significantly & credit impaired	Financial asset for which credit risk has increased significantly & not credit impaired
Loss allowance as on 1st April 2018	**-**	-	-
Provision for the year	**25.73**	-	-
Provision written back since earlier year provision written off or amount collected	**-**	-	-
Loss allowance as on 31 March 2019	**25.73**	-	-
Provision for the year	5.44	-	-
Provision written back since earlier year provision written off or amount collected	**-**	-	-
Loss allowance as on 31 March 2020	**31.17**	-	-

B) Liquidity Risk

1. The Company determines its liquidity requirement in the short, medium and long term. This is done by drawings up cash forecast for short term and long term needs.
2. The company have liquidity risk due to that all the outstanding are paid as and when funds are available based on the preferences. The Company manage its liquidity risk in a manner so as to meet its normal financial obligations. Such risk is managed through ensuring operational cash flow while at the same time maintaining adequate cash and cash equivalent position.

Maturities of financial liabilities

As on 31.03.2020 **(Rs. in Lakhs unless otherwise stated)**

Financial Liabilities	<12 months	>12 months	Total
Non Derivative			
Short term borrowings	155.00	-	155.00
Trade Payables	1,134.81	-	1,134.81
Long Term Borrowings	-	-	22.01
Other Financial Liabilities	518.00	22.01	518.00
Derivative	**1,807.81**	**22.01**	**1,829.81**

As on 31.03.2019 **(Rs. in Lakhs unless otherwise stated)**

Financial Liabilities	<12 months	>12 months	Total
Non Derivative			
Short term borrowings	93.00	-	93.00
Trade Payables	949.15	-	949.15
Long Term Borrowings	-	35.38	35.38
Other Financial Liabilities	516.39	-	516.39
Derivative	**1,558.54**	**35.38**	**1,593.92**

C) Market Risk Management

I. Foreign Currency Risk

1. The company operates internationally and is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the US$ and EURO. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the company's functional currency (INR). The risk is measured through a forecast of highly probable foreign currency cash flows. The objective of the hedges is to minimize the volatility of the INR cash flows of highly probable forecast transactions.
2. The company uses foreign exchange forward contracts to hedge its exposure in foreign currency risk. The company measures the forward contract at fair value through profit and loss not classified as hedge.
3. The spot component of forward contracts is determined with reference to relevant spot market exchange rates. The differential between the contracted forward rate and the spot market exchange rate is defined as the forward points.

(a) Foreign currency risk exposure

Particulars		As at March 31, 2020	As at March 31, 2019
		USD/EURO in lakhs	USD/EURO in lakhs
Financial Assets	In USD	-	0.02
	IN EURO	0.25	0.02
Financial Liabilities	In USD	-	-
	In USD	-	**(0.02)**
Net Exposure	**In EURO**	**0.25**	**0.02**

(b) Sensitivity

Particulars	Sensitivity Analysis	Impact on PAT (USD in Lakhs)	
		March 31, 2020	March 31, 2019
USD Sensitivity (Increase)	0.10	-	(0.00)
USD Sensitivity (Decrease)	0.10	-	0.00
EURO Sensitivity (Decrease)	0.05	0.01	0.00
EURO Sensitivity (Decrease)	0.05	(0.01)	(0.00)

(c) Sensitivity

Particulars	Sensitivity Analysis	Impact on Other Equity (USD in Lakhs)	
		March 31, 2020	March 31, 2019
USD Sensitivity (Increase)	0.10	-	(0.00)
USD Sensitivity (Decrease)	0.10	-	0.00
EURO Sensitivity (Decrease)	0.05	0.01	0.00
EURO Sensitivity (Decrease)	0.05	(0.01)	(0.00)

II. Cash flow and Interest rate risk

The company's main interest rate risk arises from long-term borrowings with variable rates, which expose the group to cash flow interest rate risk. , the group's borrowings at variable rate were mainly denominated in INR & USD.

The company's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

a) Interest rate risk exposure **(Rs. in Lakhs unless otherwise stated)**

Particulars	March 31, 2020	March 31, 2019
Variable Rate borrowings	-	-
Fixed Rate Borrowings	462.38	414.05

b) Sensitivity Analysis **(Rs. in Lakhs unless otherwise stated)**

Particulars	Impact on PAT	
	March 31, 2020	March 31, 2019
Interest Rate – increase by 50 basis points	-	-
Interest Rate – decrease by 50 basis points	-	-

D) Price Risk

I) Price Risk

(I) The entity do not have any investment in quoted securities or other equity instruments except for investments in group entities. Thus, the company is not exposed to any price risk.

II) Commodity Price Risk

The Company is affected by the price volatility of steel commodities. Its operating activities require the ongoing purchase of Steel therefore require a continuous supply of steel. Due to significantly increased volatility of the price of the steel , the Company has entered into various purchase contracts for steel.

The Company has developed and enacted a risk management strategy regarding steel price risk and its mitigation.

E) Legal Risk

The entity have legal risk which is defined as below:

Secured loan:

a. The Company is contesting in various Courts and Tribunals the exaggerated claims by the assignees of the various Term Loans availed between 1990 and 1992 from a consortium of 3 Financial Institutions (FIs) namely ICICI, IDBI and IFCI.

b. The Company availed Term Loans of Rs. 925.67 lakhs between 1990 and 1992 from the consortium, with ICICI as the lead Institution. However the total amount so received was only Rs. 894.03 and the balance was adjusted against Interest payable. Due to recession in the market and accumulated losses which were partly occasioned by high interest rates and partly by time over-run and cost over-run, and despite best efforts of the promoters and the management, the Company turned into a sick company and was referred to the Board for Industrial and Financial Reconstruction (BIFR) vide Reference Case No.197/97.

c. A Rehabilitation Scheme/Package formulated and agreed upon by all the FIs was approved by the BIFR on 27-12-1999 wherein the dues were freshly determined and fixed as Rs. 1178 lakhs to be paid by 31-03-2002.

The Net Worth of the Company turned positive and after considering the Balance Sheet for the year ended on 31st March 2000, the BIFR closed the reference case on 04-10-2001.

d. As per the package, one of the sources of finance to repay the FIs was Working Capital facilities. Since the Company was under RBI's defaulters list, no banks were willing to extend the required working capital limits. This was duly brought to the notice of the BIFR. However, despite the best efforts, the Company could not arrange the working capital limits thereby leading to delayed repayments to the Financial Institutions.

e. In all, however, over the years, the Company made a total repayment of Rs. 1286.77 lakhs out which Rs. 1101.89 lakhs was made under/after the BIFR Scheme to the consortium members. The major portion of this was paid to the lead institution, ICICI, as part of approval for the BIFR Rehabilitation Scheme/Package. As the Company did not have the details of amounts adjusted by and amongst members of the Consortium out of the various repayments made by it and since, ICICI had filed a winding-up petition in the High Court of Punjab & Haryana at Chandigarh on 08-10-2004 for recovery of Rs. 329.93 Lakhs, the Company, after October 2005, preferred not to make any further payments to the FIs since the matter was sub-judice.

f. In 2005, the RBI released a Scheme / Guidelines for One-Time Settlement of loan accounts of Small and Medium Companies. Since the Company fulfilled the criteria for availing the benefits under the said Scheme, which is binding upon the Banks and FIs, the Company re-calculated the payments made under the said Scheme, and after adjusting the amounts already paid to the consortium members, the dues towards the consortium came out to be Rs. 2.62 lakhs only.

The Company accordingly made an application under the OTS Scheme to the FIs before the deadline of end March 2006 and offered to pay the said amount of Rs. 2.62 lakhs.

g. However, the Financial Institutions did not settle the Company's matter under RBI's OTS Guidelines and demanded unreasonably high amounts.

In the meanwhile, ICICI assigned its debts to Kotak Mahindra Bank Ltd. (KMBL) on 25-04-2005, and both IFCI and IDBI assigned their debts to Dhir & Dhir Asset Reconstruction and Securitisation Company Ltd. (now known as Alchemist Assets Reconstruction Company Ltd. (AARCL)) on 05-03-2008 for Rs. 304.00 lakhs and 12-08-2008 for Rs. 411.50 lakhs respectively.

Thereafter, the assignees filed various Applications under section 19 of The Recovery of Debts Due to Banks and Financial Institutions Act, 1993 for recovery of debts as follows:

- In DRT-II, New Delhi by KMBL on 23-01-2007 for recovery of Rs. 472.07 lakhs
- In DRT-I, New Delhi by AARCL on 11-12-2008 for recovery of Rs. 13370.25 lakhs for dues calculated on the IFCI debts.
- In DRT-I, New Delhi by AARCL on 21-05-2012 for recovery of Rs. 9315.19 lakhs for dues calculated on the IDBI debts.

h. The Company has also filed counter claims of more than Rs. 500 crores on both KMBL and AARCL.

The final adjudication of the debt liability is yet to be completed.

AARCL (formerly D&DARSCL) also issued notice on 12-12-2008 under Section 13(2) of The Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act (SARFAESI), 2002 demanding an amount of Rs. 14446.60 lakhs against dues calculated on both IFCI and IDBI debts. With an application filed on 29-07-2009 u/s 14 of the SARFAESI Act with Dy. Commissioner, Rewari, they made an attempt to take possession of the Company's Assets. However, with timely actions, the Company has obtained from the Hon'ble Punjab & Haryana High Court, Chandigarh Stay Order against any coercive action, if any, taken under SARFAESI Act for taking over the possession of the property in dispute.

I. The Hon'ble Punjab & Haryana High Court, Chandigarh had through interim orders dated 21-01-2011 and 11-03-2011 directed the Company to deposit a sum of Rs. 500 lakhs in the High Court, which the Company complied with.

As per further directions of the Hon'ble High Court vide order dated 09-08-2011 the sum of Rs. 5 crores was appropriated as follows:

- Rs. 300 lakhs to Alchemist Assets Reconstruction Company Ltd., and

- Rs. 200 lakhs to Kotak Mahindra Bank Ltd.

Apart from the aforesaid payment of Rs. 500 lakhs the assignees were also given the liberty to recover further sum of Rs. 1350.00 lakhs from the sale of the surplus land appurtenant to the factory premises. This had further been re-affirmed by the Hon'ble Supreme Court with modifications vide Orders dated 07-05-2012, 30-07-2012 and 01-03-2013. As per the directions of the Hon'ble Supreme Court on 01-03-2013, the Company has given physical possession of a part of the property comprising of approx. 10 acres of land to Alchemist Assets Reconstruction Company Ltd. on 08-03-2013. The Appeals are pending adjudication before the Division Bench of Hon'ble Punjab & Haryana High Court.

j. Since this was only an Interim Order and the amount is yet to be adjudicated, no provision for differential Interest has been made by the Company, nor has any effect been given in the Fixed Assets Schedule of the Accounts.

Also, in compliance to the directions given by Hon'ble Debts Recovery Appellate Tribunal, Delhi (DRAT), the Company deposited with the Debts Recovery Tribunal - I, Delhi (DRT-I) a sum of Rs. 51.81 lakhs, which was received from the District Revenue Officer-cum-Competent Authority, Rewari as land acquisition compensation for acquisition of approx. 0.69 acres of the Company's land for widening of the Delhi-Jaipur NH-8 Highway.

k. Final Arguments in Debts Recovery Tribunal-1, Delhi (DRT-I) for dues calculated on the IFCI debts is complete and pronouncement of the Order was made on 18-01-2016 for recovery of Rs. 8449.39 lakhs together with simple interest @ 13.5% p.a. The Company has filed on Appeal in the Appellate Court (DART) against this order, along with an Appeal for waiver of the pre-deposit. However, both the Appeals have been dismissed by the Appellate Court on 12th October 2017 (waiver Appeal) and 30th November 2017 (Appeal against DRT-1 Order of 18-01-2016).

The Company has filed a Writ Petition in the Hon'ble High Court, Delhi against the Dismissal Orders of the Appellate Court (DRAT) as the Company is of the view that the said Order is not in accordance with the law and after applying the Reserve Bank of India One-Time Settlement (RBI OTS) Guidelines and after adjusting amounts already paid, physical possession of part property given and amount deposited with the DRT, the Company is of the opinion that nothing will be due and payable by the Company to the Lenders/ Assignees. On the contrary amounts may become recoverable which claims have been filed by the Company.

L. In the meanwhile, the Appeal filed by the Company before the Commissioner, Gurgaon Div. has been allowed on 10-03-2016. Court has held that the Assignment Deed on the basis of which AARCL filed the case in DRT-I is understopel to the extent of about Rs. 500 lakhs Stamp Duty.

Against this Order, Alchemist Asset Reconstruction Company Ltd. (AARC) had filed Writ Petition in the Punjab & Haryana High Court, Chandigarh who granted an interim stay on the Commissioner's Order till further arguments are heard for final decision.

M. 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. The Company's lawyer pointed out to the RO on 08.02.2019 that the description / area of land mentioned in the Notice is wrong and also that the Company had filed an application before the RO for keeping the proceedings in abeyance till the application filed by the Company challenging RO's orders of attachment and sale is decided by the Hon'ble Punjab & Haryana High Court. The matter before RO has been adjourned to 06-12-2019.

8. Capital Management

The Company objective to manage its capital is to ensure continuity of business while at the same time provide reasonable returns to its various stakeholders but keep associated costs under control. In order to achieve this, requirement of capital is reviewed periodically with reference to operating and business plans that take into account capital expenditure and strategic Investments. Sourcing of capital is done through judicious combination of equity/internal accruals and borrowings, both short term and long term. Net debt (total borrowings less current investments and cash and cash equivalents) to equity ratio is used to monitor capital.

(Rs. in Lakhs unless otherwise stated)

Particulars	31.03.2020	31.03.2019
Net Debt	440.84	412.35
Total Equity	(1,213.28)	(993.54)
Debt Equity Ratio	(0.36)	(0.42)

9. Confirmation from Trade Receivables

The Company has process of sending confirmations of balance to Trade receivables through Electronic media once in a year. However account reconciliation/confirmation in respect of certain accounts of Debtors have not been received and they are subject to confirmations and reconciliation. Discrepancies, if any, found on receipt of confirmations shall be accounted for as and when the confirmations are received. The Management is of the opinion that adjustment, if any, arising out of such reconciliation would not have material effect on the financial statements of current year

10. Confirmation from Trade Payables

The Company has a process of sending confirmations of balances to Trade payables through Electronic media once in a year. However account reconciliation/confirmation in respect of certain accounts of Vendors have not been received and the are subject to confirmations and reconciliation. Discrepancies, if any, found on receipt of confirmations shall be accounted for as and when the confirmations are received. The management is of the opinion that adjustment, if any, arising out of such reconciliation would not have material effect on the financial statements of current year.

11. Payments to auditors:

(Rs. in Lakhs unless otherwise stated)

Particulars	For the year ended March 31	
	2020	2019
Audit Fees	1.50	1.50
Tax Audit Fees	0.40	0.40
Out of pocket expenses	-	-
Certification fees	0.85	0.45
Company Law matter	0.60	0.60
Payment to Cost Auditor	-	0.20
Total	**3.35**	**3.15**

12. EMPLOYEE BENEFITS

Defined Contribution Plan

a) Provident Fund & Other Funds : A defined contribution plan is a post-employment benefit plan under which the Company pays specified contributions for provident fund and pension as per the provisions of the Provident Fund Act, 1952 and other acts to the government. The Company's contribution is recognised as an expense in the Profit and Loss Statement during the period in which the employee renders the related service. The company's obligation is limited to the amounts contributed by it.

(Rs. in Lakhs unless otherwise stated

Particulars	For the year ended March 31	
	2020	2019
Contribution towards Provident Fund & other Funds	32.92	39.48

Defined Benefits Plan

Gratuity: The liability in respect of defined benefit plans includes Gratuity liability as per the provisions of the Payment of Gratuity Act, 1972 which is calculated using the Projected Unit Credit Method and spread over the period during which the benefit is expected to be derived from employees" services. The company's obligation includes actuarial risk and investment risk. Actuarial gains and losses in respect of post-employment are charged to the Profit and Loss Statement.

Assumptions

Particulars	2019-20	2018-19
Approach Used	Projected Units Credit Method	Projected Units Credit Method
Future Salary Increase	8.50%	8.50%
Discount rate	6.70%	7.60%

Change in Net Defined Benefit Obligation

(Rs. in Lakhs unless otherwise stated)

Particulars	2019-20	2018-19
Liability at the beginning of the year	187.12	180.42
Interest Costs	14.22	13.89
Current Service Costs	11.18	10.86
Past Service Cost including curtailment Gains/ Losses	-	-
Benefits paid	(13.09)	(1.28)
Actuarial (Gain)/Loss on obligations due to change in Obligation	7.85	(16.77)
Liability at the end of the year	**207.30**	**187.12**

Net interest Cost

(Rs. in Lakhs unless otherwise stated)

Particulars	For the year ended March 31	
	2020	2019
Interest Cost	14.22	13.89
Total	**14.22**	**13.89**

Service Cost

(Rs. in Lakhs unless otherwise stated)

Particulars	For the year ended March 31	
	2020	2019
Current Service Cost	11.18	10.86
Total	**11.18**	**10.86**

Actuarial (Gain)/Loss on obligation

(Rs. in Lakhs unless otherwise stated)

Particulars	For the year ended March 31	
	2020	2019
Actuarial (Gain)/Loss on arising from changes in demographic assumptions	0.08	-
Actuarial (Gain)/Loss on arising from Change in Financial Assumption	16.80	1.77
Actuarial (Gain)/Loss on arising from Experience Adjustment	**(9.02)**	(18.53)

Balance sheet and related analysis

(Rs. in Lakhs unless otherwise stated)

Particulars	As at March 31	
	2020	2019
Present Value of the obligation at end	207.30	187.12
Unfunded Liability/provision in Balance Sheet	(207.30)	(187.12)
Unfunded Liability recognised in Balance Sheet	**(207.30)**	**(187.12)**

Amount recognised in Statement of Profit and Loss

(Rs. in Lakhs unless otherwise stated)

Particulars	For the year ended March 31	
	2020	2019
Service Cost	11.18	10.86
Net Interest Cost	14.22	13.89
Expense recognised in statement of profit and loss	25.40	24.75

Other Comprehensive Income (OCI)

(Rs. in Lakhs unless otherwise stated)

Particulars	For the year ended March 31	
	2020	2019
Actuarial Gain or (Loss) for the year on PBO	7.85	16.77
Unrecognized actuarial gain/(loss) at the end of the year	**7.85**	**16.77**

Expected contribution for the next Annual reporting period

(Rs. in Lakhs unless otherwise stated)

Particulars	As at March 31	
	2020	2019
Service Cost	-	-
Net Interest Cost	-	-
Expected Expense for the next annual reporting period	-	-

Sensitivity Analysis **(Rs. in Lakhs unless otherwise stated)**

Particulars	March 31, 2020	March 31, 2019
a) Impact of the change in discount rate		
Present Value of Obligation at the end of the period	207.30	187.12
Impact due to increase of 1 %	(21.27)	(19.05)
Impact due to decrease of 1 %	18.55	16.64
b) Impact of the change in salary increase		
Present Value of Obligation at the end of the period	207.30	187.12
Impact due to increase of 1 %	20.69	18.69
Impact due to decrease of 1 %	(18.42)	(16.66)

- Changes in Defined benefit obligation due to 1% Increase/Decrease in Mortality Rate, if all other assumptions remain constant is negligible.

(Rs. in Lakhs unless otherwise stated)

Maturity Profile of Defined Benefit Obligation				Maturity Profile of Defined Benefit Payments			
2019-20		2018-19		2019-20		2018-19	
Year	Amount	Year	Amount	Year	Amount	Year	Amount
1	4.16	1	4.09	1	4.30	1	4.24
2	8.43	2	5.93	2	9.30	2	6.62
3	11.29	3	5.79	3	13.28	3	6.95
4	11.02	4	12.07	4	13.82	4	15.59
5	6.90	5	9.75	5	9.24	5	13.55
above 5	165.50	above 5	149.49	above 5	386.41	above 5	390.73

Description of Risk Exposure:

Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such company is exposed to various risks as follow:

I. Financial Assumptions

A) Salary Increases- Salary increase takes into account inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

B) Discount Rate: The rate used to discount post-employment benefit obligations is determined by reference to market yields at the balance sheet date on government bonds. The currency and term of the government bonds is consistent with the currency and estimated term of the post-employment benefit obligations.

II. Demographic Assumptions

Particulars	For the year ended March 31	
	2020	2019
Retirement Age	58 Years	58 Years

Mortality: Indian Assured Lives Mortality (2006-08) ultimate table. Rates at specimen ages are as shown below:

Age (Years)	Rates	Age (Years)	Rates
15	0.000698	60	0.011162
20	0.000924	65	0.015932
25	0.000931	70	0.024058
30	0.000977	75	0.038221
35	0.001202	80	0.061985
40	0.001680	85	0.100979
45	0.002579	90	0.163507
50	0.004436	95	0.259706
55	0.007513	100	0.397733

	For the year ended March 31	
	2020	2019
Martality Table Used	IALM (2006-08) ult.	IALM (2012-14) ult.

Withdrawal: Withdrawal rates are for all causes in accordance with the following table:

Age	For the year ended March 31	
	2020	2019
All Ages	2% P.A.	2% P.A.

Disability: Leaving service due to disability is included in the provision made for withdrawals from service (refer above for withdrawals)

13. Segment Reporting

According to Ind AS 108, identification of operating segments is based on Chief Operating Decision Maker (CODM) approach for making decisions about allocating resources to the segment and assessing its performance. The business activity of the company falls within one broad business segment and substantially sale of the product is within the country. The Gross income and profit from the other segment is below the norms prescribed in Ind AS 108. Hence, the disclosure requirement of Ind AS 108 of 'Segment Reporting' is not considered applicable.

14. Material Uncertainity Related to Going Concern Assumption

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.

15. Deferred Tax Assets

There being virtual uncertainties of taxable income in subsequent year, hence deferred tax assets has not be created in these financials.

16. Related Party Transaction

(As identified by the Management and not verified by the Auditors.)

I Relationships:

(a) Key Managerial Personnel

(i) Shri R.M. Bafna (Whole Time Director)

(ii) Smt Smriti Bafna (Whole Time Director)

(iii) Shri R.P. Verma (Chief Financial Officer)

(b) Promoter and Enterprise significantly influenced by key management personnel and their relatives:

(i) Coventry Spring & Engineering Co. Ltd.

(ii) Bangalaxmi Steel Trading Co. Ltd.

(iii) Castleton Spring (P) Ltd.

(c) Relative of Directors

(i) Mr. Kshitij Bafna (Son of Director)

(ii) Mr. Akshit Bafna (Son of Director)

II. The following transactions were carried out with the related parties in the ordinary course of business:

(Rs. in Lakhs unless otherwise stated)

S.no.	Particulars		Key Management Person	Relative of KMP	Enterprises over which KMP or relative of KMP have significant influence	Total
A	Remuneration	**Current Year**	**60.98**	**59.78**	-	**120.75**
		Previous Year	78.30	54.00	-	132.30
B	Loan Taken	**Current Year**	**62.00**	-	-	**62.00**
		Previous Year	28.00	-	-	28.00
C	Advance Given	**Current Year**	**0.45**	-	-	**0.45**
		Previous Year	0.00	-	-	0.00
D	Interest on Loan	**Current Year**	**12.59**	-	-	**12.59**
		Previous Year	8.55	-	-	8.55
E	Sale of Goods	**Current Year**	-	-	**15.11**	**15.11**
		Previous Year	-	-	7.26	7.26
F	Purchase of Goods	**Current Year**	-	-	**2.04**	**2.04**
		Previous Year	-	-	0.33	0.33
G	Retainership Fees Paid to CFO	**Current Year**	**8.88**	-	-	**8.88**
		Previous Year	8.34	-	-	8.34

(Rs. in Lakhs unless otherwise stated)

Closing Balance	For the year ended March 31	
	2020	**2019**
Receivables		
- Castleton Spring (P) Ltd.	**4.60**	**5.13**
- Advance given to R.P Verma	**0.45**	**-**
Payables		
- Remuneration (Kshitij Bafna)	**35.28**	**14.64**
- Remuneration (Akshit Bafna)	**5.26**	**8.08**
- Director Remuneration (R. M. Bafna)	**6.38**	**28.25**
- Director Remuneration (Smriti Bafna)	**36.83**	**16.33**
- Remuneration (R.P Verma)	**1.32**	**0.84**
- Director Loan (R.M. Bafna)	**155.00**	**93.00**

17. Leases

On April 1, 2019, the Company adopted Ind AS 116 "Leases". There were no impacts on retained earnings upon implementation of Ind AS 116. The Company has recognised short-term leases over the lease term. The expenses related to short-term leases are Rs. 15.61 Lakhs for the year ended March 31, 2020. There are no income from subleasing right-of-use assets nor any gains or losses from sales and leaseback of assets for the year ended March 31, 2020.

18. Impact of Covid-19

The Company's operations were affected during the quarter ended 31st March, 2020 due to lockdown announced on account of COVID-19 pandemic by State/Central Govt. w.e.f. 23rd March, 2020. Company has re-started its operations on 04th May 2020, after seeking necessary permission and approvals and following social distancing, hygiene and other safety measures. The Company estimates to recover the carrying amount of all its assets including inventories and receivables in the ordinary course of business based on information available on current economic conditions. These estimates are subject to uncertainty and may be affected by the severity and duration of pandemic. The Company is continuously monitoring any material changes in future economic conditions.

19. Segment Reporting

The Company is engaged in the manufacturing of Springs, which in the context of Indian Accounting Standards-108 “Operating Segments “(IND AS -108) only primary business segment. The identification of operating segment is consistent with performance assessment and resource allocation by the chief operating decision maker.

20 Previous Year figures have been Regrouped/Rearranged wherever necessary.

In terms of our report of even date attached

For J K V S & Co.
Chartered Accountants
Firm's Registration No. 318086E

For and on behalf of the Board of Directors
Coventry Coil-O-Matic (Haryana) Limited

Sajal Goyal
Partner
Membership No. 523903

R.M. Bafna
Managing Director

Atul Kumar Chaturvedi
Director

Place: Delhi
Date: 30-06-2020

R.P. Verma
Chief Financial officer

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 32nd ANNUAL GENERAL MEETING, E-VOTING INFORMATION AND BOOK CLOSURE

Notice is hereby given that the 32nd Annual General Meeting of the Company will be held on Tuesday, the Wednesday, the 11th November, 2020 at 10:00 a.m. at its Registered Office - Village: Salawas, P.O. Sangwari, Distt. Rewari-123 401 (Haryana),

E – Voting : E-Voting : The members are hereby informed that in compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and regulation 44 of the Listing Regulation and Secretarial Standards on General Meetings (SS2) issued by Institute of Companies Secretaries of India, the Company is providing to its members facility to cast votes electronically on all the resolutions set forth in the notice convening 32nd Annual General Meeting as follows :.

1. To consider and adopt the Financial Statements as at on 31st March, 2020 together with the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Ms. Smriti Bafna, (DIN 06971191)Whole Time Director who retires by rotation and being eligible offers herself for re-appointment.

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

1. 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.
2. Date of Completion of sending of Annual report is 16th October, 2020.
3. 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 09.00 a.m (IST) on Sunday, November 08th 2020
End of e-voting	Up to 05.00 p.m (IST) on Tuesday, November 10th 2020

4. Important Notice: e – Voting shall not be allowed beyond 5.00p.m (IST) on November 10, 2020.
5. The cutoff. Date (i.e. the record date for the purpose of e-voting is November 04, 2020.
6. The Notice of the 32nd Annual General Meeting is available on Insta Vote website (https://instavote.linkintime.co.in)
7. For electronic voting instructions, Shareholders may go through the instructions in the Notice of 32nd 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://instavote.linkintime.co.in)
8. Notice pursuant to Section 91 of the Companies Act, 2013 and rule 10 of the Companies (Management and Administration) Rules, 2014, read Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is also hereby given that the Registers of Members and Share Transfers Books of the Company will remain closed from 04th November, 2020 to 11th November, 2020 (Both days inclusive)

By Order of the Board
For **Coventry Coil-o-Matic (Haryana) Limited**

Place: New Delhi **(R.M. Bafna)**
Date: 30.06.2020 Managing Director

ATTENDANCE SLIP

COVENTRY COIL O MATIC (HARYANA) LIMITED
Regd. Office: 87 Km, NH 8, Village: Salawas, P.O. Sangwari, Distt. Rewari - 123 401 (Haryana).
CIN:L74999HR1988PLC030370
PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL
(Joint shareholders may obtain additional slip at the venue of the meeting)

Dp id*		Folio No.	
Client id*		No. of Shares	

Name & Address of the Shareholder

I have recorded my presence at the 32nd Annual General Meeting of the Company held on Wednesday, November 11, 2020 at 10.00 a.m at 87 Km, NH 8, Village: Salawas, P.O. Sangwari, Distt. Rewari - 123 401 (Haryana)

*Applicable for investors holding shares in electronics form

PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

COVENTRY COIL O MATIC (HARYANA) LIMITED

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

CIN: L74999HR1988PLC030370

Name of the member(s)		e-mail Id :	
Registered address		Folio No/*Client Id :	
		*DP Id :	

I/We, being the member(s) of ________________ shares of Coventry Coil o Matic (Haryana) Limited, hereby appoint:

1) ______________________________of________________ having e-mail id or failing him

2) ______________________________of________________ having e-mail id or failing him

3) ______________________________of________________ having e-mail id

and whose signature(s) are appended below as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 32nd Annual General Meeting of the Company, to be held on Wednesday, 11th November, 2020 at 10.00 a.m, 87 Km, NH 8, Village: Salawas, P.O. Sangwari, Distt. Rewari - 123 401 (Haryana) and at any adjournment thereof in respect of such resolutions as are indicated below:

I wish my above Proxy to vote in the manner as indicated in the box below:

S. No.	Resolution	For	Against
1.	To consider & adopt Audited Financial Statement, Report of Directors & Auditors		
2.	Appointment of a Director in place of Ms. Smriti Bafna, (DIN 06971191) who retires by rotation and being		
	eligible offers herself for re-appointment.		

Signed this..................... day of..................2020

Affix Rs.1/- revenue stamp

(Signature of shareholder)

(Signature of first proxy holder) **(Signature of second proxy holder)** **(Signature of third proxy hold)**

Notes:

(1) This form of proxy in order to be elective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.

(2) A Proxy need not be a member of the Company.

(3) A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

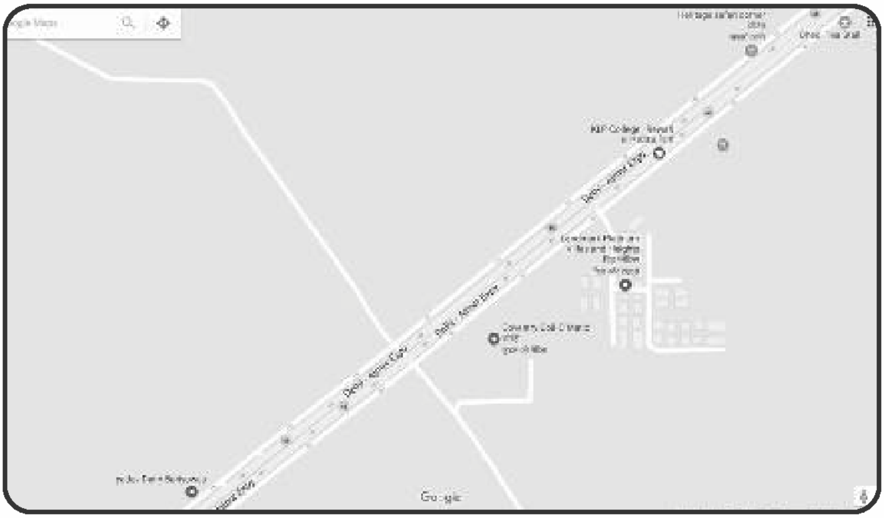
(4) This is only optional. Please put a 'X' in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.

(5) Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.

(6) In the case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.

BOOK POST

LOCATION TO THE ANNUAL GENERAL MEETING



If undelivered please return to :

Coventry Coil-o-Matic (Haryana) Ltd.

Village Salawas, Post Sangwari,
Rewari-123401, Haryana