

**13th ANNUAL REPORT**  
**2004-2005**

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**ROSELABS LIMITED**



ROSELABS LIMITED

## ROSELABS LIMITED

**BOARD OF DIRECTORS :-** Shri Pawankumar Agrawal *Chairman-Managing Director*  
 Shri Suresh Desai *Whole Time Director*  
 Shri Ramawtar Jangid (w.e.f. 27.01.2004)  
 Shri Arjunbhai Dabhi (w.e.f. 27.01.2004)  
 Shri Aabhash Agrawal (w.e.f. 17.08.2004)  
 Shri Ashish Raval (upto 12.01.2005)

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

**BANKERS :-** Bank of Baroda  
 New Cloth Market Branch,  
 Ahmedabad.

**REGISTERED OFFICE & FACTORY :-** 123, Saijpur, Gopalpur, Pirana Road, Piplej,  
 Dist. Ahmedabad - 382 405.

**REGISTRAR & SHARE TRANSFER AGENTS :-** Intime Spectrum Registry Limited  
 211, Sudarshan Complex,  
 Nr. Mithakhali Under Bridge,  
 Navrangpura, Ahmedabad - 380 009.  
 ahmedabad@intimespectrum.com

### 13TH ANNUAL GENERAL MEETING

Day : Friday  
 Date : 30th December, 2005  
 Time : 11.00 a.m.  
 Venue : 123/1, Saijpur Gopalpur,  
 Pirana Road,  
 Piplej,  
 Dist. Ahmedabad - 382 405.

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## NOTICE

**NOTICE** is hereby given that the **THIRTEENTH ANNUAL GENERAL MEETING** of the members of **ROSELABS LIMITED**, will be held on Friday, the 30th December, 2005 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 period ended as on 30th June, 2005. 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 a Director in place of Shri Pawankumar Agrawal who retires by rotation and being eligible offers himself for reappointment.
4. To appoint Auditors and fix their remuneration.

### SPECIAL BUSINESS

5. To consider, and if thought fit, to pass with or without modifications, the following resolution as an **ORDINARY RESOLUTION**

**"RESOLVED THAT** pursuant to provisions of Section 94 and other applicable provisions, if any, of the Companies Act, 1956, the Authorised Share Capital of the Company be and is hereby increased from Rs. 7,00,00,000/- (Rupees Seven Crores only) to Rs. 12,00,00,000/- (Rupees Twelve Crores only) divided into 1,20,00,000 (One Crore Twelve Lacs only) equity Shares of Rs. 10/- (Rupees Ten only) each ranking pari - passu with the existing equity Shares of the Company."

**"FURTHER RESOLVED THAT** Clause V of the Memorandum of Association be substituted in the following manner : -

**"Clause V" :** The Authorised Share Capital of Company is Rs. 12,00,00,000 (Rupees Twelve Crores Only) divided in 1,20,00,000 (One Crore Twenty Lacs) Equity Shares of Rs. 10/- ( Rupees Ten Only ) each."

6. To consider and if thought fit to pass with or without modification the following resolution as a **SPECIAL RESOLUTION :**

**"RESOLVED THAT** subject to provisions of Section 31 and other applicable provisions ,if any, of the Companies Act,1956 in line 1 and 2 of the existing Article No. 2 , the figures and words "7,00,00,000/- (Rupees Seven Crores Only) divided into 70,00,000 (Seventy Lacs)" be substituted by following figures and words "12,00,00,000 (Rupees Twelve Crores Only) divided into 1,20,00,000 (One Crore Twenty Lacs)."

### Regd. Office :

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

By Order of the Board  
**For Roselabs Limited**

**Pawankumar Agrawal**

*Chairman - Managing Director*

**Date :** 28th November, 2005

### NOTES

- 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.
- The Explanatory Statement as Required under Section 173 of the Companies Act, 1956 in annexed hereto.
- The Register of Members and Share Transfer Books of the Company will remain closed from 26th December, 2005 to 30th December, 2005 (both days inclusive).



## ROSELABS LIMITED

- (d) Members holding shares of the Company under more than one Ledger Folio are requested to send to the Registrar & Share Transfer Agents of 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) All correspondence relating to Change of Address & 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.
- (f) 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.
- (g) 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.

### 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. 5 :

Currently, the Authorised Share Capital of the Company is Rs. 7,00,00,000/- (Rupees Seven Crores Only). The Company will be required to issue 54,00,000/- Equity Shares to the shareholders of Sadiram Industries Private Limited pursuant to the order of the Hon'ble High Court in the matter of amalgamation of Sadiram Industries Private Limited with the Company as approved by the shareholders of the company in the extra ordinary general meeting of the shareholders of the Company held on 21st April, 2005. Therefore, it is proposed to increase the Authorised Capital of the Company from Rs. 7,00,00,000/- to Rs. 12,00,00,000/- divided into 1,20,00,000 equity shares of Re. 10/- (Rupees Ten only) to enable the Company to issue proposed 54,00,000 equity shares on amalgamation.

None of the Directors are in any way concerned or interested in the above resolution except to the extent of their shareholding.

#### ITEM NO. 6

In view of the increase in authorised share capital as stated above, Clause 2 of the Articles of Association also requires to be altered to give effect accordingly.

None of the Directors are in any way concerned or interested in the above resolution except to the extent of their shareholding.

### 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 associated with the Company since inception and has contributed a lot to the development of the Company. At present he is looking after the production of the Company.

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

#### ITEM NO. 3

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

Shri Pawan Kumar Agrawal holds directorships in the following other companies:

1. Roselabs Finance Limited
2. Singhal Overseas Limited

#### Regd. Office :

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

By Order of the Board  
For Roselabs Limited

**Pawankumar Agrawal**

Chairman - Managing Director

Date : 28th November, 2005

**DIRECTORS' REPORT**

To,  
The Members,  
**ROSELABS LIMITED**  
Ahmedabad.

Your Directors have pleasure in presenting herewith their 13th Annual Report together with the Audited Statements of Accounts for the period ended 30th June, 2005.

	(Rs. in lacs)	
<b>FINANCIAL RESULTS</b>	<b>2004-2005</b>	<b>2003-2004</b>
Sales	288.41	174.79
Profit before making provisions for Interest, Depreciation and Taxation	23.92	19.03
Less :		
1. Interest	2.41	1.45
2. Depreciation	16.32	16.09
3. Provision for Taxation	Nil	0.06
Profit for the year	5.19	1.43
Add : Balance in Profit & Loss A/c	259.09	257.66
Profit available for Appropriation	264.28	259.09
Balance Carried to Balance sheet	264.28	259.09

**DIVIDEND**

In view of lesser profits available for appropriation and to conserve the resources your Directors do not recommend any dividend.

**PRESENT OPERATIONS**

The operations during the year under review were satisfactory. The increased turnover of the Company shows a rise of almost 65%. Your Company during the year under review has started the trading and marketing of Pharmaceuticals-generic tablets, capsules and powder. However this being the first year of operations in field of Pharma, the desired results could not be achieved. Higher marketing and staff costs, apart from increased financial expenses affected the profitability of the Company.

During the current year the Company has achieved the turnover of Rs. 256.72 lacs resulting into the net profit of Rs. 6.07 lacs till the end of September, 2005. Your Directors are in planning to develop the better product mix and enter into the international market. The Directors have put in efforts and are exploring the possibility to achieve better results in future. Your Directors are confident to achieve still better results in time to come.

As you are aware that the Company has passed the resolution for amalgamation of Sadiram Industries Pvt. Ltd. with the Company in the general meeting of the shareholders of the Company held on 21st April, 2005. The petition is pending with the Hon'ble High court of Gujarat and the final order is expected shortly.

**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.



## ROSELABS LIMITED

### 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 and Shri Pawankumar Agrawal, Directors of the Company retire by rotation at the ensuing Annual General meeting and being eligible offer themselves for reappointment.

Shri Ashish Rawal resigned as director of the Company during the year. Your Directors express gratitude towards services rendered by him during tenure of his office.

### DIRECTORS' RESPONSIBILITY STATEMENT

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

- that in the preparation of the annual accounts financial year ended 30th June, 2005, the applicable accounting standards have been followed and there is no material departures from the same;
- 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;
- 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;
- that the Directors have prepared the annual accounts for the financial year ended 30th June, 2005 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 provisions of the Section 292A of the Companies Act, 1956, and Clause 49 of Listing Agreement, details of which is given separately in the Report on Corporate Governance.

### 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 Clause 49 of the Listing Agreement of the relevant Stock Exchanges forms part of the Annual Report 2004-2005 along with Auditors' statement 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 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, Saijpur Gopalpur,  
Pirana Road, Piplej,  
Ahmedabad - 382 405.

For and on Behalf of the Board

**Date :** 28th November, 2005

**Pawankumar Agrawal**  
*Chairman - Managing Director*





## ANNEXURE TO THE DIRECTORS REPORT

Disclosure of particulars with respect to Conservation of Energy, Technology Absorption and Foreign Exchange Earning and out go as required under Section 217 (1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in Directors' Report) Rules, 1988 and forming part of the Directors' Report for the year ended 30th June, 2005.

**A. CONSERVATION OF ENERGY****1) Energy Conversation measures taken**

The Company has formed a strong technical department headed by a senior personnel to continuously monitor energy consumption and plan and execute energy conservation schemes. Effective measures are being taken for overall technological upgradation of plant and machinery.

**2) Total energy consumption and energy consumption per unit of production****FORM 'A'****A) POWER AND FUEL CONSUMPTION**

	Amount In Rupees	
	<u>2004-2005</u>	<u>2003-2004</u>
1) Power & Fuel	<b>19,12,172</b>	<b>23,28,093</b>

**B) TECHNOLOGY ABSORPTION :****a) Research and Development**

- i) Specific areas in which R & D carried out by the Company. The Research & Development efforts of the Company are directed towards quality control and improvement of in-house expertise.
- ii) Benefits derived as a result of the above R & D Benefits derived by the Company from its Research & Development activities are primary by way of improvement in product quality and cost effectiveness.

**b) Technology Absorption and innovation:****i) Efforts in brief made towards technology absorption, adoption and innovation:**

The Company has been putting emphasis to train its technical personnel in house by way of providing training to them for the latest technology available.

**ii) Benefits derived as a result of the above efforts:**

It has resulted in a better quality of product which has been brought to the International Standard, besides improving the productivity and reducing the wastages.

**iii) information regarding technology imported during the last five years:**

Not Applicable.

**C) FOREIGN EXCHANGE EARNINGS / OUTGO**

Not Applicable.





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**MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

Pursuant to Clause 49 of Listing Agreement, a Management Discussion & Analysis report is given below:-

**INDUSTRY STRUCTURE AND DEVELOPMENTS**

The general recessionary trend in domestic market made the financial year 2004-2005 a difficult for many companies. Your Company earned satisfactory profit for the Financial year 2004-2005. Your directors are in planning to develop better product mix and enter into the international market.

**OUTLOOK ON OPPORTUNITIES, THREATS, RISK AND CONCERNS**

As far as the future outlook is concerned, the company is expected to develop the various product mix to face the severe competition in domestic market in the future, considering the fact that industrial growth picks up. The company is in position to compete with its competitors by better product development as well as customer services. This was the maiden year for venturing into the area of pharmaceuticals by the Company.

**INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

Your Company is committed to maintaining high standards of internal controls designed to provide accuracy of information, efficiency of operations, and security of assets. The company has adequate internal controls commensurate with the size and nature of its operations to ensure orderly and efficient conduct of business.

These controls ensure the safeguarding of assets, prevention and detection of fraud and error, the accuracy and completeness of the accounting records, timely preparation of reliable financial information and adherence to Company's policies, procedures and legal obligations. The audit committee of the Board of Directors meets periodically to review the performance as reported by the auditors.

**FINANCIAL PERFORMANCE**

The company's turnover for the Financial year 2004-2005 is Rs. 288.41 Lacs. The net profit for the current Financial Year is Rs 5.18 Lacs. This was due to heavy administrative cost, selling and distribution expenses & Financial costs as compared to the previous financial year.

**MATERIAL DEVELOPMENTS IN HUMAN RESOURCES/ INDUSTRIAL RELATIONS FRONT.**

There has been no material development on the Human Resource/Industrial Relations Front during the year.

**CAUTIONARY STATEMENT**

Management Discussion and Analysis report are based on certain assumptions and expectations of future events. The Company cannot guarantee that these assumptions and expectations are accurate or will be realized by the Company. Actual results could differ materially from those expressed or implied. Important factors that could make a deference to the Company's operation include global and Indian market conditions, changes in the Government Regulations, Tax regimes, WTO Regulations and such other factor.

The Company assumes no responsibility to publicly amend, modify or revise any of these statements on the basis of any subsequent developments, information or events.