



Report  Junction.com

Autopal Industries Limited



Autopal Industries Limited

17th Annual Report 2002-2003

BOARD OF DIRECTORS :

Shri I. B. Soni
(Managing Director)

Shri R. L. Rawat
(Director)

Shri Ashok Gupta
(Director)

Bankers

State Bank of Bikaner & Jaipur
(C & I Division)
S.M.S. Highway, Jaipur - 302 003

State Bank of Patiala
M. I. Road, Jaipur

CONTENTS

	Page No.
Notice	2-3
Management's Discussion & Analysis	4-5
Corporate Governance	6-11
Directors' Report	12-14
Auditors' Report	15-17
Balance Sheet	18
Profit & Loss Account	19
Schedules	20-30
Cash Flow Statement	31
Balance Sheet Abstract & Profile	32

Auditors

M/s. Kalani & Associates
Chartered Accountants
O-12, Parijat, First Floor
Keshav Path, Ashok Marg
Jaipur - 302 003

Registered Office

D-469, Road No. 9-A,
Vishwakarma Industrial Area,
Jaipur - 302 013 (Rajasthan)

Works

E-195(A), RIICO Industrial Area,
Sanganer, Jaipur-303 902 (Rajasthan)

Autopal Industries Limited

NOTICE

NOTICE is hereby given that the 17th Annual General Meeting of the members of AUTOPAL INDUSTRIES LIMITED will be held at the registered office of the Company i.e. D-469, Road No. 9A, Vishwakarma Industrial Area, Jaipur-302013 (Rajasthan) on Tuesday, September 30, 2003 at 12.30 P.M. to transact the following business:

ORDINARY BUSINESS

1. To receive, consider, approve and adopt the audited Balance-sheet as at March 31, 2003 and Profit and Loss Account for the financial year ended on that date and the reports of the Directors and Auditors thereon;
2. To appoint a Director in place of Shri Ashok Gupta who retires by rotation and 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 fix their remuneration.

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 approval be and is hereby granted to the Board of Directors to apply for de-listing of equity shares of the company from any one or more Stock Exchange(s) i.e. i) Jaipur Stock Exchange Limited ii) The Stock Exchange, Mumbai, iii) Calcutta Stock Exchange Association Limited, iv) The Delhi Stock Exchange Association Ltd., subject to the compliance of the provisions of the Listing Agreement and any other conditions prescribed by the respective Stock Exchanges, SEBI and any other authorities notified by the Government in this regard."

By Order of the Board
Sd/-

PLACE : JAIPUR
DATE : 31.07.03

(I. B. SONI)
Managing 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. The instrument appointing the proxy must be deposited at the registered office of the company not less than 48 hours before the commencement of the meeting.
3. The Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956 in respect of the special business is annexed hereto.
4. All documents referred to in the accompanying Notice and Explanatory Statement are open for inspection at the registered office of the company during office hours on all working days between 10.00 a.m. to 1.00 p.m. up to the date of the Annual General Meeting.
5. The Register of Members and Share Transfer Books of the company shall remain closed from Wednesday, September 24, 2003 to Tuesday, September 30, 2003 (both days inclusive).
6. Members requiring information on the accounts are requested to write to the company at least seven days before the date of the meeting to enable the company to furnish the information.
7. Members are requested to bring their copies of Annual Report at the Meeting.



ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2) OF THE COMPANIES ACT, 1956

ITEM NO. 2

Shri Ashok Gupta, aged 39 years, is a post graduate in commerce and has over fifteen years of varied experience in the areas of finance, banking, accounts, plant management, inventory management etc. He retires by rotation at the 17th Annual General Meeting of the company and being eligible, offers himself for re-appointment.

None of the directors, except Shri Ashok Gupta himself, is interested in the above item of business.

ITEM NO. 4

Your company's shares are presently listed on four Stock Exchanges i.e. at Jaipur (Regional), Mumbai,

Delhi and Calcutta. Since majority of transaction in securities are now done on line and with a view to contain costs, it is advisable that the company gets its securities de-listed from one or more of the Stock Exchange(s). SEBI has issued revised guidelines in this regard in the month of February, 2003. The resolution set out at Item No. 4 is meant to authorize the Board of Directors to proceed in this regard.

None of the Directors is interested in the above item of business.

By Order of the Board
Sd/-
(I. B. SONI)
Managing Director

PLACE : JAIPUR
DATE : 31.07.03

Report  Junction.com

Autopal Industries Limited

MANAGEMENT'S DISCUSSION AND ANALYSIS

Industry Structure and Developments

With the electricity cost witnessing steep increase over past few years, there is tremendous growth potential for highly energy efficient products like Compact Fluorescent Bulbs. It has already started replacing the traditional Incandescent Bulbs in households, industries & offices alike. Of course, there is need to educate people, especially in the semi-urban and rural areas, of the benefits in terms of cost saving as well as better quality output that people may achieve by going in for technically superior product. Much still needs to be done to educate the consumer in this regard.

Opportunities & Threats

Till some time back, the Indian CFL industry was under threat of extinction due to bulk import at unimaginably low price from China. However, the Indian consumer soon lost faith in low priced imported products due to the unreliable and inferior quality as compared to the products manufactured locally.

There is still a huge untapped market for CFL in India. With greater emphasis on reducing energy consumption as well as cost in view of a wide demand-supply gap, the industry is poised to witness rapid growth in the coming years.

Outlook

With the opening up of the Indian economy, the Indian market for electrical products has witnessed sea change. New designs and wide range of products especially in Lamps & Lighting at affordable prices has given boost especially to high energy efficient products like CFL. Due to obvious benefits like long life, high lumen, energy saving etc., CFL is being perceived as a logical replacement for incandescent bulbs.

Considering the fact that still a large population in

India uses incandescent bulbs due to ignorance about the better replacement available, the CFL industry is all set to record an impressive growth for next few years provided the consumers are properly educated and made aware of the benefits of switching over from the traditional bulbs to CFL.

Product Development and R & D

Even though Autopal has a well equipped and highly sophisticated Product Development and R & D facilities, the prevailing liquidity crunch has restricted company's efforts in this direction to a large extent. However, despite constraints, developmental activities are being continued in a limited but sustained manner. The focus is both on further improving up on the quality & efficiency of CFL as well as other value added products.

Quality

The Autopal brand CFLs are well accepted in the market since the product quality is comparable with the best available in the country. The company believes that quality enhancement is an ongoing process. Customer feed back plays an important role in identifying the areas of improvement. Besides, company follows benchmarking system to ensure superior quality of its products.

Exports

Autopal is currently not exporting its products since company is not in a position to ensure delivery reliability in the absence of working capital support from the banking system.

Risks & Concerns

The Indian Industry still faces major threat from China due to its advantages of economies of scale, low financial cost and other industry friendly Government policies. Despite inferior quality, Chinese products are dumped in the Indian market from time to time. Unsuspecting customers



especially illiterates and belonging to low income group get lured so much by the ridiculously low price that other equally important aspects like quality and durability of the products are often ignored.

On financial front, company does not have too many options available as of now, pending BIFR/

AAIFR proceedings. Operating levels are currently negligible for want of working capital support.

Internal Control Systems

The company has adequate internal control systems commensurate with the size and activities of the organization.

Financial Review and Analysis

(Rs.in Lacs)

Highlights	2002-03	2001-02	% change
Net Income	39.79	30.58	30%
PBIDT	(18.86)	(32.76)	42%
Financial Charges	218.12	233.53	-7%
Depreciation & Misc. expenses written off	50.84	58.95	-14%
Net Profit/(Loss) before Extra-ordinary items	(287.82)	(325.24)	12%
Extra-ordinary items/Prior period items	22.66	199.26	-89%
Net Profit/(Loss) for the Year	(310.48)	(524.50)	41%
Profit/(Loss) brought forward from previous year	(2993.14)	(2468.65)	
Surplus/(deficit) carried to Balance-sheet	(3303.63)	(2993.14)	

Analysis of Financial Results

Net income of the company went up by 30%, from Rs. 30.58 Lacs in the previous year to Rs. 39.79 Lacs mainly due to higher income from job work. Net sales, however, decreased from Rs. 22.53 Lacs to Rs. 19.39 Lacs during the year under review due to non availability of working capital.

Loss before Interest and non-cash expenses was lower at Rs. 18.86 Lacs as against Rs. 32.76 Lacs

in the corresponding previous year. Similarly, Net Loss before and after extra-ordinary items has come down by 12% and 41% respectively.

Human Resources Policy

Your company has a well laid-down HR policy to ensure development of its most important asset i.e. human resources. The emphasis is on minimizing the gap between the potential and actual performance on the job.

Autopal Industries Limited

CORPORATE GOVERNANCE

Company's Philosophy on Corporate Governance :

It has been the endeavor of the company to follow high standards of disclosure and corporate governance within the financial constraints.

Clause 49 of the Listing Agreement stipulates norms and disclosure standards to be followed on the corporate governance by listed companies. Due to negligible level of operations and considering the fact that Autopal has made a reference to the BIFR, it has not been possible to have adequate representation of the qualified, professional, non-executive and independent directors. The following information constitutes compliance report of Autopal with clause 49

Board of Directors

Board Procedure

In terms of the Listing Agreement, meetings of Board of Directors are held at least four times a year with a maximum time gap of four months between any two meetings. All information as required to be made available to the Board is provided to the members of the Board well in time for discussions in the Board Meetings for taking corrective action, if any.

Composition of the Board

As of March 31,2003, the Autopal Board consisted of three Directors, one of whom i.e. the Managing Director is in the whole-time employment. The remaining two are non-executive Directors, both being independent. The composition as well as category of Directors is given hereunder:

Sr. No.	Name of Director	Category	Attendance at Board & AGM		Outside Directorships & Committee Positions (as on 31.3.03)			
			No. of Board Meetings attended	Last AGM	Directorships		Committee Position	
					Member	Chairman	Member	Chairman
1	Shri I.B. Soni	Managing Director	7	Yes	Nil	Nil	1	Nil
2	Shri R.L. Rawat	Independent Non Executive Director	7	Yes	Nil	Nil	2	2
3	Shri Ashok Gupta	Independent Non Executive Director	7	Yes	Nil	Nil	1	Nil
4	Shri N. S. Chaudhary	Whole-time Director	0	N.A.	N.A.	N.A.	N.A.	N.A.

Shri N.S. Chaudhary resigned from the Directorship of the Company on 7th June, 2002.



Board Meetings

During the financial year 2002-03, the Board of Directors met seven times. The maximum time gap between any two meetings was 90 days.

The details of the Board Meetings held during the financial year 2002-03 are given hereunder :

Date of meeting	Total members	Members attended
29/06/2002	3	3
30/07/2002	3	3
03/09/2002	3	3
31/10/2002	3	3
30/11/2002	3	3
31/01/2003	3	3
31/03/2003	3	3

Audit Committee

The Board reconstituted its Audit Committee w. e. f. July 30, 2002. However, due to inadequate number of non-executive directors, the Committee was constituted with only two directors. The requisite details are as follows:

Name	Terms of reference
Shri R. L. Rawat (Chairman) Shri Ashok Gupta (Member)	<ul style="list-style-type: none"> -Oversight of financial reporting system of the company; -Recommending appointment/removal of auditors, fixing the fee & approval of payment for other services -Reviewing with management annual financial statements before submission to the board including qualifications in draft auditors' report; -Reviewing with management, external & internal auditors the adequacy of internal control system; -Reviewing the adequacy of internal audit function; -Reviewing findings of any internal investigations into suspected fraud, irregularity or failure of internal control system.

The Audit Committee met thrice during the FY 2002-03. As and when one or more non-executive director is inducted on the Board of Directors, the Board shall reconstitute the Audit Committee also.

Investors' Grievance Committee

The company has set up an Investors' Grievance Committee to look into the complaints relating to non-receipt of dividend warrants, annual report, transfer/transmission of shares etc. as required in terms of clause 49 of the Listing Agreement. The details of members of the Committee as well as status of investor complaints received during the year 2002-03 are as follows:

Name of Members	No. of complaints		Reply given but pending for want of documents	Otherwise Pending
	Received	Resolved		
Shri R.L. Rawat (Chairman) Shri I. B. Soni (Member)	46	41	Nil	5

The Board of Directors set up investors' Grievance Committee on 30th July, 2002. There were two meetings of Investors' Grievance Committee during the financial year 2002-03.

Remuneration Committee (non-mandatory)

The company has so far not constituted the Remuneration Committee. Hence, all matters relating to finalization of remuneration of Executive Directors are taken-up in the meeting of Board of Directors.

During the year 2002-03, Company paid total sum of Rs. 60,000/- in the form of salary to the Managing Director Shri I.B. Soni and Rs. 19,432/- to the Whole-time Director Shri N.S. Chaudhary. Due to ongoing financial crunch in the Company, it doesn't pay anything to the non-executive directors for attending the Board Meetings.

Autopal Industries Limited

General Body Meetings

The details of last three Annual General Meetings of the company are given hereunder:

Year	Location	Date	Time
1999-2000	D-469, Road No. 9A, Vishwakarma Industrial Area, Jaipur-302013	September 29,2000	12.30 P.M.
2000-2001	D-469, Road No. 9A, Vishwakarma Industrial Area, Jaipur-302013	December 29,2001	3.00 P.M.
2001-2002	D-469, Road No. 9A, Vishwakarma Industrial Area, Jaipur-302013	September 30,2002	5.00 P.M.

Resolution regarding business suggested for decision by postal ballot under Clause 49 of the Listing Agreement (Non-mandatory)

- No postal ballots were conducted for voting during the year 2002-03.
- At the forthcoming Annual General Meeting also, the company does not propose to pass any resolution through postal ballot.

Disclosures

There are no related party transactions of the company of material nature with its Promoters, the Directors or the management, their subsidiaries etc. that may have potential conflict with the interests of company at large.

Means of Communication

Whether half yearly results sent to each household of shareholders	No
Quarterly results normally published in which newspapers	The Statesman (English) Samachar Jagat (Hindi)
Any web site where displayed	No
Whether it also displays official news releases	N.A.
Presentations made to institutional investors or analysts	N.A.
Whether MD & A is a part of annual report	Yes

Shareholder information

Annual General Meeting

The Seventeenth Annual General Meeting of the company will be held on Tuesday, September 30, 2003 at 12.30 p.m. at the registered office of the company i.e. D-469, Road No. 9A, Vishwakarma Industrial Area, Jaipur-302013.

Financial Calendar for the year 2003-04 (Tentative)

Sl. No.	Activity	Time schedule
1	Results for the first quarter ending June 30,2003	By end of July'03
2	Results for the second quarter ending September30, 2003	By end of October'03
3	Results for the third quarter ending December 31,2003	By end of January'04
4	Results for the fourth quarter ending March 31,2004	By end of April'04

Date of Book Closure

The Register of Members and Share Transfer Books of the company will remain closed from September 24, 2003 to September 30, 2003 (both days inclusive) for the purpose of Annual General Meeting.



Dividend

The Directors have not recommended any dividend for the Financial Year 2002-03.

Listing Details

Company's equity shares are listed on the Stock Exchanges as detailed below:

S. No.	Name of Stock Exchange	Address	Listing fee Paid up to	Stock Code
1	Jaipur Stock Exchange Ltd.	Stock Exchange Building, JLN Marg, Malviya Nagar, Jaipur-302 017	1992-93	29
2	The Stock Exchange, Mumbai	Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400 023	2000-01	517286
3	Calcutta Stock Exchange Association Ltd.	7, Lyons Range, Calcutta - 700 001	1996-1997	
4	The Delhi Stock Exchange Association Ltd.	DSE House, 3/1, Asaf Ali Road, New Delhi-110 002	1995-96	6241

The Company is not in a position to pay the Annual Listing Fee due to negligible level of operations and the resultant liquidity crunch.

Market Price Data

Month	Autopal at Mumbai Stock Exchange		Mumbai Sensex	
	High	Low	High	Low
Apr-02	N. A.	N. A.	3538.49	3296.88
May-02	N. A.	N. A.	3478.02	3097.73
June-02	N. A.	N. A.	3377.88	3148.57
July-02	N. A.	N. A.	3366.74	2932.35
August-02	N. A.	N. A.	3185.08	2931.78
Sept-02	N. A.	N. A.	3227.62	2973.97
Oct-02	N. A.	N. A.	3038.92	2828.48
Nov-02	N. A.	N. A.	3245.98	2928.63
Dec-02	N. A.	N. A.	3413.83	3186.62
Jan-03	N. A.	N. A.	3416.92	3199.18
Feb-03	N. A.	N. A.	3341.61	3218.37
March-03	N. A.	N. A.	3311.57	3039.83

No trading in Autopal shares took place during the financial year 2002-03