

27th
ANNUAL REPORT
2014-2015



Coventry Coil-o-Matic (Haryana) Ltd.



Coventry Coil-o-Matic (Haryana) Limited
CIN No. L74999HR1988PLC030370

Corporate Information

Board of Directors

Mr. R. M. Bafna , Executive Director
Mr. Arun Mittal, Director
Ms. Smriti Bafna, Director
Mr. Narpat Raj Mohnot, Director*

Board Committee

Audit Committee Mr. Arun Mittal, Chairman Ms. Smriti Bafna, Director Mr. R. M. Bafna Mr. Narpat Raj Mohnot, Director*	Stakeholders Relationship Committee Mr. Arun Mittal, Chairman Ms. Smriti Bafna, Director Mr. R. M. Bafna Mr. Narpat Raj Mohnot, Director*
Nomination & Remuneration Committee Mr. Arun Mittal, Chairman Ms. Smriti Bafna, Director Mr. R. M. Bafna Mr. Narpat Raj Mohnot, Director*	Registrar & Share Transfer Agents Link Intime India Private Limited 44, Community Centre, 2 nd Floor, Naraina Industrial Area, Ph I, Near PVR, Naraina, New Delhi 110028 Ph. 01141410592-93-94, Fax 01141410591

*Mr. Narpat Raj Mohnot sadly expired on 06th May 2015

Auditors Singhi & Co. Chartered Accountants 401-408, Pragati House, 47-48, Nehru Place, New Delhi 110019	Secretarial Auditors Siddiqui & Associates Company Secretaries D 49, Sarita Vihar New Delhi 110076
Registered Office: Vill. Salawas, Post Sangwari Distt. Rewari 1234012 Haryana	Administrative Office 209, Hans Bhawan, 1, Bahadur Shah Zafar Marg, New Delhi 110002 Ph. 011 23370390; Fax 011 23370621

Chief Financial Officer : Mr. S. S. Chauhan

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NOTICE

NOTICE is hereby given that the 27th Annual General Meeting of the Company shall be held on Saturday, the 26th September, 2015 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 2015 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 Mr. Rajendra Mal Bafna, who retires by rotation, but being eligible, offers himself for re-appointment.
3. To rectify appointment of Statutory Auditors and to authorise the Board of Directors to fix their remuneration. Messrs Singhi & Co.,

To consider and if thought fit, to pass with or without modification, the following Resolution as an ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Audit & Auditors) Rules 2014 (including statutory modification or re enactments thereof for the time being in force) appointment of Messrs Singhi & Co., (Firm's Registration No. 302049E), Chartered Accountants, as Statutory Auditors be and is hereby rectified and approved from the conclusion of this Annual General Meeting till the conclusion of forthcoming Annual General Meeting, on such remuneration plus service tax, out-of-pocket, travelling and living expenses, etc., as may be mutually agreed between the Board of Directors of the Company and the Auditors."

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 the provisions of Sections 152 and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Ms. Smriti Bafna (DIN: 06971191), who was appointed as an Additional Director with effect from 01st October 2014 in accordance with the section 161 of the Companies Act 2013 and who holds office upto the conclusion of this Annual General Meeting and in respect of whom the Company has received a notice in writing proposing appointment of Ms. Smriti Bafna (DIN: 06971191) as Director, be and is hereby appointed as Non Executive Director of the Company liable to retire by rotation."

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

Date: 13th August, 2015
Place: Rewari

R. M. Bafna
Executive 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. A person can act as a proxy on behalf of Members not exceeding 10% of total share capital of the Company carrying voting rights. A Member holding more than 10% of total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.
3. Corporate Members intending to send their representatives to attend the Meeting are requested to send to the Company a certified copy of resolution authorizing their representative to attend and vote on their behalf at the Meeting.
4. The Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 in respect of the special business is annexed hereto.
5. The Register of Beneficial Owners, Register of Members and Share Transfer Books of the Company will remain closed from 21st September 2015 to 26th September 2015 (both days inclusive).
6. Members are requested to bring their copy of the Annual Report, as Copies of the Report will not be distributed again at the Meeting.
7. 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.
8. Members are requested to notify the Company of any change in address in full with Pin code numbers.
9. 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.
10. Members/proxy-holders are requested to produce at the entrance the attached Admission Slip duly completed and signed for admission to the meeting hall.
11. All documents referred to are open for inspection at the Registered Office of the Company during Office hours on any working days.
12. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company/Registrar and Share Transfer Agents Link Intime India Private Limited.
13. Voting through electronic means

As per Sections 107 and 108 of the Companies Act, 2013, read with Companies (Management and Administration) Rules, 2014, facility is provided to the Shareholders for e-Voting through CDSL to enable them to cast their votes electronically on the resolutions mentioned in the Notice of the 27th Annual General Meeting dated 13th August, 2015. The detailed process, instructions and manner for availing e-Voting facility

is shown elsewhere in this Annual Report. The e voting shall remain open from 23rd to 25th September 2015. The Company has fixed 19th August, 2015 as a cut-off date to record the entitlement of the Shareholders to cast their votes electronically at the 27th Annual General Meeting. The Company has appointed Mr. K O Siddiqui, Company Secretary of Siddiqui & Associates, Company Secretaries, New Delhi, as scrutinizer for the purpose of e voting for this Annual General Meeting.

14. Information under clause 49(IV)(E) and 49(IV)(G)(i) of the Listing Agreement of the Director proposed to be reappointed in the Annual General Meeting scheduled to be held on 26th September 2015:

A. Mr. R. M. Bafna, Director of the Company retires by rotation and being eligible, offers himself for reappointment. Mr. R M Bafna was co-opted on the Board on 16th March 1997. Mr. R. M. Bafna is an promoter and executive Director. He is B. Com and has over 38 years of experience in Finance and Administration. He is Director in the following other Companies:

S. No.	Name of the Companies	Nature of Interest
1.	Coventry Crystronics Ltd.	Director
2.	Key Publications Pvt. Ltd	Director

The shareholding of Mr. R M Bafna in the Company as on 31st March 2015 is 1100 Equity Shares.

Important Communication to Members

The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by the paperless compliances by the Companies and has issued circulars stating that allowing services of notice/documents including Annual Report can be sent by e mail to its Members. To support this green initiatives of the Government in full measure, members who have not registered their e mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold the shares in physical form are requested to send the details of their e mail id to the Company or its Registrar & Share Transfer Agents Link Intime India Private Limited

Explanatory Statement

(Pursuant to Section 102 of the Companies Act, 2013)

As required by Section 102 of the Companies Act, 2013, (hereinafter referred to as "the Act") the following Explanatory Statements set out all material facts relating to the business mentioned under Item Nos. 3 to 4 of the accompanying Notice dated 23rd August, 2014.

Item No. 4

The Board of Directors have appointed Ms. Smriti Bafna (DIN: 06971191), as an Additional Director with effect from 01st October 2014 in accordance with the section 161 of the Companies Act 2013 and who holds office upto the conclusion of this Annual General Meeting and in respect of whom the Company has received a notice in writing proposing appointment of Ms. Smriti Bafna (DIN: 06971191) as Director, be and is hereby appointed as Non Executive Director of the Company liable to retire by rotation.

Ms. Smriti Bafna is not disqualified from being appointed as a Director in terms of Companies Act 2013 and has consented to act as Director. The Board considers it desirable to avail the expertise and guidance of Ms. Smriti Bafna on the Board and recommends her appointed.

The Board commends the Resolution at Item No. 4 for approval by the Members.

None of the Directors or Key Managerial Personnel or their respective relatives are concerned or interested in the Resolution at Item No. 4 of the Notice.



MANAGEMENT DISCUSSION & ANALYSIS

BUSINESS OVERVIEW

Your Company is a leading manufacturer of Auto Suspension Springs and is one of the leading market players in springs for other Industrial Applications. Business from the Auto Suspension Springs accounted for more than 90% of the total turnover.

The Indian economy, supported by lower oil prices, improved FDI inflows and pro-growth economic reforms initiated by new Government saw a moderate improvement in growth momentum during FY 2014-15; some of the key macroeconomic indicators were also strengthened over the year. The Indian economy is on a path of gradual recovery. The government has undertaken several steps to unplug the bottlenecks and to revive the business confidence. However the significant and sustained growth slowdown over the last 12 quarters has contributed to low business confidence which, in turn, has dampened private sector investments across industries.

During 2014-15, CCHL made good progress and had a growth of 11.71% over the 2013-14 and its Annual Turnover was Rs. 4581.87 Lacs over Rs. 4101.34 Lacs in 2013-14, it was mainly due to contribution from the 2-wheeler segment, which CCHL had entered. Although there was a positive growth, this could not be converted into profits (as explained below). The production in terms of Metric Tonnes was also increased by 7.37% to 4,087.87 MT.

INDUSTRY STRUCTURE & DEVELOPMENT

The negative sentiments witnessed by the Indian automobile industry in Fiscal year 2013-14 further deepened in 2014-15. Total production of passenger cars and MUVs was decreased.. Within this segment, passenger car production, which is CCHL's primary customer segment was reduced. Even growth in MUV production was also reduced. However, the only segment which has still been witnessing positive growth continuously has been the 2-wheelers. This segment has grown over the last 5 years.

COMPANY PERFORMANCE

Existing Products:

Your Company is having a strong presence in the Mini & Compact passenger cars segment as its main customers Maruti Suzuki India Ltd. (MSIL) and Tata Motors Ltd. (TML) has together many models in this segment. Witnessing the slowdown in the passenger car segment and with new players coming in, CCHL had to cut down its production and the challenge was to effectively plan capacity utilization across the range of market segments, specially the newly developed 2-wheeler segment, maintain quality and delivery schedules as demands became erratic and unpredictable.

In this environment of low demand and higher input costs, CCHL's operations were under pressure to generate profits. Also with developing of new segment and to maintain quality and delivery schedules, there was high stress on internal efficiencies resulting in spurt in elevation of raw material and operational costs. Concerted efforts are being made to reduce and control the raw material and operational costs in the current fiscal.

New Product Development:

The Company is looking at adapting newer technology to increase its foray in the Front Suspension Spring Technology for passenger cars and MUVs so as to enable it to increase its presence in this segment again.

BUSINESS OUTLOOK AND OVERVEIW

As Indian Economy is showing signs of recovery and various steps taken by Government in last one year to support the Industry, we expect the Auto Industry to perform well in fiscal 2015-16
In this background, the Company would have to re-strategize its Business nodal and improve its production systems.

OPPORTUNITIES AND THREATS

In the existing domestic market, there exists an opportunity of increasing business shares through consistent delivery of quality and innovative new products. CCHL has already embraced innovation as a key initiative which will help in this.

The entry of Global OEM's in heavy commercial vehicle segment is likely to bring in a positive change in terms of product performance, reliability and safety. Your Company's leadership position in this segment will hold it in good stead.

In the competitive auto environment, CCHL also has several threats. The new competition in the suspension industry is going to put pressure for developing competitive products with high performance, quality and longer life.

RISKS & CONCERNS

At the macro level, the following issues are of concern:-

There has been gradual increases in terms on interest rates and fuel prices which has slowed down the growth of the automobile industry,

At the Company level, the following are the risks and concerns:-

Due to substantial rise in prices of all input materials and fuel prices leading to tightening of the liquidity position which may in turn stagnate growth, thereby impacting revenues and profits.

CCHL is best positioned to meet the challenge and will continue to have a leading competitive edge with its products and services available at world-class levels of Quality and Cost.

OPERATIONS REVIEW**(a) Quality Management**

Towards its journey in reaching World Class levels, the Company has stressed focus in areas with key deliverables under Quality Management by:-

- Reduction in Customer complaints.
- Reduction in breakdown time.
- Reduction in changeover time.
- Improvement in inventory turnover ratio.
- Improvement in housekeeping levels.
- Establishing Quality Systems.

The Company's certification for ISO/TS 16949:2002 and DIN EN ISO 9001:2000 continues to be valid.

(b) Energy Management

Under Energy Management, the main focus areas were:-

- Identification of avoidable energy losses.
- Quantification of losses.
- Recommendations for minimizing / eliminating the identified losses.
- Monitoring support in implementation.

(c) Cost Management

The main focus areas were:-

- Understanding its present cost structure.
- Identification of all costs.
- Classification in value-added and non-value added costs.
- Reduction and elimination of the non-value adding costs.



ENVIRONMENT, HEALTH AND SAFETY MANAGEMENT

Under Environment, Health and Safety Management (EHS) the main focus areas were:-

- Training and education of employees to ensure that each employee meet their EHS obligations.
- Monitoring of all processes / systems for corrective and preventive measures through relevant techniques like Job Safety Analysis (JSA), Safety Audit etc.
- Documenting all programs and plans for continual improvement.

The Company's certification for DIN EN ISO 14000 and OHSAS 18001:1999 continues to be valid.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has a robust internal control system to ensure that all the assets of the Company are safeguarded and protected against any loss. The systems are supported by internal audit carried out by a professional audit firm, who carry out extensive audit throughout the year covering all areas of operation.

The audit committee reviews the finding of the internal auditors on regular basis.

HUMAN RESOURCES

The Company believes in employees' involvement in achieving the organizational objectives and focused its efforts to upgrade the skills of its workforce to take up the challenges in the present cut-throat competition. The training system so to be provided is need-based training to its employee. The Company is putting efforts to make its appraisal system more effective to cater to the financial and career aspirations of employees to increase the organizational effectiveness.

Your Company is glad to announce that the Industrial Relation continues to be very cordial indicating the prevalence of high degree of excellent relationship between employees and employers. The Company has also created opportunities for the employees to acquire multi-skills to face future challenges.

CAUTIONARY STATEMENT

Today the mood is cautious, and industry growth has moderated. But nonetheless the long term prospects are strong, as India is poised to be one of the fastest growing automotive markets worldwide over the next decade and is slated to move from number 8 position to number 3 position in the passenger vehicle market. And to harness this opportunity, effective management of the short term challenges and implementation of sustainable strategies is the key to robust industry growth.

Statements in this report on Management's Discussion and Analysis describing the Company's objectives, projections, estimates, expectations or predictions may be forward looking statements within the meaning of applicable laws or regulations. These statements are based on certain assumptions and expectation of future events. Actual results could, however, differ materially from those expressed or implied. Important factors that could make a difference to the Company's operation include global and domestic demand-supply conditions, finished goods prices, raw materials cost & availability, changes in Government regulations and tax structure, economic developments within India and the countries with which the Company has business contacts and other factors such as litigation and industrial relations.

The Company assumes no responsibility in respect of forward looking statements herein which may undergo changes in future on the basis of subsequent development, information or events.

DIRECTORS REPORT

Your Directors have pleasure in presenting the **27th Annual Report** together with the audited accounts and the Reports of the Auditors for the year ended **31st March 2015**.

OPERATIONS AND FINANCIAL RESULTS:

The financial working results for the year are as under: -

<u>Particulars</u>	For the year ended 31st March 2015	(₹ In lakhs) For the year ended 31 st March 2014
Net Turnover	4581.87	4101.34
Other Income	62.97	68.08
Increase/(Decrease) in Stock	(31.64)	81.01
TOTAL	4613.20	4250.43
Profit before Interest, Depreciation & Taxes	(177.34)	(194.17)
Profit before Tax	(260.25)	(261.74)
Less : Provision for Tax (including deferred tax)	131.62	47.82
Profit after Tax	(391.62)	(213.92)
Balance from Balance Sheet	(432.59)	(183.31)
Balance carried to Balance Sheet	(824.21)	(397.23)

The financial year 2014-15 was extremely stressful for your Company due to the slowdown in the Automobile market, volatile economic conditions, rise in input costs and depreciation of the Rupee.

The Net Sales of the Company increased by about 11.71% amounting to ₹ 4581.87 lakhs for the 2014-15, thereby resulting in Operating Loss (before Interest, Depreciation and Taxes) of ₹ 177.34 lakhs as against an Operating Loss (PBITD) of ₹ 194.17 lakhs during 2013-14 thereby improving by 8.66% over the previous year. The Net Loss (PAT) was at ₹ (391.62) lakhs compared with the Net Profit (PAT) of ₹ (213.92) lakhs for the previous year.

DIRECTORS

In terms of Article 136 of the Articles of Association of the Company, Mr. Rajendra Mal Bafna, Director will retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. During the year the Company has appointed Ms. Smriti Bafna as Additional Director of the Company. The term of her office shall expire at this Annual General Meeting. The Company has received a letter from a shareholder appointing her as Director of the Company.

INDEPENDENT DIRECTORS

The Company was having two Independent Directors namely Mr. Arun Mittal and Mr. Narpat Raj Mohnot. However Mr. Narpat Raj Monot, Independent Director has expired on 06th May 2015 and left for heavenly abode. Presently the Company is having only one Director who is Independent Director. As per the provisions of section 149(4) the Company is required to have one third of Directors as Independent Director and the Company is having one Director as Independent Director out of three Directors. Moreover as the paid up Share Capital of the Company is ₹4,50,80,000 and its net worth is less than ₹25 crores and the Clause 49 of the listing Agreement is not applicable to the Company. The Office of Independent Director is not liable to retire by rotation.

DIVIDEND

In order to conserve the resources of the Company, your Directors do not recommend any dividend for the year



2014-15

RISK MANAGEMENT

During the year, the Company has developed and implemented a Risk Management Policy to identify and mitigate key risk that may threaten the existence of the Company.

SUBSIDIARY & ASSOCIATE COMPANIES

The Company is not having any subsidiary or Associate Companies. Accordingly a Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures as Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014 is not applicable

INTERNAL FINANCIAL CONTROLS

The Company has in place adequate internal financial controls with reference to financial statements. The Internal Financial Control has been designed to provide for:

- Adoption of Accounting policies in line with applicable Accounting standards
- Proper recording of transaction with internal checks and reporting mechanism.
- Compliance with applicable statutes, policies, management policies and procedures.

The Management of your Company periodically reviews the financial performance against the approved plans across various parameters and takes necessary action, whenever necessary.

DISCLOSURES

Meetings of the Board

Four meetings of the Board of Directors were held during the year as per details as hereunder:

S. No.	Date of Board Meeting	Strength of Board	Nos. of Directors present
1.	29.05.2014	Three Directors	Three Directors
2.	13.08.2014	Three Directors	Three Directors
3.	13.11.2014	Four Directors	Three Directors
4.	11.02.2015	Four Directors	Four Directors

The Company has also held the required Meetings of Committees during the year.

Particulars of Loans given, Investments made, Guarantees given and Securities provided

During the year the Company has not given any loans made any investments and given any guarantees under 186 of the Companies Act 2013 and also did not provide any securities for the purpose for which the loan or guarantee or security.

Particulars of Employees

The Company is not having any Employee drawing salary in excess of the prescribed limits in terms of the provisions of Section 197(12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Disclosure under section 136 of the Companies Act 2013

Having regard to the provisions of the first proviso to Section 136(1) of the Act and as advised, the Annual Report excluding the aforesaid information is being sent to the members of the Company. The said information is available for inspection at the registered office of the Company during working hours and any member interested in obtaining such information may write to the Company and the same will be furnished on request. The full Annual Report including the aforesaid information is being sent electronically to all those members who have registered their email addresses and is available on the Company's website.