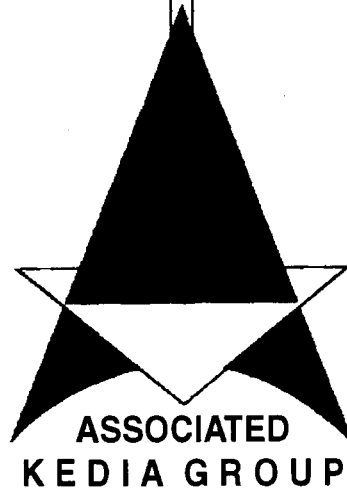


10<sup>TH</sup>

ANNUAL  
REPORT  
1998-99

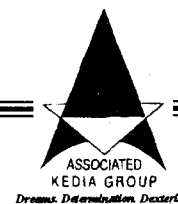


ASSOCIATED  
KEDIA GROUP

*Dreams. Determination. Dexterity*

**Associated Alcohols  
& Breweries Ltd.**

## 10TH ANNUAL REPORT 1998-99



### **Board of Directors**

Bhagwati Prasad Kedia

Anand Kumar Kedia

Prasann Kumar Kedia

Santosh Kumar Kedia

Harshan Kumar Bhandari

Sushil Kumar Kedia

Chairman Emeritus

Chairman Cum-Managing Director

Vice Chairman

Director - Finance

Director - Production

Director

### **Company Secretary**

V.N. Dubey

### **Auditors**

B.K. Agrawal & Co.

Chartered Accountants

29B, Rabindra Sarani

Calcutta

M.D. Agrawal & Co.

Chartered Accountants

41, Jaora Compund

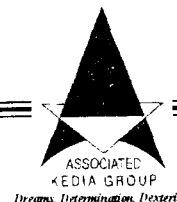
Indore

### **Registrar & Share Transfer Agents**

Ankit Consultancy Pvt. Ltd.

Alankar Point, 2nd Floor, A.B. Road, Indore.

## 10TH ANNUAL REPORT 1998-99



# NOTICE

Notice is hereby given that the Tenth Annual General Meeting of the members of the Company will be held at the Hotel Air Port Ashok, Calcutta-700 052 on Thursday, the 30th day of September, 1999 at 11.30 p.m. for the transaction of the following business.

## **ORDINARY BUSINESS:**

1. To consider and adopt the Audited Balance Sheet of the Company as at 31st March, 1999 and the Profit and Loss Account for the year ended on that date, together with the reports of Directors and Auditors thereon.
2. To appoint a Director in place of Shri Sushil Kumar Kedia who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint Auditors and to fix their remuneration.

## **SPECIAL BUSINESS:**

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

"RESOLVED that pursuant to the provisions of sections 198, 269 and 309 and other applicable provisions if any, of the Companies Act, 1956 read with Schedule XIII there to and subject to such approvals, if any, as may be necessary, appointment of Shri Anand Kumar Kedia as Managing Director for a period of five years w.e.f. 1st April, 1999 on the terms and conditions as set out in the explanatory statement attached to this notice and hereby approved, with liberty to the Board of Directors to revise the terms as to remuneration, from time to time, within the limits provided for in the said Schedule XIII or any amendment thereof for the time being in force."

"RESOLVED FURTHER that the Board of Directors of the Company be and is hereby authorised to take such steps as may be necessary to give effect to this resolution."

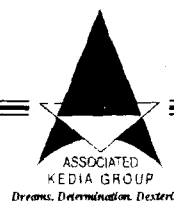
5. To consider and if thought fit to pass with or without modifications, the following resolution as special resolution.

"RESOLVED that pursuant to the provisions of Sections 314, 198, 269 and 309 and other applicable provisions if any, of the Companies Act, 1956 read with Schedule XIII thereto and subject to such approvals, if any, as may be necessary, consent of the company be and is hereby accorded to the appointment of Shri Prasann Kumar Kedia as Whole time Director for a period of five years w.e.f. 1st April, 1999 on the terms and conditions as set out in the explanatory statement attached to this notice and hereby approved, with liberty to the Board of Directors to revise the terms as to remuneration, from time to time, within the limits provided for in the said Schedule XIII or any amendment thereof for the time being in force."

"RESOLVED FURTHER that the Board of Directors of the Company be and is hereby authorised to take such steps as may be necessary to give effect to this resolution."

6. To consider and if thought fit to pass with or without modifications, the following resolution as ordinary resolution.

## 10TH ANNUAL REPORT 1998-99



"RESOLVED that pursuant to the provisions of sections 198, 269 and 309 and other applicable provisions if any, of the Companies Act, 1956 read with Schedule XIII thereto and subject to such approvals, if any, as may be necessary, consent of the company be and is hereby accorded to the appointment of Shri Santosh Kumar Kedia as whole time Director for a period of five years w.e.f. 1st April, 1999 on the terms and conditions as set out in the explanatory statement attached to this notice and hereby approved, with liberty to the Board of Directors to revise the terms as to remuneration, from time to time, within the limits provided for in the said Schedule XIII or any amendment thereof for the time being in force."

"RESOLVED FURTHER that the Board of Directors of the Company be and is hereby authorised to take such steps as may be necessary to give effect to this resolution."

7. To consider and if thought fit to pass with or without modifications, the following resolution as ordinary resolution.

RESOLVED that pursuant to the provisions of sections 198, 269 and 309 and other applicable provisions if any, of the Companies Act, 1956 read with Schedule XIII thereto and subject to such approvals, if any, as may be necessary, consent of the Company be and is hereby accorded to the appointment of Shri Harshan Kumar Bhandari as Whole time Director for a period of five years w.e.f. 1st April, 1999 on the terms and conditions as set out in the explanatory statement attached to this notice and hereby approved, with liberty to the Board of Directors to revise the terms as to remuneration, from time to time, within the limits provided for in the said Schedule XIII or any amendment thereof for the time being in force."

RESOLVED FURTHER that the Board of Directors of the Company be and is hereby authorised to take such steps as may be necessary to give effect to this resolutions."

**NOTES :**

1. Explanatory statements pursuant to section 173(2) of the Companies Act, 1956 are annexed hereto.
2. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself. Such proxy need not be a member of the Company. Proxies, in order to be valid and effective, must be delivered at the Registered Office of the Company not later than forty eight hours before the Commencement of the meeting.
3. The register of members and the share transfer books of the company shall remain closed from Monday the 27th day of September, 1999 to Thursday 30th September, 1999, both days inclusive.

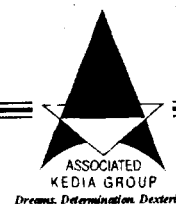
**REGISTERED OFFICE :**

Queens Court  
8C, Queens Park  
Ballygunge  
CALCUTTA - 700 019.  
**Dated : 10th August 1999.**

**By order of the Board**

(V.N. DUBEY)  
COMPANY SECRETARY

## 10TH ANNUAL REPORT 1998-99

**ANNEXURE TO NOTICE****EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2)  
OF THE COMPANIES ACT, 1956.****ITEM NO. 4**

Mr. Anand Kumar Kedia's tenure as Managing Director of the Company ended on 31st March, 1999. The Board of Directors, considering Mr. Kedia's rich experience and expertise in the industry, reappointed as the Managing Director w.e.f. 1.4.99 on the revised terms, subject to your approval. Such terms and conditions are as under :-

1. Salary : Rs. 15,000/- per month subject to review by the Board from time to time as it deems fit.
2. In addition to above salary, following perquisites shall be provided to him.
  - a) Housing : Rent free furnished accommodation.
  - b) Reimbursement of medical expenses for self and family subject to ceiling of one month's salary in a year or three months salary over a period of 3 years.
  - c) Leave travel concession : for the appointee and his family once in a year incurred.
  - d) Club fees : Fees of clubs subject to maximum two clubs.
  - e) Personal Accident Insurance : Premium not to exceed Rs. 5,000/- per annum.
3. The following perquisites shall also be provided which shall not be included in the computation of the ceiling on remuneration as stated above :
  - a) Contribution to provident fund as per the rules of the Company upto the extent these are not taxable under the Income-Tax Act, 1961.
  - b) Gratuity payable as per rules of the Company.
  - c) Encashment of Leave at the end of the tenure.
  - d) Car with driver to be used solely for business purpose.
  - e) Reimbursement of entertainment, travelling and all other expenses incurred for the business of the company.

Where in any financial year, the Company has no profit or has inadequate profit, the remuneration payable to Mr. Anand Kumar Kedia shall be as mentioned above.

During the tenure of Managing Directorship, Mr. Anand Kumar Kedia shall not be entitled for any fee for attending meetings of the Board of Directors or any committee thereof.

The above may be treated as an abstract of the terms of the contract in relation to his appointment between the Company and Mr. Anand Kumar Kedia pursuant to Section 302 of the Companies Act, 1956.

The Board of Directors consider the appointment of Mr. Anand Kumar Kedia as the Managing Director in the overall interest of the Company and therefore, recommend the resolution for your approval.

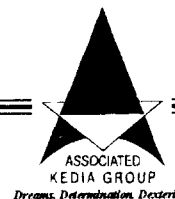
Besides Mr. Anand Kumar Kedia himself Mr. B.P. Kedia and Mr. Prasann Kumar Kedia may be deemed to be interested in the resolution and no other directors is interested or concerned in the resolution.

**ITEM NO. 5**

Mr. Prasann Kumar Kedia is associated with the Company for the last several years. The Company has been benefited by his services from time to time. As now he is actively involved in setting up of Rajasthan Project. The Board of Directors has appointed him as the Whole time Director w.e.f. 1.4.99 on the terms and conditions mentioned herein, subject to your approval.

1. Salary : Rs. 12,500/- per month subject to review by the Board from time to time as it deems fit.
2. In addition to above salary, following perquisites shall be provided to him.
  - a) Housing : Rent free furnished accommodation.
  - b) Reimbursement of medical expenses for self and family subject to ceiling of the month's salary in a year or three months salary over a period of 3 years.
  - c) Leave travel concession : for the appointee and his family once in a year incurred.
  - d) Club fees : Fees of clubs subject to maximum two clubs.
  - e) Personal Accident Insurance : Premium not to exceed Rs. 5,000/- per annum.
3. The following perquisites shall also be provided which shall not be included in the computation of the ceiling on remuneration as stated above :
  - a) Contribution to provident fund as per the rules of the Company upto the extent these are not taxable under the Income-Tax Act, 1961.
  - b) Gratuity payable as per rules of the Company.
  - c) Encashment of Leave at the end of the tenure.
  - d) Car with driver to be used solely for business purpose.

## 10TH ANNUAL REPORT 1998-99



- e) Reimbursement of entertainment, travelling and all other expenses incurred for the business of the company. Where in any financial year, the Company has no profit or has inadequate profit, the remuneration payable to Mr. Prasann Kumar Kedia shall be as mentioned above.
- During the tenure of Directorship, Mr. Prasann Kumar Kedia shall not be entitled for any fee for attending meetings of the Board of Directors or any committee thereof.
- The above may be treated as an abstract of the terms of the contract in relation to his appointment between the Company and Mr. Prasann Kumar Kedia pursuant to Section 302 of the Companies Act, 1956.
- The Board of Directors consider the appointment of Mr. Prasann Kumar Kedia as the Whole time Director in the overall interest of the Company and therefore, recommend the resolution for your approval.
- Besides Mr. Prasann Kumar Kedia himself Mr. B.P. Kedia and Mr. Anand Kumar Kedia may be deemed to be interested in the resolution and no other directors is interested or concerned in the resolution.

**ITEM NOS. 6 & 7**

The tenure of Mr. Santosh Kumar Kedia and Mr. Harshan Kumar Bhandari as Whole Time Director of the Company ended on 31st March, 1999. The Board of Directors, considering their rich experience and expertise in the industry, reappointed them as Whole Time Directors w.e.f. 01-04-99 on the revised terms, and subject to your approval. Such terms and conditions are as under :-

1. Salary : Rs. 12,500/- per month subject to review by the Board from time to time as it deems fit.
  2. In addition to above salary, following perquisites shall be provided to them.
    - a) Housing : Rent free furnished accommodation.
    - b) Reimbursement of medical expenses for self and family subject to ceiling of one month's salary in a year or three months salary over a period of 3 years.
    - c) Leave travel concession : for the appointee and his family once in a year incurred.
    - d) Club fees : Fees of clubs subject to maximum two clubs.
    - e) Personal Accident Insurance : Premium not to exceed Rs. 5,000/- per annum.
  3. The following perquisites shall also be provided which shall not be included in the computation of the ceiling on remuneration as stated above :
    - a) Contribution to provident fund as per the rules of the Company upto the extent these are not taxable under the Income-Tax Act, 1961.
    - b) Gratuity payable as per rules of the Company
    - c) Encashment of Leave at the end of the tenure.
    - d) Car with driver to be used solely for business purpose.
    - e) Reimbursement of entertainment, travelling and all other expenses incurred for the business of the company. Where in any financial year, the Company has no profit or has inadequate profit, the remuneration payable to Mr. Santosh Kumar Kedia and Mr. Harshan Kumar Bhandari shall be as mentioned above.
- During the tenure of Directorship, they shall not be entitled for any fee for attending meetings of the Board of Directors or any committee thereof.

The above may be treated as an abstract of the terms of the contract in relation to his appointment between the Company and Mr. Santosh Kumar Kedia & Mr. Harshan Kumar Bhandari pursuant to Section 302 of the Companies Act, 1956.

The Board of Directors consider the appointment of Mr. Santosh Kumar Kedia and Mr. Harshan Kumar Bhandari as the Whole Time Director in the overall interest of the Company and therefore, recommend the resolution for your approval.

Besides Mr. Santosh Kumar Kedia & Mr. Harshan Kumar Bhandari, no other directors is interested or concerned in their respective resolution.

**REGISTERED OFFICE**

Queens Court  
8C Queens Park  
Ballygunge  
Calcutta-700 019

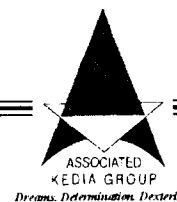
Dated : 10th August, 1999.

**By order of the Board**

**(V.N. DUBEY)**  
**Company Secretary.**



## 10TH ANNUAL REPORT 1998-99



# DIRECTOR'S REPORT

To,

The Members,

Your Directors have pleasure in presenting their 'TENTH Annual Report' together with the Audited Accounts of the Company for the year ended on 31st March 1999.

## FINANCIAL RESULTS

Rupees in Lacs

	1998-99	1997-98
Sales & Other Income	4738.64	4279.42
Profit before tax	310.06	250.52
Provision for taxation	32.56	26.30
Net Profit for the Year	277.50	224.22
ADD : Balance brought forward from Previous year	908.85	808.04
LESS : Adjustment for Tax of Earlier years	2.81	7.44
Profit available for appropriation	1183.54	1024.82
<b>APPROPRIATIONS</b>		
i) General Reserve	80.00	80.00
ii) Proposed Dividend	-	32.70
iii) Tax on Proposed Dividend	-	3.27
iv) Amount carried to next year	1103.54	908.85

## Dividend

In view of huge capital expenditure for the Rajasthan Project undertaken by the company, the Directors of the company consider it desirable to conserve the resources of the company and as such, were unable to recommend dividend for the year.

## OPERATIONS

The turnover of the company was at Rs. 47.39 crores in comparison to Rs. 42.79 in the previous year inspite of difficult market conditions. The net profit for the year increased to Rs. 277.50 lacs in comparison to Rs. 224.22 lacs in the previous year. Keeping in view, the present scenario prevailing in the industry, your Directors consider the performance of the company satisfactory.