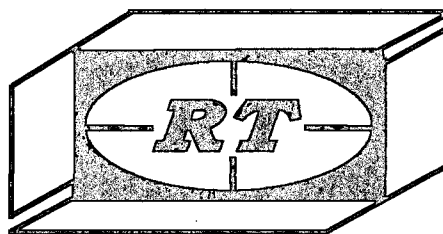


# 36TH ANNUAL REPORT 2006-2007

Report  junction.com



***ROLLATAINERS LIMITED***



# ROLLATAINERS LIMITED

## BOARD OF DIRECTORS

MR. VINOD KUMAR UPPAL

CHAIRMAN

MR. CHANDRA PRAKASH NAGPAL

WHOLE-TIME-DIRECTOR

MR. KATESSARY THOMAS JAMES

DIRECTOR

MR. ASHISH PANDIT

DIRECTOR

## COMPANY SECRETARY

SARAN KUMAR

## 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

## CONTENTS

Notice .....	1
Directors' Report .....	8
Corporate Governance Report.....	13
Management Discussion & Analysis Report.....	23
Auditor's Report .....	25
Balance Sheet .....	30
Profit & Loss Account .....	31
Cash Flow Statement.....	32
Schedules .....	33
<b>Statement of Subsidiaries</b>	
A. Rollatainers Paper Board Limited .....	51
B. Rollatainers Pacakaging Limited.....	75
C. Consolidated Financial Staement .....	103

**ROLLATAINERS LIMITED****NOTICE**

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

Day : Monday  
 Date : 31st December, 2007  
 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, 2007 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 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**

3. **To consider and if thought fit, to pass, with or without modification(s), if any, the following resolution as an Ordinary Resolution:**  
 "RESOLVED THAT Mr. Vinod Kumar Uppal, who was appointed as an Additional Director of the Company and who ceases to hold office under Section 260 of the Companies Act, 1956 be and is hereby appointed as director of the Company liable to retire by rotation."
4. **To consider and if thought fit, to pass, with or without modification(s), if any, the following resolution as an Ordinary Resolution:**  
 "RESOLVED THAT Mr. Ashish Pandit, who was appointed as an Additional Director of the Company and who ceases to hold office under Section 260 of the Companies Act, 1956 be and is hereby appointed as director of the Company liable to retire by rotation."
5. **To consider and if thought fit, to pass, with or without modification(s), if any, the following resolution as an Ordinary Resolution:**  
 "RESOLVED THAT Mr. Katessary Thomas James, who was appointed as an Additional Director of the Company and who ceases to hold office under Section 260 of the Companies Act, 1956 be and is hereby appointed as director of the Company liable to retire by rotation."
6. **To consider and if thought fit, to pass, with or without modification(s), if any, the following resolution as an Ordinary Resolution:**  
 "RESOLVED THAT Mr. Chandra Prakash Nagpal, who was appointed as an Additional Director of the Company and who ceases to hold office under Section 260 of the Companies Act, 1956 be and is hereby appointed as director of the Company liable to retire by rotation."
7. **To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution.**  
 "RESOLVED THAT in accordance with the provisions of Section 198, 269, 309 and 310 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 (including any modification(s) or re-enactment thereof, for the time being in force) and subject to necessary approvals as may be required, if



## ROLLATAINERS LIMITED

any under the Companies Act, 1956 read with rules framed thereunder, the consent of the Company be and is hereby accorded to the appointment of Mr. Chandra Prakash Nagpal as whole-time Director of the Company for a period of three years with effect from December 1, 2007, on the terms and conditions including remuneration as are set out in the Explanatory Statement."

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

Place : Faridabad  
Date : 4th December, 2007

(Saran Kumar)  
Company Secretary

### NOTES :

1. An Explanatory statement pursuant to Section 173(2) of the companies Act, 1956 is annexed hereto.
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, 2007 to 31st December, 2007 (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 APPOINTED

Name	:	Mr. Vinod Kumar Uppal
Date of Birth	:	14-12-1962
Qualification	:	B.Com
Profession	:	Service
Expertise	:	Administration & Operations
Other Directorships in Indian Public Companies	:	Amtek Crankshaft India Ltd.

**ROLLATAINERS LIMITED**

Mr. Vinod Kumar Uppal does not hold any equity shares of the Company.

Name	:	Mr. Ashish Pandit
Date of Birth	:	16-09-1972
Qualification	:	B.Com
Profession	:	Service
Expertise	:	Administration & Operations
Other Directorships in Indian Public Companies	:	NIL

Mr. Ashish Pandit does not hold any equity shares of the Company.

Name	:	Mr. Katessary Thomas James
Date of Birth	:	01-12-1956
Qualification	:	M.Com
Profession	:	Service
Expertise	:	Vast Experience in the field of Accounts and Finance matter
Other Directorships in Indian Public Companies	:	Adhbhut industrial resources Ltd Alliance Hydro Power Ltd Amtek India Ltd. Amtek Casting (India) Limited. Amtek India Ltd.

Mr. Katessary Thomas James does not hold any equity shares of the Company.

Name	:	Mr. Chandra Prakash Nagpal
Date of Birth	:	07-04-1951
Qualification	:	B.Sc. Chemical Engineer
Profession	:	Service
Expertise	:	Vast Experience in the field of Chemical Engineering & Administration.
Other Directorships in Indian Public Companies	:	NIL

Mr. Chandra Prakash Nagpal does not hold any equity shares of the Company.

### **Annexure to Notice**

### **EXPLANATORY STATEMENT, PURSUANT TO SECTION 173 OF THE COMPANIES ACT, 1956.**

#### **Item No. 3**

Shri Vinod Kumar Uppal was appointed as an Additional Director of the Company on 23rd August, 2007 by the Board of Directors of the Company, due to change of management pursuant to rehabilitation scheme sanctioned by Board for Industrial and Financial Reconstruction (BIFR). According to the provisions of Section 260 of the Companies Act, 1956, he holds office as Director only upto the date ensuing Annual General Meeting. As required by Section 257 of the Companies Act, 1956, notice has been received from a member signifying his intention to propose his appointment as a Director alongwith a deposit of Rs. 500/-. Shri Vinod Kumar Uppal is having vast experience in administration, operations and other related matters. The Board considers it desirable that the Company should continue to avail itself of his services.

Except Mr. Vinod Kumar Uppal, no other Director is interested in the resolution.

**Item No. 4**

Shri Ashish Pandit was appointed as an Additional Director of the Company on 23rd August, 2007 by the Board of Directors of the Company, due to change of management pursuant to rehabilitation scheme sanctioned by Board for Industrial and Financial Reconstruction (BIFR). According to the provisions of Section 260 of the Companies Act, 1956, he holds office as Director only upto the date ensuing Annual General Meeting. As required by Section 257 of the Companies Act, 1956, notice has been received from a member signifying his intention to propose his appointment as a Director alongwith a deposit of Rs. 500/-. Shri Ashish Pandit is having vast experience in administration, operations and other related matters. The Board considers it desirable that the Company should continue to avail itself of his services.

Except Mr. Ashish Pandit, no other Director is interested in the resolution.

**Item No. 5**

Shri Katesary Thomas James was appointed as an Additional Director of the Company on 23rd August, 2007 by the Board of Directors of the Company, due to change of management pursuant to rehabilitation scheme sanctioned by Board for Industrial and Financial Reconstruction (BIFR). According to the provisions of Section 260 of the Companies Act, 1956, he holds office as Director only upto the date ensuing Annual General Meeting. As required by Section 257 of the Companies Act, 1956, notice has been received from a member signifying his intention to propose his appointment as a Director alongwith a deposit of Rs. 500/-. Shri Katesary Thomas James is having vast experience in handling finance and other related matters. The Board considers it desirable that the Company should continue to avail itself of his services.

Except Mr. Katesary Thomas James, no other Director is interested in the resolution.

**Item No. 6**

Shri Chandra Prakash Nagpal was appointed as an Additional Director of the Company on 23rd August, 2007 by the Board of Directors of the Company, due to change of management pursuant to rehabilitation scheme sanctioned by Board for Industrial and Financial Reconstruction (BIFR). According to the provisions of Section 260 of the Companies Act, 1956, he holds office as Director only upto the date ensuing Annual General Meeting. As required by Section 257 of the Companies Act, 1956, notice has been received from a member signifying his intention to propose his appointment as a Director alongwith a deposit of Rs. 500/-. Shri Chandra Prakash Nagpal is having vast experience in handling finance and other related matters. The Board considers it desirable that the Company should continue to avail itself of his services.

Except Mr. Chandra Prakash Nagpal, no other Director is interested in the resolution.

**Item No. 7**

Mr. Chandra Prakash Nagpal was appointed as additional Director w.e.f 23rd August, 2007 due to change of management pursuant to rehabilitation scheme sanctioned by BIFR. In terms of the recommendations of the Remuneration Committee and subject to the approval of the members, the Board of Directors of the Company in its meeting held on December 04, 2007 has appointed Mr. Chandra Prakash Nagpal as a Whole- time Director for a period of three years with effect from 1st December 2007, on the terms and conditions as are set out hereunder:

**REMUNERATION:****A. SALARY:**

Salary including perks not exceeding, Rs. 3,00,000/- (Rupees Three Lacs only) per month, as may be decided by the Board from time to time.

**B. PERQUISITES:****Category – A**

- Rent Free Furnished Accommodation or house rent allowance of 60% of salary inlieu thereof;
- Medical reimbursement and medical insurance for the said employee and his family;
- Club Fee (Subject to a Maximum of 3 Clubs and not including admission and life membership fee)
- Insurance and any other general allowance and perquisites in accordance with the rules of the Company or as may be agreed to by the Board of Directors and the said employee.



**ROLLATAINERS LIMITED**

- For the above purpose "family" means to spouse and dependent children of the said employee.

**Category – B**

- Contribution to Provident Fund to the extent these singly or put together are not taxable under the Income Tax, 1956;
- Gratuity payable at a rate not exceeding half a month's salary for each completed year of service;
- Encashment of leave at the end of the tenure.

**Category – C**

The Company shall provide and make available to the said employee a car of such horse power and make, as may from time to time be determined by the Company, along with driver, and shall bear and pay all garage rent, repairs, maintenance running and other costs and charges whatsoever, in connection with the use of such car by the said Employee.

- The Company shall provide the said employee with a telephone facility at his residence.
- Provision of a car for use on Company's business and telephone at residence will not be considered perquisites.
  - Personal long distance calls on telephone and use of the car for private purpose shall be billed by the Company to the said employee.
  - Where in any financial year, the Company has no profits or its profits are inadequate, the remuneration payable will be in accordance with the provisions of Section II of Schedule XIII to the Companies Act, 1956, as may be amended from time to time.
  - The amount of the aforesaid perquisites and allowances will be restricted to an amount equal to the annual salary of the said employee.

**INFORMATION REQUIRED PURSUANT TO THE PROVISIONS OF SCHEDULE XIII TO THE COMPANIES ACT, 1956 READ WITH CLAUSE 49 OF THE LISTING AGREEMENT IS FURNISHED AS UNDER:**

**I. GENERAL INFORMATION:****(i) Nature of Industry**

The Company is leading Manufactures of Packaging items

**(ii) Date or expected date of commencement of commercial production**

Not Applicable

**(iii) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus.**

Not Applicable

**(iv) Financial performance based on given indicators**

The relevant financial figures (Audited) as at year ended 30th September 2007 are as under:-

**(Rs. In '000)**

**Revenue Expenses Net Profit / (Loss)**

511000 546300 (58000)

**(v) Export performance and net foreign exchange collaborations**

Total foreign exchange earned was Rs. 62.19 Lacs as against outgo of Rs. 36.92 Lacs on import of Raw Material, Capital Goods, Components etc.

**(vi) Foreign Investments or collaborators, if any:**

Not Applicable

**II. INFORMATION ABOUT THE APPOINTEE:****(a) Background Details**

Mr. Chandra Prakash Nagpal is the Chief Executive Officer of the Company and has over 33 years of experience in the field of chemicals. He has done B. Sc (Chemical Engineering.) from Kanpur University. He has further done Post graduate Diploma in Industrial safety from Regional Labour Institute, Kanpur. He has proficient in overall operations involving production planning & Control besides handling process development on optimum utilisation of Plant & Machinery.

**(b) Past Remuneration****(Rs. in lacs)**

2005-06	1.67
2004-05	1.50
2003-04	1.33

**(c) Recognition or Awards**

He is renowned personality in the field of chemical engineering and industrial safety.

**(d) Job Profile and his Suitability**

As stated above, Mr. Chandra Prakash Nagpal is an B.Sc (Chemical Engineering) from Kanpur University and is holder of Post graduate Diploma in Industrial safety with over 33 years of experience. He is one of the independent Directors of the Company and is vested with substantial powers of management of the Company. As is evident from his qualifications & experience, Mr. Chandra Prakash Nagpal is ideally suited to the nature of our Industry, the benefits of which, the Company would reap over the coming years.

**Remuneration Proposed**

As set out in the resolution for the Item No. 7. The remuneration to the whole Time Director has the approval of remuneration committee.

**(f) Comparative remuneration Profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin.**

The prevalent levels of remuneration in manufacturing industries, in general and the industry in particular are higher. Taking into account the turnover of the Company, Mr. Chandra Prakash Nagpal's invaluable contribution to the Company, his future role in placing the Company in pre-eminent position in the Industry, his future strategic role in turning around the Company from its difficult position, the proposed remuneration to the Appointee is reasonable and in line with the remuneration levels in the Industry, across the country and befits his position.

**(g) Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any.**

Besides the remuneration proposed, Mr. Chandra Prakash Nagpal does not have any pecuniary relationship with the company.

**III. OTHER INFORMATION:****(a) Reasons of loss or inadequate profits**

The Company has since been sanctioned a revised financial package by the CDR – Empowered Group, which, inter-alia, inducted an investor. This will definitely help the Company tap the growth opportunities, which till now could not be done due to financial ill health of the Company. There are business opportunities available in terms of establishing overseas operations in the packaging business.

Further rehabilitation scheme has been sanctioned by Board For Industrial and Financial Reconstruction (BIFR) vide its order dated 15.05.2007 and its further corrigendum dated 06.08.2007, and is under implementation.

Stagnation of the Company is the biggest threat because the present gap has been capitalised by competition and even the market share available to the Company has come under severe pressure.



**ROLLATAINERS LIMITED****(b) Steps taken or proposed to be taken for improvement**

The Company is simultaneously concentrating on operational restructuring, getting back old customers, besides adding new customers by providing them with unique tailor-made solutions.

This will help the Company to improve its operations and bottomlines.

**(c) Expected increase in productivity and profit in measurable terms.**

The Company will strive to widen its customer base, increase market share, develop new products, enter new segments and step up market initiatives and look for overall growth in domestic top line. Company is entering into long-term contracts with the raw material suppliers to avoid unexpected price variation/ shortages. The aforesaid measures are expected to substantively increase the productivity and profits of the Company.

**IV. DISCLOSURE:****The Proposed Remuneration Package of the Managerial Personnel**

As mentioned above. The appointment & remuneration payable to the appointee needs to be approved by the shareholders in a general meeting and accordingly, the resolution is placed before the members.

The Directors recommend the resolution for the approval of the members. None of the other directors is in any way concerned or interested in this resolution.

**THE ABOVE MAY ALSO BE TREATED AS AN ABSTRACT OF TERMS OF APPOINTMENT AND MEMORANDUM OF INTEREST UNDER SECTION 302 OF THE COMPANIES ACT, 1956.**

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

Place : Faridabad  
Date : 4th December, 2007

**(Saran Kumar)**  
Company Secretary

**DIRECTORS' REPORT**

To  
The Members  
**Rollatainers Limited**

Yours Directors' have pleasure in presenting the Thirty-Sixth Annual Report and the Audited Accounts of the Company for the financial year ended 30th September, 2007.

**FINANCIAL RESULTS**

(Rs in lacs)

PARTICULARS	Year ended 30-09-2007	Year ended 30-09-2006
Sales and Other Income	<b>5110</b>	4399
Expenditures	<b>5463</b>	5673
Gross Profit Before Depreciation	<b>(353)</b>	(1274)
Depreciation	<b>220</b>	237
Profit Before Tax	<b>(573)</b>	(1511)
Provisions for Tax (FBT)	<b>(8)</b>	5
Profit After Tax	<b>(581)</b>	(1516)
Provision for Deferred Tax	-	-
Profit After Deferred Tax	<b>(581)</b>	(1516)
Add : Accumulated Profit	<b>(6156)</b>	(4640)
Balance available for Appropriation	<b>(6737)</b>	(6156)
Surplus Carried to Balance Sheet	<b>(6737)</b>	(6156)

**PERFORMANCE**

During the year under review, the Company has recorded a turnover of Rs. 51.10 crores as against a turnover of Rs. 43.99 crores, thus recording a growth of 16% over the previous year. The Loss for the year stands at Rs. 5.81 crores as against the corresponding figure of Rs. 15.16 crores thus reflecting a reduction of 62% in terms of losses.

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. 38.66 crores during the financial year under review as compared to Rs. 37.10 crores in the previous period.

**MACHINERY DIVISION**

The Division has registered a turnover of Rs. 5.52 crores during the financial year under review as compared to Rs. 6.46 crores in the previous period.

**DIVIDEND**

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

**REHABILITATION SCHEME SANCTIONED BY BIFR**

The Board for Industrial and Financial Restruction (BIFR) has sanctioned the rehabilitation scheme vide its order dated 15.05.2007 and further vide its amendment order dated 6.08.2007. The scheme inter alia provides for following matters:

1. The existing equity share capital of the company is directed to be reduced by 90% without the requirement of following the provisions of section 100-103 of the Companies Act, 1956 further without following any SEBI or