
RDB INDUSTRIES LIMITED

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For R D B INDUSTRIES LTD.


Director

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EIGHTH
ANNUAL REPORT
PERIOD
1998-99

**

RDB INDUSTRIES LIMITED

ANNUAL REPORT 1998-99

BOARD OF DIRECTORS :

SRI SUNDER LAL DUGAR
(CHAIRMAN & MANAGING DIRECTOR)
SRI. S. L. PINCHA
SRI ISHWAR CHAND PARAKH

AUDITOR

M/S. SIPANI & SIPANI
29A, RABINDRA SARANI
CALCUTTA - 700 073.

BANKERS :

CORPORATION BANK
CENTRAL BANK OF INDIA
STATE BANK OF INDIA

SHARE TRANSFER AGENT :

IIT CORPORATE SERVICES LTD.
64/65, STEPHEN HOUSE
4, B B D BAG.
CALCUTTA - 700 001.

REGISTERED OFFICE :

8/1, LAL BAZAR STREET
'BIKANER BUILDING'
CALCUTTA - 700 001.

BRANCH OFFICE :

VASUNDHARA APARTMENT
RASULGARH,
OPP: BHARAT PETROL PUMP.
BHUBANESWAR - 751 005.

FACTORY :

NEW TOBACCO COMPANY
BARRACKPORE TRUNK ROAD,
P.O. KAMARHATI,
CALCUTTA - 700 058.

RDB INDUSTRIES LIMITED
8/1, LAL BAZAR STREET
"BIKANER BUILDING"
CALCUTTA - 700 001

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 8th Annual General Meeting of the members shall take place on Thursday, the 30th December, 1999 at 10 A.M. at Factory Office of M/s. New Tobacco Company, Barrackpore Trunk Road, P.O.-Kamarhati, Calcutta - 700 058 to transact the following business :-

1. To receive, consider and adopt the Balance Sheet of the Company as at 31st March, 1999 and its Profit & Loss Account for the year ended on that date together with report of the directors and auditor.
2. To appoint a director in place of Shri S.L. Pincha who retires by rotation and being eligible offers himself for reappointment.
3. To appoint auditors and to fix their remuneration.

Special Business :

3. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an ordinary resolution :-

"RESOLVED THAT subject to sections 198, 269, 309, 310, 311 and Schedule XIII and all other applicable provisions of the Companies Act, 1956, Sri Sunder Lal Dugar, Chairman Cum Managing Director of the Company, be and is hereby re-appointed as the Chairman cum Managing Director of the Company for a further period of Five years from 1st April, 1999 on remuneration subject to consent of the Shareholders and on the terms and conditions contained in the agreement, a drafts of which is placed before the meeting and initiated by the chairman for the purpose of identification.

Kindly make it convenient to attend the meeting.

REGISTERED OFFICE
8/1, LAL BAZAR STREET
BIKANER BUILDING
1ST FLOOR, ROOM NO. 10,
CALCUTTA - 700 001

By order of the Board

(SUNDER LAL DUGAR)
CHAIRMAN & MANAGING DIRECTOR

Dated : 12th November, 1999.

Contd.....

NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND PROXY NEED NOT BE A MEMBER. THE PROXY FORM HOWEVER SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. The register of Members and Share Transfer Books of the Company shall remain closed from 24th day of December, 1999 to 30th day of December, 1999 (both days inclusive)
3. Members who are holding shares in identical order of names in more than one folio, are requested to write to the Company enclosing their share certificates to enable the company to consolidate their holding in one folio.
4. Notice of change of address and Bank mandates must reach the Company's Registrar and Share Transfer Agents, IIT Corporate Services Limited, 4, B.B.D. Bag (East), Calcutta - 700 001.

Annexure to the Notice of 8th AGM :

EXPLANATORY ITEM :

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.

ITEM NO. 4.

Shri Sunder Lal Dugar has been acting as the Chairman Cum Managing Director of the Company for the last five years. He was appointed as Managing Director for the period of 5 (five) years w.e.f 1st April, 1994 at the General Meeting. His present tenure is due to expire on 31st march, 1999.

The Board of Directors of the Company at its meeting held on 31.03.99 reappointed Sri Sunder Lal Dugar as Chairman Cum Managing Director of the Company unanimously subject to the approval of the Company in General Meeting. Terms and conditions including remuneration payable to Shri Sunder Lal Dugar are set out in the draft agreement to be entered into by the company with him, copy of which is available for inspection to the Members at the Registered Office of the Company on working days between 10 A.M. and 12 noon till the date of Annual General Meeting which interalia contains the following principal terms and conditions :

Contd....

Remuneration as follows :

I Salary at a slab rate of Rs. 25000-5000-40000 per month.

II Perquisites :

Perquisites as under shall be restricted to an amount equal to the annual salary. Contribution to Provident Fund and superannuation fund to the extent they are exempted under the Income Tax Act, 1961 and encashment of leave at the end of tenure will not be included in the computation of the ceiling on perquisites.

PART A

i Medical Reimbursement :

Expenses incurred for self and family subject to a ceiling of one month's salary per year or three month's salary in a period of three years.

ii. Leave Travel Concession :

For self and family once in a year in accordance with any rules specified by the company.

iii. Club Fees :

Fees of Clubs subject to a maximum of two clubs, admission and life membership fees not being allowed.

iv. Personal Accident Insurance :

For an amount the annual premium of which does not exceed Rs. 5000/-.

PART B

i. Company's contribution toward Provident Fund to a ceiling of 10% of Salary.

ii. Company's contribution towards Pension/Superannuation Fund – such contribution together with the contribution to the Provident Fund shall not exceed 25% of salary.

iii. Gratuity payable in accordance with an approved scheme and shall not exceed one half month's salary for each completed year of service.

Contd.....

PART C

- i. Free use of Company's car on company's business.
- ii. Residential telephone shall be provided. All long distance personal calls shall be duly logged and paid for by the Managing Director.
- iii. Earned/Privilege Leave – On fully pay and allowances as per rules of the Company. Leave accumulated but not availed of during his tenure may be allowed to be encashed as per the rules of the Company.

Mr Sunder Lal Dugar may be deemed to be considered or interested in the resolution.

None of the other Directors is in any way concerned or interested in the above resolution.

This may be treated as an abstract of the draft agreement between the company and Mr. Sunder Lal Dugar pursuant to Section 302 of the Companies Act, 1956.

By order of the Board

(SUNDER LAL DUGAR)
CHAIRMAN & MANAGING DIRECTOR

Place : Calcutta.

Date : 12th November, 1999.

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R D B INDUSTRIES LIMITED
8/1, LAL BAZAR STREET
BIKANER BUILDING
CALCUTTA - 700 001

DIRECTORS' REPORT TO THE MEMBERS

Our directors present the Balance Sheet of the Company as at 31st March, 1999 and the Profit & Loss Account for the year ending on that date together with the report of the auditors.

You are aware that the company acquired the New Tobacco Company Limited (In Liquidation) in an auction at Calcutta High Court. The Company is duly discharging its obligation in terms of the High Court order to pay Rs. 10,00,000 per month towards consideration, which is being utilised to pay old liability to workers and other old statutory dues. Other than this, the company is also paying directly old liability as and when it became necessary for smooth running of the business.

A certain unit is considered a nonviable unit and the Board subject to statutory approvals, has decided to sell the said unit. The account books of that unit have not yet been accessible to the management on account of non co-operation of the employees of that unit.

The company made some import of sugar during the year of account as an additional business activity. The whole operation was done with the help of the agent appointed for this purpose as the company does not have necessary infrastructure and codal chamber. The company earned a profit of Rs. 201 lacs from this venture.

In response to the Government announcement of policy for Industrial Development of North Eastern State, your company has set up one cigarette manufacturing unit at Badarpur, Assam. This unit is eligible for different tax benefits. Management has already taken steps to start production shortly and this will have a positive impact on profit and loss account of your company in the coming years.

The working of the company during the year of account resulted in loss of Rs. 30.35 lacs which together with the earlier debit balance in the Profit & Loss Account is carried to the Balance Sheet.

DIVIDEND

In view of the loss, the directors express their inability to recommend payment of dividend for the year of account.

EXCISE AND LUXURY TAX

The position of show cause notices received from Excise Authorities and the demand of Luxury Tax made by Sales Tax Authorities as reported in the last report of the directors is as yet same.

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(2)

DIRECTORS

Mr. S. L. Pincha, Director, retires at the conclusion of the forthcoming Annual General Meeting and is eligible for reappointment.

AUDITORS

Mr. S. Sipani & Sipani, Chartered Accountant, present auditors of the Company retire at the close of the Annual General Meeting, and are eligible for reappointment.

The notes referred to by the auditors are self-explanatory. In respect of note no. 11 referred by the auditors, it is clarified that the bill of Electric Supply Authority is disputed as it relates to a period after vacation of the concerned premises and disconnection of supply of electricity. The Fixed Asset register referred to by the auditors in their item no. 6.1 of their report is in process of completion and updating depending on availability of records of some of the units of the company. Every effort is being made to regularise the payment of P.F. and E.S.I dues earlier affected by disturbed conditions at various units of the company and consequential financial crunch.

OTHER STATUTORY INFORMATION

Foreign exchange earning and out go	: As mentioned in items 27 to 29 of Note Schedule to the Profit & Loss Account
Conservation of Energy and Technology Absorption and Research & Development	: As in annexure 1 hereto.
Particulars of Employees (Sec. 217 (2A))	: Not Applicable.

ACKNOWLEDGEMENT

The Directors take this opportunity to express their sincere appreciation to the co-operation and support given to the company by its Bankers, Debtors, Creditors.

We would also like to appreciate the efforts put by the working employees of the company for their hardwork and continued support. The Directors are also grateful to the Shareholders for the confidence and faith they have always placed on us.

For and on behalf of the Board

Place: Calcutta
 Dated: the 12th November, 1999.

(SUNDER LAL DUGAR)
Chairman & Managing Director

ANNEXURE - 1

CONSERVATION OF ENERGY :

ANNEXURE 1 TO DIRECTOR'S REPORT - INFORMATION UNDER SECTION 217(1)(e) OF THE COMPANIES ACT, 1956 READ WITH THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988 AND FORMING PART OF THE DIRECTORS REPORT.

	Current Year 1998-99	Previous Year 1997-98
A. POWER AND FUEL		
CONSUMPTION		
1. Electricity		
a. Purchased Unit (KWH in Lakhs)	9.43	8.53
b. Total Amount (Rs. In Lakhs)	46.85	34.79
c. Rate/Unit (Rs.)	4.97	4.08
d. Own Generation		
Through Generator Unit (In Lakhs)	0.00	0.00
Units per Ltr of Diesel/Oil		
Cost/Unit (Rs.)	0.00	0.00
2. Coal (Specify quality & where used)		
B/C/D grade coal used for process		
Quantity (MT)	365.72	379.37
Total cost (Rs. In Lakhs)	7.34	7.24
Average Rate (Rs. Per MT)	2007.13	1908.50
3. Furnace Oil Qnty. (K Ltrs.)	0.00	0.00
4. Others/Internal Generation		
Qnty. (in Ltrs)	0.00	0.00
Total Cost (Rs. In Lakhs)	0.00	0.00
Rate/Unit	0.00	0.00

B. TECHNOLOGY, ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO

Prescribed information regarding compliance of rules relating to Technology absorption pertaining to 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 not provided as the same is not applicable to the Company.

AUDITORS' REPORT

TO,
THE MEMBERS OF
RDB INDUSTRIES LIMITED

WE HAVE AUDITED THE ATTACHED BALANCE SHEET OF RDB INDUSTRIES LIMITED AS AT 31ST MARCH 1999 AND ALSO THE ANNEXED PROFIT AND LOSS ACCOUNT OF THE COMPANY FOR THE YEAR ENDED ON THAT DATE AND REPORT THAT :-

1. WE HAVE OBTAINED ALL THE INFORMATION AND EXPLANATIONS WHICH TO THE BEST OF OUR KNOWLEDGE AND BELIEF WERE NECESSARY FOR THE PURPOSE OF OUR AUDIT.
2. IN OUR OPINION, PROPER BOOKS OF ACCOUNT AS REQUIRED BY COMPANIES ACT, 1956 (AS AMENDED) HAVE BEEN KEPT BY THE COMPANY SO FAR AS IT APPEARS FROM OUR EXAMINATION OF THOSE BOOKS.
3. ATTENTION IS DRAWN TO FOLLOWING NOTES WHERE WE ARE UNABLE TO REPORT THE EFFECT ON THE ACCOUNT OF THE COMPANY : -
 - A. NOTE NO. 2. REGARDING TRANSFER OF ASSETS OF NEW TOBACCO COMPANY LTD. (IN LIQUIDATION) AND LEASE RENT.
 - B. NOTE NO. 3. REGARDING DEPRECIATION CHARGED ON THE ASSETS OF NEW TOBACCO COMPANY LTD. (IN LIQUIDATION) INCLUDING BICCAVALU UNIT WHICH IS CLOSED SINCE LAST TWO YEARS.
 - C. NOTE NO. 4. REGARDING INTEREST ON UNSECURED LOAN RECEIVED FROM DUNCAN INDUSTRIES LTD GROUP WITHOUT CONFIRMATION.
 - D. NOTE NO. 5. REGARDING ADJUSTMENT OF PRE-LEASE/PRE ACQUISITION PAYMENT WITH PURCHASE CONSIDERATION PAYABLE.
 - E. NOTE NO. 6. REGARDING NON AVAILABILITY OF BOOKS OF ACCOUNTS AND OTHER ANCILLIARY RECORDS OF BICCAVALU UNIT NECESSARY FOR PREPARING THE ANNUAL ACCOUNT, DUE TO SEARCH AND SEIZURE AND THE EFFECT OF WORKING RESULTS TO THE ACCOUNTS.
 - F. NOTE NO. 8. REGARDING ALL THE TRANSACTION RELATING TO IMPORT AND SUB-SEQUENT EXPENDITURES AND SALE OF SUGAR IN THE NAME OF AGENT.
 - G. NOTE NO. 10. REGARDING INTEREST ON SECURED LOAN FROM M/S PEERLESS GENERAL FINANCE CO. LTD.
 - H. NOTE NO. 11. REGARDING NON PROVISION OF ELECTRICITY CHARGES ON ACCOUNT OF HEAD OFFICE OF NEW TOBACCO COMPANY LTD. (IN LIQUIDATION).
 - I. NOTE NO. 12. REGARDING SHORT PROVISION OF MUNICIPAL TAX WHICH IS UNDER DISPUTE.
 - J. NOTE NO. 13. REGARDING WRITTEN OFF SUNDRY DEBTORS AMOUNTING TO RS. 28,76,414/- AND RS. 4,58,113/- ON ACCOUNT OF SECURITY DEPOSIT RECEIVABLE FROM ORISA STATE HOUSING BOARD RELATING TO THE PERIOD WERE TO THE TAKE OVER OF M/S R.D.BUILDERS (PROPRIETORSHIP FIRM).
 - K. NOTE NO. 21. REGARDING NON-CONFIRMATION OF BALANCES OF SUNDRY DEBTORS, LOANS AND ADVANCES, DEPOSITS, SUNDRY CREDITORS, UNSECURED LOANS AND ADVANCES GIVEN.