



**49th Annual Report
2000-2001**



COVENTRY SPRING & ENGINEERING CO. LTD.

49th Annual Report

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49th Annual Report

Board of Directors

Sri. A. M. Bafna *Managing Director*
Sri. S. V. Bamane *Nominee Director SICOM Ltd.*
Sri. N. M. Bafna *Director*
Sri. P. M. Bafna *Director*
Sri. S. Das *Director*

Company Secretary

Sri. L. Agarwal

Registered Office

23, Ganesh Chandra Avenue
Kolkata - 700 013

Works

N.H. 6 Alampur, Andul, Howrah
D-2, MIDC
Nagpur - 440 028

Auditors

S. S. Kothari & Company
Chartered Accountants

Bankers

State Bank of India

Registrar & Share transfer Agents

ABC Computers Private Limited
National Council of Education, Bengal.
Jadavpur University Campus,
Jadavpur, Kolkata - 700 032

NOTICE

NOTICE IS HEREBY GIVEN THAT THE FORTY-NINTH ANNUAL GENERAL MEETING OF THE MEMBERS OF COVENTRY SPRING & ENGINEERING COMPANY LIMITED WILL BE HELD ON THURSDAY, SEPTEMBER 27, 2001 AT 11:00 A.M. AT THE SEMINAR HALL OF M.P. BIRLA PLANETARIUM, 96, J. L. NEHRU ROAD, CALCUTTA 700 071 TO TRANSACT THE FOLLOWING BUSINESS :

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March, 2001 and the Profit and Loss Account for the year ended on that date and the Report of Board of Directors and Auditors thereon.
2. To appoint a Director in place of Shri S. Das who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint Auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company and to authorise the Board of Directors to fix their remuneration. M/s. S. S. Kothari & Co. Chartered Accountants, the retiring Auditors are eligible for reappointment.

Kolkata,
August 10, 2001

Registered Office :
23, Ganesh Chandra Avenue,
Kolkata - 700 013.

By Order of the Board of Directors
For COVENTRY SPRING & ENGG. CO. LTD.

L. AGARWAL
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.
2. Proxies in order to be effective, must be received at the Registered office of the Company not less than 48 hrs. before the commencement of the meeting.
3. Pursuant to Section 205A (as amended) of the Companies Act, 1956, all unclaimed dividend upto the Financial year ended March 31, 1994 have been transferred to the General Reserve Account of the Central Government. Members who have not encashed the Dividend warrants for the said period are requested to claim the amount from the Registrar of Companies, West Bengal, Nizam Palace, 234/4, Acharya Jagdish Chandra Bose Road, Kolkata 700 020.
4. The register of Members and the Share Transfer Books of the Company will remain closed from Wednesday, September 19, 2001 to Thursday, September 27, 2001 (both days inclusive).

Kolkata
August 10, 2001
Registered Office :
23, Ganesh Chandra Avenue,
Kolkata 700 013.

By Order of the Board of Directors
For COVENTRY SPRING & ENGG. CO. LTD.

L. AGARWAL
COMPANY SECRETARY

COVENTRY SPRING & ENGINEERING CO. LTD.

DIRECTORS' REPORT

Your Directors present the Forty Ninth Annual Report and the Audited Accounts of the Company for the year ended 31st March, 2001.

FINANCIAL RESULTS.

	Current year (Rs.)	Previous year (Rs.)
Gross Turnover	24,32,13,531	28,38,16,117
Gross Profit/(Loss) before Depreciation and Tax	(2,11,09,153)	(2,26,08,957)
Less : Depreciation on Fixed Assets	75,90,941	78,42,300
Net Profit/(Loss)	(2,87,00,094)	(3,04,51,257)
Add : Surplus brought forward from previous year		42,64,726
	<u>(2,87,00,094)</u>	<u>(2,61,86,531)</u>
APPROPRIATION :		
Adjusted with General Reserve	<u>2,87,00,094</u>	<u>2,61,86,531</u>

YEAR IN RETROSPECT :

Dwindling fortunes of the automobile sector had a negative and cascading effect on the Company's working leading to a substantial drop in turnover, straining the already depleting bottom line of the Company. Fuel costs continue to rise unabated and the company suffered a net loss of Rs.2,87,00,094.00 during the year under review.

Various cost control measures undertaken earlier had a positive impact and the Company was able to reduce the quantity of fuel consumption and other overheads substantially during the year. The turnover of the Company would have been lower but for its efforts to increase exports which rose by 75% over the total exports made during the year 1999-2000.

FUTURE OUTLOOK :

The Company expects to post a vigorous growth in exports during the year which will have a significant contribution towards its turnover and the profits. The Company has also identified Railways as one of the most important customer and is gearing up to become one of the major suppliers to Railways in its area of production. This, coupled with continuous efforts towards cost control at various levels should enable the Company to post better results in the present financial year.

DIRECTORS' RESPONSIBILITY STATEMENT :

Pursuant to Section 217(2AA) of the Companies Act, 1956, the Directors confirm the following in respect of the Audited annual accounts for the year ended 31st March, 2001 :

- i) that in preparation of annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any.
- ii) that such accounting policies as mentioned in the Schedules to the Accounts have been selected and applied consistently and judgements and estimates that are reasonable and prudent made so as to give a true and fair view of the state of affairs of the Company for the year ended 31st March, 2001 and of the Loss of the Company for that period.

- iii) that 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 irregularities.
- iv) that the annual accounts have been prepared on a going concern basis.

LISTING :

The Company is listed with the Stock Exchanges at Ahmedabad, Delhi, Kolkata and Mumbai and annual listing fee for the financial year 2001-2002 has been paid.

FIXED DEPOSITS :

Fixed Deposits are within the limits prescribed by the Companies (Acceptance of Deposit) Rules, 1975 and all deposits which matured during the year have been either paid off or renewed.

PERSONNEL & INDUSTRIAL RELATIONS :

Your Company continues to accord top priority to Human Resources Development by imparting proper training to its Supervisory and Managerial Staff. The staff and managers are encouraged to attend seminars and training workshops organised by Trade Bodies and Institutes.

The Company maintained good industrial relations in all the units of the Company.

INSURANCE :

The Assets of the Company are adequately insured.

DIRECTORS :

Sri S. Das retires by rotation and is eligible for reappointment.

STATUTORY INFORMATION :

Information in accordance with Sub-Section (2A) of Section 217 of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, as amended, have not been given since there were no employees whose particulars are required to be included in the report.

Information pursuant to Sub-Section 1(e) of Section 217 of the Companies act, 1956, read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 is given in Annexure '1' to this report.

AUDITORS :

M/s. S. S. Kothari & Co., Chartered Accountants, the retiring Auditors of the Company, being eligible offer themselves for reappointment.

ACKNOWLEDGEMENT :

Your Directors wish to place on record their grateful thanks to the Financial Institutions, Banks, Staff & Employees, Customers, Suppliers & various Government Agencies for their valuable assistance and for the trust and confidence reposed in the Company by the Shareholders.

For & On behalf of the board

A.M. BAFNA
MANAGING DIRECTOR

Place : Kolkata
Dated : 10th August, 2001

ANNEXURE "1" TO DIRECTORS' REPORT :

Information pursuant to Section 217 (1)(e) of the Companies Act, 1956 read with the 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, 2001.

A. CONSERVATION OF ENERGY

The company has been giving utmost emphasis and high priority to energy conservation. Optimum use of energy is ensured by close monitoring of energy consuming equipments, optimum use of power and close liaison between energy centre and consuming points and also through constant development of furnace design and replacing inefficient ones with energy efficient designs, in addition to :

- 1) Reduced idle running of equipments.
- 2) Using a suitable blend of HSD & LDO for Diesel Generating Sets.
- 3) Replacement of Electric Driven machine with Pneumatic devices.
- 4) Realignment of existing machines to ensure proper flow of work.

The Company shall continue with its efforts to reduction of energy consumption.

Particulars of total energy consumption and energy consumption per unit of production as per Form "A" :

	2000-2001	1999-2000
(A) POWER & FUEL CONSUMPTION		
1 ELECTRICITY		
a) Purchased		
Units (Kwh) (In lacs)	25.93	28.71
Total Amount (Rs. lacs)*	115.36	120.32
Rate per unit (Rs.)	4.45	4.19
b) Own Generation (D.G.Sets)		
Units (Kwh) (In lacs)	1.15	1.48
Total Amount (Rs. lacs)	6.36	8.21
Rate per unit (Rs.)	5.53	5.55
2 COAL		
Total Tonnes	-	-
Total Cost (Rs.)	-	-
Average Tonnes	-	-
3 FURNACE OIL AND OTHER OIL		
Quantity (KL)	1645.496	2340.207
Total Cost (Rs.lacs)	219.36	252.89
Average / Kilo Ltrs. (Rs.)	13330.93	10849.04
4 OTHERS / INTERNAL GENERATION		
Quantity (Tonnes)	-	-
Total Cost (Rs. lacs)	-	-
Average / Tonnes (Rs.)	-	-
(B) CONSUMPTION PER UNIT OF PRODUCTION		
(I) PRODUCT (Spring & Piston Rods)		
Electricity Units	2.21	2.47
Coal Kgs.	-	-
Furnace & Other Oil (Lts.)	1.34	2.01

* Including Demand charges.

B. TECHNOLOGY ABSORPTION :

(Disclosure of particulars with respect to Technology Absorption, Research & Development)

RESEARCH AND DEVELOPMENT (R & D) :

1. Specific areas in which R&D carried out by the Company :
 - Development of new products / designs / processes / methods / tools, improvement of systems in existing products/ process.
 - Testing & Certification of existing products for conformity to new Indian/International standards.
 - Development of components in conjunction with OEM's.
2. Benefits derived as a result of above R & D :
 - Indigenisation / Import substitution
 - Cost reduction / Improved utilisation of material & energy.
 - Technological upgradation.
 - Enhancement in quality and service to the customers.
 - Development of new designs in products and processes.
 - Maintaining market leadership / Preparedness to counter competition in the changed liberalised environment.
 - Reducing machine breakdown time.
 - Reduction in environmental pollution.
3. Future Plan of Action :
 - Continuation of the present work in R&D for introduction of new products and processes, improvement in the existing products and processes in various areas in which the Company is operating.
 - Faster introduction of new products and processes.
 - Strengthening infrastructure for R&D.
 - Improving interaction with research / educational institutions.
4. **Expenditure on R & D (Amount in Rupees):**

	2000-01	1999-2000
(a) Capital		
(b) Recurring	932083	923945
(c) Total	932083	923945
(d) Total R&D Expenditure as a percentage of total turnover	0.38%	0.33%

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION :

1. Efforts in brief, made towards technology absorption, adaptation and Innovation :
 - Training of personnel for exposure to the latest products/designs & manufacturing technologies.
 - Participating in national/International conferences, seminars and exhibitions.
 - Evaluation/adaptation/modification of imported designs/technologies to suit indigenous requirements, alternative materials/components.
 - Analysing feedback from users to improve products & services.
2. Benefits derived as a result of the above efforts :
 - Improvement in existing processes and product quality, performance, productivity, safety, product reliability and serviceability.
 - Cost reduction.
 - Import substitution
 - Introduction of new products with indigenous know-how.
 - Saving in Foreign Exchange.
3. The Company has not hitherto imported any technology. The Company has entered into a Technical Agreement with Rejna SpA, Italy to keep abreast with the latest innovations and upgrade technology to improve its competitive edge in India as well as in the export markets. No induction of technology from the technical partner has been made as yet.

C: FOREIGN EXCHANGE EARNINGS AND OUTGO :

- i) The company is continuously exploring avenues to increase exports. Efforts are being made to develop new market and consolidate the existing ones by developing products conforming to international standards.
- ii) Total Foreign Exchange earned and used :

Used	: Rs.144025.00	
Earned	: Rs.34244354.00	