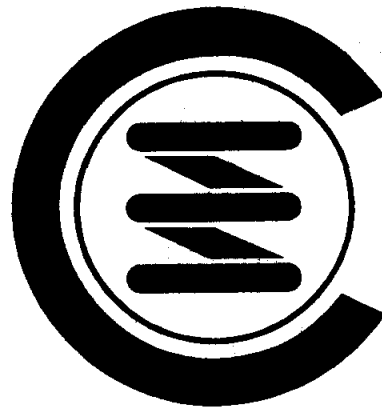


14th

ANNUAL REPORT
2001-02



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Coventry Coil-O-Matic (Haryana) Limited



BOARD OF DIRECTORS

Shri R.K. Gupta	Director	HSIDC NOMINEE
Shri N.M. Bafna	Managing Director	
Shri A.P. Chamoli	Director	HSIDC NOMINEE
Shri Y.K. Bhatia	Director	HSIDC NOMINEE
Shri A.M. Bafna	Director	
Shri R.M. Bafna	Director	
Shri Aru Mittal	Additional Director	

COMPANY SECRETARY

J.P. Lodha

REGISTERED OFFICE & WORKS

Village Salawas, P.O. Sangwari
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
Punjab National Bank
State Bank of Bikaner & Jaipur
Bank of India

REGISTRARS & SHARE TRANSFER AGENTS

In-House Share Registry
3, Community Centre, Naraina Industrial Centre
Phase-I, Near Payal Cinema, New Delhi-110028
Phones: 5792012 - 15
e-mail : inhouse@bol.net.in

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NOTICE

Notice is hereby given that the 14th Annual General Meeting of the Company shall be held on Friday, the 6th September, 2002 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 2002 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 **Ordinary Resolution**:

"RESOLVED that pursuant to provisions of Section 269 and all other applicable provisions, if any, of the Companies Act, 1956 read with schedule XIII of the Companies Act, 1956 and subject to approval of the shareholders in the General Meeting, Shri N.M. Bafna be and is hereby re-appointed as Managing Director of the Company with effect from 28th March, 2002 for a period of five years.

RESOLVED further that Shri N.M. Bafna shall not draw any remuneration for this period of re-appointment in his capacity as the Managing Director of the Company.

RESOLVED further that Shri J.P. Lodha, Company Secretary of the Company, be and is hereby authorized to take all such steps and actions as may be considered necessary for the purpose of implementing this resolution."

5. To consider and if thought fit to pass with or without modification the following resolution as an **Ordinary Resolution**:

"RESOLVED that Sh. Arun Mittal be and is hereby appointed as a Director of the Company, liable to retire by rotation."

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

Date : 29th June, 2002
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 21-08-2002 to 31-08-2002 (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 term of appointment of Sh.N.M.Bafna, Managing Director expired on 27th March, 2002. The Board Of Directors of the Company in their meeting held on 22nd April, 2002 have re-appointed Sh.N.M.Bafna, as the Managing Director of the Company for a further period of five years commencing from 28th March, 2002. As in the previous term no remuneration is proposed to be paid to Sh.N.M.Bafna.

In terms of the provisions of Section 269 of the Companies Act, 1956, read with schedule XIII to the Companies Act, 1956, the Approval of the members of the Company is required for the re-appointment of Sh.N.M.Bafna as the Managing Director of the Company. The resolution under Item No.4 is proposed for this purpose.

None of the Directors expect Shri N.M. Bafna himself and Shri R.M. Bafna, Shri A.M. Bafna being relatives of Shri N.M. Bafna, are interested in the resolution.

Item No. 5

Pursuant to the provisions of Section 260 of the Companies Act, 1956, Shri Arun Mittal is appointed as an Additional Director by the Board of Directors at its meeting held on 30th January 2002.

Sh. Arun Mittal (48 years) is holding Master degree in Pharmaceuticals from Punjab University, Chandigarh. Since 1976, he has been involved in various top level positions in the corporate sector and has looked after production, finance and commercial aspects.

In terms of Section 260 of the said Act, Shri Arun Mittal shall hold the office of Director only upto the date of ensuing Annual General Meeting (AGM). The Company has received valid notice and requisite deposit from a member of the Company under Section 257 of the said Act, proposing the candidature of Shri Arun Mittal for the office of Director.

In view of the above background and rich experience of Shri Arun Mittal in the field of commercial and finance, it will be in the interest of the Company to continue him as a Director of the Company retire by rotation. The Directors therefore recommended the resolution for approval of the members.

None of the Directors of the Company except Shri Arun Mittal is in any way concerned or interested in the resolution.

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

Date : 29th June, 2002

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 - 110002 | 2. The Stock Exchange, Mumbai
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai - 400001 |
| 3. The Stock Exchange, Ahmedabad,
Kamdhenu Complex, Opp. Sahajanand College
Panjara Pole,
Ahmedabad - 380015 | 4. The Calcutta Stock Exchange Association Ltd.,
7, Lyons Range,
Calcutta - 700001 |

DIRECTORS' REPORT.

TO THE MEMBERS,

Your Directors have the pleasure in presenting the 14th Annual Report and the Audited Accounts of the Company for the year ended 31st March 2002.

PROGRESS AND PERFORMANCE

The past year showed many ups and downs in the economy. The economy was picking up when the world had a shock of their lives with the dastardly acts of terrorism on September 11. There was complete chaos and the economy plummeted, and it took more than four months to start recovering. The entire industry worldwide, particularly Travel, faced the brunt of the economy's fall. It was only from February 2002 that the economy again started picking up. However, with terrorism showing its ugly head in the sub-continent, and chances of war looming up between India and Pakistan, the economy has become very unstable and unpredictable.

The sales achieved were Rs. 1783 lacs as against Rs. 1664 lacs for the previous year. Your Company produced 1881 M.T. of various types of springs as against previous year's 1726 M.T., an increase of 9.0%.

As in the previous year there was severe pressure for price reduction, and although your Company's production grew by 9.0%, the sales grew by only 7.2%.

Your Company developed springs for customers other than from the Automobile Sector. Although volumes are not there, this development has helped your Company to shift its main dependence from M/s Maruti Udyog Ltd. By adopting stricter process controls and setting benchmarks in various departments, your Company was able to achieve Profit before Tax (PBT) of Rs. 64.08 lacs as against Rs. 58.69 lacs for the previous year.

PRODUCTION DETAILS & FINANCIAL RESULTS

(i) Comparative production details:

Year	Production (M.T.)	Sales	
		Quantity (M.T.)	Value (Rs. in lacs)
1999-2000	1,622	1,623	1,580
2000-01	1,726	1,723	1,664
2001-02	1,881	1,882	1,783
% increase over Previous year	9.0%	9.2%	7.2%

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

	2001-02	2000-01	1999-2000
Profit before Depreciation, Interest & Tax	297.23	317.77	1,244.38
Interest	140.56	171.14	170.04
Profit after Interest	156.67	146.63	1,074.34
Depreciation	92.59	87.94	86.76
Profit before Tax	64.08	58.69	987.58
Current Tax	4.90	4.84	---
Deferred Tax	25.64	---	---
Earlier Year Tax	0.13	---	---
Net Profit	33.41	53.85	987.58

FUTURE PROSPECTS

The economy in the Indian industry is still very uncertain, and it has become very difficult to predict the future of the Automobile sector. There has hardly been any growth, with any increase in sales of one Automobile Company resulting in decrease in sales for another Company. Your Company does not foresee much growth in this sector in the near future, and with pressure for price reductions, the growth in sales would slowly become negative. Your Company has recently started focusing in the Railways and Defence sectors in anticipation to balance the expected negative growth in the Automobile sector.

So with the increase in requirements of springs from other customers, the Directors are confident that, barring unforeseen circumstances, your Company should be able to achieve a very conservative growth of 10% growth for the current year.

DIRECTOR'S RESPONSIBILITY STATEMENT

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

1. That in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
2. That the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent 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 annual accounts on a going concern basis.

REGISTRAR & SHARE TRANSFER AGENT

Due to the cancellation of Registration Certificate of M/s SRG Infotech Ltd. by SEBI, your Company was compelled to change the Registrar and Share Transfer Agent from June 11, 2002. It is, therefore, requested that all the esteemed member-shareholders of the Company should contact M/s In-house Share Registry for all share transfers/transmission, Dematerialisation and / or Rematerialisation of Shares.

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 Arun Mittal was appointed as an Additional Director of the Company with effect from 30th January, 2002 and will hold office till the date of the forthcoming Annual General Meeting. The Company has received a notice under Section 257 of the Companies Act, 1956 proposing the candidature of Shri Arun Mittal for being appointed as a Director of the Company, liable to retire by rotation. The Board, therefore, recommends his appointment.

ICICI Ltd. nominated Shri Goutam Bhattacharya as the Financial Institutions' nominee on the Board with effect from 30th October, 2001 in place of

Shri P.G. Lele who resigned from the Board on 5th October, 2001. Shri Goutam Bhattacharya too resigned from the Board on 7th December, 2001. The Board placed on record its appreciation of the valuable services rendered by Mr. P. G. Lele and Shri Goutam Bhattacharya during their tenure as Members of the Board.

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 2002-03 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

Place: New Delhi
Date: 29th June, 2002

N.M. BAFNA
Managing Director

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 2002.

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

		2001-02	2000-01
Power & Fuel Consumption			
Electricity			
a) DHBVN Ltd. - Power Purchased (kwh)	Units	3,048,985	2,133,550
Total Amount	Rs. Lacs	128.37	94.22
Rate per Unit	Rs.	4.21	4.42
b) Captive Generation			
D.G. Sets (kwh)	Units	535,910	1,059,927
Total Amount (HSD)	Rs. Lacs	26.07	45.78
Rate per Unit	Rs.	4.86	4.32
Consumption per Unit of Production			
PRODUCT (Spring)			
Electricity -Total Units (kwh)		3,584,895	3,193,477
-kwh / MT of Product		1,906	1,850



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:**

—Continuing development of different Auto Suspension and other springs with alternate cheaper materials.

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

—Retaining the market share for existing above springs.

(3) **Future plan of action:**

—Increased efforts for developing springs for new application areas such as engine valve springs and springs for the Railways.

—Review of existing products for further 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:**

—In-house Endurance Testing Facility for testing the products' life span.

(2) **Benefits derived as a result of above efforts:**

—Gained Customers' confidence and achieved products reliability.

—Reduced development time for new products.

C. FOREIGN EXCHANGE EARNINGS & OUTGO

		2001-02		2000-01
Foreign Exchange Earnings	Rs.	--	Rs.	--
Foreign Exchange Outgo	Rs.	792,544	Rs.	1,177,754

for and on behalf of the Board of Directors

N.M. BAFNA

Managing Director

Place: New Delhi

Date: 29th June, 2002

R.M. BAFNA

Director