



**50th Annual Report
2001-2002**

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COVENTRY SPRING & ENGINEERING CO. LTD.

50th Annual Report

Board of Directors

Sri A. M. Bafna	<i>Managing Director</i>
Sri N. M. Bafna	<i>Director</i>
Sri P. M. Bafna	<i>Director</i>
Sri S. Das	<i>Director</i>

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
Kolkata

Bankers

State Bank of India

Registrar & Share transfer Agents

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

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NOTICE

NOTICE IS HEREBY GIVEN THAT THE 50TH ANNUAL GENERAL MEETING OF THE MEMBERS OF COVENTRY SPRING & ENGINEERING COMPANY LIMITED WILL BE HELD ON WEDNESDAY, SEPTEMBER 18, 2002 AT 11:00 A.M. AT THE SEMINAR HALL OF M.P. BIRLA PLANETARIUM, 96, J. L. NEHRU ROAD, KOLKATA 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, 2002 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 M. M. Bafna 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,
July 31, 2002

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

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

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 Friday, September 6, 2002 to Wednesday, September 18, 2002 (both days inclusive).

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

Kolkata
July 31, 2002
Registered Office :
23, Ganesh Chandra Avenue,
Kolkata 700 013.

L. AGARWAL
COMPANY SECRETARY

COVENTRY SPRING & ENGINEERING CO. LTD.

DIRECTORS' REPORT

Your Directors present the 50th Annual Report and the Audited Accounts of the Company for the year ended 31st March, 2002.

FINANCIAL RESULTS	Current year (Rs.)	Previous year (Rs.)
Gross Turnover	20,52,95,897	24,32,13,531
Gross Profit/(Loss) before Depreciation and Tax	(2,12,87,583)	(2,11,09,153)
Less : Depreciation on Fixed Assets	70,85,009	75,90,941
Net Profit/(Loss)	(2,83,72,592)	(2,87,00,094)
APPROPRIATION :		
Adjusted with General Reserve	2,06,76,250	2,87,00,094
Balance Loss Carried Forward	76,96,342	-

YEAR IN RETROSPECT :

Continued deceleration in the Automobile Industry as well as the infrastructure sector did in no way help the Company in its efforts to stage the much required turn around during the year under review. The Company could almost match the Exports at the earlier year's levels but the Domestic Scenario for the Company's line of products continued to be bleak, and the Company reported a further fall in turnover for the year.

Although the Company has developed new parties and products over the years, lack of adequate Cash Reserves due to continued losses and denial of further Cash assistance by Banks and Institutions hampered the Company's prospect of posting a higher turnover and consequent improvement of its profitability. Cost control measures continued unabated as can be reflected in the enclosed financial statements, but were of little help in the light of the Company's falling turnover.

FUTURE OUTLOOK :

The Company is all geared to take on recession, has Orders in hand worth Rs.20 Crores approximately and stands a good chance to turn around, but needs a life line in the form of additional finance from banks and institutions. The Company has taken up the matter with the authorities concerned and is confident of posting a better performance provided adequate finance are made available on an urgent basis.

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, 2002 :

- that in preparation of annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any.
- 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, 2002 and of the Loss of the Company for that period.
- 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.

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 :

SICOM Ltd. withdrew its nominee, Sri S.V. Bamane, from the office of Directors of the company. Sri N. M. Bafna 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 :

The observations made by the Auditors in their Report are self-explanatory. The Relevant Notes to the Accounts also clarify the points referred to by the Auditors. There are, therefore, no further comments necessary under Section 217A(3) of the Companies Act, 1956.

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 : 31st July, 2002

COVENTRY SPRING & ENGINEERING CO. LTD.

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, 2002.

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) Realigning 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" :

	2001-2002	2000-2001
(A) POWER & FUEL CONSUMPTION		
1 ELECTRICITY		
a) Purchased		
Units (Kwh) (In lacs)	27.74	25.93
Total Amount (Rs. lacs)*	119.85	115.36
Rate per unit (Rs.)	4.40	4.45
b) Own Generation (D.G.Sets)		
Units (Kwh) (In lacs)	1.60	1.15
Total Amount (Rs. lacs)	8.50	6.36
Rate per unit (Rs.)	5.31	5.53
2 COAL		
Total Tonnes	-	-
Total Cost (Rs.)	-	-
Average Tonnes	-	-
3 FURNACE OIL AND OTHER OIL		
Quantity (KL)	1476.695	1645.496
Total Cost (Rs. lacs)	165.96	219.36
Average / Kilo Ltrs. (Rs.)	11238.61	13330.93
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	2.06	2.21
Coal Kgs.	-	-
Furnace & Other Oil (Lts.)	1.09	1.34

* 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) :	2001-02	2000-01
(a) Capital	-	-
(b) Recurring	957139	932083
(c) Total	957139	932083
(d) Total R&D Expenditure as a percentage of total turnover	0.47%	0.38%

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 Rajna 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.452,041.00
Earned	: Rs.3,30,55,324.00