

11th ANNUAL REPORT 2002-2003

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ROSELABS LIMITED



ROSELABS LIMITED

ROSELABS LIMITED

BOARD OF DIRECTORS :- **Shri Pawankumar Agarwal** *Chairman-Managing Director*
Shri Suresh Desai *Wholetime Director*
Shri Ashish Raval *Director*

AUDITORS :- **M/s. A. L. Thakkar & Co.**
Chartered Accountants
 Ahmedabad.

BANKERS :- **State Bank of Saurashtra**
 Bhadra Branch, Ahmedabad.

REGISTERED OFFICE & WORKS :- 123/1, Saijpur, Gopalpur, Pirana Road, Piplej,
 Dist. Ahmedabad - 382 405.

REGISTRAR & SHARE TRANSFER AGENTS :- Intime Spectrum Registry Ltd.
 211, Sudarshan Complex,
 Nr. Mithakhali Under Bridge,
 Navrangpura, Ahmedabad - 380 009.

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NOTICE

NOTICE is hereby given that the **ELEVENTH ANNUAL GENERAL MEETING** of the members of **ROSELABS LIMITED**, will be held on Wednesday, the 31st December, 2003 at 11.00 a.m., at 123/1, Saijpur Gopalpur, Pirana Road, Piplej, Dist: Ahmedabad, Pin: 382 405, to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Profit and Loss Account for the year ended as on 30th June, 2003, Balance Sheet as on that date and the Report of the Directors' and Auditors thereon.
2. To appoint a Director in place of Shri Suresh Desai who retires by rotation and being eligible offers himself for reappointment.
3. To appoint Auditors and fix their remuneration.

SPECIAL BUSINESS

4. To consider and if thought fit to pass with or without modification the following as an ordinary resolution.

"RESOLVED THAT subject to the provisions of sections 269, 198, 309, 310 read with Schedule XIII of the Companies Act, 1956 and other applicable provisions, if any, the appointment of Shri Pawankumar Agrawal, as Managing Director of the Company for a period of 5 years w.e.f. 1st January, 2004 on the terms and conditions as set out in the explanatory statement be and is hereby approved, confirmed and ratified."

5. To consider and if thought fit to pass with or without modification the following as an ordinary resolution.

"RESOLVED THAT subject to the provisions of sections 269, 198, 309, 310 read with Schedule XIII of the Companies Act, 1956 and other applicable provisions, if any, the appointment of Shri Suresh Desai, as Wholetime Director of the Company for a period of 5 years w.e.f. 1st January, 2004 on the terms and conditions as set out in the explanatory statement be and is hereby approved, confirmed and ratified."

6. To consider and if thought fit to pass with or without modification the following as an Ordinary Resolution.

"RESOLVED THAT pursuant to the provisions of Section 94 and other applicable provisions, if any, of the Companies Act, 1956, and the provisions of the Articles of Association of the Company and subject to the approvals, consents, permissions and sanctions as may be necessary, from the appropriate authorities or bodies including Stock Exchanges, where the share of the company are listed, the equity shares of the Company having nominal face value of Rs. 10/- (Rupees Ten Only) per Shares be subdivided into equity shares having nominal face value of Re. 1 (Rupee One) per share".

"RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to do all such acts, deeds, matters and things including issue of fresh certificates and execute all such documents, instruments and writings as may be required to give effect to the aforesaid resolution".

"RESOLVED FURTHER THAT on subdivision of the nominal face value of equity shares of the company Clause V of the Memorandum of Association be substituted in the following manner :

"Clause V" : The Authorised Share Capital of Company is Rs. 7,00,00,000 (Rupees Seven Crores Only) divided into 7,00,00,000 (Seven Crores) Equity Shares of Re. 1/- (Rupee One Only) each.

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

"RESOLVED THAT on the resolution for the sub-division of the nominal face value of equity shares being duly passed and becoming effective and pursuant to Section 31 and other applicable provisions, if any, of the Companies Act, 1956, the Article of Association of the Company be altered in line 1 and 2 of the existing Article No. 2, the figures and words" Rs. 7,00,00,000 (Rupees Seven Crores Only) divided into 70,00,000 (Seven Lacs)" Equity Shares of Rs. 10/-

**ROSELABS LIMITED**

(Rupees Ten Only) each, be substituted by following figures and words" Rs. 7,00,00,000 (Rupees Seven Crores only) divided into 7,00,00,000 (Seven Crores) Equity Shares of Re. 1 (Rupee One Only) each."

Regd. Office :

123/1, Saijpur Gopalpur, Pirana Road,
Piplej, Ahmedabad - 382 405.

By Order of the Board
For Roselabs Limited

Pawankumar Agrawal

Chairman-Managing Director

Date : 15-11-2003

NOTES

- (a) **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER**

THE INSTRUMENT APPOINTING PROXY SHOULD HOWEVER BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.

- (b) The Explanatory Statement as Required under Section 173 of the Companies Act, 1956 in annexed hereto.
- (c) The Register of Members and Share Transfer Books of the Company will remain closed from 26th December, 2003 to 31st December, 2003 (both days inclusive).
- (d) Members holding shares of the Company under more than one Ledger Folio are requested to send to the Company, details of all such folios together with the Share Certificates for consolidating the folios into one. The Share Certificates will be returned to the shareholders after making the requisite endorsement thereon.
- (e) Members are requested to intimate the change in their registered address, if any, to the Company's Registrar and Share Transfer Agents M/s. Intime Spectrum Registry Limited.
- (f) All correspondence relating to Shares of the Company may please be addressed to the Company's Registrar and Share Transfer Agents M/s. Intime Spectrum Registry Ltd at 211, Sudarshan Complex, Nr. Mithakhali Under Bridge, Ahmedabad- 380 009.
- (g) Members are requested to bring their copy of the Annual Report to the Meeting, as copies of the Report will not be distributed at the Meeting.
- (h) Members seeking further information about the Accounts and/or Operations of the Company, are requested to send their queries to the Company at its Registered Office atleast TEN days before the date of the Meeting.

Regd. Office :

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By Order of the Board
For Roselabs Limited

Pawankumar Agrawal

Chairman-Managing Director

Date : 15-11-2003

ANNEXURE TO NOTICE**EXPLANATORY STATEMENT AS REQUIRED UNDER SECTION 173(2) OF THE COMPANIES ACT, 1956.**

In conformity with the provisions of Section 173(2) of the Companies Act, 1956, the following Explanatory Statement sets out all material facts relating to Special Business mentioned in the accompanying Notice and should be taken as forming part of the Notice.

ITEM NO. 4

Shri Pawankumar Agrawal, belongs to highly reputed business family of Ahmedabad. His organization qualities are par excellence. He has been associated with the Company since long. He has excelled in the Finance, Legal and General administration.

He shall help the Company in making a foray in the much needed support at this juncture. His experience shall be invaluable to your Company in the areas of Marketing & General Administration.



Looking to the experience of Shri Pawankumar Agrawal and the future growth of the Company and also the long association he had in the past with the Company the Board in their meeting held on 15th November, 2003 appointed Shri Pawankumar Agrawal as Managing Director of the Company w.e.f. 1st January, 2004. The terms and conditions including the remuneration payable to him are as detailed below:

Tenure:

Five years commencing from 01.01.2004.

I. REMUNERATION: Rs. 7,500/- (Rupees Seven Thousand Five Hundred) per month.

II. PERQUISITES:

In addition to the above salary, Shri Pawankumar Agrawal shall be entitled to the following perquisites which shall not be included in the computation of the ceiling on remuneration specified above i.e. a sum of Rs. 7,500/- (Rupees Seven Thousand Five Hundred Only).

- 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 a rate not exceeding half a month's salary for each completed year of service, and
- c) Encashment of leave at the end of the tenure.

III. MINIMUM REMUNERATION:

Shri Pawankumar Agrawal will be entitled to receive a salary and the perquisites referred to hereinabove as minimum remuneration in the absence of or inadequacy of profit in any financial year.

IV. Reimbursement of expenses actually and properly incurred in connection with the business of the company.

The Managing Director shall not be paid any sitting fees for attending the meeting of the Board of Directors or Committee thereof.

The Board of Directors recommend his appointment as the Managing Director.

None of the Directors except Shri Pawankumar Agrawal, is in any way concerned or interested in passing of the Resolution.

ITEM NO. 5

Shri Suresh Desai, belongs to highly reputed business family of Ahmedabad. His organization qualities are par excellence. He has been associated with the Company since long. He has excelled in the Finance, Legal and General administration.

He shall help the Company in making a foray in the much needed support at this juncture. His experience shall be invaluable to your Company in the areas of Production.

Looking to the experience of Shri Suresh Desai and the future growth of the Company and also the long association he had in the past with the Company the Board in their meeting held on 15th November, 2003 appointed Shri Suresh Desai as Wholetime Director of the Company w.e.f. 1st January, 2004. The terms and conditions including the remuneration payable to him are as detailed below:

Tenure:

Five years commencing from 01.01.2004.

I. REMUNERATION: Rs. 10,000/- (Rupees Ten Thousand) per month.

II. PERQUISITES:

In addition to the above salary, Shri Suresh Desai shall be entitled to the following perquisites which shall not be included in the computation of the ceiling on remuneration specified above i.e. a sum of Rs. 10,000/- (Rupees Ten Thousand).

- 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 a rate not exceeding half a month's salary for each completed year of service, and
- c) Encashment of leave at the end of the tenure.

**ROSELABS LIMITED****III. MINIMUM REMUNERATION:**

Shri Suresh Desai will be entitled to receive a salary and the perquisites referred to hereinabove as minimum remuneration in the absence of or inadequacy of profit in any financial year.

IV. Reimbursement of expenses actually and properly incurred in connection with the business of the company.

The Wholetime Director shall not be paid any sitting fees for attending the meeting of the Board of Directors or Committee thereof.

The Board of Directors recommend his appointment as the Wholetime Director.

None of the Directors except Shri Suresh Desai, is in any way concerned or interested in passing of the Resolution.

ITEM NO. 6 & 7

At Present, the nominal face value of the equity shares of the Company is Rs. 10/- per share, in order to make more affordable to the investors, sub-divide the face value of its equity shares from Rs. 10/- per share to a lower value.

In view of this, it is proposed to sub-divide the nominal face value of the Company's Shares from Rs. 10/- per share to Re. 1/- per share. The resolution altering the capital clauses in the Memorandum and Articles of Association of the Company require approval of members in general meeting, hence above resolutions proposed for your kind approval.

None of Directors of the Company is concerned or interested in the said resolutions except to the extent of their shareholding.

Regd. Office :

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Piplej, Ahmedabad - 382 405.

By Order of the Board
For Roselabs Limited

Pawankumar Agrawal

Chairman-Managing Director

Date : 15-11-2003

ANNEXURE FORMING PART OF AGM NOTICE

DETAILS OF DIRECTORS WHO ARE PROPOSED TO BE RE-APPOINTED/APPOINTED PURSUANT TO PROVISIONS OF CLAUSE 49 OF THE LISTING AGREEMENT ARE GIVEN BELOW:

ITEM NO. 2

Shri Suresh Desai is B.Sc. (Chemistry) and having 30 years of Experience in the line of manufacturing of Vat Dyes. He is associates with the Company since last 15 years. At present he is looking after the production of the Company.

Shri Suresh Desai is a Member of the Audit Committee of the Company.

Shri Suresh Desai is not a Director in any other Company.

ITEM NO. 4

Shri Pawan Kumar Agarwal is B.E. (Mechanical) and is having 15 Years of experience of finance, technical and general administration in the industry.

Shri Pawan Kumar Agarwal hold directorships in the following other companies:

- | | |
|-----------------------------|-------------------------------|
| 1. Roselabs Finance Limited | 2. Sadiram Industries Limited |
| 3. Tripex Overseas Limited | |

Shri Pawan Kumar Agarwal is member of Audit Committee of following companies:-

- | | |
|----------------------------|-----------------------------|
| 1. Roselabs Limited. | 2. Roselabs Finance Limited |
| 3. Tripex Overseas Limited | |

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By Order of the Board
For Roselabs Limited

Pawankumar Agrawal

Chairman-Managing Director

Date : 15-11-2003

DIRECTORS' REPORT

To,
The Members,
ROSELABS LIMITED
Ahmedabad.

Your Directors have pleasure in presenting herewith their 11th Annual Report together with the Audited Statements of Accounts for the year ended 30th June, 2003.

		(Rs. in lacs)
FINANCIAL RESULTS	2002-2003	2001-2002
Sales	197.35	180.26
Profit before making provisions for Interest, Depreciation and Taxation	21.50	21.70
Less :		
1. Interest	1.97	3.24
2. Depreciation	17.53	17.59
3. Provision for Taxation	0.05	0.11
Profit for the year	1.95	0.76
Add : Balance in Profit & Loss A/c	255.70	254.94
Profit available for Appropriation	257.65	255.70
Balance Carried to Balance sheet	257.65	255.70

DIVIDEND

In view of lesser profits during the year under review and to conserve the resources your Directors do not recommend any dividend.

PRESENT OPERATIONS

The operations during the year under review remained affected, due to general recessionary trend prevailing in the market. Further, recessionary trend across the country and all over the world as well and severe competition in the domestic market also effected the performance of the Company. Manufacturing and administrative expenses effected the profitability of the Company. However due to continued effort on financial costs reduction improved the performance of the Company. The Directors have put in efforts and are exploring the possibility to achieve better results in future.

LISTING

The Shares of the Company are listed at Ahmedabad and Mumbai Stock Exchanges and the listing fees have been duly paid to both the Stock Exchanges.

INSURANCE

All properties and insurable interests of the Company including Building, Plant and Machineries, Stocks, Spares etc. wherever necessary and to the extent required, have been adequately insured.

DIRECTORS

Shri Suresh Desai, Director retire by rotation at the ensuing Annual General Meeting. Being eligible he offers himself for reappointment.

ROSELABS LIMITED**RESPONSIBILITY STATEMENT**

Pursuant to Section 217(2AA) of Companies Act, 1956, it is hereby confirm :

- a) that in the preparation of the annual accounts financial year ended as on 30th June, 2003, the applicable accounting standards have been followed and there is no material departures from the same;
- b) that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give 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 that year;
- c) that the Directors have 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;
- d) that the Directors have prepared the annual accounts for the financial year ended as on 30th June, 2003 on 'a going concern' basis.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS/OUTGO.

The information relating to Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo required under section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of particulars in the Report of the Board of Directors) Rules, 1988, is given in the Annexure to this Report.

PARTICULARS OF EMPLOYEES

Provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 are not applicable to the Company, and hence the information is not given.

AUDIT COMMITTEE

The Company has constituted an Audit Committee pursuant to the provision of the Section 292A of the Companies Act, 1956, which consists the following Directors:

1. Shri Ashish Raval (Chairman of the Committee)
2. Shri Suresh Desai (Member of the Committee)
3. Shri Pawankumar Agrawal (Member of the Committee)

The terms of reference of the Audit Committee mandated by your Board of Directors which is also in line with the statutory and regulatory requirement are:

- a. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- b. Recommending the appointment and removal of external auditors, fixation of audit fees and also approval for payment for any other services.
- c. Reviewing with management the annual financial statements before submission to the board.
- d. Reviewing with management, external and internal auditors, the adequacy of internal control systems.
- e. Reviewing the adequacy of internal audit function including structure of the internal audit



department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.

- f. Discussion with internal auditors on any significant findings and follow-up thereon.
- g. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
- h. Discussion with external auditors before the audit commences, nature and scope of audit as well as have post-audit discussions to ascertain any area of concern.
- i. Reviewing the company's financial and risk management policies.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

This has been dealt with in the separate annexure to this report.

CORPORATE GOVERNANCE

A separate report on Corporate Governance as prescribed by the Listing Agreement of the relevant Stock Exchanges forms part of the Annual Report 2002-2003 along with Auditors' Certificate on its compliance.

AUDITORS

You are requested to appoint Auditors for the Current Year to hold office from the conclusion of the Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

The Company has received Certificate U/s.224(1B) of the Companies Act, 1956 from M/S A.L.Thakkar & Co. the Auditors of the Company signifying that the reappointment if made, at the ensuing Annual General Meeting, will be within the limits specified. The report of the Auditor is self explanatory and have been suitably dealt with in the notes to accounts.

PERSONNEL

Industrial relations continued to be cordial and harmonious during the year under review. Directors wish to place on record their appreciation for the co-operation received from the staff and workers at all levels.

ACKNOWLEDGMENT

Your Directors express their gratitude to the continuous support of the Financial Institutions, Banks, Central and State Governments, Office of the Industries Commissioner, valued Customers and devoted workers for their continuous contribution to the growth and progress of the Company.

The Directors also take this opportunity to thank the shareholders for the confidence reposed in the management.

Regd. Office :

123/1, Saijpur Gopalpur,
Pirana Road, Piplej,
Ahmedabad - 382 405.

For and on Behalf of the Board

Pawankumar Agrawal
Chairman - Managing Director

Date : 15th November, 2003