



ROSELABS LIMITED

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15th ANNUAL REPORT  
2006-2007



## ROSELABS LIMITED

**BOARD OF DIRECTORS :-**

|                         |                            |
|-------------------------|----------------------------|
| Shri Pawankumar Agarwal | Chairman-Managing Director |
| Shri Suresh Desai       | Whole Time Director        |
| Shri Ramawtar Jangid    | Director                   |
| Shri Arjunbhai Dabhi    | Director upto 15.03.07     |
| Shri Aabhash Agarwal    | Director upto 15.03.07     |
| Shri Zameer Agarwal     | w.e.f.15.03.07             |
| Shri Bhupendra Panchal  | w.e.f.15.03.07             |

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

**BANKERS :-** Bank of Baroda  
 Bhadra Branch,  
 Ahmedabad.

**REGISTERED OFFICE & FACTORY :-** 123/1, 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.

### 15TH ANNUAL GENERAL MEETING

Day : Saturday  
 Date : 29th September, 2007  
 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 **FIFTEENTH ANNUAL GENERAL MEETING** of the members of **ROSELABS LIMITED**, will be held on Saturday, the 29th September, 2007 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 31st March, 2007, Balance Sheet as on that date and the Report of the Directors' and Auditors thereon.
2. To appoint a Director in place of Shri Pawankumar Agarwal who retires by rotation and being eligible offers himself for reappointment.
3. To appoint a Director in place of Shri Suresh Desai 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** Shri Zameer Agarwal a Director appointed as an additional Director in the meeting of the Board of Directors and who holds office upto the date of ensuing Annual General Meeting and in respect of whom a notice u/s 257 of the Companies Act, 1956 has been received from a member signifying his intention to propose Shri Zameer Agarwal as candidate for the office of Director of the Company 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 modifications, the following resolution as an **ORDINARY RESOLUTION**

**"RESOLVED THAT** Shri Bhupendra Panchal a Director appointed as an additional Director in the meeting of the Board of Directors and who holds office upto the date of ensuing Annual General Meeting and in respect of whom a notice u/s 257 of the Companies Act, 1956 has been received from a member signifying his intention to propose Shri Bhupendra Panchal as candidate for the office of Director of the Company be and is hereby appointed as Director of the Company liable to retire by rotation."

#### Regd. Office :

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

By Order of the Board  
For Roselabs Limited

Dated : 13<sup>th</sup> September 2007

Pawankumar Agarwal  
Chairman - Managing Director

#### 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(2) of the Companies Act, 1956, in respect of Special Business mentioned in the above notice is annexed hereto.
- (c) The Register of Members and Share Transfer Books of the Company will remain closed from 24th September, 2007 to 29th September, 2007 (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 & 6**

The Board of Directors had appointed Shri Zameer Agarwal and Shri Bhupendra Panchal as additional Directors of the Company with effect from 15th March, 2007 to hold the office upto the date of Annual General Meeting.

As required under section 257 of the Companies Act, 1956 notices has been received by the Company from a Member of the Company signifying his intention to propose Shri Zameer Agarwal and Shri Bhupendra Panchal as the candidates for the office of Director of the Company. The Company has also received the deposits of Rs. 500/- from the said Member as required under the Act.

The Board of Directors recommend their appointment as Directors.

None of the Director except Shri Zameer Agarwal and Shri Bhupendra Panchal are in any way concerned or interested in passing of the Resolution.

**Regd. Office :**

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Pirana Road, Piplej,  
Ahmedabad - 382 405.

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

**Pawankumar Agarwal**

**Chairman - Managing Director**

**Dated : 13<sup>th</sup> September 2007**

**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 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 Agrawal holds directorships in the following other companies:

1. Roselabs Finance Limited
2. Singhal Overseas Limited

**ITEM NO. 3**

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 17 years. At present he is looking after the production of the Company.

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

**Regd. Office :**

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

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

**Pawankumar Agarwal**

**Chairman - Managing Director**

**Dated : 13<sup>th</sup> September 2007**

**DIRECTORS' REPORT**

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

Your Directors have pleasure in presenting herewith their 15th Annual Report together with the Audited Statements of Accounts for the period ended 31st March, 2007

|  | (Rs. in lacs)    |                  |
|--|------------------|------------------|
| <b>FINANCIAL RESULTS</b>   | <b>2006-2007</b> | <b>2005-2006</b> |
| Sales  | 654.93           | 515.65           |
| Profit before making provisions<br>for Interest, Depreciation and Taxation | 39.89            | 39.25            |
| Less :   |                  |                  |
| 1. Interest  | 1.17             | 2.04             |
| 2. Depreciation  | 19.51            | 18.95            |
| 3. Provision for Taxation  | 1.65             | 1.50             |
| 4. Fringe Benefit Tax  | 0.60             | 0.50             |
| Profit for the year  | 16.96            | 16.26            |

**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 remained affected, due to general recessionary trend prevailing in the market as well as all over the world. Further severe competition in the domestic market also effected the performance of the Company. Heavy raw material cost and financial expenses effected the profitability of the Company. Your director are 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.

**LISTING**

The Shares of the Company are listed at Ahmedabad Stock Exchange Limited and Bombay Stock Exchange Limited. 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 Pawankumar Agarwal and Shri Suresh Desai, Directors of the Company retire by rotation at the ensuing annual General meeting and being eligible offer themselves for reappointment. Your Directors recommend their reappointment.

The Board of Directors had appointed Shri Zameer Agarwal and Shri Bhupendra Panchal as additional Directors of the Company with effect from 15th March, 2007 to hold the office upto the date of Annual General Meeting. Your Directors recommend their appointment.

Shri Arjunbhai Dabhi and Shri Aabhash Agarwal, Directors of the Company have resigned from the office of the director w.e.f. 15th March, 2007. The Board express ther gratitude towards the services rendered by them during the tenure of their service.

**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 31st March, 2007, the applicable accounting standards have been followed and there is no material departures from the same;



## ROSELABS LIMITED

- 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 31st March, 2007 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, 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 2006-2007 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 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 of Directors

**Pawankumar Agarwal**  
Chairman - Managing Director

Date : 13<sup>th</sup> September 2007





## ANNEXURE TO THE DIRECTORS' REPORT

Disclosure of particulars with respect to Conservation of Energy, Technology Absorption and Foreign Exchange Earning and Outgo 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 31st March, 2007.

**A. CONSERVATION OF ENERGY****1) Energy Conservation 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 up gradation 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>2006-2007</u>   | <u>2005-2006</u> |
| 1) Power & Fuel | <b>17,01,832</b>   | <b>22,94,985</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 : 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.

**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 2006-2007 a difficult for many companies. Your Company earned the negligible profit for the Financial year 2006-2007, due to general recessionary trend prevailing in the market all over the world. 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.

**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 companies 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 2006-2007 is Rs. 654.93 Lacs as compared to the previous year of Rs. 515.65 Lacs. The net profit for the current Financial Year has been increased from Rs 16.26 Lacs to Rs. 16.96 Lacs.

**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 difference 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.



## REPORT ON CORPORATE GOVERNANCE:

As required under clause 49 of the Listing Agreement, a Separate Report on Corporate Governance is given below for the financial year ended 31st March, 2007 along with certificate of auditors of the Company.

### 1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Your Company conducts its affairs in a fair, transparent and professional manner. Your Company has always followed fair business and corporate practices. The Company believes that adherence of good corporate governance is a milestone for survival and long term growth.

### 2. BOARD OF DIRECTORS:

#### (I) Composition of Board:

Board of Directors of the Company consists Five Directors. Shri Pawankumar Agarwal is Non-Executive Chairman of the Company. None of the directors on the Board is a member on more than 10 Committees and Chairman of more than 5 Committees including Roselabs Limited.

#### (II) Attendance of each Director at the Board Meetings and Annual General Meeting:- Eleven Board Meetings were held during the financial year 2006-2007.

| Name of Director            | Category | Number of Board Meetings attended | Attendance at the Last AGM |
|-----------------------------|----------|-----------------------------------|----------------------------|
| 1. Shri Pawan Kumar Agarwal | NI - NE  | 11                                | Yes                        |
| 2. Shri Suresh Desai        | IND - E  | 11                                | Yes                        |
| 3. Shri Ramawtar Jangid     | IND - NE | 11                                | Yes                        |
| 4. Shri Arjunbhai Dabhi*    | IND - NE | 10                                | Yes                        |
| 5. Shri Aabhash Agarwal *   | NI - NE  | 10                                | Yes                        |
| 6. Shri Zameer Agarwal **   | NI - NE  | 1                                 | No                         |
| 7. Shri Bhundra Panchal **  | IND - NE | 1                                 | No                         |

NI: Non-Independent, NE: Non Executive, IND: Independent, E : Executive

Note :

\* upto 15.03.07

\*\* w.e.f. 15.03.07

#### (III) Number of other Companies or Committees the Director is a Director/Chairman:

| Name of Director             | No. of other Directorship (other than RLL) | No. of Committees in which member |
|------------------------------|--|-----------------------------------|
| 1. Shri Pawan Kumar Agarwal  | 2  | 3                                 |
| 2. Shri Suresh Desai         | NIL  | NIL                               |
| 3. Shri Ramawtar Jangid      | 2  | 2                                 |
| 4. Shri Arjunbhai Dabhi *    | NIL  | 1                                 |
| 5. Shri Aabhash Agarwal *    | NIL  | 2                                 |
| 6. Shri Zameer Agarwal **    | NIL  | 1                                 |
| 7. Shri Bhupendra Panchal ** | 1  | 1                                 |

Note :

\* upto 15.03.07

\*\* w.e.f. 15.03.07