

Ninth Annual Report (1996-97)

MD	✓		BKC	✓
CS	NA		DY	NA
BC	✓		DIY	AA
TRA	✓		AC	✓
AGM	✓	✓		✓
YE	✓	✓		✓



Coventry Coil-O-Matic (Haryana) Limited



Coventry Coil-O-Matic (Haryana) Ltd.

BOARD OF DIRECTORS

Shri Y.S Malik, IAS	Chairman	HSIDC NOMINEE
Shri N.M. Bafna	Managing Director	
Shri Jeevan Bhardwaj	Director	HSIDC NOMINEE
Shri A.P Chamoli	Director	HSIDC NOMINEE
Shri P.G. Lele	Director	ICICI NOMINEE
Shri A.M. Bafna	Director	
Shri P.R. Kibe	Director	
Shri R.M. Bafna	Director	

REGISTERED OFFICE & WORKS

Village Salawas, P.O. Sangawari
Distt. Rewari - 123 401 (Haryana)

ADMINISTRATIVE OFFICE

209, Hans Bhawan
One Bahadur Shah Zafar Marg
New Delhi - 110 002

AUDITORS

SINGHI & COMPANY
Chartered Accountants

BANKERS

Central Bank of India
State Bank of Bikaner & Jaipur
Bank of India, Canara Bank

REGISTRARS & SHARE TRANSFER AGENTS

ABC Computers (P) Ltd.
M-12, Main Market
Greater Kailash - II
New Delhi - 110 048

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NOTICE

Notice is hereby given that the 9th Annual General Meeting of the Company shall be held on Friday, the 26th September, 1997 at 12:00 noon at its Registered Office - Village: Salawas, P.O. Sangawari, Dist. 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, 1997 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 a Director in place of Shri A.M. Bafna, who retires by rotation, but being eligible, offers himself for re-appointment.
3. To appoint Auditors and to fix their remuneration. M/s. Singhi & Co., Chartered Accountants, the auditors of the Company retire at this Annual General Meeting and being eligible offer themselves for re-appointment. To consider and, if thought fit, to pass with or without modification the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provision of Section 224 A of the Companies Act, 1956, M/s. Singhi & Co., Chartered Accountants, the retiring Auditors of the Company, be and are hereby re-appointed as Auditors of the Company, to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company, on a remuneration to be decided by the Board of Directors of the Company".

Registered Office:
Village - Salawas
P.O. Sangawari
Dist. Rewari - 123 401 (Haryana)
Date : 19th August, 1997

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

R.M. Bafna
Director

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 and the proxy need not be a member of the Company. Proxies, in order to be effective, must be received at the Registered Office of the Company not less than 48 hours before the meeting.
2. The Register of Members and Share Transfer Books of the Company will remain closed from 19-09-1997 to 25-09-1997 (both days inclusive).
3. The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of the special business is annexed hereto.
4. 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.
5. Members are requested to notify the Company of any change in address in full with Pin code numbers.



Coventry Coil-O-Matic (Haryana) Ltd.

6. 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 well in advance so that the same may reach at least seven days before the date of the meeting to enable the Management to keep the required information readily available at the meeting.
7. Members/proxy-holders are requested to produce at the entrance the attached Admission Slip duly completed and signed for admission to the meeting hall.
8. All documents referred to are open for inspection at the Registered Office of the Company during Office hours on any working days.

MEMBERS ARE REQUESTED TO BRING THEIR COPIES OF THE ANNUAL REPORT TO THE MEETING.

EXPLANATORY STATEMENT REQUIRED UNDER SECTION 173(2) OF THE COMPANIES ACT, 1956:

Item No.3

Public Financial Institutions are holding shares exceeding 25% of the subscribed Share Capital of the Company. Pursuant to the provisions of Section 224 A of the Companies Act, 1956, Auditors of a Company in which more than 25% of the subscribed Share Capital is held by Public Financial Institutions, may be appointed or re-appointed only by passing a Special Resolution at the Annual General Meeting. A certificate has been received from M/s. Singhi & Co. to the effect that their re-appointment, if made, will be in accordance with the limits specified in Section 224 (1B) of the Companies Act, 1956.

Therefore your Directors recommend passing of the aforesaid Special Resolution.

Registered Office:
Village - Salawas

P.O. Sangawari
Dist. Rewari - 123 401 (Haryana)
Date : 19th August, 1997

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

R.M. Bafna
Director

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DIRECTORS' REPORT

TO THE MEMBERS,

Your Directors have the pleasure in presenting the 9th Annual Report and the Audited Accounts of the Company for the year ended 31st March, 1997.

PROGRESS AND PERFORMANCE:

During the year under review 781 MT of various types of springs was produced as against previous year's 610 MT. Sales increased by 28% from 610 MT to 783 MT, and due to better sales realisation, value for the year increased by 38% from Rs.574.30 lacs to Rs.793.25 lacs.

In spite of the recessionary trend in the Automotive Sector, your Company has been able to achieve a reasonable growth of 28% as against the general industrial growth of about 15%. Samples submitted to Daewoo Motors India Ltd have already been approved and supplies to them have begun from this month. The other Automobile Companies (including TELCO), have gone a bit slow on their projects, but for which your Company may have performed better.

Recommendations by the technical staff of Rejna SpA, Italy with whom your Company had entered into a Technical Agreement last year, (Inflow of technology still under process of transfer) have resulted in further improvements both in quality and cost effectiveness. This is part of the reason why your Company has performed reasonably well.

The sales for the first four months of Rs.247 lacs is quite encouraging and your Directors hope that by the end of the current financial year the Company would again make substantial progress, in spite of the recessionary trend in the Country today.

PRODUCTION DETAILS & FINANCIAL RESULTS:

(i) Comparative production detail:

YEAR	PRODUCTION (M.T.)	SALES	
		Quantity (M.T.)	Value (Rs.in lacs)
1994-95	257.813	265.573	189.48
1995-96	610.120	610.100	574.30
1996-97	781.325	783.205	793.25
% increase over previous year	28 %	28 %	38 %

(ii) Financial Result (Rs. in lacs):

	1996-97	1995-96
Profit/(Loss) before		
Depreciation & Interest	483.16	163.62
Interest	195.63	199.61
Profit/(Loss) after Interest	287.53	(35.99)
Depreciation	225.62	-
Profit/(Loss)	61.91	(35.99)

FUTURE PROSPECTS:

There has been tremendous changes in the Automotive Companies in India because of the recession, and they are all working on new models and/or making extensive changes in their existing models. This is encouraging news to your Company, as new models means better future prospects as volumes increase. As such, your Directors are confident that with the increase in demand, the Company should achieve enormous growth in the coming years, barring unforeseen circumstances.

PARTICULARS OF EMPLOYEES:

None of the employees is getting remuneration of Rs.25,000 or more per month or Rs.3,00,000 per annum, hence, particulars of employees required under section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules 1975 is not applicable.

INDUSTRIAL RELATIONS:

During the period under review the relations between the Management and employees were cordial.

DIRECTORS:

HSIDC nominated, Shri Y.S. Malik, IAS on the Board as Chairman in place of Shri P.K. Chaudhery, IAS. The Directors would like to place on record their sincere appreciation and thanks for the valuable services rendered by Shri P.K. Chaudhery during his tenure as Chairman of the Company.

Shri Satish Aggarwal resigned from the Board and Shri A.P. Chamoli was co-opted as HSIDC nominee Director in his place. The Directors would like to place on record their sincere appreciation and thanks for the valuable services rendered by Shri Satish Aggarwal during his tenure as Director of the Company.



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Shri A.M. Bafna, Director of the Company, retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

AUDITORS:

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

AUDITORS' OBSERVATIONS:

The observations of the Auditors have already been dealt with in the respective Notes on Accounts and need no further clarification.

CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION:

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

CASH FLOW STATEMENT:

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

ACKNOWLEDGMENTS:

Your Directors acknowledge with gratitude the co-operation and assistance received from various agencies of the Central Government, State Government of Haryana and the Financial Institutions.

The Directors also place on record their appreciation of the contribution made by the employees at all levels. Concluding this report, your Directors acknowledge with thanks the interest shown by the members in the affairs of the Company.

For and on Behalf of the Board

N.M. BAFNA

Managing Director

R.M. BAFNA

Director

Place: New Delhi

Date: 19th August, 1997

ANNEXURE TO DIRECTORS' REPORT

INFORMATION AS PER SECTION 217(1)(e) OF THE COMPANIES ACT, 1956 READ WITH COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31st MARCH, 1997.

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) Power & Fuel Consumption	1996-97	1995-96
ELECTRICITY		
a) Purchased		
Units (Kwh)	11,77,780	11,77,030
Total Amount (Rs.lacs)	38.03	28.84
Rate per unit (Rs.)	3.23	2.45

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	1996-97	1995-96
b) Own Generation (D.G.Sets)		
Units (Kwh)	6,95,943	5,91,975
Total cost HSD (Rs.lacs)	15.09	12.78
Cost per unit (Rs.)	2.17	2.16
(b) Consumption per Unit of Production		
PRODUCT (Spring)		
Electricity - Total Units (Kwh)	18,73,723	17,69,005
- Kwh/MT of Product	2398	2,899

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:
 - Import Substitution by developing technique for special springs application for Automotive & other Industries
 - Developed a new technique for processing and drawing wires.
 - New Product Development for special applications (Developed springs for defence)
- (2) Benefits derived as a result of the above R & D:
 - Higher productivity and better quality was obtained.
 - Increase in market of specialised springs.
- (3) Future plan of action:
 - Developing on the design of hardening & tempering furnace for achieving higher productivity and better quality products
 - Increased efforts for developing springs for export market.
 - Review of existing products for developing cost effective products.
- (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:
 - Modification in certain machines and control parameters.
- (2) Benefits derived as a result of above efforts:
 - Improved productivity and quality.
 - Reduction in cycle time and cost reduction
 - Import substitution
- (3) The company has entered into technical collaboration with M/s Rejna Spa, Italy :

Technology Imported	:	In the field of "Precision Springs"
Year of Import	:	Financial Year 1996-97
Has the technology been fully absorbed	:	The technology has been absorbed only in certain area
If not fully absorbed areas where this	:	Import of technology is still in process of transfer
has not taken place, reasons therefore and	:	and shall be absorbed in other areas in due course.
Future Plan of action		

C. FOREIGN EXCHANGE EARNINGS & OUTGO

	1996-97	1995-96
Foreign Exchange Earnings	Rs. 93,309	Rs. 94,072
Foreign Exchange Outgo	Rs. 2,90,741	Rs. 2,87,725

For and on Behalf of the Board
N.M. BAFNA
Managing Director
R.M. BAFNA
Director

Place: New Delhi
 Date: 19th August, 1997