

Roselabs Industries Limited

19

ANNUAL REPORT
2010 - 2011

Regd. Office :

REGISTERED OFFICE

20, MANISH SOCIETY, B/H. MANISH HALL,
NARANPURA, AHMEDABAD - 380013.

BOARD OF DIRECTORS

Shri Naresh Rachchh	Director
Shri Satish Vadilal Raval	Director
Shri Surekhaben K. Shah	Director
Shri Jayendrbhai M Shah	Director

AUDITOR

(MOTILAL & ASSOCIATES)
CHARTERED ACCOUNTANTS
MUMBAI

REGISTRAR AND SHARE TRANSFER AGENT

PURVA SHARE REG. INDIA PVT. LTD.
9-SHIV SHAKTI INDL. ESTATE,
J.R. BORICHA MARG, OPP. KASTURBA HOSPITAL,
LOWER PAREL (E), MUMBAI - 400011

BOOK CLOSURE

28-09-2011 TO 30-09-2011
(BOTH DAYS INCLUSIVE)

BANKER

AXIS BANK LIMITED

AGM DATE

30-09-2011

NOTICE

NOTICE is hereby given to the Members of **ROSELABS INDUSTRIES LIMITED** that the **19TH ANNUAL GENERAL MEETING** of the Members of the Company will be held on Thursday, the 30th September, 2011 at 11.00 A.M. at the Registered Office of the Company at 20, Manish Society, B/H Manish Hall, Naranpura, Ahmedabad - 380013 to transact the following business :

ORDINARY BUSINESS :

1. To receive, consider, approve and adopt the Audited Statement of Accounts i.e. the Audited Balance Sheet as at 31st March, 2011 the Profit and Loss Account for the year ended on that date, the report of the Auditors and Directors thereon.
2. To appoint a Director in place of Mrs. Surekhaben K. Shah, 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 until the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS:

4. To consider and if thought fit to pass with or without modification following as Ordinary Resolution :

"Resolved that pursuant to Provisions of Section 260 of the companies Act, 1956, Mr. JAYENDRBHAI MOHANLAL SHAH, who was appointed by the board as Director w.e.f. 05-04-2011 be and is hereby appointed as Director of the company whose term of office will be liable to determination to retire by rotation.

Place : Ahmedabad
Date : 01/09/2011

By the Order of the Board of Directors
Sd/-
NARESH RACHCHH
CHAIRMAN

NOTES

1. A Member entitled to attend and vote at the meeting is also entitled to appoint a Proxy to attend and vote instead of himself and a Proxy need not be a member of the company.

Proxies in order to be effective should be duly completed, stamped and signed and must be deposited at the Registered office of the company not less than forty eight hours before the commencement of the meeting.

2. The Register of Members and Share Transfer Books of the Company will remain closed from 28th September, 2011 to 30th September, 2011 (both days inclusive) as per the provisions of Section 154 of the Companies Act, 1956.
3. Members desiring any information on Accounts and/or Operations of the Company, are requested to send their queries to the Company at its Registered Office at least 7 days before the date of the Meeting.
4. All correspondence relating to Change of Address & Shares of the Company may please be addressed to the Company's Registrar and Share Transfer Agents.

EXPLANATORY STATEMENT UNDER SECTION 173(2) OF THE COMPANIES ACT, 1956
Item no. 4

JAYENDRBHAI MOHANLAL SHAH, Director of the Company, was appointed by the Board of Directors of the Company as an Director w.e.f from 05/04/2011 pursuant to the relevant provisions of the Companies Act, 1956 and under the Articles of the Article of Association of the company and he holds such office only upto the date of this Annual General Meeting. Particulars about him are given in para 2 of the Corporate Governance Report. A notice in writing has been received u/s. 257 of the Companies Act, 1956 along with a deposit of Rs.500/- from a member signifying his intention to propose his appointment as Director of the Company liable to retire by rotation. Your Board of Directors are of the opinion that with the appointment, the company will be benefited a lot and hence commends the resolution for approval.

None of the Director of the company is concerned or interested in the resolution except himself.

Place : Ahmedabad
Dated : 01-09-2011

By the Order of the Board of Directors
Sd/-
NARESH RACHCHH
CHAIRMAN

DIRECTORS' REPORT

To,
The Members,
ROSELABS INDUSTRIES LIMITED, Ahmedabad

Your Directors are pleased to present the 19th Annual Report together with Audited Financial Accounts for the year ended 31st March, 2011.

FINANCIAL HIGHLIGHTS:

(Rs. in Thousands)		
Financial Results	Current Year 2010 - 11	Previous Year 2009-10
Income	692.087	7233.654
Profit before making provisions for Interest, Depreciation and Taxation		
Less :		
1. Interest	0.00	0.00
2. Depreciation	0.00	0.00
3. Provision for Taxation	0.00	0.00
4. Fringe Benefit Tax	0.00	0.00
5. Income Tax of earlier Year	0.00	87.92
Profit/loss for the year	93.964	-18786.714

DIVIDEND

Due to carried forward losses your directors do not propose any dividends for the current year.

CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION & ANALYSIS REPORT

Necessary measures have been taken to comply with the requirements of the Listing Agreements with the Stock Exchanges where the Company's Shares are listed. The report on Corporate Governance is included as a part of Directors Report. A report on Corporate Governance as stated above, along with a certificate of compliance from the Auditors, forms part of this Annual Report. Management Discussion and Analysis Report has been enclosed herewith and forming part of the Directors' Report.

ENVIRONMENT PROTECTION :

Your Company is not engaged in any type of manufacturing activities. It is not generating any type of pollution. Hence the regulations on Pollution control are not applicable to your company.

INSURANCE AND PROTECTION OF ASSETS :

Your Company's all fixed, movable and tangible assets are properly insured against all available commercial, natural and human hazardous risks from approved insurance companies. During the year under review your Company has not made any insurance claim and no such claims are still pending for settlement / payment.

DEPOSITS

During the year under review your company has neither invited nor accepted any public deposit or deposits from the public as defined under Section 58A of the Companies Act, 1956. The Deposits any accepted from the Directors are exempt as per the provisions of Section 58A of the Companies Act, 1956.

DIRECTORS :

Surekhaben K. Shah,, Director of the Company is liable to retire by rotation at the ensuing Annual General Meeting and being eligible offers himself for reappointment. Your Directors recommend his reappointment.

After the date of Balance Sheet i.e. year ended 31.03.2011 during the current year Mr. JAYENDRBHAI MOHANLAL SHAH have been appointed directors in the meeting of members of the Company duly held on 05.04.2011 , in view of their shareholding reducing to negligible levels. Consequently to their removal they are no more to management and have also ceased to be the promoters of the Company.

DIRECTORS 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 31st March, 2011, 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 31st March, 2011 on 'a going concern' basis.

STATUTORY AUDITORS

M/s. A. L. Thakkar & Co., Chartered Accountants, Ahmedabad had expressed their inability to continue as the Statutory Auditor of the Company and the Board had appointed M/s.Motilal & Associates, chartered Accountants Mumbai on the casual vacancy of the statutory auditor. The Company has received a certificate from them that their appointment if approved by the shareholders would be within the ceiling prescribed under section 224(1B) of the Companies Act, 1956. The members are requested to appoint auditors to hold office until the conclusion of the next Annual General Meeting of the Company.

AUDITORS OBSERVATION

There are no observations made by Auditors in their report. Notes to the Accounts are itself self explanatory in nature.

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.

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.

MATERIAL CHANGES

Except the information given in this report i.e. with regard to change in management and control of the Company there are no material changes that have taken place after the completion of financial year and up to the date of this report which may have substantial effect on business and finances of the company.

LISTING

The Equity Shares of the Company are presently listed at the Bombay Stock Exchange Limited (BSE). The Company has duly paid the Annual listing fees up to 31st March, 2011 BSE. Adequate care is being taken to comply almost all the norms and guidelines as per applicable provisions of the Listing Agreement with the Company.

APPRECIATION :

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 Company.

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

**BY ORDER OF THE BOARD
ROSELAB INDUSTRIES LIMITED**

**Place : Ahmedabad
Date : - 01.09.2011**

**SD/-
(NARESH RACHCHH)
CHAIRMAN**

ANNEXURE TO THE DIRECTORS REPORT

Information 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, 2011.

A) CONSERVATION OF ENERGY

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.

Total energy consumption and energy consumption per unit of production.

Power and Fuel Consumption :

Particulars	Current Year	Previous Year
	2010 - 11	2009 - 10
1) Power & Fuel	Nil	1,02,664

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. No expenditure has been incurred by the firm during the year.

- 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 2010-11 a difficult for many companies. Your Company incurred the loss for the Financial year 2010-11, due to general recessionary trend prevailing in the market all over the world and heavy cost of administrative and other expenses and less sales. Your directors are hopeful to achieve better results in future.

OUTLOOK ON OPPORTUNITIES, THREATS, RISK AND CONCERNS

The manufacturing of dyes off late, has been a business of stiff competition with cheaper import and the big players. To continue the same may endanger losses in future.

The Company is in position to compete with the its competitors by better product development as well as customer services.

RISK MANAGEMENT

The Company has laid down the procedures to inform the Board members about the risk assessment and minimization procedures. Theses procedures are periodically reviewed to ensure that executive management controls risk through means of properly defined framework.

SEGMENT REPORTING

During the year under review the Company has carried on the Trading Business of pharmaceuticals in addition to the Dye and Chemicals. the disclosure of segment information in pursuance to accounting standard is set out in the Notes to the Audited Accounts which forming parts of the Accounts.

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.

MATERIAL DEVELOPMENTS IN HUMAN RESOURCES/ INDUSTRIAL RELATIONS FRONT.

No other 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.

**BY ORDER OF THE BOARD
ROSELAB INDUSTRIES LIMITED**

**Place : Ahmedabad
Date : - 01.09.2011**

**SD/-
(NARESH RACHCHH)
CHAIRMAN**

REPORT ON CORPORATE GOVERNANCE**REPORT ON CORPORATE GOVERNANCE:**

As required under Clause 49 of the Listing Agreement executed with the Stock Exchanges, a Report on Corporate Governance is given herein under. The said report is a forming part of Annual Report of the Company for the year 2010-11.

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Your Company always follows good corporate practice. Compliance of code of Corporate Governance mean disclosures of all material facts in annual account, fair and transparent business policy, maintenance of high ethical standards in its dealings with shareholders, customers, suppliers and employees of the Company, formation of fair strategic planning with balancing the interest of all the parties. Your company and its management has committed to achieve good corporate governance practice.

2. BOARD OF DIRECTORS:**Composition of Board:**

None of the directors on the Board is a member on more than 10 Committees and Chairman of more than 5 Committees including Roselabs Industries Limited.

Total **Seven Board Meetings** were held during the financial year 2010-11. The dates on which the said meetings were held are given herein under:

17-04-2010, 30-04-2010, 15-05-2010, 14-08-2010, 27-07-2010, 27-10-2010 and 27-01-2010

SR. No.	Name of Director	Category	Number of other		
			Director-ships	Committee Member-ships	Committee Chairman-ships
1	SATISH V. RAVAL	Director	9	1	-
2	SUREKHABEN K SHAH	Director	3	1	1
3	JAYENDRBHAI M. SHAH	Director	3	-	-
4	NARESH RACHCHH	Director	5	-	1

3. AUDIT COMMITTEE :**(a) COMPOSITION OF COMMITTEE:**

Your Company had constituted an Audit committee as required under section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement. Committee assists to the Board in matter of accounts and finance.

Audit Committee consist followings members:

- | | |
|----------------------------|----------|
| 1. Mr Satish Vadilal Raval | Chairman |
| 2. Mrs Surekhaben K. Shah | Member |
| 3. Mr Naresh Rachchh | Member |

(b) TERMS OF REFERENCE:

Terms of reference of Audit committee are given here in under: