



Excellence in Lighting

REPORT  JUNCTION.COM

22th
Annual Report
2007-08

Autopal Industries Limited

Autopal Industries Limited



22nd Annual Report 2007-08

BOARD OF DIRECTORS :

Shri I. B. Soni

(Chairman & Managing Director)

Shri R. L. Rawat

(Director)

Shri Ashok Gupta

(Director)

CONTENTS	Page No.
Notice	2-3
Management Discussion & Analysis	4-5
Corporate Governance	6-11
Directors' Report	12-13
Auditors' Report	14-17
Balance Sheet	18
Profit & Loss Account	19
Schedules	20-29
Cash Flow Statement	30
Balance Sheet Abstract & Profile	31

Bankers

Bank of Rajasthan Limited

Sardar Patel Marg,
C-Scheme, Jaipur

Auditors

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

Registered Office & Works

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

Autopal Industries Limited

NOTICE

NOTICE is hereby given that the 22nd Annual General Meeting of the members of AUTOPAL INDUSTRIES LIMITED will be held at the registered office of the Company at E-195 (A), RIICO Industrial Area, Sanganer, Jaipur-303902 (Rajasthan) on Tuesday, September 30, 2008 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, 2008 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 Ratan Lal Rawat who retires by rotation and 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 a Special resolution:
 "RESOLVED THAT pursuant to the applicable provisions of the Companies Act, 1956, (including any statutory modification(s) or re-enactment thereof for the time being in force), Securities Contracts (Regulation) Act, 1956 and the Rules framed thereunder, Listing Agreement with Stock Exchanges, Securities and Exchange Board of India (Delisting of Securities) Guidelines, 2003, as amended from time to time, (hereinafter referred to as the "Delisting Guidelines") and all other applicable laws, rules,

regulations and guidelines and subject to such conditions and modifications, as may be prescribed or imposed by any authority while granting such approvals, consent, permission or sanction, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as "the Board", which term shall be deemed to include Managing Director or any Committee thereof, for the time being exercising the powers conferred on the Board by this Resolution), the consent of the Company, be and is hereby accorded to the Board for voluntary delisting of the equity shares of the Company from all or any of the Stock Exchanges: Jaipur Stock Exchange Limited, Jaipur and Calcutta Stock Exchange Association Limited, Kolkatta as the Board may decide."

By order of the Board
Sd/-

Place: Jaipur (I.B. SONI)
Date: 30.08.2008 Chairman & 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 Tuesday, September 23, 2008 to Tuesday, September 30, 2008 (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 Ratan Lal Rawat, aged 49 years, has rich and varied experience of over 22 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 Ratan Lal Rawat himself, is interested in the above item of business.

ITEM NO. 4

Clause 5 of the Securities and Exchange Board of India (Delisting of Securities) Guidelines, 2003 permits voluntary delisting of securities from one or more Stock Exchanges without giving any exit opportunity, if the company's shares continue to be listed at the Stock

Exchanges having nationwide terminals i.e. NSE and BSE.

The approval of the members is sought to be obtained for de-listing of shares of the Company from Jaipur Stock Exchange Limited, Jaipur and Calcutta Stock Exchange Association Limited, Kolkatta. However, the Company's equity shares shall continue to be listed on the Bombay Stock Exchange (BSE), Mumbai and Delhi Stock Exchange Limited. The proposed de-listing would provide less paper work, administrative convenience, and savings in cost. As a part of its cost reduction measures, the Company has proposed this resolution.

The Company is issuing Special Notice of the proposed enabling resolution in one National Newspaper on all India basis mentioning that the proposed de-listing of the Company's Securities from the Stock Exchanges, as and when the same takes place, will not adversely affect the investors and that the Company's Securities will continue to be listed on BSE. The delisting will take effect after all approvals, permissions and sanctions received. The exact date on which delisting will take effect will be suitably notified at that time.

The Board recommends the resolution for approval of members.

None of the Directors of the Company is in any way, concerned or interested in the Resolution except to the extent of their shareholding in the company, if any.

By order of the Board
Sd/-

Place: Jaipur (I.B. SONI)
Date: 30.08.2008 Chairman & Managing Director

Autopal Industries Limited

MANAGEMENT'S DISCUSSION AND ANALYSIS

Industry Structure and Developments

Conservation of energy is the need of hour. As the burden of electricity cost on an average person is rising day by day, it needs to be addressed by the use of highly energy efficient product viz. Compact Fluorescent Lamps (CFL). Traditional Incandescent bulbs are now been replaced by CFL which has been extensively used in industries, household and shops and establishments especially in urban areas. There is still a lot to be done 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 may be achieved by going in for technically superior products.

Opportunities & Threats

There is a great potential for CFL in India as well as in world market. The demand of CFL is increasing day by day as the importance of CFL in saving energy cost is recognised by the general public and they started using CFL in daily routine in place of incandescent bulb which consumes lot of electricity and generates huge amount of heat.

However, the negative policy of dumping the Indian market posing a big threat to the Indian industry. Further, unbranded products from the unorganized sector is also a threat to the industry.

The lighting industry has vast scope for growth of CFL industry due to increasing demand of the product as it is cost effective and efficient as compared with traditional bulbs.

Outlook

CFL is high energy saving product and is in the reach of even low-income group with its different

varieties. It has the benefit of long life, high luminous and energy saving in comparison to ordinary incandescent bulbs.

In India, most public still use the ordinary bulbs especially in remote areas due to lack of awareness about the benefits of CFL. CFL in future will become the main lighting product due to its inherent benefits viz. low electricity consumption which leads to lower electricity rates as a result of which it shall be going to reach to an unaffordable level for the general public. There has been tremendous growth potential for CFL industry in coming times.

Quality, Product Development and R & D

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

However, efforts in this direction are severely affected due to liquidity constraints and having meager activity.

Exports

The Company is not in a position to export its products due to Working capital constraints.

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.



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)

Particulars	2007-08	2006-07
Net Income	198.79	0.00
Profit/(loss) before Interest Depreciation & Tax	(58.90)	(4.70)
Financial Expenses	27.10	213.71
Depreciation & Misc. expenses written off	43.64	43.09
Net Profit/(Loss) before Extra-ordinary items	(129.64)	(261.50)
Provision for Tax	0.40	0.00
Extra-ordinary items/ Prior period items	0.00	0.53
Provision of earlier years written back	0.00	385.32
Net Profit / (Loss) for the year	(130.04)	123.29
Profit brought forward from previous year	(4165.97)	(4289.26)
Surplus/(deficit) carried to Balance-sheet	(4296.01)	(4165.97)

Analysis of Financial Results

OPERATIONS

During the financial year ended on March 31, 2008, the Company once again started the business activity. The Company had achieved turnover of Rs. 205.60 Lacs during the year under review. Loss before interest, non-cash expenses and extra-ordinary items has going up from Rs. 4.70 Lacs to Rs. 58.90 Lacs. The Company incurred loss of

Rs. 130.04 Lacs as against the net profit of Rs. 123.29 Lacs during 2006-07 which was on account of benefit arisen out of One Time Settlement entered into with State Bank of Bikaner and Jaipur.

Human Resources Policy

The Company shall revamp its HR policy in line with current trends once the process of rehabilitation is completed.

Autopal Industries Limited

CORPORATE GOVERNANCE

Company's philosophy on Corporate Governance:

It has been the endeavour 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 is declared sick Company by The Board for Industrial & Financial Reconstruction, 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, 2008, 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 with none of them being the independent director. The composition as well as category of Directors is given hereunder:

Sl. No.	Name of Director	Category	Attendance at Board & AGM		Outside Directorships & Committee positions (as on 31.03.2008)			
			Board meetings attended	Last AGM	Directorships		Committee Positions	
					Member	Chairman	Member	Chairman
1	Shri I.B. Soni	Chairman and Managing Director	8	Yes	1	Nil	1	Nil
2	Shri R.L. Rawat	Non Executive Director	8	Yes	Nil	Nil	2	2
3	Shri Ashok Gupta	Non Executive Director	8	Yes	Nil	Nil	1	Nil



Board Meetings

During the financial year 2007-08, the Board of Directors met eight times. The details of the Board Meetings held during the year ended on March 31, 2008 are April 30, 2007, June 30, 2007, July 31, 2007, August 31, 2007, October 31, 2007, November 30, 2007 January 31, 2008 and February 29, 2008.

Details of shareholding of Directors in the Company as on March 31, 2008

Sl. No.	Director	No. of Equity shares held	% Holding
1	Shri Inder Bhan Soni	200	0.003%
2	Shri Ratan Lal Rawat	100	0.002%
3	Shri Ashok Gupta	Nil	Nil

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. -Other items as per Clause 49 of Listing Agreement, as amended from time to time.

The Statutory Auditors, Internal Auditors and Shri Arvind Kumar Tiwari were invited to the Audit Committee to discuss the internal audit system in the Company. The Audit Committee met four times during the FY 2007-08 on April 30, 2007, June 30,

2007, October 31, 2007 and January 31, 2008. Both the members attended the meeting of 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 2007-08 are as follows:

Name of Members	No. of complaints			
	Pending at beginning	Received	Resolved	Pending at the end
Shri R.L. Rawat (Chairman) Shri I.B. Soni (Member)	Nil	13	13	NIL

The Board of Directors set up investors' Grievance Committee on 30th July, 2002. There were six meetings of Investors' Grievance Committee during the financial year 2007-08. Both the members attended the meetings of Investors' Grievance Committee.

Remuneration Committee (non-mandatory)

The company has so far not constituted the Remuneration Committee. During the year 2007-08, no remuneration was paid to any director in view of liquidity crunch.

Code of Conduct and Ethics for Directors and Senior Management

The Board of Directors has adopted the Code of Conduct and Ethics for Directors and Senior Management ("the code").

Autopal Industries Limited

The Code is applicable to all the Executives and Non-Executive Directors and also to the Senior Management. The standard of business conduct, ethics and governance, centres around its following pattern :

“The Board of Directors and Senior Management of the Company are committed and responsible for setting the standards of conduct contained in the

code for updating these standards to ensure their continuing relevance ; effectiveness and responsiveness to the needs of shareholders and stakeholders to reflect corporate, legal and regulatory developments.

The code has been distributed to all the members of the Board of Directors and also the senior management and they have affirmed the compliance of the same.

General Body Meetings

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

Year	Location	Date	Time
2004-2005	E-195 (A), RIICO Industrial Area, Sanganer Jaipur-303902	September 30, 2005	12.30 P.M.
2005-2006	E-195 (A), RIICO Industrial Area, Sanganer Jaipur-303902	September 30, 2006	12.30 P.M.
2006-2007	E-195 (A), RIICO Industrial Area, Sanganer Jaipur-303902	September 29, 2007	12.30 P.M.

No extra-ordinary General Meeting was held during the year under review.

No Postal Ballot was conducted during the year. None of the resolutions proposed for the ensuing Annual General Meeting need to be passed by Postal Ballot.

At the last 19th General Meeting held on September 30, 2005, Special Resolution was passed for authorising Board of Directors to apply for delisting of shares of the Company from any one or more of the 4 stock exchanges.

SPECIAL RESOLUTION IN PREVIOUS 3 GENERAL MEETINGS

At the last Annual General Meeting held on September 29, 2007, Special Resolution was passed for authorising Board of Directors to apply for delisting of shares of the Company from any one or more of the 3 stock exchanges.

At the 20th Annual General Meeting held on September 30, 2006, Special Resolution was passed for authorising Board of Directors to apply for delisting of shares of the Company from any one or more of the 4 stock exchanges.

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. Due to adverse financial position, the Company is not in a position to pay Annual Listing Fee to all the Stock Exchanges, as a result of which Bombay Stock Exchange had suspended the trading in shares of Autopal Industries Limited.



Means of Communication

Quarterly results normally published in which newspapers	'Financial Express (English) 'Sandhya Jyoti' (Hindi)
Whether MD & A is a part of annual report	Yes

at 12.30 p.m. at the Registered office of the company i.e. E-195(A), RIICO Industrial Area, Sanganer, Jaipur – 303 902.

Date of Book Closure

The Register of Members and Share Transfer Books of the company will remain closed from Tuesday, September 23, 2008 to Tuesday, September 30, 2008 (both days inclusive) for the purpose of Annual General Meeting.

SHAREHOLDER INFORMATION

Annual General Meeting

The Twenty Second Annual General Meeting of the company will be held on Tuesday, September 30, 2008

Dividend

The Directors have not recommended any dividend for the financial year 2007-08.

Financial Calendar for the year 2008-09 (Tentative)

Sl. No.	Activity	Time schedule
1	Results for the first quarter ending June 30,2008	By end of July '08
2	Results for the second quarter ending September30, 2008	By end of October '08
3	Results for the third quarter ending December 31,2008	By end of January '09
4	Results for the fourth quarter ending March 31,2009	By end of April '09

Listing Details

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

Sl. No.	Name of Stock Exchange (s)	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.	Bombay Stock Exchange Ltd.	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