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CS	<input checked="" type="checkbox"/>		DPY	<input checked="" type="checkbox"/>
RO	<input checked="" type="checkbox"/>		DIV	<input checked="" type="checkbox"/>
TRA	<input checked="" type="checkbox"/>		AC	<input checked="" type="checkbox"/>
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YE	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>

29th
Annual Report
 1997-98



ROLLATAINERS LIMITED



**BOARD OF DIRECTORS**

DHARMA VIRA
N.N. BHARGAVA
ANITA BHARGAVA
R. KRISHNAMOORTHY
VINOD BHARGAVA
GUNNAR JOHANSSON
Y. BANSAL
VIDYAWATI BHARGAVA
GEETA MATHUR
M.L. MITRA

CHAIRMAN
VICE-CHAIRMAN
EXECUTIVE DIRECTOR

[NOMINEE ICICI]
[NOMINEE IIBI]

PRESIDENT
GROUP VICE PRESIDENT (F)
GROUP COMPANY SECRETARY
SR. VICE PRESIDENT
(Machinery Divn.)
VICE PRESIDENT
(Paper Board & Paper Divn.)
SR. GM. TECH. DEV.
SR. G.M. BUSINESS DEV.
G.M. PROJECTS
GROUP G.M. (HRD)
G.M. SALES & MARKETING
G.M. PURCHASE
G.M. OPNS.
G.M. OPNS.
G.M. OPNS.

AMBRISH BHARGAVA
ASHIS K. CHATTERJEE
R. MANGTANI
K.P. RAJ

P.P. DIMRI

S.C. MALHOTRA
S. VARMA
D.K. SRIVASTAVA
DR. P.L.N. RAJU
RAVEEN CHOUDHARY
ASHIT KHOSLA
H. NAGPAL
P.K. GUPTA
B. CHATTERJEE

REGISTERED OFFICE

13/6, Mathura Road
Faridabad - 121003
Haryana

AUDITORS

S.S. KOTHARI & CO.
Chartered Accountants, New Delhi.

SOLICITORS

J.B. Dadachandji & Co.
New Delhi

BANKERS

CANARA BANK
STATE BANK OF MYSORE
TIMES BANK
CREDIT LYONNAIS
CORPORATION BANK
ICICI BANKING CORPORATION LTD.



NOTICE

The Twenty Ninth Annual General Meeting of the Company will be held as scheduled below :

Date : 30th December, 1998

Time : 10.30 A.M.

Place : Registered Office - 13/6, Mathura Road, Faridabad.

to transact the following business :

1. To receive, consider and adopt the Accounts of the Company for the year ended 30th September, 1998, the report of the Board of Directors and Auditors thereon.
2. To declare dividend on Preference and Equity shares for the year ended 30th September, 1998.
3. To appoint a director in place of Mr. Dharma Vira, who retires by rotation and, being eligible offers himself for reappointment.
4. To appoint a director in place of Mr. Vinod Bhargava, who retires by rotation and, being eligible, offers himself for reappointment.
5. To appoint a director in place of Mrs. Vidyawati Bhargava, who retires by rotation and, being eligible, offers herself for reappointment.
6. To appoint auditors to hold office from the conclusion of this Annual General Meeting till the conclusion of next Annual General Meeting, to fix their remuneration and to consider and if thought fit, to pass, with or without modification(s) the following as Special Resolution :

"RESOLVED that, pursuant to the provisions of Section 224A and other applicable provisions, if any, of the Companies Act, 1956, M/s. S.S. Kothari & Co., Chartered Accountants, New Delhi be and are hereby appointed as the Auditors of the Company to hold office from the conclusion of this meeting till the conclusion of the next Annual General Meeting, at a remuneration, to be decided by the Board of Directors, payable in two instalments of 6 monthly each, as audit fee and reimbursement of out-of-pocket expenses."

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

"RESOLVED THAT consent of the company be and is hereby accorded pursuant to section 314 of the Companies Act, 1956 to appoint Mr. Siddhartha Bhargava, a relative of Mrs. Anita Bhargava and Mrs. Vidyawati Bhargava, the Directors of the Company for holding an office or place of profit as a trainee w.e.f. 1st January, 1999, for a period of two years in the company on a stipend of Rs. 15,000/- p.m. in the first year and Rs. 19,500/- p.m. in the second year.

BY ORDER OF THE BOARD OF DIRECTORS

Sd/-

R. MANGTANI
COMPANY SECRETARY

Date : 5th November, 1998

Registered Office :

13/6, Mathura Road, Faridabad-121 003

[HARYANA]



Notes

- [a] A member entitled to attend and vote at the General Meeting may appoint a Proxy, who need not be a member, to attend and vote on his/her behalf. Proxies in order to be effective, must be received at the Company's Registered Office not less than 48 hours before the meeting.
- [b] The Register of Members and Debenture holders and the Transfer Books of the Company will remain closed from 23rd December, 1998 to 30th December, 1998 (both days inclusive).
- [c] The dividend, if declared, will be paid after December 30, 1998 to the shareholders whose names appear on the Register of Members as on December 30, 1998 or according to their mandates. Members are requested to notify immediately change of their addresses, if any.

BY ORDER OF THE BOARD OF DIRECTORS

Sd/-
R. MANGTANI
COMPANY SECRETARY

Date : 5th November, 1998

Registered Office :
13/6, Mathura Road,
Faridabad-121 003
[HARYANA]



EXPLANATORY STATEMENT AS REQUIRED BY SECTION 173(2) OF THE COMPANIES ACT, 1956.

In conformity with the provisions of Section 173 of the Companies Act, 1956, the following Explanatory Statement sets out the material facts relating to item No. 6 & 7 mentioned in the accompanying Notice and should be taken as forming part of the Notice.

Item No. 6

Messrs S.S. Kothari & Co., Chartered Accountants, have intimated their willingness to continue as Auditors of the Company, if appointed. A Certificate has been obtained by the Company from them to the effect that their reappointment, if made, will be in accordance with the limits specified in Section 224 (IB) of the Companies Act, 1956. As the provisions of Section 224A of the said Act, are applicable to the Company, the reappointment of Auditors is required to be made by a Special Resolution.

None of the Directors of the Company has any concern or interest in this item of business.

Item No. 7

Mr. Siddhartha Bhargava is proposed to be appointed as a Trainee for a period of two years on a stipend of Rs. 15000/- p.m. and Rs. 19500/- p.m. in the first and second year respectively. He is a qualified engineer and has completed his Bachelor Programme in Mechanical Engineering from Purdue University, U.S.A. Since he is the son of Mrs Anita Bhargava, Executive Director of the Company, shareholders approval is required u/s 314 of the Companies Act, 1956.

Mrs. Anita Bhargava and Mrs. Vidyawati Bhargava may be deemed to be interested in this item of business as it relates to their relative's appointment as a trainee.

BY ORDER OF THE BOARD OF DIRECTORS

**Sd/-
R. MANGTANI
COMPANY SECRETARY**

Date : 5th November, 1998

Registered Office :
13/6, Mathura Road,
Faridabad-121 003
[HARYANA]



DIRECTORS' REPORT

Your Directors are pleased to present the Twenty Ninth Annual Report and the Audited Statement of Accounts for the year ended September, 1998.

FINANCIAL RESULTS

[Rs in lacs]

	Year ended 30-09-98	Year ended 30-09-97
		(For 18 months)
TURNOVER	17586.39	23636.10
GROSS OPERATING PROFIT	1960.04	2769.06
Less : Interest	1288.11	1479.64
Depreciation	461.93	480.36
Provision for Tax	21.00	125.00
Provision for Wealth Tax	.50	.50
PROFIT AFTER TAX	188.50	683.56
Add: Balance brought forward	221.24	109.83
AVAILABLE FOR APPROPRIATION	409.74	793.39
Transfer to		
Capital Redemption Reserve	111.67	16.67
Debenture Redemption Reserve	141.13	204.68
Proposed Dividend :		
Preference Shares	38.06	3.93
Equity Shares	68.42	133.16
Corporate Dividend Tax	10.65	13.71
Transfer to General Reserve	—	200.00
SURPLUS CARRIED TO BALANCE SHEET	39.81	221.24

DIVIDENDS

Your Directors take pleasure in recommending, a dividend of Re. 1.00 per equity share of Rs. 10/- each, for the year ended 30th September, 1998. The same is proposed hereunder for the approval of the shareholders.



	[Rs. in lacs]
1) On 68,42,002 Equity Shares of Rs. 10/- each @ Re. 1/- per equity share.	68.42
2) a) On 50,000 - 15.5% Redeemable Cumulative Preference Shares (Fourth Series)	7.75
b) On 40,000 - 14% Redeemable Cumulative Preference Shares (Fifth Series) (On pro-rata basis)	4.73
a) On 1,95,000 - 14% Redeemable Cumulative Preference Shares (Sixth Series) (On pro-rata basis)	23.04
a) On 50,000 - 14.5% Redeemable Cumulative Preference Shares (Seventh Series) (On pro-rata basis)	2.54
	<u>106.48</u>

OPERATIONS HIGHLIGHTS

During the financial year ended 30th September, 1998, your Company has recorded a turnover of Rs. 175.86 crores (12 months) as against the previous year's turnover of Rs. 236.36 crores (18 months). The year 1997-98 has been a very bad year specially for the Paper & Paper Board Industry. Your Company could not escape the difficulties of the Paper and Paper Board industry and incurred losses in the Paper Board Division of Rs. 468.01 lacs. The company had expanded the capacity of the Paper Board Division and the new capacity started commercial production during the financial year. Efforts are now being made to get out of the commodity segment of the Paper Industry and to introduce the Production of the value added products. With this change it is expected that the Paper Division of the Company shall do much better in the next financial year. Efforts are also being made to find a strategic business partner in the Paper Board Division. The other two divisions viz, the Packaging Division & the Machinery Division despite the slowing down of the economy have produced satisfactory results. A brief review of the performance of the different divisions of the Company during the year is given hereunder.

PACKAGING DIVISION

The Division achieved a turnover of Rs. 120.61 crores (12 months) during the year as compared to Rs. 172.17 crores (18 months) during the previous year. With recessionary trend in the domestic market still continuing during the period under review, the Division has placed emphasis on controlling costs and wastages to combat recessionary pressures. The consolidation of manufacturing activities is also being undertaken which would further lead to reduction in overheads and improvement in production.

The packaging division's unit at 13/6 Mathura Road, Faridabad has been awarded ISO 9002



certification during the current year thereby reflecting the unit's commitment towards quality production.

The Division has also won the COVETED WORLD STAR in packaging on the 8th October, 1998 in Tokyo for the following entries : -

1. GREEN LABEL TOPTAINER
2. CASTROL GREASE WITH SPOUT

PAPER BOARD DIVISION

The Division achieved a turnover of Rs. 35.13 crores (12 months) as compared to Rs. 33.97 crores in the previous year (18 months). The commercial production on the second paper board manufacturing machine installed during the previous year has commenced and the production has been well received in the market. The low off-take of goods both from packaging division of the company and market has adversely affected the Division's performance. The selling prices have touched an all time low.

MACHINERY DIVISION

The Division has improved its performance by achieving a turnover of Rs. 14.83 crores (12 months) during the current year as compared to Rs. 15.15 crores (18 months) in the previous year. This represents an increase of 46.83% on annualised basis in turnover over that of the previous year. Packaging machines worth Rs. 41.52 lacs were exported to our overseas customers.

The division has performed well inspite of depressed market conditions. Development of new machines for the packing of food grade products are in progress keeping in mind the emerging market of packaged foods.

SIDHARTH PAPER DIVISION

During the year the Division recorded a turnvoer of Rs. 5.29 crores. The Plant & Machinery of the division have been shifted to Paper Board Division to consolidate the production facilities and reduce the overhead expenses. Further company is in the process of disposing off its land, building and such other assets, which are no more required. The same would reduce the overheads of the unit as the management and expertise of paper board would be utilised in its operation.

EXPORTS

During the financial year under review, your Company exported cartons and machinery valued at Rs. 688.79 lacs.

PROSPECTS FOR THE CURRENT YEAR

During the current year, an export oriented unit has been set up at Faridabad in order to put greater emphasis on exports.

Your company has entered into a Memorandum of Understanding with M/s Elopak a.s. and Elopak



Systems a.g. to manufacture and market Elopak Packaging Systems and blanks. A separate company is being incorporated with Elopak and Rollatainers subscribing to 51% and 49% respectively of the share capital of the new company.

SUBSIDIARY COMPANY

During 1997-98, the subsidiary of your company, RT Packaging Limited has increased its turnover from Rs. 35.09 crores in the previous year to Rs. 36.51 crores. Profit after interest and deprecation has increased from Rs. 45.82 lacs to Rs. 63.47 lacs representing an increase of 38.52%. The company's profitability and turnover has been affected by the recessionary trend in the market. With greater emphasis on exports, the Company has improved its export turn over from Rs. 54.22 lacs in the previous year to Rs. 70.76 lacs.

The company has been awarded the ultimate award in packaging THE COVETED WORLD STAR, on the 8th October, 1998 for the 1 KG. 3-ROSES POUCH WITH SPOUT.

As required under Section 212 of the Companies Act, 1956, the audited statements of accounts, along with the report of the Board of Directors of RT Packaging Limited and the Auditor's Report thereon for the year ended 31st March, 1998 is annexed.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO.

As required under section 217 (1)(e) of the Companies Act, 1956, details relating to conservation of energy, technology absorption and foreign exchange earnings and outgoings, are given in the annexure attached hereto and forming a part of this Report.

FIXED DEPOSITS

An amount of Rs. 5.30 lacs, which became due for repayment on or before 30-09-98 was not claimed by the depositors on that date. Out of that amount Rs. 0.20 lac have been repaid/renewed subsequently.

AUDITORS REPORT

The observations made in the Auditors' Report regarding Maocaro Section of the Audit Report is explained below : -

The Company has taken appropriate steps to update the Fixed Assets records of the Company and this will be completed shortly. With regard to the value of assets taken over from Sidharth Paper Division, it must be stated that this company imported a second hand speciality paper mill from Portugal in the year 1981-82 with all the ancillaries, pulping equipments, refiners etc. against payment of a lumpsum. Subsequently, most of the machine has been transferred to our Kundli Factory and therefore, only an estimation could be applied for the value of the asset thus transferred. In the Company's opinion these values are fair and appropriate.