

Tenth Annual Report (1997-98)

MD	<input checked="" type="checkbox"/>	BKC	<input checked="" type="checkbox"/>
CS	NA	DPY	NA
RO	<input checked="" type="checkbox"/>	DIV	NA
TRA	<input checked="" type="checkbox"/>	AC	<input checked="" type="checkbox"/>
AGM	<input checked="" type="checkbox"/>	SHI	<input checked="" type="checkbox"/>
YE	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>

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Coventry Coil-O-Matic (Haryana) Limited



Coventry Coil-O-Matic (Haryana) Limited

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.
116, Sant Nagar
East of Kailash
New Delhi - 110 065

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*Tenth Annual Report (1997-98)***NOTICE**

Notice is hereby given that the 10th Annual General Meeting of the Company shall be held on Friday, the 25th September, 1998 at 12:30 pm 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, 1998 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 R.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, 1953, 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".

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Registered Office:

Village - Salawas
P.O. Sangawari
Dist. Rewari - 123 401 (Haryana)
Date : 27th August, 1998

By order of the Board of Directors
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 18-09-1998 to 24-09-1998 (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) Limited

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.

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Registered Office:

Village - Salawas
P.O. Sangawari
Dist. Rewari - 123 401 (Haryana)
Date : 27th August, 1998

By order of the Board of Directors
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 10th Annual Report and the Audited Accounts of the Company for the year ended 31st March, 1998.

PROGRESS AND PERFORMANCE:

The Indian automotive industry fared poorly in 1997-98, which was a reflection of the slower growth in the general economy. The automobile industry has been suffering from low volumes in certain segments leading to relentless price cutting.

The impact of this slump has affected the performance of the auto component industry and is a cause of concern for the manufacturers.

In spite of the recessionary trends witnessed during 1997-98, your Company was able to produce 985 MT of various types of springs as against previous year's 781 MT, an increase of 26%. However, sales turnover increased only by 21.6% from Rs.793.25 lacs to Rs.964.29 lacs. The reason for the lower growth in sales is explained by the severe pressure for price reduction demanded by our customers.

The year also showed substantial increase in various inputs, thereby, affecting the performance of your Company. Loss in 1997-98 amounted to Rs. 82.96 lacs, increasing the carried forward losses to Rs. 883.81 lacs.

During the year, your Company's customer base has further been expanded. However, Maruti Udyog Limited continues to be the single largest customer.

PRODUCTION DETAILS & FINANCIAL RESULTS:

(i) Comparative production detail:

YEAR	PRODUCTION (M.T.)	SALES	
		Quantity (M.T.)	Value (Rs. in lacs)
1995-96	610.120	610.100	574.30
1996-97	781.325	783.205	793.25
1997-98	984.594	982.219	964.25
% increase over previous year	26.0%	25.4%	21.6%

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

	1997-98	1996-97
Profit/ (Loss) before Depreciation & Interest	184.98	483.16
Interest	188.28	195.63
Profit/(Loss) after Interest	(3.30)	287.53
Depreciation	79.66	225.62
Profit/(Loss)	(82.96)	61.91

FUTURE PROSPECTS:

By all indications, it appears that the year 1998-99 will not see the Indian automotive industry's performance picking up substantially. However, with the introduction of new models in the small car segment by TELCO, Daewoo and Hyundai, as well as further expansion of Maruti capacity, the Directors are confident that your Company should be able to boost its sales.

SICK INDUSTRIAL COMPANY:

In response to the reference made by the Company under section 15(1) of Sick industrial Company (Special Provisions) Act, 1985 (SICA) to the Board for Industrial and Financial Reconstruction (BIFR), the Bench declared the Company as a Sick Industrial Company under section 3(1) (i) of SICA and has directed the Company to submit revival-cum-rehabilitation package under section 17(2) of SICA to the Industrial Credit & Investment Corporation of India (ICICI) which was directed to submit an agreed package for consideration and approval of the Board.

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:

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



Coventry Coil-O-Matic (Haryana) Limited

AUDITORS:

M/s Singhi & Co., Chartered Accountants, Auditors of the Company, retire at the forthcoming Annual General Meeting of the Company 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 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 the Financial Institutions.

The 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 the Board of Directors

N.M. BAFNA
Managing Director

Place: New Delhi
Date: 27th August, 1998

R.M. BAFNA
Director

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, 1998.

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		1997-98	1996-97
ELECTRICITY			
a) HSEB Power purchased (Kwh)	Units	1,624,256	1,177,780
Total Amount	Rs. lacs	56.33	38.03
Rate per Unit	Rs.	3.47	3.23

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		1997-98	1996-97
b) Captive Generation			
D.G. Sets (Kwh)	Units	561,849	695,943
Total Amount (HSD)	Rs. lacs	19.42	15.09
Rate per Unit	Rs.	3.46	2.17
(b) Consumption per Unit of Production			
PRODUCT (Spring)			
Electricity - Total Units (Kwh)		2,186,105	1,873,723
- Kwh / MT of Product		2,220	2,398

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:
 - Developed springs with new Grade of material for higher stress applications.
- (2) Benefits derived as a result of the above R & D:
 - High quality product was obtained.
 - Increase in market area for such specialised springs.
- (3) Future plan of action:
 - Increased efforts for developing springs for new application areas.
 - 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:
 - Modifications in hardening and tempering control parameters.
- (2) Benefits derived as a result of above efforts:
 - Improved productivity and quality.
 - Reduction in cycle time and cost reduction
- (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 shall be absorbed in other areas in
and future plan of action	:	due course.

C. FOREIGN EXCHANGE EARNINGS & OUTGO

		1997-98	1996-97
Foreign Exchange Earnings	Rs.	-	Rs. 93,309
Foreign Exchange Outgo	Rs.	2,603,771	Rs. 290,741

for and on behalf of the Board of Directors

N.M. BAFNA

Managing Director

R.M. BAFNA

Director

Place: New Delhi

Date : 27th August, 1998