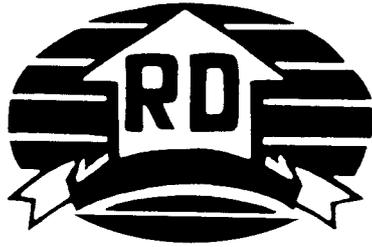


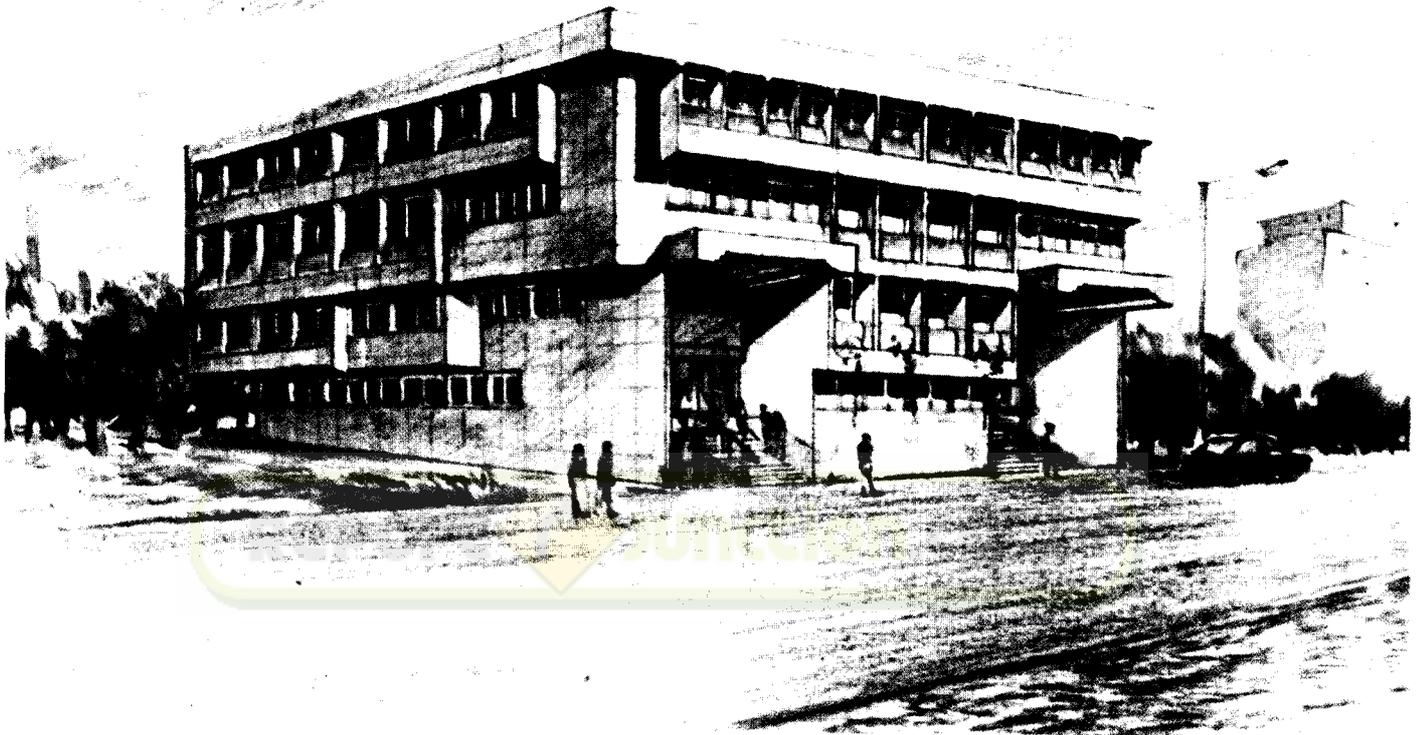
annual report

2001-2002



Report Junction.com

RDB INDUSTRIES LIMITED
LOOKING BEYOND HORIZONS



OUR REPUTATION IS BUILT UPON
CONSTRUCTIONS LIKE THESE

RDB INDUSTRIES LIMITED

ANNUAL REPORT 2001-2002

BOARD OF DIRECTORS

MR. SUNDER LAL DUGAR
(Chairman & Managing Director)
MR. ISHWAR CHAND PAREKH
MR. KRISHNA GOPAL SINHA
MR. RAJENDRA KUMAR BARADIA
MR. RAVI PRAKASH PINCHA

AUDIT COMMITTEE

MR. RAJENDRA KUMAR BARADIA
(Chairman)
MR. ISHWAR CHAND PAREKH
MR. RAVI PRAKASH PINCHA

COMPANY SECRETARY

MR. DEEPAK KUMAR HOTA

AUDITORS

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

BANKERS

CORPORATION BANK
CENTRAL BANK OF INDIA
UNION BANK OF INDIA

SHARE TRANSFER AGENTS

IIT CORPORATE SERVICES LIMITED
64'65, STEPHEN HOUSE
4, B B D BAGH, KOLKATA-700 001

REGD. OFFICE

"BIKANER BUILDING"
8/1, LAL BAZAR STREET
KOLKATA-700 001

BRANCHES

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

Report Junction.com

RDB INDUSTRIES LIMITED

NOTICE

Notice is hereby given that the Eleventh Annual General Meeting of Shareholders of R D B Industries Limited will be held on Friday, 13th September, 2002 at 11.00 A.M. at New Tobacco Company Ltd., Barrackpore Trunk Road, P.O.Kamarhati, Kolkata-700 058, to transact the following business:

ORDINARY BUSINESS

1. To receive consider and adopt the audited Balance Sheet of the company as at 31st March, 2002 and the Profit and Loss Account for the year ended as on that date and the report of the Board of Directors and of the Company's Auditors.
2. To appoint a Director in place of Sri K.G.Sinha who retires by rotation and being eligible offers for reappointment.
3. To appoint Auditors and fix their remuneration and for this purpose to consider and, if thought fit to pass the following resolution with or without modification :

"RESOLVED that pursuant to the provisions of section 224 of the Companies Act. 1956, M/s. Sipani & Sipani Chartered Accountants be and is hereby appointed as auditors of the company to hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting of the Company at a remuneration to be decided mutually between the board of Directors and the Auditors."

Place : Kolkata
Dated : 29th June, 2002

For and on behalf of the Board
D. K. Hota
Company Secretary

NOTES :

1. Member to attend and vote at the meeting entitled to appoint a proxy to attend and vote instead himself and such a proxy need not be a member of the company.
 2. An Instrument of proxy in order to be effective must be deposited with the company at its registered office not less than 48 hours before the commencement of the meeting.
 3. The Register of members of the company and share transfer book will remain closed from 9th September, 2002 to 13th September, 2002 (both days inclusive).
 4. Members who have multiple registered folios in identical order on name(s) are requested to write to the Company quoting their registered folio no.(s) and enclosing their Share Certificate for consolidation of all such shareholding into one registered folio to facilitate better service.
 5. Members are requested to bring the attendance slips along with copies of Annual Report to the Meeting.
 6. Members who hold shares in Dematerialised form are requested to indicate without fail their DPID and Client ID numbers in attendance slip.
 7. Members intending to require information about accounts to be explained at the meeting are requested to write to the Company at least 10 days in advance of the Annual General Meeting.
 8. Notice of change of address must reach the Company's registrar and Share Transfer Agents : IIT Corporate Services Limited, 4, B B D Bagh, Kolkata-700 001.
-

DIRECTORS' REPORT 2001-2002

Your Directors submit their report for the financial year ended 31st March, 2002.

Socio-Economic Environment

The growing fiscal imbalance, particularly at the level of the states, is leading some of the states to impose indiscriminate and differential taxation. Such taxes militate against the need to establish a larger common Indian market, necessary for creating competitiveness in a globalising environment. Such shortsighted actions triggered by self interest at the state level carry the potential of causing irretrievable long term injury to the effected sectors of the economy.

Cigarettes

In India, the prolonged punitive and discriminatory taxation regime at central and state levels has made cigarettes unaffordable to the majority of tobacco consumers. As a result, there is a growing migration to contraband and lower value forms of tobacco product. Non-cigarette form of tobacco products are largely produced in the un-organised sector characterized by lower rates of tax and ineffective enforcement. Consequently the tax base of the tobacco sector is rapidly shrinking. The already high levels of central taxation on cigarettes are exacerbated by a plethora of state taxes, under various nominations such as 'Luxury', 'Entry' & other taxes. The imposition of luxury and other taxes by many states tantamounts to an infringement of single point taxation. The levy of luxury and others taxes is currently being contested by your company at appropriate forum and your company is hopeful of a positive outcome.

Your company has made provision for luxury tax excluding interest & penalty in the books of account for the period from 1994 to 2001.

On 6th May, 2002, the Hon'ble Calcutta High Court appointed M/s. S.R.Botliboi, Chartered Accountants for verification of payments made by company in various forms and towards pre-lease dues. After placing of report by them in the court the adjustment towards the purchase consideration will be made.

Biccavolu Factory

Pursuant to several applications made by the Unions representing the staffs and workers of Biccavolu Factory the Hon'ble Justice of Calcutta High Court by an order and judgment dated 24th July, 2001, was pleased to sell the Biccavolu Factory at an amount of Rs. 3,34,16,244/- and directed for adjustment with the purchase consideration payable by your company.

Badarpur Factory

As you are aware that your company at Badarpur factory is under suspension of production since last year due to stoppage of refund of Central Excise duty. In this matter the Hon'ble Guwahati High Court by its order & judgment dated 17/05/2002 was pleased to hold that the petitioner [your company] was entitled to refund of the excise duty on cigarettes manufactured from the date of its commercial production within one month and accordingly directed to Central Excise department for refund of duty already paid and to be paid afterward. Against the said judgment & order dated 17/5/2002, the Central Excise department has filed a writ appeal in the Guwahati High Court. The appeal is pending. Management of your company is hopeful of receiving the refund.

Agarpara Factory

During the year under review, restructuring of the factory by replacing old plant & machinery is under progress & Management is hopeful for saving revenue expenditure due to cost effectiveness step taken last year.

Financial Results :

	Accounting Year 2001-2002 (Rs. in Lacs)	Accounting Year 2000-2001 (Rs. in Lacs)
Profit/(Loss) before depreciation	201.20	183.86
Less : Depreciation	58.66	63.58
Profit before Tax & extraordinary item	142.54	120.28
Provision for taxation	5.32	Nil
Profit After Taxation	137.22	120.28
Add : Balance brought forward from Previous year	(379.08)	(499.36)
Balance to carry forward	(241.86)	(379.08)

RDB INDUSTRIES LIMITED

Dividend

Your directors express their inability to recommend payment of dividend for the year of account.

Directors

Shri K. G. Sinha retires by rotation at the conclusion of forthcoming Annual General Meeting and being eligible, offers for reappointment.

Auditors' Report

Apart from valuation of fixed assets, other points in the report of Auditors are self-explanatory. The preparation of register of fixed assets is being carried out & management is hopeful for early completion of the same.

Auditors

M/s. Sipani & Sipani, Chartered Accountants present auditors of the company retires at the conclusion of the Annual General Meeting and are being eligible, offer themselves for re-appointment if made, will be in accordance with the provisions of section 224[IB] of the Companies Act, 1956.

Other Statutory Information

- | | | |
|---|---|-------------------|
| 1. Foreign Exchange earning & Outgo | : | Nil |
| 2. Conservation of Energy & Technology
Absorption and Research & Development | : | As per Annexure 1 |
| 3. Particulars of employees [Sec. 217 (2A)] | : | Not Applicable. |

Directors' Responsibility Statement

The Board of Directors of the Company confirms :

- that in the preparation of the annual accounts, the applicable accounting standards have been followed and there has been no material departure.
- that the selected accounting policies were applied consistently and directors made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at 31st March, 2002 and of the profit of the company for the year ended on that date.
- that proper and sufficient care has been taken 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 annual accounts have been prepared on a going concern basis.

Deposits

The company has not accepted or renewed any deposits during the year under review.

Acknowledgement

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

We would also like to appreciate the efforts put by the working employees of the company for their hard work and continued support.

The directors are also grateful to the Shareholders for the confidence and faith they have always placed on us.

Place : Kolkata.

Dated : 29th June, 2002

For and on behalf of the Board

Sunder Lal Dugar

Chairman & Managing Director

ANNEXURE – 1**Conservation of Energy**

Annexure 1 to Directors' 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 and forming part of the directors' report.

	Unit	Current Year 2001-2002	Previous Year 2000-2001
A. POWER AND FUEL CONSUMPTION			
1. Electricity			
a) Purchased Unit	[KWH in lacs]	9.56	9.35
b) Total Amount	[Rs. in lacs]	42.58	46.27
c) Rate/Unit	[Rs.]	4.45	4.94
d) Own Generation			
Through Generator Unit	[Rs. in lacs]	0.00	0.00
Units per Ltr. of Diesel/Oil Cost/units	[Rs.]	0.00	0.00
2. Coal (specify quality & where Used) B/C/D Grade 'coal used for process			
Quantity	[MT]	0.00	0.00
Total cost	[Rs. in lacs]	0.00	0.00
Average rate	[Rs. per MT]	0.00	0.00
3. LDO (specify quality & where used) (Used for boiler)			
Quantity	[KLTR]	30.00	70.00
Total cost	[Rs. in lacs]	4.79	10.59
Avg. Rate	[Rs. in lacs]	15.99	15.13
4. Others/Internal Generation			
Quantity	[LTR]	0.00	0.00
Total cost	[Rs. in lacs]	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.

RDB INDUSTRIES LIMITED

AUDITORS' REPORT

TO,
THE MEMBERS OF
RDB INDUSTRIES LIMITED

1. WE HAVE AUDITED THE ATTACHED BALANCE SHEET OF RDB INDUSTRIES LTD. AS AT 31ST MARCH 2002 AND ALSO THE ANNEXED PROFIT & LOSS ACCOUNT OF THE COMPANY FOR THE YEAR ENDED ON THAT DATE. THESE FINANCIAL STATEMENTS ARE THE RESPONSIBILITY OF THE COMPANIES MANAGEMENT, OUR RESPONSIBILITY IS TO EXPRESS AN OPINION ON THESE FINANCIAL STATEMENTS BASED ON OUR AUDIT.
2. WE CONDUCTED OUR AUDIT IN ACCORDANCE WITH AUDITING STANDARDS GENERALLY ACCEPTED IN INDIA. THOSE STANDARDS REQUIRE THAT WE PLAN AND PERFORM THE AUDIT TO OBTAIN REASONABLE ASSURANCE ABOUT WHETHER THE FINANCIAL STATEMENTS ARE FREE OF MATERIAL MIS-STATEMENT. AN AUDIT INCLUDES EXAMINING, ON A TEST BASIS, EVIDENCES SUPPORTING THE AMOUNTS AND DISCLOSURES IN THE FINANCIAL STATEMENTS. AN AUDIT ALSO INCLUDES ASSESSING THE ACCOUNTING PRINCIPLES USED AND SIGNIFICANT ESTIMATE MADE BY MANAGEMENT, AS WELL AS EVALUATING THE OVERALL FINANCIAL STATEMENT PRESENTATION. WE BELIEVE THAT OUR AUDIT PROVIDES A REASONABLE BASIS FOR OUR OPINION.
3. AS REQUIRED BY MANUFACTURING AND OTHER COMPANIES (AUDITOR'S REPORT) ORDER 1988 ISSUED BY THE CENTRAL GOVERNMENT OF INDIA IN TERMS OF SECTION 227(4A) OF THE COMPANIES ACT, 1956, WE GIVE IN THE ANNEXURE A STATEMENT ON THE MATTERS SPECIFIED IN PARAGRAPH 4 AND 5 OF THE SAID ORDER.
4. FURTHER TO OUR COMMENTS IN THE ANNEXURE REFERRED TO IN PARAGRAPH 3 ABOVE.
 - i) 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.
 - ii) 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.
 - iii) ATTENTION IS DRAWN TO FOLLOWING NOTES WHERE WE ARE UNABLE TO REPORT THE EFFECT ON THE ACCOUNTS 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 & 4 REGARDING SALE ORDER PASSED BY SPECIAL OFFICER FOR BICCAVALU UNIT AND CLAIMS OF EMPLOYEES. THE IMPACT OF WHICH HAS NOT BEEN ASCERTAINED.
 - C. NOTE NO. 5. REGARDING DEPRECIATION CHARGED ON THE ASSETS OF NEW TOBACCO COMPANY LTD. (IN LIQUIDATION) EXCLUDING BICCAVALU UNIT.
 - D. NOTE NO. 6. REGARDING INTEREST ON UNSECURED LOAN RECEIVED FROM DUNCAN INDUSTRIES LTD. GROUP WHICH IS UNDER LITIGATION.
 - E. NOTE NO. 7. REGARDING ADJUSTMENT OF PRE-LEASE/PRE-ACQUISITION PAYMENT WITH PURCHASE CONSIDERATION PAYABLE.

- F. NOTE NO.8. 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.
- G. NOTE NO.16. REGARDING INTEREST ON SECURED LOAN FROM M/S.PEERLESS GENERAL FINANCE CO. LTD.
- H. NOTE NO. 15. REGARDING VALUATION OF STORES & SPARES AND RAW MATERIALS WITHOUT CONSIDERING THE MARKET VALUE AND WHICH IS NOT IN ACCORDANCE WITH ACCOUNTING STANDARD 2, THE IMPACT OF WHICH HAS NOT BEEN ASCERTAINED.
- I. NOTE NO.17. REGARDING VALUATION OF FINISHED STOCK WITHOUT CONSIDERING EXCISE DUTY AND WHICH IS NOT IN ACCORDANCE WITH ACCOUNTING STANDARD 2.
- J. NOTE NO. 20. REGARDING NON-CONFIRMATION OF BALANCES OF SUNDRY DEBTORS, LOANS & ADVANCES, DEPOSITS, SUNDRY CREDITORS, UNSECURED LOANS AND ADVANCES GIVEN.
- K. NOTE NO. 27. REGARDING LIABILITY OF EXCISE DUTY, LUXURY TAX AND PURCHASE TAX, STAFF DEMANDS OF BICCAVALU AND INTEREST ON DELAYED PAYMENT OF PF & ESI.
5. RELIANCE HAS BEEN PLACED ON THE MANAGEMENT ASSESSMENT AND CONFIRMATION THAT :
EXCISE DUTY REFUND AMOUNTING TO RS.40493280/- ARE FULLY REFUNDABLE (REFER TO NOTE NO. 11(a)).
HAD THE PROVISION BEEN MADE FOR SUCH EXPENSES, THE PROFIT FOR THE YEAR WOULD HAVE BEEN LOWER BY RS.404.93 LACS AND CONSEQUENTLY DEBIT BALANCE CARRIED FORWARD IN THE PROFIT & LOSS ACCOUNT WOULD HAVE BEEN HIGHER BY SUCH AMOUNT.
6. SUBJECT TO THE MATTERS STATED IN PARAGRAPH 3(A) TO 3(K) AND 4 ABOVE, IN OUR OPINION AND TO THE BEST OF OUR INFORMATION AND ACCORDING TO THE EXPLANATIONS GIVEN TO US,THE SAID ACCOUNTS READ WITH OTHER NOTES THEREON GIVE THE INFORMATION REQUIRED BY THE COMPANIES ACT, 1956 (AS AMENDED) IN THE MANNER SO REQUIRED AND GIVE A TRUE AND FAIR VIEW :
- A) IN THE CASE OF THE BALANCE SHEET OF THE STATE OF AFFAIRS OF THE COMPANY AS AT 31ST MARCH 2002 AND
- B) IN THE CASE OF THE PROFIT AND LOSS ACCOUNT OF THE PROFIT FOR THE YEAR ENDED ON THAT DATE.
7. THE BALANCE SHEET AND PROFIT & LOSS ACCOUNT ARE IN AGREEMENT WITH THE BOOKS OF ACCOUNT AND COMPLY WITH THE ACCOUNTING STANDARD AS REFERRED IN SUB-SECTION (3C) SECTION 211 OF THE COMPANIES ACT,1956 AS AMENDED EXCEPT AS STATED OTHERWISE.
8. BASED ON THE INFORMATION AND REPRESENTATION RECEIVED IN WRITING DIRECTORS OF THE COMPANY DO NOT PRIMA FACIE, HAVE ANY DISQUALIFICATION AS REFERRED TO IN SECTION 274 (1)(g) OF THE COMPANIES ACT, 1956.

For SIPANI & SIPANI
Chartered Accountants

R. K. SIPANI
Proprietor

PLACE : 29A, RABINDRA SARANI, KOLKATA.

DATE : 29th June, 2002

RDB INDUSTRIES LIMITED

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in Paragraph (3) thereof)

1. THE FIXED ASSETS REGISTER AND PHYSICAL VERIFICATION RECORDS WERE NOT PRODUCED BEFORE US. HENCE, WE ARE UNABLE TO COMMENT THEREON.
 2. NONE OF THE FIXED ASSETS HAVE BEEN REVALUED DURING THE YEAR.
 3. THE STOCK OF FINISHED GOODS, STORES, SPARE PARTS, PACKING MATERIALS & RAW MATERIALS EXCLUDING MATERIALS IN TRANSIT HAVE BEEN PHYSICALLY VERIFIED AT THE YEAR END BY THE MANAGEMENT. IN OUR OPINION FREQUENCY OF VERIFICATION IS REASONABLE.
 4. THE PROCEDURE OF PHYSICAL VERIFICATION OF STOCKS FOLLOWED BY THE MANAGEMENT ARE REASONABLE AND ADEQUATE IN RELATION TO THE SIZE OF THE COMPANY AND THE NATURE OF ITS BUSINESS.
 5. THE DISCREPANCIES NOTICED ON VERIFICATION BETWEEN PHYSICAL STOCK & BOOK RECORDS WERE NOT MATERIAL AND HAVE BEEN PROPERLY DEALT WITH.
 6. ON THE BASIS OF OUR EXAMINATION OF STOCK AND OTHER RECORDS AND CONSIDERING THE METHOD ADOPTED FOR ACCOUNTING OF EXCISE DUTY REFERRED TO THE NOTE NO.17 OF SCHEDULE 22 TO THE ACCOUNT, IN OUR OPINION THE VALUATION OF STOCKS OF FINISHED GOODS, SPARE PARTS AND RAW MATERIALS (EXCEPT AS GIVEN IN NOTE NO.15 OF SCHEDULE 22) HAVE BEEN FAIR AND PROPER AND IS IN ACCORDANCE WITH THE NORMALLY ACCEPTED ACCOUNTING PRINCIPLES, AND IS ON THE SAME BASIS AS IN THE PRECEDING YEAR.
 7. THE COMPANY HAS NOT TAKEN ANY LOANS, SECURED OR UNSECURED, FROM COMPANIES, FIRMS OR OTHER PARTIES LISTED IN THE REGISTER MAINTAINED UNDER SECTION 301 AND/OR FROM THE COMPANIES UNDER THE SAME MANAGEMENT AS DEFINED UNDER SUBSECTION (1B) OF SECTION 370 OF THE COMPANIES ACT, 1956 (AS AMENDED).
 8. THE COMPANY HAS NOT GRANTED ANY LOANS, SECURED OR UNSECURED, TO COMPANIES, FIRMS OR OTHER PARTIES LISTED IN THE REGISTER MAINTAINED UNDER SECTION 301 AND/OR TO THE COMPANIES UNDER THE SAME MANAGEMENT AS DEFINED UNDER SUBSECTION (1B) OF SECTION 370 OF THE COMPANIES ACT, 1956 (AS AMENDED).
 9. THE PARTIES TO WHOM LOANS AND ADVANCES IN THE NATURE OF LOANS HAVE BEEN GIVEN BY THE COMPANY ARE GENERALLY REPAYING THE PRINCIPAL AMOUNTS AS STIPULATED AND ARE ALSO REGULAR IN THE PAYMENT OF INTEREST WHEREVER STIPULATED.
 10. IN OUR OPINION, THE INTERNAL CONTROL PROCEDURES FOR THE PURCHASE OF STORES, RAW MATERIALS INCLUDING COMPONENTS, PLANT & MACHINERY, EQUIPMENTS AND OTHER ASSETS AND FOR SALE OF GOODS ARE COMMENSURATE WITH THE SIZE OF THE COMPANY.
 11. IN OUR OPINION AND ACCORDING TO THE INFORMATION AND EXPLANATIONS GIVEN TO US, THERE ARE NO TRANSACTIONS OF PURCHASE OF GOODS AND MATERIALS AND SALE OF GOODS, MATERIALS AND SERVICES MADE IN PURSUANCE OF CONTRACTS OR ARRANGEMENTS ENTERED IN THE REGISTER MAINTAINED UNDER SECTION 301 OF THE COMPANIES ACT, 1956 AS AMENDED AND AGGREGATING TO RS. 50,000 (RUPEES FIFTY THOUSAND ONLY) OR MORE IN RESPECT OF ANY PARTY, DURING THE YEAR.
 12. THE COMPANY HAS PROCEDURE FOR DETERMINATION OF UNSERVICEABLE OR DAMAGED STOCK, RAW MATERIAL & FINISHED STOCK. IT HAS BEEN REPRESENTED BY THE MANAGEMENT, NO PROVISION IS NECESSARY IN RESPECT OF UNMOVED STOCK.
 13. THE COMPANY HAS NOT ACCEPTED ANY DEPOSITS DURING THE YEAR FROM THE PUBLIC AND HENCE PROVISIONS OF SECTION 58-A AND RULES FRAMED THEREUNDER ARE NOT APPLICABLE.
-