



LALIT POLYMERS & ELECTRONICS LTD.

24<sup>th</sup> ANNUAL REPORT 2007-2008

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**LALIT POLYMERS & ELECTRONICS LIMITED**

**REGISTERED OFFICE**

Industrial Area

Taluk.

412 303.

D-2,MIDC

Jejuri, Purandar

Pune District -

**BOARD OF DIRECTORS**

Shri S.J. Chabria  
Chairman &  
Managing Director

Shri S.S. Chabria  
Executive Director

Shri H.N. Motiwalla  
Director

**BANKERS**

Dena Bank

**AUDITORS**

M/s. B.N. Rao & Co.  
Chartered Accountants,  
Mumbai

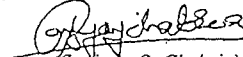
NOTICE

Notice is hereby given that the 24<sup>th</sup> Annual General Meeting of the Members of Lalit Polymers & Electronics Limited will be held on the 27<sup>th</sup> of September, 2008 at 2.00 p.m. at D-2, M.I.D.C. Area, Jejuri, Pune District to transact the following business.

**ORDINARY BUSINESS :**

1. To receive, consider and adopt the Balance Sheet as at 31<sup>st</sup> March, 2008 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.

By order of the Board of Directors

  
(Sanjay S. Chabria)  
Executive Director

Place: Mumbai.

Date : 18<sup>th</sup> July, 2008

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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 20<sup>th</sup> September, 2008 to 27<sup>th</sup> September, 2008 (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. In terms of section 109 (A) of the Companies Act, 1956 the Shareholder may nominate a person to whom the shares held by him shall vest in the event of his/her death. In case you wish to avail the nomination facility in respect of the shares held by you, please write to the Company to obtain the nomination form.
7. As required under the Listing Agreement, the particulars of Director who is proposed to be appointed/reappointed is as given below :

- Name	: Mr. H. N. Motiwalla
- Age	: 63 years
- Qualification	: Chartered Accountant
- Experience	: Decades of experience in the field of administration, management, accounting and finance.
- Other Directorships	: Excel Industries Ltd. / Jeevan Bima Sahayog Asset Management Company Ltd. / Hi Tech Plast Ltd.
- Membership/Chairmanship Of the Board/Committees	: <ul style="list-style-type: none"> <li>- Chairman Of Audit Committee Of Excel Industries Ltd.</li> <li>- Chairman Of Remuneration Committee Of Excel Industries Ltd.</li> <li>- Member Of Investor Grievance Committee Excel Industries Ltd.</li> <li>- Member Of Audit Committee Of Jeevan Bima Sahayog Asset Management Company Ltd.</li> <li>- Member Of Audit Committee Of Hi Tech Plast Ltd.</li> </ul>

## DIRECTOR'S REPORT

To,

**The Shareholders**

The Directors of Lalit Polymers & Electronics Ltd., take pleasure in presenting the Audited Statement of Accounts for the period 1<sup>st</sup> April, 2007 to 31<sup>st</sup> March, 2008.

The Directors are glad to inform that owing to reduction in Import Duty tariffs, opportunities have arisen for the import and trading in various GRP and allied products and your Company has tried to enter this market in a small way.

In the matter of claims filed by the Company against GIDC for wrongful termination of the prestigious Contract valued at Rs.7.30 Crores for the Vagra (Vilayat) effluent disposal pipeline, the proceedings in the Court in Gandhinagar in Gujarat for settling aside the Sole Arbitrator's award is progressing in the normal course.

The Directors had previously informed that owing to large scale infrastructure projects being undertaken by Public (Government) and Private agencies, the GRP pipes demand has increased manifold. Accordingly, your Company is trying to tie up with Contracting Companies for meeting their requirement of GRP pipes for these projects and also is on the look out for tie with Foreign Contractors for export of the GRP pipes

### **DIVIDEND**

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

### **CORPORATE GOVERNANCE**

Your Company attaches considerable significance to good Corporate Governance as an important step towards building investor confidence, improve investors protection and maximize long term shareholder value. Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, a compliance report on Corporate Governance has been annexed as part of the Annual Report.

### **DIRECTORS**

Mr. S. J. Chabria, Mr. T. S. Chabria and Mr. H. N. Motiwalla continue to remain Directors of the Company.

### **AUDITORS**

M/s. B.N. Rao & Co., Chartered Accountants, retire at the Annual General Meeting.

#### DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to sub-section (2A) of Section 217 of the Companies Act, 1956, the Board of Directors of the Company hereby state and confirm that :

- (i) in the preparation of the Annual Accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any.
- (ii) the Directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss of the Company for that period.
- (iii) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- (iv) the Directors had prepared the annual accounts on a going concern basis.

#### PERSONNEL

Details as required u/s 217(2A) of the Companies Act, 1956 is not required to be given since none of the employees are paid a salary over Rs.24.00 lacs per annum or Rs.2.00 lacs per month for any part of the year.

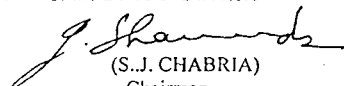
#### ADDITIONAL INFORMATION

The additional information required to be disclosed in terms of Notification 1029 dated 31<sup>st</sup> 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 all to 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 : 18<sup>th</sup> July, 2008

ANNEXURE TO THE DIRECTORS' REPORT

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

**Disclosure****A. Conservation of Energy**

- a) Energy conservation measures taken
  - Maintenance of compressed air pipelines for leakage/wastage.
  - Regular preventive maintenance of energy consuming equipment.
- 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 and 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.

**6. Management Discussion and Analysis**

The core business of the Company is manufacturing of Glassfibre Reinforced Plastic

(GRP) products. Our industry has started showing an upward trend. The year under review saw sustained economic growth and industrial activity. Reflective of this, the index of industrial production has shown an upward movement. Showing an upward trend, the performance of our industry improved, demand increased along with competitive pressures also increasing. Amidst all this, the Company is striving to meet the

competition prevailing in the market. The Company has taken steps to expand the market, closely examining possibilities of export and diversification of it's market segment to newer fields.

On behalf of the Board of Directors



(S.J. CHABRIA)

Chairman

Place : Mumbai  
Date : 13<sup>th</sup> July, 2008

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## CORPORATE GOVERNANCE REPORT

The detailed report on Corporate Governance is set out below :

## A. MANDATORY REQUIREMENTS

## 1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE :

Your Company's philosophy on Corporate Governance is striving for attainment of the highest level of transparency and accountability in all its functions and during the course of the conduct of its business with due emphasis on regulatory compliance. Keeping in mind the same, the systems and actions of the Company are being developed for increasing corporate performance and shareholder value.

## 2. BOARD OF DIRECTORS :

## a) COMPOSITION AND CATEGORY

The present strength of the Board of Directors is three, whose composition is given below

7. Two Promoter, Executive Directors.
8. One Independent, Non Executive Director.

The composition of the Board of Directors and also the number of other Board of Directors or Board Committees of which he/she is a member/Chairperson are as under :

Name of Director	Category	No. Of Other Directorships	No. Of Membership Of Other Board Committees	No. Of Board Committees For Which Chairperson
Shri Shamsunder Chabria Chairman & Mg. Director	Promoter, Executive	NIL	2	2
Shri Sanjay Chabria Executive Director	Promoter, Executive	NIL	2	NIL
Shri. H. N. Motiwalla	Non-Promoter, Non-Executive, Independent	3	1	NIL

## b) ATTENDANCE OF EACH DIRECTOR AT THE BOARD MEETINGS AND THE LAST ANNUAL GENERAL MEETING

During the financial year ended March 31, 2008, four Board Meetings were held on April 30, 2007, July 30, 2007, October 31, 2007 and January 31, 2008. The attendance of each Director at Board Meetings and the last Annual General Meeting (AGM) is as under: