

LALIT POLYMERS & ELECTRONICS LIMITED
D-2, M.I.D.C. Area, Jeluri, Pune District

LPEL

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16th ANNUAL REPORT 1999-2000

LALIT POLYMERS & ELECTRONICS LIMITED

REGISTERED OFFICE

D-2, MIDC Industrial Area
Jejuri, Purandar Taluka,
Pune District - 412 303.

BOARD OF DIRECTORS

Shri S.J. Chabria
Chairman & Managing Director

Shri S.S. Chabria
Executive Director

Smt L.S. Chabria

Shri H.N. Motiwala

BANKERS

Indian Bank

Union Bank of India

AUDITORS

M/s. S.H. Sitalani & Co.
Chartered Accountants,
Mumbai

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NOTICE

Notice is hereby given that the 16th Annual General Meeting of the Members of Lalit Polymers & Electronics Limited will be held on the 29th of September, 2000 at 2.00 p.m. at D-2, M.I.D.C. Area, Jeyari, Pune District to transact the following business.

ORDINARY BUSINESS:

1. To receive consider and adopt the Balance Sheet as at 31st March, 2000 and the Profit and 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 Shri H.N. Motiwalla, who retires by rotation, and being eligible offers himself for re-election.
3. To appoint 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 the following resolution, as a special resolution with or without modification.

"RESOLVED THAT pursuant to the provisions of Section 198, 309 and other applicable provisions if any of the Companies Act, 1956, the consent of the Company be and is hereby given for payment of remuneration to Shri Shamrunder J. Chabria, Managing Director of the Company for a further period of one year from 1st April, 2001 to 31st March, 2002 on same terms as to remuneration and other benefits as contained in the special resolution passed

by the Members at the Annual General Meeting of the Company held on 28th December, 1999.

5. To consider and, if thought fit, to pass the following resolution as a special resolution with or without modification.

"RESOLVED THAT pursuant to the provisions of Section 198, 309 and other applicable provisions if any of the Companies Act, 1956, the consent of the Company be and is hereby given for payment of remuneration to Shri Sanjay S. Chabria, Executive Director of the Company, for a further period of one year from 1st April, 2001 to 31st March, 2002 on same terms as to remuneration and other benefits as contained in the special resolution passed by the members at the Annual General Meeting of the Company held on 28th December, 1999.

By order of the Board of Directors

(Sanjay S. Chabria)
Executive Director

Place : Mumbai.
Date : 31.07.2000

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 22nd September, 2000 to 29th September, 2000 (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 so 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 and 5 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:

Mr. Shamsunder Chabna was appointed as the Managing Director of the Company for a

period of two years from 1st April, 1999. The terms of payment of remuneration to Mr. Shamsunder Chabna was approved by the members by a special resolution passed by them at the Annual General Meeting of the Company held on 28th December, 1999. The Company continues to be a sick company and the reference made to the Board for Industrial and Financial Reconstruction is pending for approval of rehabilitation programme for revival of the Company. Hence the Board of Directors of the Company has resolved to continue the same remuneration and other benefits to Mr. Shamsunder Chabna, Managing Director, for a further period of one year from 1st April, 2001.

Item No. 5:

Mr. Sanjay S. Chabna had been appointed as the Executive Director of the Company for a period of two years from 1st April, 1999. The terms of payment of remuneration to Mr. Sanjay Chabna was approved by the members by a special resolution passed by them at the Annual General Meeting of the Company held on 28th December, 1999. The Company continues to be a sick company and the reference made to the Board for Industrial and Financial Reconstruction is pending for approval of rehabilitation programme for revival of the Company. Hence the Board of Directors of the Company has resolved to continue the same remuneration and other benefits to Mr. Sanjay Chabna, Executive Director, for a further period of one year from 1st April, 2001.

The Resolution passed by the Members in this context in the last Annual General Meeting referred to herein above are open for inspection of the Members.

By order of the Board of Directors

(Sanjay S. Chabna)
Executive Director

Place : Mumbai
Date : 31.07.200

DIRECTORS REPORT

To the Shareholders

The Directors of LALIT POLYMERS & ELECTRONICS LTD. are pleased to present the audited Statement of Accounts for the period 1st April, 1999 to 31st March, 2000.

You are aware that a rehabilitation/revival scheme by the Operating Agency (Indian Bank) in consultation with the Banks/Institutions was under finalization as reported in last year's Director's Report. However, although the technical viability of the products as well as the project was fully established by the Consultant appointed by the Operating Agency, the said scheme did not go through on technical grounds as the commercial and financial viability could not be fully established owing to lack of orders on hand and lack of funds with the Company for contributing towards its share towards 30% margin for fresh funding/working capital.

Under the circumstances, the Operating Agency under directions from B I F R called for further proposals/offers for the rehabilitation/revival of the Company by other suitable methods and the present promoters were also given the option to put forward their revised/fresh proposal/offer along with a deposit of Rs. 30.00 lakhs being remitted in a "No-Lien Account" with the Operating Agency towards their contribution of margin money for further funding/working capital requirements.

In these circumstances, the Directors of your Company thought it fit to negotiate a strategic marketing alliance with M/s. Roofit Industries Ltd. (manufacturers of Asbestos Cement Pressure Pipes, A.C Sheets and other construction materials) having a group turnover of around Rs. 300.00 crores and having a vast network/chain of depots, distributors and dealers all over the country, for the

marketing/off take of GRP water tanks and GRP translucent/opaque roofing sheets for local market as well as for export. M/s. Roofit Industries Ltd. also agreed to have some stake in the increased Equity Capital of your Company and immediately provided the funds required to the tune of Rs. 30.00 lakhs for depositing in the "No-Lien Account" with the Operating Agency. One of their nominees would be appointed as a Director on the Board of your Company in due course.

While the rehabilitation is in process before the BIFR, the Directors of your Company are glad to inform you that with the assistance of M/s. Roofit Industries Ltd., commercial activities of your Company have restarted during the year with GRP water tanks and GRP Sheets being lifted by M/s. Roofit Industries Ltd. for the local market as well as for export. Further, your Company has also bagged a turn-key Contract for a drinking water pipeline of approx. 18 kms. in length valued at Rs. 3.30 crores from the Karnataka Urban Water Supply & Drainage Board. Execution of this Contract/Project has commenced just prior to closure of financial year under review. Your Company has been put on rails in the path of recovery and progress.

The Directors of your Company are further pleased to inform you that the ongoing Arbitration upon its Claims against Gujarat Industrial Development Corporation, Gujarat, for the losses incurred by the Company owing to wrongful suspension and subsequent termination of the large turn-key effluent disposal pipeline contract of Vilayat (Vagra) Industrial Estate (owing to agitation by Narmada Bachao Andolan Samiti) is progressing well and finalization could be expected in the current year.

In this changed circumstance of the case, the Operating Agency is examining the proposals given by the Company for rehabilitation as well as one time settlement.

DIVIDEND

Due to the continuing losses, the Directors are not in a position to recommend any payment of dividend to the Shareholders.

DIRECTORS

Mr. S.J. Chabria, Mr. S.S. Chabria and Mrs. L.S. Chabria continue to remain Directors of the Company. Mr. H.N. Motiwala retires by rotation at the ensuing Annual General Meeting and offers himself for re-appointment.

AUDITORS

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

PERSONNEL

No employees are drawing salary over Rs.50,000/- per month or Rs.6,00,000/- per annum.

ADDITIONAL INFORMATION

The additional information required to be disclosed in terms of Notification 1029 dated 31st December, 1998 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 co-operation extended by Financial Institution and Banks and of the devoted efforts of all employees and officers of the Company. We believe this cohesive support to the Company is bound to steer us through this difficult time to success.

On behalf of the Board of Directors

(S.J. CHABRIA)
Chairman

Place : Mumbai.
Date : 16.08.2000

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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: None
- c) Impact of the above measures on consumption 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

Form B : Research & Development

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

Place : Mumbai

Date : 16.08.2000