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**23<sup>rd</sup>  
Annual Report  
2008-09**

**Autopal Industries Limited**



# Autopal Industries Limited

## 23<sup>rd</sup> Annual Report 2008-2009

### BOARD OF DIRECTORS :

**Shri I. B. Soni**

(Managing Director)

**Shri R. L. Rawat**

(Director)

**Shri Ashok Gupta**

(Director)

**Shri Anup Gupta**

(Additional Director)

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### Bankers

#### Bank of Rajasthan Limited

Sardar Patel Marg,

C-Scheme, Jaipur

#### Punjab National Bank

Mansarovar, 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 23<sup>rd</sup> 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 Wednesday, September 30, 2009 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, 2009 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 to authorize the board of directors to fix their remuneration.

### SPECIAL BUSINESS

4. **To consider and if thought fit, to pass with or without modifications the following resolution as an ordinary resolution:**

“RESOLVED THAT Sh. Anup Gupta, who was appointed as an Additional Director of the company by the Board of Directors and who holds office up to the date of this Annual General Meeting pursuant to the provisions of Section 260 of the Companies Act, 1956 and is eligible for reappointment and the company has received notice in writing pursuant to the provisions of Section 257 of the Companies Act, 1956 from a member of the company proposing his candidature for the office of

Director of the company, be and is hereby appointed a Director of the company, liable to retire by rotation.”

5. **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) Regulations, 2009, as amended from time to time, (hereinafter referred to as the “Delisting Regulations”) 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 de-listing of the equity shares of the Company from all or any of the Stock Exchanges: (i) Jaipur Stock Exchange Limited, Jaipur and (ii) Calcutta Stock Exchange Association Limited, Kolkata.”

For Autopal Industries Ltd.

Sd/-

(I. B. SONI)

Managing Director

PLACE : JAIPUR

DATE : 31.08.2009

**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 23, 2009 to Wednesday, September 30, 2009 (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. 4**

Shri Anup Gupta was appointed as an Additional Director by the Board, to hold office as such till the conclusion of this Annual General Meeting. The company has received notice from a member proposing the candidature of Shri Anup Gupta for the office of Director. Keeping in view his experience and qualifications, Directors

recommend his appointment as a Director liable to retire by rotation. None of the Directors except Shri Anup Gupta is interested in the proposed resolution at item no.4.

**ITEM NO. 5**

**Regulation 6** of the Securities and Exchange Board of India (Delisting of Securities) Regulations, 2009 permits voluntary de-listing 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 & BSE.

The approval of the members is sought to be obtained for delisting of shares of the Company from Jaipur Stock Exchange Limited, Jaipur and Calcutta Stock Exchange Association Limited, Kolkata. However, the Company's equity shares shall continue to be listed on the Bombay Stock Exchange (BSE), Mumbai and Delhi Stock Exchange Limited, Delhi. The proposed delisting 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.

For Autopal Industries Ltd.

Sd/-

(I. B. SONI)

Managing Director

PLACE : JAIPUR  
DATE : 31.08.2009

# Autopal Industries Limited

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### Industry Structure and Developments

The country is facing severe problems of shortage of power as power consumption is increasing on account of adverse monsoon conditions. Conservation of Energy is the need of the hour. Due to limited power resources, the burden of cost on an average person is inflating day by day, which can be addressed by using energy saving product viz. Compact Fluorescent Lamp (CFL). Urban People are continuously using the CFL as they are cost conscious and understanding the benefits of energy efficient measures.

The Government started making publicity in semi-urban and rural areas regarding the benefits of usage of CFL over traditional incandescent bulbs and it helps the industry to create new demands of the products.

### Opportunities & Threats

#### Opportunities:

1. Government support in form of promotion of energy efficient lights in general lamps & lighting segment.
2. Potential increase in demand of the cost efficient and energy saving lamps.
3. Anti-dumping duties on CFL is a boost for the manufacturing companies.

#### Threats:

1. Increased competition both from organized and un-organized sector.
2. Unstable raw material prices.
3. Unstable market conditions.

### 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 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	2008-09	2007-08	% Change
Total Income	314.21	216.93	44.84
Profit/Loss before Interest, Depreciation & Tax	(200.56)	(58.90)	(240.51)
Financial Expenses	21.94	27.10	
Depreciation & Misc. expenses written off	45.60	43.64	
Net Profit/(Loss) before Extra-ordinary items	(268.10)	(129.64)	
Provision for Tax	0.85	0.40	
Extra-ordinary items/Prior period items	(1340.94)	0.00	
Net Profit/(Loss) for the Year	1071.99	(130.04)	
Profit brought forward from previous year	(4296.01)	(4165.97)	
Surplus/(Deficit) carried to Balance Sheet	(3224.02)	(4296.01)	

### OPERATIONS

During the year under review, the Total Income of the Company increased to Rs. 314.21 Lacs as compared to the income of Rs. 216.93 Lacs for the previous year. Also, the Company incurred a Net Profit of Rs. 1071.99 Lacs during the financial year 2008-09 which arose on account of One Time Settlement entered into with IFCI Limited.

### Human Resource 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

### 1. 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:

### 2. Board of Directors

The Board of Directors is the apex body which monitors the overall functioning of the Company. It defines the Company's policies and oversees its

implementation. The Board has constituted various committees to facilitate the decision making process in an informed and efficient manner.

#### A. 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.

#### B. Composition of the Board

As on March 31, 2009, the Autopal Board consisted of Four Directors, one of whom i.e. the Managing Director is in the whole-time employment. The remaining three are non-executive Directors with none of them being the independent director. 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 31.3.09)			
			No. of Board Meetings attended	Last AGM	Directorships		Committee Position	
					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	6	Yes	Nil	Nil	1	Nil
4	Shri Anoop Gupta*	Promoter and Non Executive Director	3	N.A.	4	Nil	1	Nil

\*Shri Anup Gupta was appointed as an additional director with effect from January 31, 2009



### C. Board Meetings

During the financial year 2008-09, the Board of Directors met eight times. The details of the Board Meetings held during the year ended on March 31, 2009 are June 30, 2008, July 31, 2008, August 30, 2008, October 31, 2008, November 29, 2008, January 31, 2009, February 28, 2009 and March 31, 2009.

### Appointment/Re-appointment of Directors

The Directors who retire by rotation and who are eligible for re-appointment or newly appointed are:

#### Shri Ashok Gupta

Shri Ashok Gupta, aged 43 years, is a Post Graduate in Commerce and has over nineteen years of varied experience in the areas of finance, banking, accounts, plant management, inventory management etc..

#### Shri Anup Gupta

Shri Anup Gupta, aged 32 years, is B.Sc. in Computer Applications, PG Diploma in Business Management MBA from reputed institute and having over nine years in the marketing & finance management in automotive & general lighting sector.

### Details of shareholding of directors in the Company as on March 31, 2009

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
4.	Shri Anup Gupta	9200	0.147%

### 3. Audit Committee

The Board reconstituted its Audit Committee w. e. f. January 31, 2009 by inducting Shri Anup Gupta as member of the Audit Committee. The requisite details are as follows:

Name	Terms of reference
Shri R. L. Rawat (Chairman)	-Oversight of financial reporting system of the company;
Shri Ashok Gupta (Member)	-Recommending appointment/removal of auditors, fixing the fee & approval of payment for other services
Shri Anoop Gupta (Member)	-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 Financial Year 2008-09 on June 30, 2008, August 30, 2008, October 31, 2008 and January 31, 2009. All the members attended the meeting of Audit Committee.

### 4. 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 2008-09 are as follows :

Name of Members	Pending at begining	Received	Resolved	Pending at the end
Shri R.L. Rawat (Chairman)	Nil	1	1	Nil
Shri I. B. Soni (Member)				



# Autopal Industries Limited

The Investors' Grievance Committee met four times during the financial year 2008-09 on June 30, 2008, August 30, 2008, October 31, 2008 and January 31, 2009. Both the members attended the meetings of Investors' Grievance Committee.

## 6. General Body Meetings

a. Location, time and date where last three Annual General Meetings were held are given below :

Year	Location	Date	Time
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	December 29,2007	12.30 P.M.
2007-2008	E-195(A), RIICO Industrial Area Sanganer Jaipur-303902	September 30,2008	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.

b. The following Special Resolutions were passed at the previous three Annual General Meetings:

### 1. AGM held on September 30, 2008: -

Authorising Board of Directors to apply for delisting of shares of the Company from any one or more of the 2 stock exchanges.

### 2. AGM held on September 29, 2007:-

Authorising Board of Directors to apply for delisting of shares of the Company from any one or more of the 3 stock exchanges.

### 3. AGM held on September 30, 2006:-

Authorising Board of Directors to apply for delisting of shares of the Company from any one or more of the 4 stock exchanges.

## 5. Remuneration Committee (non-mandatory)

The company has so far not constituted the Remuneration Committee. During the year 2008-09, no remuneration was paid to any director in view of liquidity crunch.

## 7. 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.

## 8. 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



## 9. General Shareholder information

### (A) Annual General Meeting

Date : September 30, 2009  
 Time : 12:30 p.m.  
 Venue : E-195(A), RIICO Ind. Area,  
 Sanganer, Jaipur-303902  
 (Rajasthan)

### (B) Financial year :

The Company follows April - March as its financial year. The results for every quarter beginning from April will be declared within the time period prescribed under the Listing Agreement.

### (E) Listing on Stock Exchange

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	Bombay Stock Exchange Ltd.	Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400 023	2000-01	517286
3	The Calcutta Stock Exchange Association Ltd.	7, Lyons Range, Calcutta - 700 001	1996-1997	
4	Delhi Stock Exchange 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.

### (F) Market Price Data

The share prices of the Company for the financial year 2008-09 were not available due to suspension of trading in the shares of the Company from Bombay Stock Exchange Limited.

### Financial Calendar for the year 2009-10 (Tentative) :

Sl. No.	Activity	Time schedule
1	Results for the first quarter ending June 30, 2009	By end of July'09
2	Results for the second quarter ending September 30, 2009	By end of October'09
3	Results for the third quarter ending December 31, 2009	By end of January'10
4	Results for the fourth quarter ending March 31, 2010	By end of June'10

### (C) Book Closure Date :

September 23, 2009 to September 30, 2009 (both days inclusive)

### (D) Dividend Disclosure :

The Directors have not recommended any dividend for the period ended on March 31, 2009.

### (G) 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