

20th ANNUAL REPORT 2007-08

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Coventry Coil-o-Matic (Haryana) Ltd.

[Signature]
Company Secretary

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Coventry Coil-o-Matic (Haryana) Ltd.



CORPORATE INFORMATION

Board of Directors

R.M. Bafna
Wholetime Director
A.M. Bafna
Director

Arun Mittal
Director
Narpat Raj Mahnot
Manoj Kumar Jain
Additional Director

Board Committees

Audit Committee

Arun Mittal
A.M. Bafna
Narpat Raj Mahnot
Manoj Kumar Jain

Share Transfer and Investors' Grievance Committee

Arun Mittal
R.M. Bafna

Company Secretary

J.P. Lodha

Auditors

SINGHI & CO.

Chartered Accountants
402, Pragati House,
47-48, Nehru Place
New Delhi - 110019

Bankers

Bank of India
HDFC Bank Ltd

Registered Office & Works

Vill- Salawas, Post- Sangwari,
Distt- Rewari -123401 (Haryana)
Phone Nos: 01274-249369 ~371
Fax: 01274-249372
Website: www.coventrycoil.co.in
e-mail: info@coilomatic.com

Administrative Office

209, Hans Bhawan
1, Bahadur Shah Zafar Marg
New Delhi - 110 002
Ph. Nos: 011-23370390.
Fax: 011-23370621

Registrars & Share Transfer Agents

INTIME SPECTRUM REGISTRY LTD.

A40, 2nd Floor, Naraina Industrial Area,
Phase-II, Near Batra Banquet Hall, **New Delhi - 110028.**
TEL: (011) 41410592-93-94 FAX: (011) 41410591
E-mail: delhi@intimespectrum.com

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NOTICE

Notice is hereby given that the 20th Annual General Meeting of the Company shall be held on Monday, the 29th September, 2008 at 11:30 a.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 2008 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. Arun Mittal, who retires by rotation, but being eligible, offers himself for re-appointment.
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/s, the following resolution as an ordinary resolution.

"RESOLVED THAT Mr. Narpat Raj Mohnot, Who was appointed as an Additional Director of the Company by the Board of Directors of the Company, Pursuant to Article 122 of the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting by reason of section 260 of the Companies Act, 1956, and in respect of whom the Company has received a notice under Section 257 of the Companies Act, 1956, in writing proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, Subject to retirement by rotation under the Article of Association of the Company."

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

Date: 3rd September, 2008
Place: Rewari

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/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. Proxies, in order to be effective, must be received at the registered office of the company not less than 48 hours before the commencement of the meeting. Members, who hold shares in Dematerialised form, are requested to bring their DP I.D. and Client I.D. for identification.
3. The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of the special business is annexed hereto.
4. The Register of Members and Share Transfer Books of the Company will remain closed from 25-09-2008 to 29-09-2008 (both days inclusive).
5. Members are requested to bring their copy of the Annual Report, as Copies of the Report will not be distributed again at the Meeting.
6. 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.
7. Members are requested to notify the Company of any change in address in full with Pin code numbers.
8. 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, so as to reach at least 10 days before the date of meeting to enable the Management to keep the information ready.
9. Members/proxy-holders are requested to produce at the entrance the attached Admission Slip duly completed and signed for admission to the meeting hall.
10. All documents referred to are open for inspection at the Registered Office of the Company during Office hours on any working days.

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

Item No. 4

Mr. Narpat Raj Mohnot having more than 40 years of experience, age about 69 years has associated with the Company from October 2007 and has wide range of experience of Commercial and other matters.

The Company has received a notice from a member under Section 257 of the Companies Act, 1956 proposing the candidature of Shri Narpat Raj Mohnot as a Director of the Company. The Directors recommend the appointment of Shri Narpat Raj Mohnot as a Director of the Company.

Except Shri Narpat Raj Mohnot, none of the Directors of the Company is interested in the resolution.

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

Date: 3rd September, 2008
Place: Rewari

J.P. Lodha
Company Secretary

DIRECTORS' REPORT

TO THE MEMBERS,

Your Directors have the pleasure in presenting the 20th Annual Report and the Audited Accounts of the Company for the year ended 31st March 2008.

FINANCIAL RESULTS

	2007-08	(Rs. In lacs) 2006-07
Turnover	3,562.71	3,401.96
Other Income	40.29	56.27
Increase/(Decrease) in Stocks	27.29	20.51
TOTAL	3,630.29	3,478.74
Profit before Depreciation & Interest	51.47	223.04
<u>Less:</u> Interest	10.32	2.25
Gross Profit	41.15	220.79
<u>Less:</u> Depreciation	231.97	219.01
Profit Before Tax	(190.82)	1.78
<u>Less:</u> Provision For Tax (Including Deferred Tax)	(43.07)	14.34
Profit After Tax	(147.75)	(12.56)
General Reserve	38.36	50.92
Employee's Benefit	7.23	-
Balance Carried to Balance Sheet	(116.62)	38.36

OPERATIONS

During the year although the Gross Sales of your Company increased by 3.7% to Rs. 4066 lacs, this was not sufficient to take care of the increases in the inputs costs such as Raw Materials (which increased by over 6.6 %) and other manufacturing costs (increased by 6.5 %), besides increase in Employment Costs etc. Your Company, therefore, incurred a loss of Rs. 190.82 lacs for the year 2007-08 as compared to the previous year which had a marginal profit of Rs. 1.78 lacs.

COURSE OF BUSINESS AND OUTLOOK

As required under the Corporate Governance, the Management Discussion and Analysis Report, which is forming a part of this report, is a reflection of the current state of your Company's Business. The report also deals with the opportunities and challenges faced by your Company and the outlook for the future.

DIRECTORS

In terms of Article 136 of the Articles of Association of the Company, Mr. Arun Mittal, Director will retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

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 that period.
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.



CORPORATE GOVERNANCE

Your Company has been following the principles and practices of good Corporate Governance. The Company has complied with Corporate Governance requirement, as stipulated under Clause 49 of the Listing agreement.

A separate report on Corporate Governance, together with a certificate from the statutory auditors confirming compliance with corporate governance requirement, has been annexed as part of this report.

AUDITORS AND AUDITORS' REPORT

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.

The Qualifications given by the Auditors in their Audit Report read with notes given in the accounts give the reply of the said Audit Qualifications.

All other observations of the Auditors have already been dealt with in the respective Notes on Accounts and need no further clarifications.

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.

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 Current Financial Year has been paid to them well before the due date.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNING AND OUTGO.

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 and Banks.

Your 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

ARUN MITTAL
Director

R.M. BAFNA
Wholtime Director

Date: 3rd September, 2008
Place: Rewari

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 2008.

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

		2007-08	2006-07
Power & Fuel Consumption			
Electricity			
a) DHBVN Ltd. - Power Purchased (kwh)	Units	32,20,770	32,47,360
Total Amount	Rs. lacs	140.83	134.18
Rate per Unit	Rs.	4.37	4.13
b) Captive Generation			
D.G. Sets (kwh)	Units	24,97,236	22,95,095
Total Amount (HSD)	Rs. lacs	177.19	161.09
Rate per Unit	Rs.	7.10	7.02
Consumption per Unit of Production			
PRODUCT (Spring)			
Electricity - Total Units (kwh)		57,18,006	55,42,455
- kwh / MT of Product		1,370	1,281

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 springs using higher wire diameter than its existing range by modification of its manufacturing process.
- Development of Progressive Auto Suspension springs for better Ride Comfort and improved handling of the cars on sharp corners at high speed.



- (2) Benefits derived as a result of the above R & D:
 - Development of new markets due to capability of manufacturing springs with higher range wire diameter and improved Suspension systems.
- (3) Future plan of action:
 - Increased efforts for increasing volume production of Door checker hinge springs for Exports, so as to increase more market share.
 - Review of existing products for further developing cost effective products.
 - Improvising its present manufacturing facilities for attaining higher market share.
- (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:
 - Increasing production efficiency by improving material handling systems and reducing stage work -in-process.
- (2) Benefits derived as a result of above efforts:
 - Met Customers' increased demand for supply of springs.
 - Reduced development time for new products.

C. FOREIGN EXCHANGE EARNINGS & OUTGO

	2007-08	2006-07
Foreign Exchange Earnings	Rs. 4,82,99,500	Rs. 2,97,71,987
Foreign Exchange Outgo	Rs. 1,18,95,878	Rs. 1,52,05,516

for and on behalf of the Board

ARUN MITTAL
Director

R.M. BAFNA
Wholetime Director

Date: 3rd September, 2008
Place: Rewari

REPORT ON CORPORATE GOVERNANCE:

The detailed report on Corporate Governance as per the format prescribed by SEBI and incorporate in clause 49 of the Listing Agreement is set out below:

I. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Management believes that corporate growth, goals, transparency and enhanced stakeholder value are to be achieved only through good corporate governance.

II. BOARD OF DIRECTORS**A) COMPOSITION OF THE BOARD:**

The Board of Directors comprises of four members, consisting of three Non-executive Directors who account for more than fifty percent of the Board's strength, which is in accordance with minimum requirement of the listing agreement. The Non-executive Directors are eminent professionals, drawn from amongst persons with experience in business & industry, finance, law & public enterprises. However the Company did not have requisite numbers of Independent Directors from 29.09.2007 due to expiry of term of office of Shri Manoj Kumar Jain being an additional Director till 29.10.2007 when Shri Narpal Raj Mohnot was appointed as Additional Director of the Company to hold the office till the conclusion of ensuing Annual General meeting. The composition of the Board is as under:-

Directors	Number of Board Meetings		Attended Last AGM	Number of Committee memberships held	Number of Committee chairmanship held	Number of outside Directorship held
	Held	Attended		Excluding Private Companies, Foreign Companies and Section 25 Companies.		
Executive Directors						
Sh. R.M. Bafna	5	5	Yes	None	None	1
Non-executive Directors						
Sh. A.M. Bafna	5	5	No	None	None	None
Non-executive and Independent Directors						
Sh. Arun Mittal	5	5	Yes	None	None	2
Sh. Manoj Kr. Jain*	4	3	Yes	None	None	None
Shri Narpat Raj Mohnot**	2	2	—	None	None	1

* Shri Manoj Kumar Jain, term of office expired on last Annual General Meeting i.e 29.09.2007.

** Shri Narpal Raj Mohnot, appointed as Additional Director on 29.10.2007 to hold the office till the conclusion of ensuing Annual General Meeting.

1. Annual General Meeting held on 29th September 2007 at the Company's registered office at vill-Salawas, Post-Sangwari, Distt-Rewari-123401.
2. Five meeting of the Board of Directors were held during the year ended 31st March 2008. These were held on: -
1) 30.04.2007 2) 28.07.2007 3) 03.09.2007 4) 29.10.2007 5) 30.01.2008



B) DIRECTORS' REMUNERATION PAID / PAYABLE: (2007-08)

Name of Director	Remuneration paid during 2007-08 (All figures in Rs.)				
	Sitting Fees (Board Meeting)	Sitting Fees (Committee Meeting)	Salary & Perks	Commission	Total
Shri R.M. Bafna*	NIL	NIL	8,30,135	NIL	8,30,135
Shri A.M. Bafna	12,500	5,000	NIL	NIL	17,500
Shri Arun Mittal	12,500	24,000	NIL	NIL	36,500
Shri Manoj Kumar Jain	7,500	2,000	NIL	NIL	9,500
Shri Narpat Raj Mohnot	5,000	1,000	NIL	NIL	6,000

* The above remuneration does not include contribution to Gratuity Fund but includes contribution to Public Provident Fund as per Company's rule.

C) CODE OF CONDUCT:

The Board of Directors has already adopted the code of ethics & Business Conduct for the Directors and Senior Management Personnel. This Code is a Comprehensive code applicable to all Directors, Executive as well as Non-Executives and members of the Senior Management.

The Code has been circulated to all the members of the Board and Senior Management Personnel and compliance of the same has been affirmed by them. A declaration signed by the Whole Time Director & CFO in this regards is given below.

"I hereby confirm that:

The Company has obtained from all the members of the Board and Senior Management Personnel, affirmation that they have complied with the code of Ethics and Business Conduct framed for Directors and Senior Management Personnel in respect of the financial year 2007-08.

R.M. Bafna
(Whole Time Director & CFO)"

III. AUDIT COMMITTEE:

A) The Board of Directors has constituted an Audit Committee of Directors to exercise powers and discharge functions as stipulated in section 292A of the Companies Act, 1956, Clause 49 of the Listing Agreements with Stock Exchanges and other relevant statutory/ regulatory provision. However the Company did not have requisite numbers of Independent Directors from 29.09.2007 due to expiry of term of office of Shri Manoj Kumar Jain being an additional Director till 29.10.2007 when Shri Narpat Raj Mohnot was appointed as Additional Director of the Company to hold the office till the conclusion of ensuing Annual General meeting. The audit Committee at present consists of three Directors as per detail below:

Shri Arun Mittal	Chairman	Non-executive and Independent Director
Shri Narpat Raj Mohnot*	Member	Non-executive and Independent Director
Shri A.M. Bafna	Member	Non-executive
Shri Manoj Kumar Jain **	Chairman	Non-executive and Independent Director

The Company secretary of the Company acts as the Secretary to the Committee.

* Shri Narpat Raj Mohnot appointed as Additional Director on 29.10.2007 to hold the office till the conclusion of ensuing Annual General Meeting.

** Shri Manoj Kumar Jain, term of office expired on last Annual General Meeting i.e 29.09.2007.