

13TH ANNUAL REPORT 2000-2001

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Coventry Coil-O-Matic (Haryana) Ltd.



BOARD OF DIRECTORS

Shri Harbaksh Singh, IAS
 Shri N.M. Bafna
 Shri A.P Chamoli
 Shri Y.K. Bhatia
 Shri P.G. Lele
 Shri A.M. Bafna
 Shri R.M. Bafna

Chairman
 Managing Director
 Director
 Director
 Director
 Director
 Director

HSIDC NOMINEE
 HSIDC NOMINEE
 HSIDC NOMINEE
 ICICI NOMINEE

COMPANY SECRETARY

J.P. Lodha

REGISTERED OFFICE & WORKS

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

ADMINISTRATIVE OFFICE

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

AUDITORS

SINGHI & COMPANY

Chartered Accountants

BANKERS

Central Bank of India
 Punjab National Bank
 State Bank of Bikaner & Jaipur
 Bank of India
 Canara Bank

REGISTRARS & SHARE TRANSFER AGENTS

SRG Infotec Ltd.
 "Devraha House", Industrial Area,
 Phase-1, Okhla,
 New Delhi - 110 020

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NOTICE

Notice is hereby given that the 13th Annual General Meeting of the Company shall be held on Friday, the 21st September, 2001 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 2001 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. 70A be inserted after the present Article No. 70, as under :-

DEMATERIALISATION OF SECURITIES**DEFINITIONS:-****70A. 1. FOR THE PURPOSE OF THIS ARTICLE :-**

'Beneficial Owner' means a person or persons whose name is recorded as such with a depository.

'Bye-Laws' means bye-laws made by a Depository under Section 26

of the Depositories Act, 1996.

'SEBI' means the Securities & Exchange Board of India.

'Depository' means a company formed and registered under the Companies Act, 1956 and which has been granted a certificate of registration to act as a depository under the Securities & Exchange Board of India Act, 1992; and

'Security' means such securities as may be specified by SEBI from time to time.

2. DEMATERIALISATION OF SECURITIES :-

Notwithstanding anything contained in these Articles the Company shall be entitled to dematerialise its securities and to offer securities in a dematerialised form pursuant to the Depositories Act, 1996.

3. OPTIONS FOR INVESTORS :-

Every person subscribing to securities offered by the Company shall have the option to receive Security certificates or to hold the securities with a depository. Such person who is the beneficial owner of the securities can at any time opt out of a depository, if permitted by the law, in respect of any security in the manner provided by the Depositories Act, 1996 and the Company shall, in the manner and within the time prescribed, issue to the beneficial owner the required certificate of securities.

If a person opts to hold his security with a depository, the Company shall intimate such depository the details of allotment of the security, and on receipt of the information, the depository shall enter in its record the name of the allottee as the beneficial owner of the security.

4. SECURITIES IN DEPOSITORIES TO BE IN FUNGIBLE FORM :-

All securities held by a depository shall be dematerialised and be in fungible form. Nothing contained in Sections 153, 153A, 153B, 187B, 187C and 372A of the Act shall apply to a depository in respect of the securities held by it on behalf of the beneficial owners.

5. RIGHTS OF DEPOSITORIES AND BENEFICIAL OWNERS :-



- a. Notwithstanding anything to the contrary contained in the Act or these Articles, a depository shall be deemed to be the registered owner for the purposes of effecting transfer of ownership of securities on behalf of the beneficial owner.
 - b. Save as otherwise provided above, the depository as the registered owner of the securities shall not have any voting rights or any other rights in respect of the securities held by it.
 - c. Every person holding securities of the Company and whose name is entered as the beneficial owner in the records of the depository shall be deemed to be a member of the Company. The beneficial owner of securities shall be entitled to the rights and benefits and be subject to all the liabilities in respect of his securities which are held by a depository.
6. SERVICE OF DOCUMENTS :-
Notwithstanding anything contained in the Act or these Articles to the contrary, where securities are held in a depository, the records of the beneficial ownership may be served by such depository on the Company by means of electronic mode or by delivery of floppies or discs.
7. TRANSFER OF SECURITIES :-
Nothing contained in Section 108 of the Act or these Articles shall apply to a transfer of Securities effected by a transferor and transferee both of whom are entered as beneficial owners in the records of a depository.
8. ALLOTMENT OF SECURITIES DEALT WITH IN A DEPOSITORY :-
Notwithstanding anything contained in the Act or these Articles, where securities are dealt with by a depository, the Company shall intimate the details thereof to the depository immediately on allotment of such securities.
9. DISTINCTIVE NUMBERS OF SECURITIES HELD IN A DEPOSITORY :-
Nothing contained in the Act or these Articles regarding the necessary of having distinctive numbers for securities issued by the Company shall apply to securities held with a depository.
10. REGISTER AND INDEX OF BENEFICIAL OWNER :-
The Register and Index of beneficial owners maintained by a depository under the Depositories Act, 1996 shall be deemed to be the Register and Index of members & Security holders for the purposes of these Articles.
- By order of the Board of Directors
for COVENTRY COIL-O-MATIC (HARYANA) LTD
- Date : 30th July, 2001
Place : New Delhi
- J.P. Lodha
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 13-09-2001 to 21-09-2001 (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

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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

Consequent upon the introduction of the Depositories Act, 1996 and the Depository System, certain provisions of the

existing Articles of Association relating to the issue, holding, transfer, transmission and other dealings in shares and other securities, as also issue of certificate, which were framed on the basis of the relevant provisions of the Companies Act, 1956, need to be amended to match with the legal and practical aspect of the Depository System. The Depository System of holding securities in an electronic form is a far safer and more convenient method of holding and trading in securities of a company. It is, therefore, proposed that the Articles of Association of the Company be suitably amended, as proposed in the resolution to reflect the provisions introduced by the Depositories Act, 1996 for enabling the Company to join the Depository System at a future date and to spell out the rights of the beneficial owner of the securities in such system.

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) LTD.

Date : 30th July, 2001
Place : New Delhi

J.P. Lodha
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,
Panjara Pole,
Ahmedabad-380 015 | 4. The Ccutta Exchange Association Ltd.
7, Lyons Range,
Cacutta-700 001 |



DIRECTORS' REPORT

TO THE MEMBERS,

Your Directors have the pleasure in presenting the 13th Annual Report and the Audited Accounts of the Company for the year ended 31st March 2001.

PROGRESS AND PERFORMANCE:

The year that has passed has been the most difficult in recent times. The sluggishness in the economy, particularly the industrial sector, affected the automobile industry with negative growth. The month of June 2000, in particular, was very bad. To compound to this, your Company's main customer, Maruti Udyog Ltd., had a labour strike from October through to November 2000. As such the sales of your Company was badly affected and the growth slowed down.

The sales achieved were Rs. 1664 lacs as against Rs. 1580 lacs for the previous year. Your Company produced 1726 M.T. of various types of springs as against previous year's 1622 M.T., an increase of 6.4%.

As in the previous year there was severe pressure for price reduction, and although your Company's production grew by 6.4%, the sales grew by only 5.3%.

Your Company developed a new spring for Sundaram Clayton and the bulk requirement of this began from October 2000. Due to this development, your Company was able to arrest the downward slump of its sales. Developing of alternate packing method resulted in big savings to your Company in the logistics area. Also by adopting stricter process controls, your Company was able to achieve Net Profit of Rs. 53.85 lacs after providing for Tax.

PRODUCTION DETAILS & FINANCIAL RESULTS:

(i) Comparative production details:

Year	Production (M.T.)	Sales	
		Quantity (M.T.)	Value (Rs. in lacs)
1998-1999	1,078	1,079	1,068
1999-2000	1,622	1,623	1,580
2000-2001	1,726	1,723	1,664
% increase over previous year	6.4%	6.2%	5.3%

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

	2000-2001	1999-2000	1998-1999
Profit before depreciation			
Interest & Tax	317.77	1,244.38	190.11
Interest	171.14	170.04	188.57
Profit after Interest	146.63	1,074.34	1.54
Depreciation	87.94	86.76	82.20
Profit before Tax	58.69	987.58	(80.66)
Provision for Tax	4.84	-	-
Net Profit	53.85	987.58	(80.66)

FUTURE PROSPECTS:

Although the depression in the Indian automotive industry continues, Maruti Udyog Ltd. has been able to gain lost ground and its Market Share has again increased to over 60% from a low of 48% a few months ago. Moreover, since February 2001, requirements of springs for the car 800cc rear increased by approx. 15,000 nos. due to change in suspension system. Maruti Udyog Ltd. has recently confirmed an increase in your Company's share of Business from 65% to 70% from August 2001. With increase in requirements of springs from other customers, the Directors are confident that, barring unforeseen circumstances, your Company should be able to achieve more than 30% growth for the current year.

DIRECTOR'S RESPONSIBILITY STATEMENT

Pursuant to Section 217 (2AA) of the Companies (Amendment) Act, 2000, the Director's confirm:

1. That in the preparation of the annual accounts for the financial year ended 31st March, 2001, the applicable accounting standards have been followed along with proper explanation relating to material departure;
2. That the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that were reasonable and prudent have so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for the year under review;
3. That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
4. That the Directors have prepared the accounts for the financial year ended 31st March, 2001 on a 'going concern' basis.

DEPOSITORY SYSTEM

The shares of the Company are in The Stock Exchange, Mumbai's list for compulsory trading in dematerialised form for all investors w.e.f. 1st June, 2001 the shares of the Company are available in dematerialisation mode with both the depositories i.e. National Securities Depository Ltd. (NSDL) and Central Depository Services Ltd. (CDSL). Proper arrangements have been made for simultaneous dematerialisation of share certificates lodged for transfer. All these facilities are steps towards investor friendliness and ensuring efficient investor service.

SICK INDUSTRIAL COMPANY:

The Company is no longer a sick Industrial company within the meaning of section 3 (1) (o) the Sick Industrial Companies (Special Provisions) Act, 1985 (as amended). However, the company continues to be under the monitoring of Board of Industrial & Financial Reconstruction (BIFR).

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 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.



LISTING

The shares of your company are listed on Delhi, Mumbai, Calcutta and Ahmedabad stock exchanges, and pursuant to clause 38 of the listing agreement, the Annual listing fee for the year 2001-2002 has been paid to them well before the due date.

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: 30th July, 2001

R.M. BAFNA
Director

