

21st ANNUAL REPORT 2008-09

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Coventry Coil-o-Matic (Haryana) Ltd.

**CORPORATE INFORMATION****Board of Directors**

R.M. Bafna
Wholetime Director

Arun Mittal
Director

Narpat Raj Mohnot
Additional Director

Board Committees**Audit Committee**

Arun Mittal
Narpat Raj Mohnot
R.M. Bafna

Share Transfer and Investors' Grievance Committee

Arun Mittal
R.M. Bafna

**Secretarial Advisor
SIDDQUI & ASSOCIATES**

Company Secretaries
D-49, Sarita Vihar,
New Delhi-110044

**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
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**LINK INTIME INDIA PVT. LTD.**

(Formerly-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@linktime.co.in

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NOTICE

Notice is hereby given that the 21st Annual General Meeting of the Company shall be held on Tuesday, the 29th September, 2009 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 2009 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. Narpal Raj Mohnot, 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 pursuant to sections 198, 269, 309, 310 and all the applicable provisions of the Companies Act, 1956 read with schedule XIII and subject to approval of Central Government, if required, Mr. R. M. Bafna be and is hereby appointed as Whole-time Director of the Company for a period of Five years w.e.f. 1st August 2009 on the terms & conditions contained in the Agreement dated 29th July 2009".

RESOLVED FURTHER that in the event of absence or inadequacy of Profit, the said remuneration shall be payable within the limits as specified in schedule XIII of the companies Act 1956 or such other notification issued by the Central Government from time to time.

RESOLVED FURTHER that the Board of Directors be and are hereby authorised to take necessary steps and do all such deeds and things as required and necessary in the matter.

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

Date: 2nd September, 2009

Place: Rewari.

R.M. Bafna

Whole-time 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/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 25-09-2009 to 29-09-2009. (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 number.



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

The present term of appointment of Mr. R. M. Bafna as Whole-time Director of the Company expires on 31st July 2009. He has been reappointed as Whole-time Director for a period of Five years at a Meeting of Board of Directors held on 29th July 2009.

Mr R. M. Bafna (57 Years) is B. Com from St. Xavier's College, Kolkata. He is having 34 years of experience. He has been involved with Coventry Coil-o-Matic (Haryana) Limited from 16th March 1996. Prior to joining the Company he had worked in Coventry Crystronics Limited and Bangalaxmi Steel Trading Co. Limited in very senior position including that of Commercial Director. He is currently Whole-time Director of the Company. The Directors recommend the re-appointment of Mr R. M. Bafna as a Whole-time Director of the Company.

Except Mr R. M. Bafna, none of the Directors of the Company is interested in the resolution.

Mr R. M. Bafna has been re-appointed as Whole-time Director by the Board of Directors, inter alia, on the following terms and conditions:

- | | |
|-------------------------------|--|
| 1. Period of Agreement | Five years with effect from 1 st August 2009 |
| 2. Remuneration | |
| a. Salary | Rs. 1,00,000/- |
| b. Perquisites | |
| Part A | |
| Housing | Rent-free furnished accommodation or House Rent Allowance @50% of the Salary |
| Medical Expenses | Re-imbursement of leave/holiday travel expenses (like fare, lodging, boarding, conveyance and other expenses) incurred on one or more occasions in a year whether in India or abroad in respect of himself or Family subject to the condition that the total Re-imbursement shall not exceed one month's Basic salary. |
| Part B | |
| Car | Provision of Car for office use on Company's Business and telephone at residence will not be considered as perquisites. The Company shall bill personnel long distance calls and use car for private purpose. |
| Part C | |
| a. Contribution to PF | Company's contribution to provident Fund as per Rules of the Company |
| b. Gratuity | As per rules of the Company |

This may be treated as an abstract of the terms & conditions of the Agreement pursuant to section 302 of the Companies Act 1956

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

Date: 2nd September, 2009
Place: Rewari

R.M. Bafna
Whole-time Director

DIRECTORS' REPORT

TO THE MEMBERS,

Your Directors have the pleasure in presenting the 21st Annual Report and the Audited Accounts of the Company for the year ended 31st March 2009.

FINANCIAL RESULTS

	2008-09	(Rs. In lacs) 2007-08
Turnover	3,239.11	3,562.71
Other Income	46.63	40.29
Increase/(Decrease) in Stocks	(13.03)	27.29
TOTAL	3,272.71	3,630.29
Profit before Interest, Depreciation & Taxes	(123.56)	51.47
Less: Interest	9.53	10.32
Gross Profit	(133.09)	41.15
Less: Depreciation	75.36	231.97
Profit Before Tax	(208.45)	(190.82)
Less: Provision For Tax (Including Deferred Tax)	(67.37)	(43.07)
Profit After Tax	(141.08)	(147.75)
General Reserve	-	38.36
Debit Balance from Balance Sheet	(116.62)	-
Employee's Benefit	-	7.23
Balance Carried to Balance Sheet	(257.70)	(116.62)

OPERATIONS

During the year ended 31st March 2009, the Gross Sales of your Company decreased by almost 10% amounting to Rs. 3272.70 lacs. Loss before Interest, Depreciation and Taxes was Rs. 123.56 lacs against profit of Rs. 51.47 lacs and net Loss was at Rs 141.08 lacs compared with Rs. 147.75 lacs for the preceding year. The Loss during the current year is primarily due to unprecedented provisions for doubtful debts.

The performance of the Company considered against the background of recessionary trends, both in the domestic and international markets, is considered satisfactory, especially since the Sales of the Company had decreased over the previous year.

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. Narpal Raj Mohnot, 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 that :

1. in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
2. appropriate accounting policies have been selected and applied them consistently and have made judgments 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. proper and sufficient care has been taken 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. the annual accounts of the Company have been prepared on a "going concern basis".



COMPLIANCE CERTIFICATE

As per Section 383A of the Companies Act, 1956, the Compliance certificate as at 31st March, 2009 is attached herewith.

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 of Stock Exchange.

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.

INDUSTRIAL RELATIONS

The Company continues to have cordial relations with its employees and the Board records its appreciation of the commitment and support of employees at all levels.

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.

Replies to the Qualifications given by the Auditors are set out in Annexure - I forming part of this Report.

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.

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 - II 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 Current Financial Year 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 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

Date: 2nd September, 2009
Place: Rewari

ARUN MITTAL
Director

R.M. BAFNA
Whole-time Director

ANNEXURE TO DIRECTORS' REPORT

ANNEXURE - I

(A) OBSERVATIONS MADE IN THE AUDITORS' REPORT

Para vi

In our opinion and to the best of our information and according to the explanation given to us, and subject to ***non provisions of Interest & Other Charges (not ascertained as the matter is subjudice) on Secured Loans taken from Financial Institutions/ Banks, refer to Note No. 4 (C, D, E) - in Schedule 'N' of notes, we are unable to express*** our opinion as regards to true and fair view in conformity with the accounting principles generally accepted in India:

Reply

The Company continues to be embroiled in various litigation cases before different authorities, detail of which including their current status, has been elaborated in Note Nos. 4(C,D,E) of Schedule 'N' annexed to the Statement of Account. In view of the complexities & uncertainties involved in the cases and the impact thereof not being quantifiable, the Auditors' of the Company have expressed their inability to express their opinion as regards to the true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2009,
- (b) in the case of the Profit & Loss account, of the loss of the Company for the year ended on that date and
- (c) in the case of Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

Company is hopeful that the action invoked under SARFAESI Act would be ultimately declared unsustainable and void by the Courts and the Courts would declare the superfluous high demands raised by the Kotak Mahindra Bank Limited and Dhir & Dhir Asset Reconstruction and Securitisation Company Limited.

(B) OBSERVATIONS MADE IN THE ANNEXURE TO THE AUDITORS' REPORT

(i) Para (iii)

According to the information and explanations given to us, the unsecured loan Rs.20,68,821/- granted in earlier years to a company covered in the register maintained under section 301 of the Companies Act, 1956 have not been recovered however provision for doubt of recovery has been made during the year.

Reply

The above loan was granted to the promoter company M/s. Coventry Spring & Engg. Co. Ltd. However, it has come to our notice that this Company is closed since its assets were taken possession of by M/s. Asset Reconstruction Company India Ltd. (ARCIL) under the SARFAESI Act, 2002 and as the Calcutta High Court in its Order dated 15.06.2009 admitted the Winding-up of the Company, the recovery of this amount has become doubtful, hence the Company preferred making provision thereof for doubtful loan.

(ii) Para (ix) a

According to the records of the Company, the Company is irregular in depositing undisputed statutory dues including provident fund, employees' state insurance, sales-tax, excise duty, cess and other statutory dues applicable to it with the appropriate authorities. There is no undisputed outstanding statutory dues as at the yearend for a period of more than six months from the date they became payable ***except for Fringe Benefit Tax amounting to Rs. 4,19,075/-.***

Reply

Due to recession in the market and credit squeeze in the wake of the on-going cases against the Company, the Company faced short-term financial crisis. Consequently, there was a minor disruption in the cycle of such deposits. However despite the delays, the Company has no pending dues except for the Fringe Benefit Tax amounting to Rs.4,19,075/- which shall be deposited before filing of the Income Tax Return.



(iii) Para (x)

Without considering the impact of para VI of our audit report, the Company does have accumulated loss at the end of the financial year and has exceeded 50% of the Company's Net Worth.

Reply

The accumulated losses of the Company as at the end of the current financial year have exceeded fifty percent of its peak net worth during the immediately preceding four financial years. The Company shall appropriately comply with the provisions of the Sick Industrial Companies (Special Provisions) Act, 1985, the Companies Act, 1956 and any other applicable laws.

(iv) Para (xi)

Based on our audit procedures and on the information and explanations given by the management, the Company has defaulted in repayment of dues, aggregating Rs.8,93,59,656/- (including interest thereon) and liquidated damages Rs.5,14,138/-. No provision has been made for liquidated damages from 01.04.2003 and interest from 01.04.2005, as amounts remained as unascertained by the Management as referred to in note no. 4 (C, D, E) of Schedule 'N of notes'.

Reply

The matter has been discussed in (A) above.

ANNEXURE – II

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 2009.

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

		2008-09	2007-08
Power & Fuel Consumption			
Electricity			
a) DHBVN Ltd. - Power Purchased (kwh)	Units	30,56,970	32,20,770
Total Amount	Rs. lacs	138.45	140.83
Rate per Unit	Rs.	4.53	4.37
b) Captive Generation			
D.G. Sets (kwh)	Units	14,70,012	24,97,236
Total Amount (HSD)	Rs. lacs	107.19	177.19
Rate per Unit	Rs.	7.29	7.10
Consumption per Unit of Production			
PRODUCT (Spring)			
Electricity - Total Units (kwh)		45,26,982	57,18,006
- kwh / MT of Product		1,361	1,370

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:

- Development of springs using higher tensile strength than its existing range by improvements on the 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:

- 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:

- Reduced development time for new products.

C. FOREIGN EXCHANGE EARNINGS & OUTGO

	2008-09	2007-08
Foreign Exchange Earnings	Rs. 2,90,05,020	Rs. 4,82,99,500
Foreign Exchange Outgo	Rs. 80,91,933	Rs. 1,18,95,878

for and on behalf of the Board

Date: 2nd September, 2009
Place: Rewari

ARUN MITTAL
Director

R.M. BAFNA
Whole-time Director



COMPLIANCE CERTIFICATE

FORM

(Under section 383A of the Companies Act 1956)

(See rule 3)

To

The members,

COVENTRY COIL-O-MATIC (HARYANA) LIMITED

87th Km Stone, NH 8, Delhi Jaipur Road,

Village Salawas, Sangwari, Dist. Rewari 123401 (Haryana)

I have examined the registers, records, books and papers of **Coventry Coil-o-Matic (Haryana) Limited (CIN No. L51397DL997PLC091361)** required to be maintained under the Companies Act 1956, (the Act) and the rules there under and also the provisions contained in Memorandum of Associations of the company for the financial year ended on **31st March 2009**.

In my opinion and to the best of information and according to the examinations carried out by me and explanation furnished to me, by the company, its officers and the agents, I certify that in respect of the aforesaid financial year:

1. The company has kept and maintained all registers as stated in Annexure 'A' to this certificate, as per the provisions and the rules made there under and all the entries there in have been duly recorded.
2. The company has duly filled the forms and returns as stated in Annexure 'B' to this certificate, with the Registrars of the Companies, Regional Director, Central Government, Company Law Board or other Authorities with in the time prescribed under the Act and the Rules made there under.
3. The company being, **Public** limited company has the minimum prescribed paid up capital and its maximum number of Members during the said financial year was **6044 (Six Thousand & Forty Four Only)** excluding its present and past employees and the company during the year under scrutiny;
 - 1) has not invited public to subscribe for its Shares or Debentures; and
 - 2) has not invited or accepted any deposit from persons other than its members, directors or their relatives,

Not Applicable since the Company is Listed Public Company

4. The Board of Directors duly met **Six** times on **29.04.2008, 30.07.2008, 03.09.2008, 31.10.2008, 29.01.2009 and 09.03.2009** in respect of which meetings proper notices were given and proceedings were properly recorded and signed including the circular resolutions passed in the Minutes Book maintained for the purpose.
5. The company closed the Register of Members, and /or the Debenture holders from **25.09.2008 to 29.09.2008** and necessary compliance under section 154 of the Act has been made.
6. The annual general meeting for the financial year ended on **31.03.2008** was held on **29.09.2008** after giving due notices to the members of the company and the resolutions passed thereat were duly recorded in the Minutes Book maintained for the purpose.
7. **No Extra Ordinary General Meeting** was held during the financial year ended on **31.03.2008**
Not Applicable as no Extra Ordinary General Meeting was held during the year.
8. The company has advanced loans amounting to Rs Nil to its directors and/or persons or firms or companies referred in the section 295 of the Act after complying with the provisions of the Act.
Not Applicable as there was no such Loan
9. The company has duly complied with the provisions of section 297 of the Act in respect of the contracts specified in that section. **Not Applicable as there was no such Contract**
10. The company has made necessary entries in the register maintained under section 301 of the Act.
11. The Company has obtained necessary approvals from the Board of Directors, Members and the previous approval of the central Govt. pursuant to section 314 of the Act wherever applicable.
Not Applicable as there were no such instances when section 314 could be Applicable.
12. The Board of Directors or duly constituted Committee of Directors has approved the issue of duplicate share certificates. **Not Applicable as there was no such instances where the issue of duplicate Shares was involved**
13. The Company has
 - 1) delivered all the certificates on allotment of securities and on lodgment thereof for the transfer / transmission or any other purpose in accordance with the provision of the Act; **Not Applicable since there was no Allotment/Transfer/Transmission**