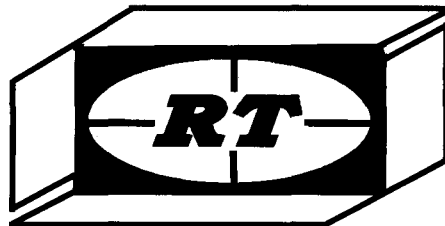


# **35TH ANNUAL REPORT 2005-2006**

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***ROLLATAINERS LIMITED***



## ROLLATAINERS LIMITED

### BOARD OF DIRECTORS

N. N. BHARGAVA	CHAIRMAN
ANITA BHARGAVA	EXECUTIVE DIRECTOR
VINOD BHARGAVA	
GURMEET SINGH UBERAI	NOMINEE - UTI

**PRESIDENT**  
**VICE PRESIDENT (S & M)**  
**SR. G. M. (TECH. DEV.)**  
**SR. G. M. (M/C. DIVN.)**  
**COMPANY SECRETARY**

AMBRISH BHARGAVA  
RAVEEN CHAUDHARY  
S. C. MALHOTRA  
P. C. KRISHNAKUMAR  
SHIBU SHRESTHA

### REGISTERED OFFICE

13/6, Mathura Road  
Faridabad – 121 003  
Haryana

### AUDITORS

MANOJ MOHAN & ASSOCIATES  
Chartered Accountants  
Noida

### BANKERS

CANARA BANK  
STATE BANK OF MYSORE  
STATE BANK OF INDIA



## NOTICE

Notice is hereby given that the Thirty-fifth Annual General Meeting of the Company will be held as under :-

Day : Friday  
 Date : 29th December, 2006  
 Time : 10.00 A.M.  
 Venue : Registered Office - 13/6, Mathura Road, Faridabad – 121 003

to transact the following business :-

### ORDINARY BUSINESS

1. To receive, consider and adopt the Audited accounts for the financial year ended 30th September, 2006 together with Profit and Loss Account for the period ended on that date, and the reports of the Directors and the Auditors thereon.
2. To appoint a director in place of Mr. N.N. Bhargava, who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint auditors to hold office from the conclusion of this Annual General Meeting till the conclusion of the 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 an Ordinary Resolution:

"RESOLVED that M/s. Manoj Mohan & Associates, Chartered Accountants, retiring auditors of the Company, be and are hereby re-appointed as the Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company on remuneration to be decided by the Board of Directors.

### SPECIAL BUSINESS

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

"RESOLVED THAT pursuant to the recommendation by the Remuneration Committee of the Company and provisions of Sections 198, 269, 309, 310, 311 and Schedule XIII of the Companies Act, 1956, and all other applicable provisions, if any, of the said Act, and subject to the approval of the Central Government, if required, Mrs. Anita Bhargava be and is hereby reappointed as a While Time Director designated as Executive Director for a further term of 3 years with effect from 3rd August, 2006 to 2nd August, 2009 (both days inclusive), on such remuneration and terms and conditions, within the limits specified in Schedule XIII of the Companies Act, 1956, as set out in the explanatory statement annexed to the Notice convening this Annual General Meeting and with such powers and authorities as the Board may, in its discretion, consider appropriate.

RESOLVED FURTHER THAT approval be and is hereby accorded to the Board of Directors to vary, alter and modify the terms of appointment and remuneration of Mrs. Anita Bhargava including the salary, and perquisites from time to time so as not to exceed the limits specified in schedule XIII of the Companies Act, 1956, or any statutory modifications or re-enactments thereof as may be agreed to by the Board of Directors and Mrs. Anita Bhargava."

By Order of the Board  
**For ROLLATAINERS LIMITED**

Place : Faridabad  
 Date : 30th November, 2006

**(Shibu Shrestha)**  
 Company Secretary



## ROLLATAINERS LIMITED

### NOTES :

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
2. The proxy form duly completed, stamped and signed should reach the Company's office at least 48 hours before the time of the meeting.
3. All documents referred to in the notice are open for inspection at the Registered Office of the Company on all working days between 11.00 A.M. to 1.00 P.M
4. The Register of Members and Share Transfer Books of the Company will remain closed from 26th December, 2006 to 29th December, 2006 (both days inclusive).
5. The members are requested to bring their copies of Annual Report to the Meeting, as the same will not be redistributed at the venue of Annual General Meeting.
6. The Members attending the Annual General Meeting are requested to bring the enclosed attendance slip and deliver the same, after filling in their folio number at the entrance of the meeting hall. Admission at the Annual General Meeting venue will be allowed only after verification of the signature in the attendance slip. Duplicate attendance slip will be issued at the Registered Office of the Company up to a day preceding the day of Annual General Meeting.
7. Members who hold shares in de-materialised form are requested to bring their client ID and DP-ID number for the purpose of identification and attendance at the meeting.
8. Consequent upon the introduction of section 109A of the Companies Act, 1956, shareholders are entitled to make nomination in respect of shares held by them in physical form. Shareholders desirous of making nominations are requested to send their requests in form No. 2B in duplicate (which will be made available on request) to the R&T Agents of the company.

### INFORMATION REQUIRED TO BE FURNISHED UNDER CLAUSE 49 OF THE LISTING AGREEMENT IN RESPECT OF DIRECTORS BEING RE-APPOINTED

Name	:	Mr. N.N. Bhargava
Date of Birth	:	15-12-1927
Qualification	:	B.Sc. Engg. (Hons)
Profession	:	Consulting Engineer
Expertise	:	Mining Equipment Engineering
Other Directorships	:	RT Packaging Limited RT Paper Boards Limited B H P Machines Limited N R A Technological Resources India (P) Ltd B H P Engineers Private Limited

Mr. N.N. Bhargava does not hold any equity shares of the Company.

Name	:	Mrs. Anita Bhargava
Date of Birth	:	03-10-1947
Qualification	:	B.A
Profession	:	Industrialist
Expertise	:	Expertise in Packaging Industry
Other Directorships	:	RT Packaging Limited RT Paper Boards Limited Envelope Manufacturers Co. Pvt. Limited Cosmos Packaging Systems Pvt. Limited

Mrs. Anita Bhargava holds 241518 equity shares of the Company.



**EXPLANATORY STATEMENT, PURSUANT TO SECTION 173 OF THE COMPANIES ACT, 1956 SETTING OUT ALL THE MATERIAL FACTS RELATING TO THE BUSINESS MENTIONED AT ITEM NO. 4 OF THE ACCOMPANYING NOTICE DATED 30TH NOVEMBER, 2006**

**Item No. 4**

At the Annual General Meeting held on 15th March, 2002, approval was accorded for the re-appointment of Mrs. Anita Bhargava as Executive Director for a period of 5 years w.e.f 3rd August, 2001 to 2nd August 2006 [both days inclusive] on such salary, commission and perquisites in accordance with Schedule XIII of the Companies Act, 1956 as had been set-out in the explanatory statement annexed to the notice dated 31st January, 2002, convening the Annual General Meeting. The Company has since been sanctioned a reworked CDR Package by the CDR-Empowered Group in its meetings held on June 24, 2005 and July 14, 2005 under the Corporate Debt Restructuring System and communicated vide CDR Cell's letter No. BY (CDR)/556 dated July 21, 2005. The package, inter-alia, provides for induction of an investor. Further, the Company has also been declared a Sick Industrial Company under the provisions of SICA and the Company has submitted draft rehabilitation scheme, prepared in line with the CDR Package, to the operating agency for onward submission to Hon'ble BIFR. Keeping in view the above facts and circumstances, and Mrs. Anita Bhargava's long standing experience, expertise and knowledge in managing the affairs of the Company and pursuant to the recommendation of the Remuneration Committee in their meeting held on 1st August, 2006, she has been re-appointed as a Whole Time Director, designated as Executive Director by the Board of Directors by passing a resolution in its meeting held on 31st October, 2006 for a further period of 3 years w.e.f 3rd August, 2006 to 2nd August, 2009 (both days inclusive), subject to approval of the shareholders, on the terms and conditions as set out below:

**Remuneration**

1. **Salary:** Rs. 45,000/- per month
2. **Perquisites & Allowances:** In addition to salary, Mrs. Anita Bhargava shall be entitled to perquisites and allowances like accommodation (furnished or otherwise) or House Rent Allowance in lieu thereof; House Maintenance Allowance together with reimbursement of expenses/allowances for utilisation of gas, electricity, water furnishing and repairs; medical reimbursement; Education allowance; Leave Travel Concession for self and her family including dependents; club fees, premium for medical insurance and all other payments in the nature of perquisites and allowances as agreed by the Board of Directors up to Rs. 5,40,000/- per annum subject to overall ceiling or remuneration stipulated in Sections 198 and 309 of the Companies Act, 1956.

Mrs. Anita Bhargava shall also be entitled to the following perquisites: -

- a) Contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
- b) Gratuity payable at the rate of not exceeding half a month's salary for each completed year of service, and
- c) Encashment of leave at the end of the tenure

Mrs Anita Bhargava may be deemed to be interested/concerned in the resolution under item number 4.

The Board recommends the resolution to the members for their approval.

Mrs. Anita Bhargava holds 241518 equity shares of the Company.

By Order of the Board  
**For ROLLATAINERS LIMITED**

Place : Faridabad  
Date : 30th November, 2006

**(Shibu Shrestha)**  
Company Secretary



## ROLLATAINERS LIMITED

### DIRECTORS' REPORT

To  
The Members  
Rollatainers Limited

Yours Directors' have pleasure in presenting the Thirty-fifth Annual Report and the Audited Accounts of the Company for the financial year ended 30th September, 2006.

#### FINANCIAL RESULTS

(Rs in lacs)

PARTICULARS	Year ended 30-09-2006 (12 months)	Period ended 30-09-2005 (18 months)
Sales and Other Income	4399	7725
Expenditures	5673	7953
Gross Profit Before Depreciation	-1274	-228
Depreciation	237	387
Profit Before Tax	-1511	-615
Provisions for Tax (FBT)	5	2
Profit After Tax	-1516	-617
Provision for Deferred Tax	-	-
Profit After Deferred Tax	-1516	-617
Add : Accumulated Profit	-4640	-4023
Balance available for Appropriation	-6156	-4640
Appropriations	-	-
Transfer to General Reserve	-	-
Transfer to Debenture Redemption Reserve	-	-
Transfer to Preference Share Redemption Reserve	-	-
Proposed Dividend on Equity Shares	-	-
Dividend on Preference Shares	-	-
Provision for Tax and Cess on Dividend	-	-
Surplus Carried to Balance Sheet	-6156	-4640

#### PERFORMANCE

During the financial year under review, due to pressure of inadequate working capital, Company's turnover has continued to be adversely affected.

For the financial year ended September 30, 2006 your Company recorded a turnover of Rs. 43.56 crores as against previous period's turnover of Rs. 68.96 crores (18 months). Losses during the financial year were recorded at Rs. 15.16 crores as compared to last period's Rs. 6.17 crores (18 months).

A brief review of the performance of different divisions of the company during the financial year is given herein below:

#### CARTON MANUFACTURING DIVISION

The Division has registered a turnover of Rs. 37.10 crores during the financial year under review as compared to Rs. 58.61 crores (18 months) in the previous period.

#### MACHINERY DIVISION

The Division has registered a turnover of Rs. 6.46 crores during the financial year under review as compared to Rs. 10.34 crores (18 months) in the previous period.

**DIVIDEND**

During the financial year under review, the Company has incurred losses, therefore, your Directors have not recommended any dividend.

**FUTURE PLANS**

The CDR – Empowered Group has since approved reworked package for the Company, which is under implementation. The Company has also arrived at One Time Settlement (OTS) with LIC Mutual Fund, and UTI Asset Management Company Pvt. Limited. The Company is simultaneously concentrating on operational restructuring, getting back old customers, besides adding new customers by providing them with unique tailor-made solutions.

**SUBSIDIARY COMPANIES**

Your Company has two subsidiaries i.e. RT Packaging Limited and RT Paper Boards Limited.

Pursuant to provisions of Section 212 of the Companies Act, 1956, the audited accounts for the period ended 30th September, 2006 (15 months) of RT Packaging Limited and for the financial year ended 31st March, 2006 of RT Paper Boards Limited together with the reports of the Directors and the Auditors and also the statement under the said Section are attached to the Balance Sheet of the Company.

**DIRECTORS**

Mr. N.N. Bhargava retires at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. The present tenure of Mrs. Anita Bhargava, as Executive Director of the Company expired on 2nd August, 2006. She has been re-appointed as Executive Director of the Company by the Board of Directors by passing a resolution in their meeting held on October 31, 2006.

Brief resume of Mr. N.N. Bhargava, and Mrs. Anita Bhargava have been given in the Annexure to the Notice of the Annual General Meeting.

**AUDITORS**

M/s. Manoj Mohan & Associates, Chartered Accountants, the Statutory Auditors of the Company, retire at the conclusion of the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. They have confirmed their eligibility to act as Auditors of the Company under Section 224(1B) of the Companies Act, 1956, if appointed at ensuing Annual General Meeting. The Board recommends their re-appointment.

**AUDITORS' REPORT**

The observations in the Auditors' Report are self-explanatory and do not call for any comment, except observations /suggestions made vide Para 2(f) of the main report. In respect of penal charges/ interest liability, the management proposes to seek necessary waiver from the competent authorities in the scheme of rehabilitation, which will be filed before the Hon'ble Board of Industrial and Financial Reconstruction (BIFR) with which the Company has already been registered as Sick Industrial Company as per Clause (o) of sub Section (1) of Section 3 of The Sick Industrial Companies (Special Provisions) Act, 1985 (SICA). With respect to Auditors' observation at f(ii), the future course of action of subsidiary Companies are being considered by the management in line with the re-worked revised restructuring package.

**CONSOLIDATED FINANCIAL STATEMENT**

As required under Accounting Standards AS-21, AS-23 and AS-27 issued by the Institute of Chartered Accountants of India, the consolidated financial statements have been prepared on the basis of financial statements of the Company and abovementioned subsidiaries.

**FIXED DEPOSITS**

During the financial year under review, the Company has not accepted deposits under Section 58-A of the Companies Act, 1956. Your Company has been granted a reschedulement for payment of its fixed deposits by the Hon'ble Company Law Board vide its order No. 27/2/2001-CLB(NB) dated 24th November, 2004 and the Company is complying with the said repayment schedule.

**DE-MATERIALISATION OF SHARES**

The Company's equity shares are available for de-materialisation on both the depositories viz. NSDL & CDSL. Shareholders may be aware that SEBI have made trading in your Company's shares mandatorily, in de-materialized form. As on 30th September, 2006, 5736184 equity shares representing 57.065% of your Company's equity shares capital have been de-materialised.





## ROLLATAINERS LIMITED

### LISTING AT STOCK EXCHANGES

The shares of your Company are listed on Bombay Stock Exchange Limited, The Delhi Stock Exchange Assn. Limited, The Calcutta Stock Exchange Assn. Limited and, The Hyderabad Stock Exchange Limited.

### STATUTORY INFORMATION

- Particular of Employees under Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 - NIL
- Statutory details of Energy Conservation and Technology Absorption, R & D activities and Foreign Exchange Earning and Outgo, as required under Section 217 (1)(e) of the Companies Act, 1956 and Rules prescribed there under i.e. the Companies (Disclosure of Particulars in Report of Board of Directors) Rules, 1988 are given in the Annexure and Form part of this Report.
- Certificate received from the Auditors of the Company regarding Compliance of conditions of Corporate Governance, as required under Clause 49 VII of the Listing Agreement, is annexed and forms part of this Report.
- As required under Clause 49 (IV) F of the Listing Agreement, Management Discussion and Analysis Report is Annexed and form part of this Report.

### DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 217 (2AA) of the Companies Act, 1956, as amended by the Companies (Amendment) Act, 2000, with respect to Directors Responsibility Statement, it is hereby confirmed: -

- i. That in the preparation of the annual accounts, the applicable accounting standards have been followed;
- ii. That the Directors had selected such accounting policies and applied them consistently and made judgments 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 profit or loss of the Company for the year under review;
- iii. That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- iv. That the Directors had prepared the annual accounts on a going concern basis.

### INDUSTRIAL RELATIONS

During the year under review, the relations between the Management and the workmen were highly cordial.

### INVESTOR RELATIONS

Your Company always endeavours to keep the time of response to shareholder's requests/grievances at the minimum. Priority is accorded to address all the issues raised by the shareholders and provide them a satisfactory reply at the earliest possible time. The Shareholders' and Investors' Grievances Committee of the Board meets periodically and reviews the states of the redressal of investors' grievances. The shares of the Company continue to be traded in Electronic Form and the De-materialisation arrangement exists with both the depositories viz. National Securities Depository Limited and Central Depository Services (India) Limited. As on 30th September, 2006, 5736184 equity shares have been dematerialised.

### ACKNOWLEDGEMENT

Your Directors wish to place on record the sincere and dedicated efforts of all the members of the Company's team. Your Directors also take this opportunity to offer their sincere thanks to the Financial Institutions, Banks and other Government Agencies, our valued customers and the investors for their continued support and assistance.

Your directors also express their profound thanks to the shareholders for their faith and continued support to the endeavours of the company.

By Order of the Board  
**For ROLLATAINERS LIMITED**

Place : Faridabad  
Date : 30th November, 2006

**(N. N. Bhargava)**  
Chairman





## ANNEXURE TO THE DIRECTORS' REPORT 2005 - 2006

### INFORMATION REQUIRED UNDER SECTION 217(1)(e) OF THE COMPANIES ACT, 1956

#### 1. Research & Development (R & D)

- |   |   |  |
|---|---|--|
| a) Specific areas in which R & D carried out by the Company | : | i) Product design & development<br>ii) Process design & improvement.                 |
| b) Benefits derived as a result                             | : | i) Reduction in process time<br>ii) Higher productivity<br>iii) Consistent quality   |
| c) Future plan of action                                    | : | To achieve better yield by way of cost reduction through higher level of automation. |

#### 2. Technology Absorption

- |  |   |   |
|--|---|---|
| a) Efforts in brief towards Technology absorption  | : | The Company have been importing equipments of the latest state-of-the-art technology of the world and making packaging cartons and packing machines of international standards with its own technology. |
| b) Benefit derived as a result of above efforts  | : | Cost reduction, and product development   |
| c) Information in case of imported technology (imported during the last 5 years reckoned from the beginning of financial year) | : | N/A   |

#### 3. Foreign Exchange Earnings & Outgo

**Activities relating to exports; initiatives taken to increase exports; development of new export markets for products and services; and export plans.**

Export market for the Company's products is continuously explored. The requirement of foreign buyers is also being assessed to procure more and more confirmed orders.

	(Rs. in lacs)	
	Current year	Previous period
<b>Total foreign exchange used</b>		
a) Import of Raw Materials	NIL	7.87
b) Import of Capital Goods/Spares	NIL	7.73
c) Travelling	NIL	NIL
d) Interest	NIL	NIL
e) Others	NIL	NIL
<b>Total foreign exchange earned</b>		
	Current year	Previous period
a) FOB value of Exports	45.60	188.77
b) Others	NIL	NIL

#### 4. Conservation Of Energy

- Energy conservation measures taken : Installation of energy efficient equipments.
- Additional Investments and proposals, if any, being implemented for reduction of consumption of energy: Investment is considered from time to time whenever it is deemed necessary, in order to reduce consumption of energy.
- Impact of the measures at (a) and (b) above is reflected in reduced power consumption per unit of production.
- Total Energy consumption and Energy consumption per unit of production : N/A



## CORPORATE GOVERNANCE

### 1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Corporate Governance is the implementation of best Corporate practices, which enhance shareholder value in the long run, at the same time protecting the interest of other stakeholders. It refers to a blend of law, regulations, and voluntary practices, which enable the Company to attract financial and human resources, and achieve customer satisfaction through best quality at lower price, thus establishing long-term economic value for its stakeholders. It also ensures a fair and transparent decision-making and reporting system.

### 2. BOARD OF DIRECTORS

The business of the Company is managed by the Board of Directors. The Board formulates the strategy, regularly reviews the performance of the Company and ensures that the previously agreed objectives are met on a consistent basis. The Board of Directors has the ideal composition with more than half the Directors being non-executive and independent Directors. Since the Company has a Non-Executive Chairman, the Board's composition meets the stipulated requirement of at least one-third of the Board comprising independent Directors, who have no professional and/or business relationship with the Company.

#### A. Composition of Directorship

The constitution of the Board as on 30th September, 2006 :

Name of Director	Category of Director	Designation
Mr. N. N. Bhargava	Independent, Non-Executive Director	Chairman
Mr. Gurmeet Singh Uberai	Independent, Non-Executive Director	Nominee - UTI
Mr. Vinod Bhargava	Independent, Non-Executive Director	Director
Mrs. Anita Bhargava	Promoter, Executive Director	Executive Director

#### B. Pecuniary Relationship

There is no pecuniary relationship or transaction of the non-executive Directors vis-à-vis the Company.

#### C. Attendance Record of Board Meetings

During the year under review, 7 Board Meetings were held on 05-11-2005, 03-12-2005, 31-01-2006, 18-03-2006, 29-04-2006, 20-05-2006 and 31-07-2006. The Board members are given appropriate documents and information in advance of each Board meeting.

The attendance record of all the Directors on the Board is as under: -

Name of Directors	Number of Board meetings attended	Attendance at last AGM	Attendance at last EGM
Mr. N. N. Bhargava	7	Yes	Yes
Mrs. Anita Bhargava	6	Yes	Yes
Mr. Vinod Bhargava	2	No	Yes
Mr. Gurmeet Singh Uberai	6	No	No

#### D. Directors of the Company having directorship in other Companies, Membership/Chairmanship in Committees (as prescribed under Corporate Governance) across all Companies, in which they are Directors.