

MD	✓		BKC	✓
CS	✓		DEY	ND
RO	✓		DEV	ND
TRA	✓		AC	7
AGM	✓	✓	SHI	✓
YE	✓	✓		



## LALIT POLYMERS AND ELECTRONICS LIMITED

13TH ANNUAL REPORT 1996-97

606, DALAMAL HOUSE, 206, J. BAJAJ ROAD  
NARIMAN POINT, MUMBAI 400 021.

Report  Junction.com

LALIT POLYMERS &amp; ELECTRONICS LTD.

**LALIT POLYMERS & ELECTRONICS LIMITED****REGISTERED OFFICE**

606, Dalamal House,  
206, J. Bajaj Road,  
Nariman Point,  
Mumbai - 400 021.

**BOARD OF DIRECTORS**

Shri. S.J. Chabria  
Chairman & Managing Director

Shri. S.S. Chabria  
Executive Director

Smt. L.S. Chabria

Shri. U. Ferri

Shri. H.N. Motiwala  
Alternate Director to Shri U. Ferri

Shri. B.K. Bapat  
Nominee Director of SICOM Ltd.

**BANKERS**

Indian Bank  
Union Bank of India

**AUDITORS**

M/s. S.H. Sitali & Company  
Chartered Accountants, Mumbai.

**FACTORY**

D-2, M.I.D.C. Area,  
Jejuri,  
Purandar Taluka,  
Pune District.

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606, J  
206, J  
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## NOTICE

Notice is hereby given that the 13th Annual General Meeting of the Members of Lalit Polymers & Electronics Limited, will be held on the 26th of December, 1997, at 3.00 p.m. at Kilachand Conference Room, 2nd floor, IMC CNM Building, IMC Marg., Churchgate, Mumbai 400 020 to transact the following business.

### ORDINARY BUSINESS :

1. To receive consider and adopt the Balance Sheet as at 31st March, 1997 and the Profit & Loss Account for the Financial Year ended on that date together with the report of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Smt. L.S. Chabria, who retires by rotation, and being eligible offers herself for re-election.
3. To appoint the 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 fix their remuneration.

### SPECIAL BUSINESS :

4. To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution.

"RESOLVED THAT in accordance with the provisions of sections 198, 269, 309 read with schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 or any other Act, (including any statutory modification or re-enactment thereof, for the time being in force), the consent of the company, be and is hereby accorded to the appointment of Shri. Shamsunder J. Chabria, as Chairman & Managing Director of the company for a further period of two years with effect from 1st April, 1997 on the following terms & conditions.

### REMUNERATION AND PERQUISITES

- A. Salary - Rupees Nine Thousand per month.
- B. Commission - One percent on the net profits of the Company for each financial year, subject to a ceiling of 50% of the annual salary or Rs.90,000/- per annum, whichever is less.
- C. Perquisites - Upto an amount equal to the annual salary or Rs. 1,15,000/- per annum whichever is less, in addition to

salary and commission.

- (i) Housing : A suitable unfurnished house or House Rent Allowance in lieu thereof, subject to a ceiling of 50% of the salary over and above 10% of the salary to be borne by the Managing Director. In addition, gas, electricity, water and furnishings will be provided by the Company, subject to a ceiling of 10% of the salary.
- (ii) Medical Reimbursement : for self and family, subject to a ceiling of one month's salary in a year.
- (iii) Leave Travel Concession : One months salary for self and family once in a year.
- (iv) Club Fees : Membership of one club. This does not include admission and life membership fees.
- (v) Personal Accident Insurance : Payment of premium is subject to a ceiling of Rs. 1,000/- per annum. The coverage includes self, the spouse, the dependent children and dependent parents.
- (vi) Contribution to Provident Fund and Superannuation Fund at 10% and 15% of the salary respectively.
- (vii) Gratuity : Half month's salary for each completed year of service subject to a ceiling of Rs.1,00,000/-.
- (viii) Use Of Car
- (ix) Telephone at residence, subject to the condition that long distance personal calls and use of car for private purpose shall be billed by the Company.

### OTHER TERMS AND CONDITIONS

- a. The Chairman & Managing Director shall not be liable to retire by rotation.
- b. The aforesaid remuneration shall be paid to the Chairman & Managing Director w.e.f. 1st April, 1997.
- c. The contract can be terminated with three month's notice on either side.

RESOLVED FURTHER THAT wherein any financial year closing on and after 1st April 1997, the company has no profits or its profits are inadequate, the company may pay to Mr. Shamsunder J. Chabria, remuneration by way of salary, perquisites and other allowances not exceeding the ceiling limit of Rs.8,100/-per month and in addition thereto the perquisites not exceeding the limits specified under section II of part II of Schedule XIII to the Companies Act, 1956.

## LALIT POLYMERS &amp; ELECTRONICS LTD.

RESOLVED FURTHER THAT in the event of any statutory amendment or modification or relaxation by the Central Government to Schedule XIII to the Companies Act, 1956, the Board of Directors be and is hereby authorised to vary or increase the remuneration including salary, perquisites, allowances etc. within such prescribed limits or ceiling and the draft agreement between the Company and Shri. Shamsundar J. Chabria be suitably amended to give effect to such modification relaxation or variation without any further reference to the company in the General Meeting.

RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, the Board of Directors be and is hereby authorised to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary expedient or proper and to settle any question or difficulty that may arise in regard to the terms and conditions of the appointment of Shri Shamsundar J. Chabria, as it may deem fit."

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

"RESOLVED THAT in accordance with the provisions of sections 198, 269, 309 read with schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 or any other Act, (including any statutory modification or re-enactment thereof, for the time being in force), the consent of the company, be and is hereby accorded to the appointment of Shri. Sanjay S. Chabria, as Executive Director of the company for a further period of two years with effect from 1st April, 1997 on the following terms & conditions.

## REMUNERATION AND PERQUISITES

- A. Salary - Rupees Seven Thousand Five Hundred per month.
- B. Commission - Half percent on the net profits of the Company for each financial year, subject to a ceiling of 50% of the annual salary or Rs.90,000/- per annum, whichever is less.
- C. Perquisites - Upto an amount equal to the annual salary or Rs. 1,15,000/- per annum whichever is less, in addition to salary and commission.
  - (i) Housing : A suitable unfurnished house or House Rent Allowance in lieu thereof, subject to a ceiling of 50% of the salary over and above 10% of the salary to be borne by the Executive Director. In addition, gas, electricity, water and furnishings will be provided by the Company, subject to a ceiling of 10% of the salary.
  - (ii) Medical Reimbursement : for self and family,

- (iii) subject to a ceiling of one month's salary in a year.
- (iii) Leave Travel Concession : One months salary for self and family once in a year.
- (iv) Club Fees : Membership of one club. This does not include admission and life membership fees.
- (v) Personal Accident Insurance : Payment of premium is subject to a ceiling of Rs. 1,000/- per annum. The coverage includes self, the spouse, the dependent children and dependent parents.
- (vi) Contribution to Provident Fund and Superannuation Fund at 10% and 15% of the salary respectively.
- (vii) Gratuity : Half month's salary for each completed year of service subject to a ceiling of Rs. 1,00,000/-.
- (viii) Use Of Car
- (ix) Telephone at residence, subject to the condition that long distance personal calls and use of car for private purpose shall be billed by the Company.

## OTHER TERMS AND CONDITIONS

- a. The Executive Director shall not be liable to retire by rotation.
- b. The aforesaid remuneration shall be paid to the Executive Director w.e.f. 1st April, 1997.
- c. The contract can be terminated with three month's notice on either side.

RESOLVED FURTHER THAT wherein any financial year closing on and after 1st April 1997, the company has no profits or its profits are inadequate, the company may pay to Mr. Sanjay S. Chabria, remuneration by way of salary, perquisites and other allowances not exceeding the ceiling limit of Rs.6,750/- per month and in addition thereto the perquisites not exceeding the limits specified under section II of part II of Schedule XIII to the Companies Act, 1956.

RESOLVED FURTHER THAT in the event of any statutory amendment or modification or relaxation by the Central Government to Schedule XIII to the Companies Act, 1956, the Board of Directors be and is hereby authorised to vary or increase the remuneration including salary, perquisites, allowances etc. within such prescribed limits or ceiling and the draft agreement between the Company and Shri. Sanjay S. Chabria be suitably amended to give effect to such modification relaxation or variation without any further reference to the company in the General Meeting.

RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, the Board of Directors be and is hereby authorised to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary expedient or proper and to settle any question or difficulty that may arise in regard to the terms and conditions of the appointment of Shri Sanjay S. Chabria, as it may deem fit."

further acts, deeds, things and take necessary steps in the matter, as it may deem fit, to give effect to this Resolution."

By order of the Board of Directors

(SANJAY S. CHABRIA)  
Executive Director

6. To consider and if thought fit, to pass with or without modification, the following resolution as a Special Resolution.

"RESOLVED THAT in accordance with the provisions of section 146 and other applicable provisions if any, of the Companies Act, 1956 or any other Act, the consent of the company, be and is hereby accorded to the Board of Directors of the Company to shift the registered office of the Company from 606, Dalamal House, 206, J. Bajaj Road, Nariman Point, Mumbai - 400 021, to D-2, MIDC Area, Jejuri, Purandar Taluka, Pune District with effect from 15th January, 1998.

Registered Office :  
606, Dalamal House,  
206, J. Bajaj Road,  
Nariman Point,  
Mumbai - 400 021.

Mumbai  
Date : 23.10.97

RESOLVED FURTHER THAT the Board of Directors of the company be and is hereby authorised to do all such acts, deeds & things and take all such necessary steps as may be necessary to give effect to this resolution."

7. To consider and if thought fit, to pass with or without modification, the following resolution as a Special Resolution.

"RESOLVED THAT pursuant to the provisions of The Sick Industrial Companies (Special Provisions) Act, 1985 & other applicable provisions, if any, or any further amendments or enactments to the said act, or any other act or rules and as per the provisions of BIFR Regulations 1987, the Company hereby ratifies the opinion formed by the Board of Directors about the Company having become sick and the application/reference made by the Board of Directors to the Board for Industrial and Financial Reconstruction (henceforth called "BIFR") under Section 15(1) of the Sick Industrial Companies (Special Provisions) Act, 1985 or to any other concerned authority, as the accumulated losses of the company have resulted in the full erosion of its net worth at the end of the financial year ended 31st March, 1997.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such

#### Notes :

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. The instrument appointing the proxy must, however, be deposited at the Registered Office of the Company not less than 48 hours before the commencement of meeting.
2. The Register of members and the share transfer books of the Company will remain closed from 19th December, 1997 to 26th December, 1997 (both days inclusive).
3. Members/proxies should bring the attendance slip duly filled in for attending the meeting.
4. Shareholders seeking any information with regard to Accounts are requested to write to the company early as to enable the Management to keep the information ready.
5. Members are requested to notify properly any change in their address to the company including the pin code number.
6. An explanatory statement pursuant to section 173(2) of the Companies Act, 1956, in respect of items 4 to 7 of the Notice is annexed hereto.

## ANNEXURE TO THE NOTICE

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

## Item No.4

Shri. Shamsunder J. Chabria was appointed as Chairman & Managing Director with effect from 1st April, 1992. His term of appointment expired on 31st March, 1997. The Board of Directors therefore recommend adoption of the proposed resolution, appointing him as Chairman & Managing Director, with effect from 1st April, 1997 on the terms and conditions more specifically detailed in the resolution.

The Board of Directors of your Company, recommend the resolution set out in item No.4 of the Notice for the consideration and approval of the shareholders.

## Item No.5

Shri. Sanjay S. Chabria was appointed as Executive Director with effect from 1st April, 1992. His term of appointment as Executive Director expired on 31st March, 1997.

The Board of Directors therefore recommend adoption of the proposed resolution appointing him as Executive Director with effect from 1st April, 1997 on the terms and conditions more specifically detailed in the Resolution.

The Board of Directors of your Company recommend the resolution, set out in item No.5 of the Notice for the consideration and approval of the shareholders.

## Item No.6

The Company's factory is at Jejuri, Pune District. Lease period for the place of present registered office at Mumbai has expired on 31.3.97. The company is not in a position to continue the lease due to its critical financial position. Hence the Directors think it fit to shift the registered office to Jejuri, Pune District.

The Board of Directors recommend the resolution set out in Item No.6 of the Notice for the approval of the shareholders.

## Item No.7

The Company's accumulated losses, as at the financial year ended 31st March, 1997 have resulted in the further erosion of its peak net worth. Accordingly, the Board of Directors formed the opinion of the company having become sick and made an application/reference under Section 15(1) of The Sick Industrial Companies (Special Provisions) Act, 1985 to the Board for Industrial & Financial Reconstruction (BIFR). The Board of Directors of your company recommend the resolution set out in item No.7 of the notice for the approval of the shareholders.

By Order of the Board of Directors

(SANJAY S. CHABRIA)  
Executive Director

Registered Office :  
606, Dalamal House,  
206, J, Bajaj Road,  
Nariman Point,  
Mumbai - 400 021.

Mumbai.  
Date : 23.10.97

## DIRECTORS REPORT

### To The Shareholders

The Directors of LALIT POLYMERS & ELECTRONICS LTD. present herewith the audited Statement of Accounts for the period 1st April, 1996 to 31st March, 1997.

In the Directors Report of the previous year, the Members had been informed of how a large Order/Contract for effluent disposal pipeline worth Rs.730.00 lacs placed on the Company by G.I.D.C. had got stopped/suspended since mid November 1995 owing to the agitation/protests of Narmada Bachao Andolan Samiti against G.I.D.C. for disposing off the treated effluents in River Narmada. The Directors regret to inform the Members that inspite of their best efforts with G.I.D.C. at the highest level, necessary instructions for resuming the stalled Work/Contract were not received from G.I.D.C. as on 31st March, 1997. Efforts in this direction were continuing when suddenly G.I.D.C. by its letter dated 16-05-97 terminated the Contract in utter breach of the contractual terms and conditions.

Owing to the above stated circumstances and situation, the plant, machinery and labour of the Company were rendered idle leading to severe financial loss and hardship for the Company.

However, your Company has filed its legitimate Claims amounting to Rs. 4,18,60,775/- with G.I.D.C. for the huge financial loss incurred by the Company owing to stoppage of the work for such a long period and its ultimate termination.

Further, owing to the recessionary trends in the economy of the Country during the later half of the year under review, most of the large Projects which would have been potential clients for the Company's products, have either been shelved or delayed. Hence no substantial Orders could be procured and/or executed.

As a consequence of the above mentioned abnormal situation faced by the Company as stated herein above and for reasons entirely beyond the control of the Company, the operations during the accounting year under review have resulted in huge loss, which alongwith the earlier accumulated losses have exceeded the net worth of the Company.

Owing to the accumulated losses having exceeded

the net worth of the Company as at the end of the financial year ending on 31st March, 1997 your Directors at the Board meeting held on 17th September, 1997 came to the conclusion and formed the opinion that the Company had become a sick industrial company under Section 3(1)(0) of the Sick Industrial Companies (Special Provisions) Act, 1985 and hence necessary reference was required to be made to The Board for Industrial and Financial Reconstruction under Section 15 of the said Act within sixty days. Accordingly, necessary action in this connection is being initiated.

### DIRECTORS

Mr. Shamsunder J. Chabria, Mr. Sanjay S. Chabria and Mr. U. Ferri continue to remain Directors of the Company. Mrs. Lalita S. Chabria retires by rotation at the Annual General Meeting and offers herself for re-appointment. Mr. B.K. Bapat is the Nominee Director of SICOM Ltd. on the Board.

### AUDITORS

M/s. S.H. Sitlani & Company, Chartered Accountants, retire at the Annual General Meeting and offer themselves for re-appointment.

### PERSONNEL

There are no employees drawing salary over Rs.25,000/- per month or Rs. 3,00,000/- per annum.

### ADDITIONAL INFORMATION

The additional information required to be disclosed in terms of Notification 1029 dated December 31, 1988 issued by the Department of Company Affairs is given as an Annexure to this Report.

### ACKNOWLEDGEMENTS

The Directors place on record their sincere appreciation of the support and cooperation extended by various Financial Institutions and Banks and of the devoted efforts of all employees and officers of the Company.

On behalf of the Board of Directors

Place : Mumbai  
Date : 17/09/97

(S.J. CHABRIA)  
Chairman



LALIT POLYMERS &amp; ELECTRONICS LTD.

## ANNEXURE TO THE DIRECTORS' REPORT

(Additional information given in terms of Notification 1029 dated 31st December, 1988 issued by the Department of Company Affairs)

## Disclosure

## A. Conservation of Energy.

- a) Energy conservation measures taken
  - Intensive maintenance of compressed air pipelines for leakage/wastage.
  - Regular preventive maintenance of energy consuming equipment.
  - Constant monitoring of power factor.
- b) Additional investments and proposals, if any.
  - Installation of necessary equipment for saving as well as for avoiding wastage of power.
  - Installation of capacitor banks to optimise power factor at peak load, whenever required.
- c) Impact of the above measures on consumption of power.
  - Reduction in maximum demand of power.
  - Reduction in energy wastage and losses.

## B. Technology Absorption.

- Refer Form "B" given below.

## C. Foreign Exchange Earning : NIL.

## D. Foreign Exchange Outgo : NIL

- Development and evaluation of alternate systems/raw materials.
2. Benefits derived as a result of the above R & D.
    - Product of improved design.
    - Improved technology.
  3. Future plan of action.
    - To carry out further product development and technology upgradation.
  4. Expenditure on R & D.
    - Expenditure on in-house R & D shown under respective functional heads and no separate account maintained.
  5. Technology absorption, adaptation and innovation.
    - Close interface with the global scene for innovations and adaptations. Efforts are on for economies in raw materials, use of alternate materials, etc.
    - The technical know how provided by the foreign collaborators has been absorbed.

On behalf of the Board of Directors

(S. J. CHABRIA)  
Chairman

## Form B

## Research &amp; Development

1. Specific areas in which R & D carried out by the Company.
  - Product development in line with Company's present business.