



Coventry Coil-o-Matic(Haryana)Ltd.

Regd.office: 87km NH-8, Vill. Salawas, P.O. Sangwari, Distt. Rewari-123 401 (Haryana)

Ref.: CCHL/2024-2025/

28th May 2024

Scrip Code and Name: **523415/COVEN COILOM**

**THE DEPARTMENT OF CORPORATE SERVICES,
THE MUMBAI STOCK EXCHANGE,
PHIROZE JEEJEEBHOY TOWERS,
DALAL STREET,
MUMBAI – 400 001**

Sub : Outcome of Board Meeting held on 31st March 2024

Dear Sir/Madam,

Pursuant to the provisions of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we wish to inform that the Board of Directors of the Company, in its meeting held today on 28th May, 2024, which commenced at 12:30 PM and concluded at 08:15 PM, has inter- alia, considered and approved the following business:

1. Approved the Audited Standalone Financial results of the Company for the quarter and year ended on 31st March 2024. The same is enclosed.
2. Taken on record the Independent Auditor's report from the Statutory Auditors i.e. M/s J K V S & Co., Chartered Accountants for the quarter and year ended on 31st March 2024

The Report of Auditors is with Modified Opinion with respect to the Audited Financial Results of the Company for the quarter and year ended 31st March 2024. The same is enclosed.

Kindly take the same on your record.

Thanking you,

Yours faithfully,

For Coventry Coil-o-Matic (Haryana) Ltd.

Rajendra Mal Bafna
Managing Director

Encl. : As above

JKVS & CO.

CHARTERED ACCOUNTANTS

Independent Auditor's Report on the Quarterly and Annual Audited Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

To the Board of Directors of Coventry Coil-O-Matic (Haryana) Ltd.

Report on the Audit of the Financial Results

Qualified Opinion

We have audited the accompanying statement of quarterly and annual financial results of Coventry Coil-O-Matic (Haryana) Limited ("the Company"), for the quarter and year ended March 31 2024 ("the Statement"), attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").

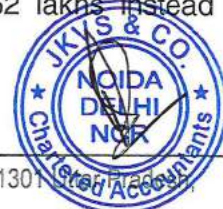
In our opinion and to the best of our information and according to the explanations given to us, the Statement read with notes therein:

- i. except the effects of the matter described in the basis of qualified opinion paragraph below, these quarterly results and annual audited results is presented in accordance with the requirements of the Listing Regulations 33 in this regard: and
- ii. does not gives a true and fair view in conformity with the applicable accounting standards and other accounting principles generally accepted in India, of the net profit and other comprehensive income for the quarter ended March 31, 2024, net profit and other comprehensive income for the year ended March 31, 2024 and other financial information of the Company for the quarter and year ended March 31, 2024.

Basis for Qualified Opinion

Attention is drawn to the following notes of the accompanying financial results:

1. Going Concern Assumption may no longer be appropriate- As the Company has incurred significant operating losses, negative operating cash flow, negative working capital, adjudication of legal process against the company for loan liability, Notice of Recovery Officer-II of DRT-1, Delhi for settling sale proclamation for the sale of the factory property (Refer Note 2(m)) 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 Note No. (2K) of the statement for demand pronounced by 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. 27,718.85 Lakhs as on 31st March'24 (Gross Value before adjusting repayment through Cash and Land) related to liability of IFCI debt. Other liability of IDBI is yet to be ordered by Courts. Liability provided in the book against these are only of Rs. 393.59 lakhs, non-provision of Rs. 28,030.59 Lakhs.
2.2. Had the provision been made, the loss up to the year after tax Rs. 156.46 lakhs would have resulted in loss of Rs. 28,187.06 lakhs, Reserve & Surplus Deficit (Balance of Statement of Profit & Loss) would have been Rs. 29,750.52 lakhs instead of Rs. 1,719.93 lakhs.



3. As per note 3 of the statement, the company had to give physical possession of a part of land comprising of approx. 10 acres whose approx. cost appearing in books is Rs. 12.02 Lakhs, to Alchemist Asset Reconstruction Company Ltd., assignees of IDBI & IFCI (Financial Institution) on 8th March 2013 as per the direction of Honourable Supreme Court who re-affirmed the interim orders of Honourable Punjab & Haryana High Court, Chandigarh of 9th August 2011. The land is sold by Alchemist Asset Reconstruction Company Ltd. at Rs. 1350 lakhs. The company is not made accounting entries on transfer of such lands and tax thereon if any.
4. Company have not worked out and provided for the Interest and penalty which will arise due to long outstanding of statutory dues and non-filing of statutory returns in time.

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 in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Companies Act, 2013, as amended ("the Act"). Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Financial Results' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants 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 thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the 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 annual financial results.

Management's and Board of Director's Responsibilities for the Financial Results

The Statement has been prepared on the basis of the annual financial statements. The management and the Board of Directors of the Company are responsible for the preparation and presentation of the Statement that gives a true and fair view of the net profit and other comprehensive income and other financial information of the Company in accordance with the applicable accounting standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Statement, management and the Board of Director are 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 company's management and the Board of Directors are also responsible for overseeing the Company's financial reporting process.



Auditor's Responsibilities for the Audit of the Financial Results

Our objectives are to obtain reasonable assurance about whether the Statement 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 Statement.

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

- Identify and assess the risks of material misstatement of the Statement, 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.
- 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 (Refer Note 2(m)) 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.
- Evaluate the overall presentation, structure and content of the Statement, including the disclosures, and whether the Statement represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Statement that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Statement 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 Statement.

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.



Other Matter

The Statement includes the results for the quarter ended March 31, 2024 being the balancing figure between the audited figures in respect of the full financial year ended March 31, 2024 and the published unaudited year-to-date figures up to the third quarter of the current financial year, which were subjected to a limited review by us, as required under the Listing Regulations.

Date: May 28, 2023
Place: Noida (Delhi-NCR)



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

A handwritten signature in blue ink, appearing to read "Vineet Mahipal".

Vineet Mahipal
Partner

Membership No. 508133
UDIN : 24508133BKGQEQ8616

COVENTRY COIL-O-MATIC (HARYANA) LIMITED
 Regd office : Vill. Salawas, P.O. Sangwari, Distt Rewari - 123401
 Email : info@coilomatic.com Ph. 9896033299
 CIN. No. L74999HR1988PLC030370
Statement of Audited Financial Results
For the Quarter and Year Ended 31st March, 2024

| S.No. | PARTICULARS | (Rupees in Lakhs) | | | | |
|---------------|---|-------------------|-----------------|-----------------|-----------------|-----------------|
| | | Quarter Ended | | | Year Ended | |
| | | 3 | 3 | 3 | 12 | 12 |
| No. of Months | 31-Mar-2024 | 31-Dec-2023 | 31-Mar-2023 | 31-Mar-2024 | 31-Mar-2023 | |
| Period Ending | Refer Note 8 | Unaudited | Refer Note 8 | Audited | | |
| Type | | | | | | |
| 1 | Revenue form Operations | 2,372.10 | 2,277.81 | 1,991.97 | 8,694.77 | 7,677.50 |
| 2 | Other Income | 1.24 | 25.65 | 2.10 | 29.40 | 7.64 |
| 3 | Total income (1+2) | 2,373.34 | 2,303.46 | 1,994.07 | 8,724.16 | 7,685.15 |
| 4 | Expenses | | | | | |
| a) | Cost of materials consumed | 936.23 | 1,108.07 | 1,152.46 | 4,232.53 | 4,224.41 |
| b) | Purchases of Stock -in- Trade | 489.71 | 372.18 | 194.40 | 1,557.02 | 797.93 |
| c) | Changes in inventories of finished goods, work-in-progress and Stock-in-Trade | (13.70) | 86.93 | (105.96) | (68.78) | (88.11) |
| d) | Employee benefits expenses | 257.34 | 247.99 | 211.87 | 917.48 | 797.46 |
| e) | Power & Fuel Consumed | 116.55 | 120.94 | 92.90 | 489.91 | 407.79 |
| f) | Finance costs | 48.47 | 20.62 | 19.77 | 108.23 | 76.76 |
| g) | Depreciation and amortization expenses | 20.02 | 20.86 | 16.88 | 77.43 | 51.51 |
| h) | Other Expenses | 459.02 | 382.05 | 426.87 | 1,556.80 | 1,391.96 |
| | Total Expenses | 2,313.64 | 2,359.64 | 2,009.19 | 8,880.63 | 7,659.69 |
| 5 | Profit before Exceptional Items & Tax (3-4) | 59.69 | (56.18) | (15.12) | (156.46) | 25.46 |
| | Exceptional Items | - | - | - | - | - |
| 6 | Profit before Tax | 59.69 | (56.18) | (15.12) | (156.46) | 25.46 |
| 7 | Tax Expense (Net) | | | | | |
| a) | Current Tax | - | - | - | - | - |
| b) | Deferred Tax | - | - | - | - | - |
| 8 | Net Profit for the period (6-7) | 59.69 | (56.18) | (15.12) | (156.46) | 25.46 |
| 9 | Other Comprehensive Income (OCI) | | | | | |
| a) | Items that will not be reclassified to Profit or loss (Net of Tax) | (27.42) | - | 0.89 | (27.42) | 0.89 |
| b) | Items that will be reclassified to Profit or loss (Net of Tax) | - | - | - | - | - |
| 10 | Total Comprehensive Income | 32.27 | (56.18) | (14.23) | (183.88) | 26.35 |
| 11 | Paid up Equity Share Capital(Face Value of the share Rs. 10/- each) | 450.80 | 450.80 | 450.80 | 450.80 | 450.80 |
| 12 | Earning Per Share of (before & after extraordinary items) | | | | | |
| | Rs 10 each (not annualised) | | | | | |
| a) | Basic (Rs.) | 1.32 | (1.25) | (0.34) | (3.47) | 0.56 |
| b) | Diluted (Rs.) | 1.32 | (1.25) | (0.34) | (3.47) | 0.56 |



| COVENTRY COIL-O-MATIC (HARYANA) LIMITED Regd office : Vill. Salawas, P.O. Sangwari, Distt Rewari - 123401 Email : info@coilomatic.com Ph. 9896033299 CIN. No. L74999HR1988PLC030370 Statement of Assets and Liabilities | | | |
|---|---|-------------------------|-------------------------|
| | | (Rs. In Lakhs) | |
| Sl. No. | Particulars | AS AT | AS AT |
| | | 31.03.2024 (Audited) | 31.03.2023 (Audited) |
| 1 | ASSETS | | |
| | NON-CURRENT ASSETS | | |
| | (a) Property, Plant & Equipment | 933.60 | 829.24 |
| | (b) Capital work-in-progress | - | 81.13 |
| | (c) Intangible assets | 10.63 | 12.97 |
| | (d) Intangible assets under development | - | - |
| | | 944.23 | 923.35 |
| | (b) Financial Assets | | |
| | (i) Other Non Current Financial Assets | 51.82 | 59.32 |
| | | 51.82 | 59.32 |
| 2 | CURRENT ASSETS | | |
| | (a) Inventories | 468.10 | 397.78 |
| | (b) Financial Assets | | |
| | (i) Trade Receivables | 748.65 | 517.06 |
| | (ii) Cash and Cash Equivalents | 6.38 | 12.44 |
| | (iii) Bank balances other than (ii) above | 5.85 | - |
| | (iv) Other Financial Assets | 1.91 | 0.25 |
| | (c) Other Current Assets | 93.75 | 113.43 |
| | (d) Current Tax Assets | - | - |
| | | 1,324.64 | 1,040.97 |
| | Non current assets classified as held for sale | - | 10.64 |
| | TOTAL ASSETS | 2,320.69 | 2,034.27 |
| | EQUITY AND LIABILITIES | | |
| | Equity | | |
| | (a) Equity Share Capital | 450.80 | 450.80 |
| | (b) Other Equity | (1,719.93) | (1,536.04) |
| | | (1,269.13) | (1,085.24) |
| | LIABILITIES | | |
| 1 | NON-CURRENT LIABILITIES | | |
| | (a) Financial Liabilities: | | |
| | (i) Borrowings | 11.22 | 30.43 |
| | (b) Provisions | 318.16 | 253.92 |
| | (c) Deferred Tax Liabilities (Net) | - | - |
| | | 329.38 | 284.35 |
| 2 | CURRENT LIABILITIES | | |
| | (a) Financial Liabilities: | | |
| | (i) Borrowings | 704.80 | 600.13 |
| | (ii) Trade Payables | | |
| | Total outstanding dues of Micro & small enterprises | 81.93 | 45.60 |
| | Total outstanding dues of others | 1,791.94 | 1,480.42 |
| | (iii) Other Financial Liabilities | 332.40 | 293.21 |
| | (b) Other Current Liabilities | 333.09 | 396.27 |
| | (c) Provisions | 16.26 | 19.53 |
| | (d) Current Tax Liabilities (Net) | - | - |
| | | 3,260.43 | 2,835.16 |
| | TOTAL EQUITY & LIABILITIES | 2,320.69 | 2,034.27 |



| STATEMENT OF CASH FLOW | | | |
|--|--|----------------|-----------------|
| (Rs. In Lakhs) | | | |
| Sl. No. | Particulars | AS AT | AS AT |
| | | 31.03.2024 | 31.03.2023 |
| | | (Audited) | (Audited) |
| A. Cash flow from Operating Activities: | | | |
| | Net Profit before tax | (156.46) | 25.46 |
| i. | Adjustments for: | | |
| | Depreciation and Amortisation expenses | 77.43 | 51.51 |
| | Finance Costs | 108.23 | 76.75 |
| | Interest Income | (1.41) | (1.79) |
| | Provision for doubtful debts / loans & Advances | 11.44 | 27.61 |
| | Excess Liabilities, Credit Balances, Provisions etc. Written Back | (0.34) | (5.85) |
| | (Profit)/Loss on sale of Property , Plant & Equipment | (27.66) | 4.64 |
| | Operating profit before working capital changes | 11.25 | 178.33 |
| ii. | Adjustments for changes in working capital : | | |
| | (Increase)/ Decrease in Trade and other receivables | (227.99) | (81.11) |
| | (Increase)/ Decrease in Inventories | (70.32) | (140.62) |
| | Increase/ (Decrease) in Trade and other payables | 322.52 | 519.01 |
| | Cash generated from operations | 35.46 | 475.61 |
| | Income Tax Paid | (11.28) | (11.19) |
| B. | Net cash generated from/(used in) Operating Activities (A) | 24.18 | 464.41 |
| Cash flow from Investing Activities: | | | |
| | Purchases of Property, Plant and Equipments | (90.20) | (471.20) |
| | Interest Received | 1.40 | 1.79 |
| | Purchase of Fixed Deposits | - | (5.84) |
| | Proceeds from Sale of Property, Plant and Equipments | 43.96 | 8.77 |
| C. | Net cash (used in)/generated from Investing Activities (B) | (44.83) | (466.48) |
| Cash flow from financing activities: | | | |
| | Net proceeds/(Repayment) of Long Term & Short Term Borrowings | 85.46 | 43.08 |
| | Finance Cost | (70.86) | (55.99) |
| | Net cash generated from/(used in) Financing Activities (C) | 14.60 | (12.91) |
| | Net Increase/ (Decrease) in Cash and Cash equivalents (A+B+C) | (6.06) | (14.97) |
| | Cash and Cash equivalents at the beginning of the year | 12.44 | 27.41 |
| | Cash and Cash equivalents at the end of the period | 6.38 | 12.44 |
| | | (6.06) | (14.97) |



| Notes :- | |
|----------|---|
| 1 | The above results were reviewed by the Audit Committee and approved by the Board of Directors in their respective meetings held on 28th May, 2024. The Limited Review for the Quarter and Year ended 31st March, 2024 has been carried out by the Statutory Auditors, as required under Regulation 33 of SEBI (LODR) Regulation, 2015 as amended. |
| 2 | Notes to Financial Statements for the Year ended 31st March, 2024. |
| | 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 lakhs 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 of 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 (Later assigned to KMBL) 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, (latter assigned to KMBL) 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 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. 8449.39 lakhs plus interest 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. 50000 lakhs on both KMBL and AARCL. |
| | The final adjudication of the debt liability is yet to be completed by higher forums. |
| | 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 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. 500 lakhs 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 by Division Bench of Hon'ble Punjab & Haryana High Court to recover further sum of Rs. 1350 lakhs from the sale of the surplus land appurtenant to the factory premises, without prejudice to rights and contentions of the parties. 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. |
| | 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. |
| j. | 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. |
| | As per the direction of the Recovery Officer (RO) of DRT-1, New Delhi vide order dated 27-10-2021, the aforesaid Rs.51.81 lakhs along with accrued interest has been released and paid to AARCL. |
| k. | Final Arguments in Debts Recovery Tribunal-1, Delhi (DRT-I) for dues calculated on the IFCI debts were made and pronouncement of the Order was made by DRT 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 (DRAT) against this order, along with an Application for waiver of the pre-deposit. However, the application for waiver was dismissed by the DRAT on 12th October 2017 and consequently the appeal was dismissed by DRAT on 30th November 2017 on account of non-deposit of 75% of the amount ordered by DRT-I on 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 as well as DRT's 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. However, the said writ not listed as the Company pursued the matter before Hon'ble Punjab & Haryana High Court and the Hon'ble Supreme Court. |



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| l. | In the meanwhile, the Appeal filed by the Company before the Commissioner, Gurgaon Div. was allowed on 10-03-2016. Court held that the Assignment Deed on the basis of which AARCL filed the case in DRT-I is under-stamped to the extent of about Rs. 500 lakhs Stamp Duty. Against this Order of Id. Commissioner, Alchemist Asset Reconstruction Company Ltd. (AARC) had filed Writ Petition in the Punjab & Haryana High Court, Chandigarh which granted an interim stay on the Commissioner's Order. The said writ petition was finally allowed vide order dated 04-05-2023. The Company has filed an appeal against said order which is pending before the Division Bench. |
| 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 the RO is still pending, awaiting adjudication of High Court appeals. The AARCL had filed separate application Under Section 19 of RDDB Act in respect of alleged debts of IDBI, which is also pending in DRT. |
| n. | As per Hon'ble Supreme Court order dated 7.5.2012, AARCL was supposed to share Rs.450 lakhs with KMBL out of the sale proceeds of 10.04 acres land of the Company which was stated to be sold by AARCL for Rs.1350 Lakhs. As AARCL failed to do so, KMBL filed Contempt Petition in Hon'ble Supreme Court which directed AARCL to deposit Rs.450 lakh in the Court. Finally, Hon'ble Supreme Court disposed off the contempt petition on 23.09.2019 and released said Rs.450 lakhs alongwith accrued interest to KMBL and directed parties to raise their rival contentions before the High Court. The appeals are pending before the Division Bench of Hon'ble Punjab & Haryana High Court at Chandigarh. In view of the fact that KMBL received Rs.650 Lakhs (Rs.200 Lakhs out of deposit made by Company in Punjab & Haryana High Court and Rs.450 Lakhs out of sale of Company's excess land from Hon'ble Supreme Court's registry), KMBL and Coventry settled the pending matter OA 2/2007 and filed a joint application before DRT-2 Delhi in this regard, which then disposed off the matter as settled vide order dated 06.02.2021. The joint application inter-alia records the stipulation: "With the receipt of entire OTS amount of Rs.650 Lakhs along with accrued interest, the Applicant Bank/KMBL is left with no further claim against the Defendant No.1". However, it was agreed that Counter-claim of Coventry will continue against other lenders / assignees. AARCL has filed an application in March 2023 in pending Company appeal in Punjab & Haryana High Court to dispose off the appeal as infructuous in view of said settlement. |
| 3 | The Company had given physical possession of Approx. 10 Acre land whose approx. cost appearing in books is Rs. 12.02 Lakhs, to Alchemist Asset Reconstruction Company Ltd., assignees of IDBI & IFCI (Financial Institutions) on 8th March 2013 as per the directions of the Hon'ble Supreme Court who re-affirmed the Interim Orders of Hon'ble Punjab & Haryana High Court, Chandigarh of 09-08-2011. The land is stated to be sold by Alchemist Asset Reconstruction Company Ltd. for Rs. 1350 lakhs. The company is not accounting for these as transfer as the legal proceedings are still going on, 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 | Contingent liability not provided for claims under adjudication - a. Against the loan of Rs.8.94 crore disbursed by the consortium of three lenders, the company has so far paid Rs.31.56 crore to the lenders and their assignees (Rs.36.13 crore if the price of 10 acre land sold by M/s Alchemist ARCL clandestinely for Rs.13.50 crore is taken as Rs.18.07 crore as per the valuation report which was submitted by Alchemist in the Supreme Court). The assignees have raised claim for mind boggling amounts which are totally absurd. The Company has never acknowledged the liability towards such unreasonable and unlawful claims. According to the company, no further amount is payable by the company to the lenders / assignees after adjusting the amounts already paid and infact a substantial amount would become refundable from them to the Company if the interest is properly applied and calculation is done as per the Supreme Court's direction that any amount paid by the Company has to be first adjusted against the principal and not against the interest. in DRT-I, New Delhi by AARCL for recovery of the dues calculated on the IDBI Debts Rs. 9315.19 lakhs (The Company has also filed counter claims of more than Rs. 50000 lakhs on AARCL and original lenders.) |
| 5 | The Company has incurred significant operating losses, negative operating cash flow, negative working capital, adjudication of legal process against the company for loan liability and negative net worth. 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. |
| 6 | The appeals filed by the Company, in which stay was granted in favour of the Company, are pending before the Division Bench of Punjab & Haryana High Court at Chandigarh. The Hon'ble High Court would inter-alia adjudicate whether the claim raised by the assignees is exorbitant and excessive. Hon'ble Supreme Court also while disposing the Contempt petition of Kotak Bank against M/s Alchemist also directed to agitate all issues before the High Court. Earlier, M/s Alchemist had filed an application before the High Court to transfer the Company Appeal to the NCLT but withdrew the application on 09.04.2019 after Company objected to the same by filing a detailed reply. Now, in 2024, M/s Alchemist has filed a petition under Section 7 of IBC before the NCLT, Chandigarh, which is pending. |
| 7 | There being virtual uncertainties of taxable income in subsequent years, hence deferred tax assets have not been created in these accounts. |
| 8 | The figures for the three months ended 31st March 2024 and 31st March 2023 are the balancing figure between audited figures in respect of full financial year and published year to date figures upto nine months of the respective financial year. |
| 9 | Figure of the previous periods have been regrouped /rearranged, wherever necessary. |
| 10 | The business activity of the company falls within a single primary business segment viz Spring Manufacturing hence there is no other reportable segment as per IND AS 108 'Operating Segment'. |

for and on behalf of the Board of Directors

Place: Rewari (Haryana)
Date: May 28, 2024



R M Bafna,
DIN No.00159855 SALUNAS
Managing Director REWARI

