



Excellence in Lighting



24th Annual Report
2009-10

AUTOPAL INDUSTRIES LIMITED



Autopal Industries Limited

24th Annual Report 2009-2010

BOARD OF DIRECTORS :

Shri Anup Gupta
(Director)

Shri R. L. Rawat
(Director)

Shri M. D. Sharma
(Executive Director)

Investors' Service Cell

CHANDAN SINGH
Secretarial Officer

Bankers

Punjab National Bank (P.N.B.)
Mansarovar, Jaipur-302020

Auditors

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

Corporate Advisors

V. M. & Associates
Company Secretaries
403, Royal World, S. C. Road
Jaipur - 302001

Registrar & Share Transfer Agent

Beetal Financil & Computer Services (P) Ltd.
Beetal House, 3rd Floor
99 Madangir, Behind local Shopping Centre
New Delhi - 110062
Ph. : 011-29961281, 83; Fax : 011-29961284
E-mail : beetal@beetalfinancial.com
Web-site : www.beetalfinancial.com

Registered Office & Works

Autopal Industries Limited
E-195(A), RIICO Industiral Area,
Mansarovar, (Sanganer), Jaipur-302020 (Raj.)

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Autopal Industries Limited

NOTICE

NOTICE is hereby given that the 24th 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, Mansarovar, (Sanganer), Jaipur- 303902 (Raj.) on Thursday, the 30th day of September, 2010 at 12.30 P.M to transact the following business :

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2010, 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 being eligible, offers himself for re- appointment;
3. To re-appoint M/s Kalani & Associates, Chartered Accountants, Jaipur, retiring Auditors, as the Statutory Auditors of the Company 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 though fit, to pass, with or without modification(s) the following resolution as a **SPECIAL RESOLUTION**:

“RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 310 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification(s) or re-enactment(s) thereof) and all other statutory provisions, approvals including Central Government, if required and as may be

applicable, the consent of the Company be and is hereby accorded to the appointment of Mr. Anup Gupta, as a Managing Director of the Company for a period of 3 (Three) years with effect from 1st October, 2010 and subject to other terms & conditions and stipulations, including remuneration as set out in Explanatory Statement annexed to the Notice convening this Meeting, with liberty to the Board of Directors to alter and vary the terms and conditions and /or remuneration, subject to the same not exceeding the limits specified under Schedule XIII to the Companies Act, 1956 or any statutory modification(s) or re-enactment(s) thereof.

RESOLVED FURTHER THAT in the event of any statutory amendment, modification or relaxation by the Central Government to Schedule XIII to the Companies Act, 1956, the Board of Directors be and is hereby authorized to vary or increase the remuneration including salary, commission, perquisites, allowances, etc. within such prescribed limit or ceiling and the said terms of appointment of Mr. Anup Gupta, Managing Director be suitably amended to give effect to such modification, relaxation or variation without any further reference to the members of the Company in general meeting.

RESOLVED FURTHER THAT the Board be and is hereby authorised to take all such steps as may be necessary, proper or expedient to give effect to this Resolution.”

5. To consider and if thought fit, to pass with or without modification(s) the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT Shri Mata Deen Sharma, who was appointed as an Additional



Director of the Company with effect from 30th January, 2010, and who holds office upto the date of the ensuing Annual General Meeting of the Company in terms of section 260 of the Companies Act, 1956 and in respect of whom the Company has received a notice in writing from one of its Member proposing his candidature for the office of Director under the provisions of Section 257 of the Companies Act, 1956, be and is hereby appointed as a Director of the Company, liable to retire by rotation.

RESOLVED FURTHER THAT the Board be and is hereby authorised to take all such steps as may be necessary, proper or expedient to give effect to this Resolution.”

6. To consider and if though fit, to pass, with or without modification(s) the following resolution as a **SPECIAL RESOLUTION**:

“**RESOLVED THAT** pursuant to the provisions of Sections 198, 309 and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification(s) or re-enactment(s) thereof) and all other statutory provisions, approvals including Central Government, if required and as may be applicable, the consent of the Company be and is hereby accorded to pay a commission not exceeding 3% of the Net Profits of the Company to Shri Mata Deen Sharma, for the period from 30th January, 2010 to 31st August, 2010.

RESOLVED FURTHER THAT in the event of any statutory amendment, modification or relaxation by the Central Government to the Companies Act, 1956, the Board of Directors be and is hereby authorized to vary or increase the terms of Commission within such

prescribed limit or ceiling and the said terms of appointment of Shri Mata Deen Sharma, Director be suitably amended to give effect to such modification, relaxation or variation without any further reference to the members of the Company in general meeting.

RESOLVED FURTHER THAT the Board be and is hereby authorised to take all such steps as may be necessary, proper or expedient to give effect to this Resolution.”

By Order of the Board of Directors
For Autopal Industries Ltd.

Sd/-

Anup Gupta
Director

PLACE : JAIPUR
DATE : 30.08.2010

NOTES:

1. An explanatory statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of the special business is annexed hereto.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (THE MEETING) IS ENTITLED TO APPOINT A PROXY TO ATTEND AND TO VOTE INSTEAD OF SUCH MEMBER. AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
3. The duly stamped, filled and signed instrument appointing the proxy should, however, be deposited at the Registered Office of the Company not less than forty eight (48) hours before the commencement of the meeting.
4. Members and Proxies attending the Meeting should bring the attendance slip duly filled in for attending the Meeting.

Autopal Industries Limited

5. Corporate Members are requested to send a duly certified true copy of the Board Resolution authorizing their representatives to attend and vote at the Annual General Meeting.
6. All document 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.
7. The Register of Members and Share Transfer Books of the Company shall remain closed from Friday, the 24th day of September, 2010 to Thursday, the 30th day of September, 2010 (both days inclusive).
8. 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.
9. Members are required to bring their copies of Annual Report at the meeting.
10. Members are requested to lodge the instrument of transfer/ transmission of shares at the registered office of the company or at the office of Registrar and share Transfer Agent viz.

M/s BEETAL FINANCIAL & COMPUTER SERVICES (P) Ltd,
Beetal House,
3rd Floor 99 Madangir,
Behind local shopping Center,
New Delhi, 110062
Ph: 011-29961281, 83; Fax: 011-29961284
E-Mail-beetal@beetal financial.com
Web-Site:www.beetal financial.com

and to inform the company/Registrar and Transfer Agent, any change in this address immediately so as to enable the Company to dispatch any future communication at their correct address.

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 of the Company by the Board of Directors in their meeting held on 31st January, 2009 and thereafter he was appointed as Director of the Company in the 23rd Annual General Meeting held on 30th September, 2009. The Board of Directors in their meeting held on 30th August, 2010 has appointed Shri Anup Gupta as Managing Director of the Company subject to approval of shareholders with effect from 1st October, 2010 for a period of three years.

The information required to be furnished to the shareholders in terms of revised Schedule XIII are being furnished here in below

- (A) **General Information:** Autopal Industries Limited was incorporated as Public Limited Company on 15th October, 1985 under the Companies Act, 1956 with the Registrar of Companies, Rajasthan at Jaipur with the main object to manufacture Florescent Tubes, Glass Reflectors and allied products. The Company started its commercial production w.e.f. 27th April, 1992. No foreign collaborator of any type is presently involved in the project. At present the Company does not have any export turnover.
- (B) **Information about the Appointee:** Shri Anup Gupta aged 33 years is B.Sc. in Computer Application, PG Diploma in Business Management from reputed institute and have experience of over eleven years in the marketing and financial management in automotive and general lighting sector. Shri Anup Gupta is also a Director of Palsons



Automotive Pvt. Ltd. and Autolite-Marketing Pvt. Ltd.

- (C) **Nature of Duties:** M.D shall devote his whole time and attention to the business of the Company and carry out such duties as may be entrusted to him by the Board, and exercise such power as may be assigned to him, subject to the superintendence, control and directions of the Board in connection with and in the best interest of the business of the Company.
- (D) **Comparative Remuneration in the Industry:** No such data is available with the Company but the Board is of the view that the Remuneration paid /proposed to be paid by the Company is totally in line with the experience and marketing abilities of the appointee.
- (E) **Remuneration proposed:** A consolidated salary of Rs 75,000/- per month.
- (F) Shri Anup Gupta does not have any pecuniary relationship with the Company and Other Managerial Person in the Company.
- (G) **Other Information:** APIL started incurring losses, from the year 1998 onwards, mainly due to labour unrest and shortage of working Capital funds and ultimately in the financial year 1999 – 2000, became a Sick Industrial Company. The promoters of the Company are committed to boost up its performance in term of sales and revenue. Presently, the Company is having a sound system of quality control, research and development of its production, besides being cost effective. The internal risk of shortage of working is also being managed prudently. Their aim is to make APIL one of the successful and to achieve break through in revenue and profit by creating and implementing sustainable solution.
- (H) **Tenure of Appointment:** The appointment of the *Managing Director* is for a period of 3

years with effect from 1st October 2010.

(I) **Other terms of appointment:**

1. Either party may terminate the appointment by giving to the other party six months' notice of such termination.
2. The M.D shall not be entitled to sitting fees.
3. In accordance with the Articles of Association of the Company, the Managing Director will not be liable to retire by rotation.

Save and except Shri Anup Gupta, as appointee, none of the other Directors of the Company are in any way, concerned or interested in this Resolution.

The Board is authorized to make necessary compliance of the provision of applicable sections of the Companies Act, 1956.

This Explanatory Statement is and should be treated as an abstract under Section 302 of the Companies Act, 1956.

The Resolution for appointment of Shri Anup Gupta as Managing Director at Item No.4 of the notice is recommended for approval by the members.

ITEM NO. 5

The Board of Directors of the Company (the 'Board'), at its meeting held on 30th January, 2010 has appointed Shri Mata Deen Sharma as an additional director w.e.f 30th January, 2010 pursuant to section 260 of the Companies Act, 1956. In terms of the provisions of Section 260 of the Act, Shri Mata Deen Sharma would hold office up to the date of the ensuing Annual General Meeting.

The Company has received a Notice in writing from a Member along with a deposit of Rs. 500/- proposing the candidature of Shri Mata Deen Sharma for the office of Director of the Company, under the provisions of Section 257 of the

Autopal Industries Limited

Companies Act, 1956 (the Act).

The proposed resolution requires approval of members, as such, the above resolution stated at Item No. 5 is recommended for the approval of ~~members by way of an Ordinary resolution.~~

Save and except Shri Mata Deen Sharma, as appointee, none of the other Directors of the Company are in any way, concerned or interested in these Resolutions

ITEM NO. 6

On the basis of services rendered by Shri Mata Deen Sharma and performance of the Company and on the recommendation of the Remuneration committee, the Board of Directors decided to remunerate him for the period from 30th January, 2010 to 30th August, 2010. Further, as per the provisions of the Companies Act, 1956 a Director can be paid commission upto a limit of 3% the Net

Profits of the Company, if there is no Managing Director or Whole-time Director in the Company. Autopal Industries Limited, neither has any Managing Director nor Whole-time Director till date, as such the proposed payment of commission is in accordance with the provisions of the Act.

The Board is authorized to make necessary compliance of the provisions of applicable section of the Companies Act, 1956.

The proposed resolution requires approval of members through Special resolution, as such, the above resolution stated at Item No. 6 is recommended for the approval of members.

Save and except Shri Mata Deen Sharma, as appointee, none of the other Directors of the Company are in any way, concerned or interested in these Resolutions.

PLACE : JAIPUR
DATE : 30.08.2010

For Autopal Industries Ltd.
Sd/-
(Anup Gupta)
Director



Details of Directors Seeking Appointment / Re-Appointment at the Annual General Meeting

Particulars	Shri Anup Gupta		Shri R. L. Rawat		Shri M. D. Sharma	
Date of Birth	03/07/ 1977		28/05/1954		19/11/1954	
Date of Appointment	30/01/2009		03/12/2001		30/01/2010	
Qualifications	B.Sc. in Computer Application , PG Diploma in Business Management from reputed institute		Senior Secondary		Graduate in Commerce	
Expertise in specific functional area	Experience of over eleven years in the marketing and financial management in automotive and general lighting sector.		Rich and varied experience of over 24 years at senior level in the areas of Finance and administration looking to the experience of Mr. Rawat.		Professional experience of production management, plant/ profit center operations, process management.	
Directorships held in other public companies	Palsons Automotive P. Ltd. Autolite Marketing P. Ltd.		Mamraj Sons (Auto) Ltd.		NIL	
Memberships/ Chairmanships of Committees of other public companies (includes only Audit Committee and Shareholders Grievance Committee, share transfer committee)	NIL		NIL		NIL	
Number of Shares held in the Company	No. of Shares	Percentage	No. of Shares	Percentage	No. of Shares	Percentage
	884800	14.18%	1200	0.019%	200	0.0032%

Autopal Industries Limited

MANAGEMENT'S DISCUSSION AND ANALYSIS

Industry Structure and Development

The Country is facing severe problems of shortage of power as power consumption is increasing on account of various reasons. 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 demand 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 Company
4. Adding new products

Threats:

1. Increased stiff competition both from organized and un-Organized sector.
2. Unstable raw material prices.
3. Unstable market conditions & pressure from customers to reduce rates.

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 further 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.

New Products

The Company has also added a new line of fans in its products and hopeful that with the existing set up the product of wide range of fans will set new milestone in the sales of Company. The Company also envisages to add further new products-viz cables, etc distribution of which will be at negligible marketing cost i.e. existing marketing set up will boost sales of these products lin

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 equipment, R&D Lab and products comparable with the best in the industry.

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

Exports

The Company is exploring to export its products after solving Working Capital constraints in the current F.Y 2010-11

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 due to its advantage 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	2009-10	2008-09	% Change
Total Income	212.58	314.21	-32.35
Profit/Loss before Interest, Depreciation & Tax	(66.75)	(200.56)	(-66.72)
Financial Expenses	13.22	21.94	
Depreciation & Misc. expenses written off	34.23	45.60	
Net Profit/(Loss) before Extra-ordinary items	(114.20)	(268.10)	
Provision for Tax	Nil	0.85	
Extra-ordinary items/Prior period items	(255.53)	(1340.94)	
Net Profit/(Loss) for the Year	141.32	1071.99	
Profit brought forward from previous year	(3224.02)	(4296.01)	
Surplus/(Deficit) carried to Balance Sheet	(3082.69)	(3224.02)	

OPERATIONS

During the year under review, the Total Income of the Company decreased to Rs. 212.58 Lacs as compared to the income of Rs. 314.21 Lacs for the previous year. Also, the Company earned a Net Profit of Rs. 141.32 Lacs during the financial year 2009-1110 which arose on account of One Time Settlement entered into with Kotak Mahindra Bank.

Human Resource Policy

Autopal believes that continued corporate success depends upon the ability to recruit, train, deploy and retain highly talented professionals in a high performance work culture and good work ethics. The organization has a vision of developing itself into a world class organization, excelling in the filed of lighting and we are poised to achieve this through a team of well trained, self motivated and delighted employees.

Company's HR vision is to create a highly

competent, people centered and professional organization and at the same time preserving the very values of the organization such as Honesty, Integrity, Fairness, Team work and positive attitude.

Employee involvement is creating an environment in which people have an impact on decision and action that affect their jobs. People are most enabled to contribute to continuous improvement and the ongoing success of their work organization.

The Company has revamped its HR policy in line with current trends and with a view to complete the process of rehabilitation at the earliest.

Cautionally Statement

Statement in the Management Discussion and Analysis describing the Company's expectations or predictions may be applicable laws or regulations. Actual results may differ materially from those expressed or implied.