

12th

ANNUAL REPORT
1999-2000



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Coventry Coil-o-Matic (Haryana) Limited



BOARD OF DIRECTORS

Shri Harbaksh Singh, IAS	Chairman	HSIDC NOMINEE
Shri N.M. Bafna	Managing Director	
Shri A.P. Charnoli	Director	HSIDC NOMINEE
Shri Y.K. Bhatia	Director	HSIDC NOMINEE
Shri P.G. Lele	Director	ICICI NOMINEE
Shri A.M. Bafna	Director	
Shri R.M. Bafna	Director	

COMPANY SECRETARY

J.P. Lodha

REGISTERED OFFICE & WORKS

Village Salawas, P.O. Sangwan
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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NOTICE

Notice is hereby given that the 12th Annual General Meeting of the Company shall be held on Friday, the 22nd September, 2000 at 12:30 p.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 2000 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 Shri. A.M. Bafna, who retires by rotation, but being eligible, offers himself for reappointment.
3. To appoint Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to authorise the Board of Directors to fix their remuneration. M/s. Singhi & Co., Chartered Accountants, the retiring Auditors are eligible for re-appointment.

SPECIAL BUSINESS:

4. To consider and if thought fit to pass with or without modification the following resolution as an **Special Resolution**:
"RESOLVED that pursuant to Section 31 and all other applicable provisions, if any, of the Companies Act, 1956 (including any amendment thereto or any re-enactment thereof), the Articles of the Association of the Company be and are hereby altered as follows :-

A new Article No. 69A be inserted after the present article No. 69, as under :-

- 69A. "Every holder or joint holder(s) of shares in the Company or holder or joint holder(s) of debenture of the Company, may nominate, in accordance with the provisions of Section 109A of the Companies Act, 1956 (including any amendment thereto or any re-enactment thereof) and in the manner prescribed thereunder, any person to whom all the rights in the shares in or debentures of the Company shall vest in the event of death of such holder(s). Any nomination so made shall be

dealt with by the Company in accordance with and in the manner prescribed under the provisions of section 109B of the Companies Act, 1956 or any statutory modifications or re-enactment thereof for the time being in force".

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

Date : 18th August, 2000 J.P. Lodha
Place : New Delhi Company Secretary

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 14-09-2000 to 21-09-2000 (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.
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. 4

The Companies (Amendment) Act, 2000 has inter alia, made a provision through sections 109A and 109B whereby a holder or a joint-holders of shares or debentures can nominate a person to whom

the right in the shares in or debentures of the Company shall vest in the event of death of such holder/s.

It is therefore, proposed to incorporate a new Article No. 69A in the Articles of Association of the Company providing for the nomination facility as set out under Item No. 4 of the Notice.

A copy of the Articles of Association of the Company is available for inspection by the members during business hours on any working day, at the registered office of the Company, up to the date of the meeting.

The Board of the Directors recommended passing of the resolution at item No. 4 of the Notice.

None of the Directors of the Company is, in any way, concerned or interested in the said resolution.

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

Date : 18th August, 2000 J.P. Lodha
Place : New Delhi Company Secretary

The Equity Shares of the Company are listed at the following Stock Exchanges :-

- | | |
|--|--|
| 1. The Delhi Stock Exchange Association Ltd.
3/1, Asaf Ali Road,
New Delhi-110 002 | 2. The Stock Exchange, Mumbai,
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai-400 001 |
| 3. The Stock Exchange Ahmedabad,
Kamdhenu Complex,
Opp. Sahajanand College
Mandla Pole
Ahmedabad-380 015 | 4. The Calcutta Stock Exchange Association Ltd.,
7 Lyons Range,
Calcutta-700 001 |

Coventry Coil-o-Matic (Haryana) Limited

Registered Office: Vill. Salawas, P.O. Sangawari, Distt. Rewari, Haryana - 123 401.

Dear Sir/Madam,

Re: Nomination facility for Shares / Debentures

You may be aware that a new Section 109A has been inserted in the Companies Act, 1956 which provides for making nomination for Shares and Debentures.

Should you desire to avail this facility, you are requested to fill in the prescribed Form 2B appended below and send the same to the Share Transfer Agents of the Company.

Encl : As above
Date : 18th August, 2000
Place : New Delhi

Yours faithfully,
for Coventry Coil-O-Matic (Haryana) Ltd.

J.P. Lodha
Company Secretary

DIRECTORS' REPORT

TO THE MEMBERS,

Your Directors have the pleasure in presenting the 12th Annual Report and the Audited Accounts of the Company for the year ended 31st March 2000. The beginning of the new millennium is a moment in history for all mankind and indeed so also for your Company.

PROGRESS AND PERFORMANCE:

The first year of the new century has seen your Company grow by almost 48% touching sales at Rs.1580 lacs from Rs.1068 lacs. Your Company produced 1622 M.T. of various types of springs as against previous year 1078 M.T., an increase of more than 50%.

As in the previous year there was severe pressure for price reduction, and although your Company's production grew by 50%, the sales grew by only 48%.

During the year, the volume demand for Auto Suspension Springs surged up as overall production of cars increased by almost 50%. Production at Maruti Udyog Ltd also grew but by only about 30%. Production at TELCO stabilised and started increasing from June 1999, which gave the opportunity for your Company to increase its production substantially.

Your Company streamlined its production lines to enable it to meet the sudden demand of suspension springs. Also to be able to handle a smooth flow of the production, your Company began construction of the extensions of the production sheds. You will be pleased to note that the extension of the Spring Shed is now complete and the process layout has been further improved to accommodate smooth and efficient flow of the increased production.

PRODUCTION DETAILS & FINANCIAL RESULTS:

(i) Comparative production detail:

Year	Production (M.T.)	Sales	
		Quantity (M.T.)	Value (Rs. in lacs)
1997-1998	985	982	964
1998-1999	1,078	1,079	1,068
1999-2000	1,622	1,623	1,580
% increase over Previous year	50.5%	50.4%	47.9%

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

	1999-2000	1998-1999
Profit/(Loss) before		
Depreciation & Interest	1,244.38	190.12
Interest	170.04	188.57
Profit/(Loss) after Interest	1,074.34	1.55
Depreciation	86.76	82.20
Profit/(Loss)	987.58	(80.65)

FUTURE PROSPECTS:

The Indian automotive industry has undergone a sudden change from June 2000 wherein the market has plummeted down by almost 35%. Major Automobile Companies have either resorted to shut down of their production for some days in a week or have reduced their daily production output. The month of June 2000, in particular, was badly affected.

The market, however, is quite optimistic and it is expected that there will be a gradual revival from September 2000. Even in this market scenario, your Company has performed reasonably well with Sales being 24% ahead from that of previous year. Barring unforeseen circumstances, and looking to the optimistic market, the Directors are confident that your Company should be able to achieve 30% growth for the current year.

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) (0) of SICA. The Bench had directed the Company to submit revival-cum-rehabilitation package under section 17(2) of SICA to the Industrial Credit & Investment Corporation of India (ICICI) who in turn were directed to submit an agreed package for consideration and approval of the Board.

The Bench considered the revised-cum-rehabilitation package on 27-12-1999 and was satisfied that with the proposed settlement and restructuring of the Company's liabilities, the net worth of the Company would exceed its accumulated losses on implementation of the



settlement scheme. The Bench, accordingly passed an Order, that the Company should be allowed to make its net worth exceed accumulated losses within a reasonable time as per the agreed package in terms of the provisions of Section 17(2) of the Act.

PARTICULARS OF EMPLOYEES:

There were no employees drawing remuneration in excess of the limits prescribed under Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules 1975.

INDUSTRIAL RELATIONS:

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

DIRECTORS:

Shri R.K. Gupta resigned from the Board and Shri Y.K. Bhatia was co-opted as HSIDC nominee Director in his place. The Directors would like to place on record sincere appreciation for the valuable services rendered by Shri R.K. Gupta during his tenure as Director of the Company.

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 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

R.M. BAFNA
Director

Place : Salawas (Rewari)
Date : 18th August, 2000

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 2000.

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

		1999-2000	1998-1999
a) Power & Fuel Consumption			
ELECTRICITY			
a) HSEB Power purchased (Kwh)	Units	1,939,367	1,689,017
Total Amount	Rs. lacs	78.40	66.89
Rate per Unit	Rs.	4.04	3.96
b) Captive Generation			
D.G. Sets (Kwh)	Units	934,980	857,316
Total Amount (HSD)	Rs. lacs	36.76	37.44
Rate per Unit	Rs.	3.93	4.37
(b) Consumption per Unit of Production			
PRODUCT (Spring)			
Electricity-Total Units (Kwh)		2,874,347	2,546,333
-Kwh/MT of Product		1,772	2,362

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 different Auto Suspension springs with alternate cheaper materials.

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

--Increase in market share for existing above springs.