



Excellence in Lighting



18th
Annual Report
2003-2004

Autopal Industries Limited



Autopal Industries Limited

18th Annual Report 2003-2004

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

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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 18th 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 Thursday, September 30, 2004 at 2.30 P.M. to transact the following business:

ORDINARY BUSINESS

1. To receive, consider, approve and adopt the audited Balance-sheet as at March 31, 2004 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 R.L. Rawat 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 Special 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/-

(I. B. SONI)

Managing Director

PLACE : JAIPUR

DATE : 31.08.04

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 Tuesday, September 28, 2004 to Thursday, September 30, 2004 (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 R.L. Rawat, aged 45 years, has rich and varied experience of over 18 years at senior level. Looking to the experience of Mr. Rawat, the Board of Directors recommends his appointment as Director liable to retire by rotation

None of the Directors, except Shri R.L. Rawat 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 transactions 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 : 31.08.04

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 (CFL). It has been fast replacing the traditional Incandescent Bulbs in households, industries & offices alike. People, especially in the semi-urban and rural areas, still need to be educated 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.

Opportunities & Threats

There is a vast scope of Compact Florescent Lamps (CFL) in India as well as in global market. The product has been gaining more acceptability. However, the import of CFL from Korea, Sri Lanka etc. and in CKD form from China poses a big threat to the Indian manufacturers.

With greater emphasis on reducing energy consumption as well as cost and further, keeping in view a wide demand-supply gap, the industry is poised to witness rapid growth in the coming years.

Outlook

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 inherent advantages 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 has tremendous growth potential provided due emphasis is given on quality, economic price, R & D etc..

Quality, Product Development and R & D

Your company is well equipped to make quality products comparable with the best in the industry. Besides the requisite infra-structure for production as well as technical know-how, company also has the best quality testing equipments, R & D Lab and product development facilities.

However, efforts in this direction are severely affected due to liquidity constraints.

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

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

Your company has made fresh reference to BIFR based on the annual reports for the year 2000-01, 2001-02 & 2002-03. Your company's revival prospects will largely depend on the rehabilitation scheme to be approved by the BIFR. In the meantime, your Board of Directors has been evaluating various options available under the circumstances.

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	2003-04	2002-03	% change
Net Income	25.49	39.79	-36%
PBIDT	(4.74)	(18.86)	75%
Financial Charges	250.11	218.12	-15%
Depreciation & Misc. expenses written off	45.08	50.84	11%
Net Profit/(Loss) before Extra-ordinary items	(299.93)	(287.82)	-4%
Extra-ordinary items/Prior period items	7.57	22.66	-67%
Net Profit/(Loss) for the Year	(307.50)	(310.48)	1%
Profit/(Loss) brought forward from previous year	(3303.63)	(2993.14)	
Surplus/(deficit) carried to Balance-sheet	(3611.13)	(3303.63)	

Analysis of Financial Results

Net income of the company declined by 36%, from Rs. 39.79 Lacs in the previous year to Rs. 25.49 Lacs mainly due to non-availability of working capital support. Job work constituted 70% of net income for the current year.

Loss before interest, non-cash expenses and extra-ordinary items has been lower at Rs. 4.74 Lacs as

against Rs. 18.86 Lacs in the corresponding previous year. Net Loss for the year has been marginally lower at Rs. 307.50 Lacs as against Rs. 310.48 Lacs.

Human Resources Policy

Company shall revamp its HR policy as and when it is able to resume its normal business operations.

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.

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 31,2004, 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, one of whom 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 31.3.04)			
			No. of Board Meetings attended	Last AGM	Directorships		Committee Positions	
					Member	Chairman	Member	Chairman
1	Shri I.B. Soni	Managing Director	8	Yes	Nil	Nil	1	Nil
2	Shri R.L. Rawat	Non Executive Director	8	Yes	Nil	Nil	2	2
3	Shri Ashok Gupta	Independent Non Executive Director	8	Yes	Nil	Nil	1	Nil

Shri R. L. Rawat retires by rotation at ensuing Annual General Meeting and has offered himself for reappointment. The details required to be disclosed in this regard are given in the Explanatory Statement pursuant to section 173 (2) of the Companies Act,1956.



Board Meetings

During the financial year 2003-04, the Board of Directors met eight times. The maximum time gap between any two meetings was 62 days.

The details of the Board Meetings held during the financial year 2003-04 are given hereunder :

Date of meeting	Total members	Members attended
30.04.2003	3	3
28.06.2003	3	3
31.07.2003	3	3
30.08.2003	3	3
31.10.2003	3	3
29.11.2003	3	3
31.01.2004	3	3
28.02.2004	3	3

Audit Committee

The Board constituted its Audit Committee on 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)	-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 Financial Year 2003-04 on July 28, 2003, October 28, 2003 and January 30, 2004. Both the directors were present at the meeting of the Audit Committee. 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 2003-04 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)	122	121	1	Nil

There were four meetings of Investors' Grievance Committee during the financial year 2003-04 on June 23, 2003, July 22, 2003, October 14, 2003 and January 17, 2004. Both the Directors were present at the meetings of the Investors' Grievance Committee.

Remuneration Committee (non-mandatory)

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

During the year 2003-04, Company paid total sum of Rs. 60,000/- in the form of salary to the Managing Director Shri I.B. Soni. 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
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.
2002-2003	D-469, Road No. 9A, Vishwakarma Industrial Area, Jaipur-302013	September 30, 2003	12.30 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 2003-04.
- 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 Eighteenth Annual General Meeting of the company will be held on Thursday, September 30, 2004 at 2.30 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 2004-05 (Tentative)

Sl. No.	Activity	Time schedule
1	Results for the first quarter ending June 30,2004	By end of July'04
2	Results for the second quarter ending September30, 2004	By end of October'04
3	Results for the third-quarter ending December 31,2004	By end of January'05
4	Results for the fourth quarter ending March 31,2005	By end of April'05

Date of Book Closure

The Register of Members and Share Transfer Books of the company will remain closed from September 28, 2004 to September 30, 2004 (both days inclusive) for the purpose of Annual General Meeting.



Dividend

The Directors have not recommended any dividend for the Financial Year 2003-04.

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	1996-97	
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

No trading in Autopal shares took place through Stock Exchange(s) during the financial year 2003-04, hence market price related data is not applicable.

Share Transfer System

All requests for transfer/transmission of securities are processed normally within a period of 3 to 4 weeks if the documents are complete in all respects. All shares of the company are still in physical form since the company is not in a position to bear the charges of the depositories and Registrar & Transfer Agents, due to financial crisis. The address of the Secretarial Department, where the grievances of shareholders are redressed, is as under: -

Secretarial Department

D-469, Road No. 9A, V.K.I. Area, Jaipur – 302 013

Telephone : 0141-2333994-96