



**51st Annual Report
2002-2003**



COVENTRY SPRING & ENGINEERING CO. LTD.

51st Annual Report

Board of Directors

Sri A. M. Bafna	<i>Director</i>
Sri N. M. Bafna	<i>Director</i>
Sri P. M. Bafna	<i>Director</i>
Sri S. Das	<i>Director</i>
Sri N. M. Bhandari	<i>Additional Director</i>
Sri N.R. Mohnot	<i>Additional Director</i>
Sri A. S. Lodha	<i>Additional Director</i>

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

MCS Limited
77/2A, Hazra Road
3rd & 5th Floor,
Kolkata - 700 029

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NOTICE

NOTICE IS HEREBY GIVEN THAT THE 51ST ANNUAL GENERAL MEETING OF THE MEMBERS OF COVENTRY SPRING & ENGINEERING COMPANY LIMITED WILL BE HELD ON WEDNESDAY, MARCH 31, 2004 AT 12:00 P.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 30th September 2003 (18 Month Ended) 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 A. 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.

SPECIAL BUSINESS

4. To consider and if thought fit to pass with or without modification, the following resolution as an Ordinary Resolution:
Resolved that pursuant to section 198,269,309, Schedule XIII and any other applicable provisions of the Companies Act, 1956, the Company hereby approves the appointment of Shri S.Das as Wholetime Working Director of the Company for a period of five years with effect from 1st September,2003, upon terms and conditions as set out in the agreement entered into between the Company and Shri S.Das.
5. To consider and if thought fit to pass with or without modification, the following resolution as an Ordinary Resolution:
Resolved that pursuant to section 198,269,309, Schedule XIII and any other applicable provisions of the Companies Act, 1956, the Company hereby approves the appointment of Shri P.M. Bafna as Wholetime Working Director of the Company for a period of five years with effect from 1st March, 2004, upon terms and conditions as set out in the agreement entered into between the Company and Shri P.M. Bafna.
6. 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 257 of the Companies Act, 1956, Shri N.M. Bhandari be and is hereby appointed as a Director of the Company.
7. 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 257 of the Companies Act, 1956, Shri N.R. Mohnot be and is hereby appointed as a Director of the Company.
8. 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 257 of the Companies Act, 1956, Shri A.S. Lodha be and is hereby appointed as a Director of the Company.

Kolkata,
February 23, 2004

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

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

A.M.BAFNA
DIRECTOR

COVENTRY SPRING & ENGINEERING CO. LTD.**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. Explanatory statement pursuant to section 173(2) of the Companies Act, 1956, for item nos. 4, 5, 6, 7 & 8 of the notice is annexed hereto.
4. Pursuant to Section 205A (as amended) of the Companies Act, 1956, all unclaimed dividend upto the Financial year ended March 31, 1996 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.
5. The register of Members and the Share Transfer Books of the Company will remain closed from Wednesday, March 24, 2004 to Wednesday, March 31, 2004 (both days inclusive).

EXPLANATORY STATEMENT PURSUANT TO PROVISIONS OF SECTION 173(2) OF THE COMPANIES ACT, 1956.**Item no. 4**

The Board of Directors of the company resolved to reappoint Shri S. Das as Whole Time Working Director of the Company with effect from 1st September, 2003 upon the following terms and conditions:

- I. Period of Agreement : Five years from the date of appointment.
- II. Remuneration
Salary : 27000 – 1500 – 33000
Commission : One percent of the Net Profit of the Company
As computed in terms with Section 349 of the Companies Act, 1956.
- III. Perquisites :

Part – A :

1. Housing – I: The expenditure by the Company on hiring unfurnished accommodation will be subject to the following ceilings :
 - a) Mumbai, Kolkata, Delhi&Chennai, -60% of the salary, over and above 10%, payable by you.
 - b) Other places – 50% of the salary, over and above 10% payable by you.
- Housing- II : In case the accommodation is owned by the Company, 10% of the salary shall be deducted by the Company.
- Housing- III : In case no accommodation is provided by the Company, the Whole time Working Director shall be entitled to house rent allowance subject to the ceiling laid down in Housing I.

Explanation: The expenditure incurred by the Company on gas, electricity, water and furnishings shall be valued as per the Income Tax Rules, 1962. This shall, however, be subject to a ceiling of 10% of the salary of the Wholetime Working Director.

2. Medical Reimbursement: Expenses incurred for the self and the family subject to ceiling of 1 month's salary in a year or 3 month's salary over a period of 3 years.
3. Leave Travel Concession: Return passage of self and the family in accordance with the rules specified by the Company.
4. Club Fees: Fees of Clubs subject to a maximum of 2 clubs. This will not include admission and life membership fees.
5. Personal Accident Insurance: Premium not to exceed Rs. 2000/- per annum.

Part – B :

1. Contribution to provident fund, superannuation fund or annuity fund will not be included in the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax Act.
2. Gratuity : Not exceeding half a month's salary for each completed year of service, subject to a ceiling of Rs. 3,50,000/- as per the ceiling of Income Tax (As amended).

Part – C :

Provision of car use on Company's business and telephone at residence will not be considered perquisites. Personal long distance calls and use of car for private purposes shall be billed by the company.

Memorandum of Interest:

Shri S. Das may be deemed to be interested in his appointment.

Item no.5.

The Board of Directors of the company resolved to reappoint Shri P. M. Bafna as Whole Time Working Director of the Company with effect from 1st March, 2004 upon the following terms and conditions:

- I. Period of Agreement : Five years from the date of appointment.
- II. Remuneration
 - Salary : 27000 – 1500 – 33000
 - Commission : One percent of the Net Profit of the Company As computed in terms with Section 349 of the Companies Act, 1956.
- III. Perquisites :

Part – A :

1. Housing –I: The expenditure by the Company on hiring unfurnished accommodation will be subject to the following ceilings :
 - a) Mumbai, Kolkata, Delhi&Chennai,-60% of the salary, over and above 10%,payable by you.
 - b) Other places – 50% of the salary, over and above 10% payable by you.
- Housing- II : In case the accommodation is owned by the Company, 10% of the salary shall be deducted by the Company.
- Housing- III : In case no accommodation is provided by the Company, the Wholetime Working Director shall be entitled to house rent allowance subject to the ceiling laid down in Housing I.

Explanation: The expenditure incurred by the Company on gas, electricity, water and furnishings shall be valued as per the Income Tax Rules, 1962. This shall, however, be subject to a ceiling of 10% of the salary of the Wholetime Working Director.

2. Medical Reimbursement: Expenses incurred for the self and the family subject to ceiling of 1 month's salary in a year or 3 month's salary over a period of 3 years.
3. Leave Travel Concession: Return passage of self and the family in accordance with the rules specified by the Company.
4. Club Fees: Fees of Clubs subject to a maximum of 2 clubs. This will not include admission and life membership fees.
5. Personal Accident Insurance: Premium not to exceed Rs. 2000/- per annum.

Part – B:

1. Contribution to provident fund, superannuation fund or annuity fund will not be included in the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax Act.
2. Gratuity : Not exceeding half a month's salary for each completed year of service, subject to a ceiling of Rs. 3,50,000/- as per the ceiling of Income Tax (As amended)

Part – C :

Provision of car use on Company's business and telephone at residence will not be considered perquisites. Personal long distance calls and use of car for private purposes shall be billed by the company.

Memorandum of Interest:

Shri P.M. Bafna may be deemed to be interested in his appointment.

Also Shri A.M. Bafna, Shri N.M. Bafna and Shri N.R. Mohnot, Directors of the company may be deemed to be interested in the aforesaid appointment by virtue of being relatives of Shri P.M. Bafna.

Item no. 6.

Shri N.M. Bhandari was co-opted as an Additional Director of the Company by the Board of Directors at its meeting held on 9th September, 2003, as per section 260 of the Companies Act, 1956. Shri N.M. Bhandari will hold office as a Director of the Company only upto the date of this Annual General Meeting.

The Company has received notice in writing from a member under section 257 of the Companies Act,1956, alongwith a deposit of Rs.500/- as required under the above mentioned section, proposing the candidature of Shri N.M.Bhandari for appointment as director of the Company, liable to retire by rotation. The Board commends this resolution for approval of the members at this meeting.

Memorandum of Interest:

Shri N.M.Bhandari may be deemed to be interested in his appointment.

COVENTRY SPRING & ENGINEERING CO. LTD.

Item no.7.

Shri N.R.Mohnot was co-opted as an Additional Director of the Company by the Board of Directors at its meeting held on 9th September, 2003, as per section 260 of the Companies Act, 1956. Shri N.R.Mohnot will hold office as a Director of the Company only upto the date of this Annual General Meeting.

The Company has received notice in writing from a member under section 257 of the Companies Act,1956, alongwith a deposit of Rs.500/- as required under the above mentioned section, proposing the candidature of Shri N.R.Mohnot for appointment as director of the Company, liable to retire by rotation. The Board commends this resolution for approval of the members at this meeting.

Memorandum of Interest:

Shri N.R.Mohnot may be deemed to be interested in his appointment.

Also Shri P.M. Bafna Director of the company may be deemed to be interested in the aforesaid appointment by virtue of being relative of Shri N.R.Mohnot.

Item no.8.

Shri A.S.Lodha was co-opted as an Additional Director of the Company by the Board of Directors at its meeting held on 9th September, 2003, as per section 260 of the Companies Act, 1956. Shri A.S.Lodha will hold office as a Director of the Company only upto the date of this Annual General Meeting.

The Company has received notice in writing from a member under section 257 of the Companies Act,1956, alongwith a deposit of Rs.500/- as required under the above mentioned section, proposing the candidature of Shri A.S.Lodha for appointment as director of the Company, liable to retire by rotation. The Board commends this resolution for approval of the members at this meeting.

Memorandum of Interest:

Shri A.S.Lodha may be deemed to be interested in his appointment.

Brief particulars of Directors appointed /re-appointed as required under clause 49 of the Listing Agreement :

1. Shri P.M.Bafna, Wholetime Working Director of the company is 61 years old, holding a Post Graduate Degree. He has more than 30 years of experience in Manufacturing Industry and has been involved with your company for more than 20 years.
2. Shri S.Das, Wholetime Working Director of the company is 47 years old, holding a Post Graduate Degree in Commerce. He has more than 20 years of experience in the Manufacturing Industry and has been involved with your company for more than 10 years.
3. Shri N.M.Bhandari, Director of the company is 64 years old, holding a Post Graduate Degree in Commerce. He has more than 30 years of experience in the Manufacturing Industry and has been involved with your company for more than 30 years.
4. Shri N.R.Mohnot, Director of the company is 64 years old, holding a Graduate Degree in Commerce. He has more than 30 years of experience in the Manufacturing Industry and has been involved with your company for more than 30 years.
5. Shri A.S.Lodha, Director of the company is 39 years old, holding a Graduate Degree in Commerce. He has more than 15 years of experience in the Manufacturing Industry.

All the resolutions are placed before the members for their approval.

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

Kolkata,
February 23, 2004

A.M.BAFNA
DIRECTOR

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

DIRECTORS' REPORT

Your Directors present the 51st Annual Report and the Audited Accounts of the Company for the 18 months ended 30th September, 2003.

FINANCIAL RESULTS.

	Current year (18 months) (Rs.)	Previous year (12 Months) (Rs.)
Gross Turnover	22,19,19,036	20,52,95,897
Gross Profit/(Loss) before Depreciation and Tax	(4,92,25,194)	(2,12,87,583)
Less : Depreciation on Fixed Assets	96,91,110	70,85,009
Net Profit/(Loss)	(5,89,16,304)	(2,83,72,592)
APPROPRIATION :		
Adjusted with General Reserve	-	2,06,76,250
Balance Loss Carried Forward	6,66,12,646	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.

The Company in order to implement certain restructuring measures were forced to extend the Financial Year by Six Months for which approval was taken from Registrar of Companies and hence the Annual Report and the Audited Accounts of the company are presented for 18 Month Ended 30th September, 2003.

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 has been incurring losses continuously for the last four years and the financial position of the company is going from bad to worse. The Company has received takeover notice u/s 29 of State Financial Corporation Act from SICOM Ltd. as the Company could not pay its dues on time. Further the Company is finding it difficult to service the high rate of the interest being charged by SICOM and State Bank of India. In view of the above it has been decided to sell off the Nagpur unit along with goodwill as a going concern and appropriate the proceeds so received to pay off the dues of SICOM and State Bank of India. It has also been decided to sell the surplus land at Howrah to augment to working capital requirement of the Company. The Board is satisfied that it would be in the interest of the Company and its shareholders to sell the said undertakings as mentioned above and has proceeded accordingly by passing an ordinary resolution through Postal Ballot, for approval of the shareholders, the results of which were declared in the Extra-Ordinary General Meeting held on 15th December, 2003. 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 a urgent basis.

REPORT U/S 23(A) OF SICK INDUSTRIAL COMPANIES (SPECIAL PROVISIONS) ACT 1985. (SICA)

The stiff competition from unorganised sectors, fall in margins and rising cost of inputs have altogether resulted in gradual erosion of net worth every year due to accumulated losses. Compared to Company's manufacturing capacity and overheads the smaller competitors always had an edge in terms of pricing. The gradual funding of losses has resulted in substantial reduction in working capital and due to high cost of inventory, orders could not be executed in time.

The Company's Peak Net Worth in the immediately preceding four years works out to Rs. 98972731, whereas the net worth as on 30.09.2003 is reduced to Rs. 49541205. The fact that the net worth has eroded to a level of 50% of the Peak Net Worth makes it a statutory obligation on the part of the Company and its Board of Director to inform the members and hold a meeting for considering such erosion. The Company is not a Sick Industrial Company within the meaning of Clause (O) of Sub Section (1) of Section 3 of the SICA, but it has become potentially sick, hence the members are being informed u/s 23(a) of SICA and reference will be made to the appropriate Authority within the stipulated time.

CORPORATE GOVERNANCE REPORT

The Corporate Governance Report and Management Discussion & Analysis is enclosed herewith and forms a part of this report duly certified by the Auditors as required under clause 49 of the Listing Agreement.

COVENTRY SPRING & ENGINEERING CO. LTD.

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 30th September, 2003 :

- 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 30th September, 2003 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.

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 A. M. Bafna retires by rotation and is eligible for reappointment.

Sri N.M.Bhandari, Sri N.R.Mohnot, Sri A.S.Lodha were appointed as Additional Directors by the Board with effect from 9th September, 2003 and will hold office till the date of the forthcoming Annual General Meeting.

Sri S. Das and Sri P.M. Bafna has been re-appointed as wholetime Director of the company with effect from 1st September 2003 and 1st March, 2004 respectively.

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. 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
DIRECTOR

N. M. BAFNA
DIRECTOR

Place : Kolkata

Dated : February 23, 2004

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 18 month ended 30th September, 2003.

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" :

	2002-2003	2001-2002
(A) POWER & FUEL CONSUMPTION		
1 ELECTRICITY		
a) Purchased		
Units (Kwh) (In lacs)	21.81	27.74
Total Amount (Rs. lacs)*	111.35	119.85
Rate per unit (Rs.)	5.11	4.40
b) Own Generation (D.G.Sets)		
Units (Kwh) (In lacs)	1.05	1.60
Total Amount (Rs. lacs)	12.72	6.36
Rate per unit (Rs.)	12.11	5.31
2 COAL		
Total Tonnes	-	-
Total Cost (Rs.)	-	-
Average Tonnes	-	-
3 FURNACE OIL AND OTHER OIL		
Quantity (KL)	1563.964	1476.695
Total Cost (Rs.lacs)	234.93	165.96
Average / Kilo Ltrs. (Rs.)	15021.45	11238.61
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	0.70	2.06
Coal Kgs.	-	-
Furnace & Other Oil (Lts.)	0.50	1.09

* Including Demand Charges

COVENTRY SPRING & ENGINEERING CO. LTD.**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) :

	2002-03	2001-02
(a) Capital	-	-
(b) Recurring	1089380	957139
(c) Total	1089380	957139
(d) Total R&D Expenditure as a percentage of total turnover	0.49%	0.47%

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 :

- 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.
- Total Foreign Exchange earned and used :

Used	: Rs.11,10,615
Earned	: Rs.55,334,215