

# **Milkfood Limited.**

## **Annual Report 1998 - 1999**

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## **BOARD OF DIRECTORS**

L.P. JAISWAL, Chairman

J. JAISWAL, Director

A. P. JAISWAL, Director

VIJAY KAPOOR, Director

NARENDER SAPRA, Director

S.P. KHURANA, President & Director cum Company Secretary

KARAMJIT S. JAISWAL Managing Director

## **AUDITORS**

Price Waterhouse

Chartered Accountants

New Delhi

## **BANKERS**

State Bank of Patiala

Canara Bank

Citibank N.A.

## **REGISTERED OFFICE**

Bahadurgarh

Distt. Patiala-147021

(Punjab)

## **WORKS**

Bahadurgarh

Distt. Patiala-147021

(Punjab)

Plot No. 5, Maruti Industrial

Complex, Sector 18

Gurgaon (Haryana)

## **HEAD OFFICE**

Bhandari House

91, Nehru Place

New Delhi-110019

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# ANNEXURE TO THE DIRECTORS' REPORT

Information under Section 217 (1) (e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Directors' Report for the year ended 31st March, 1999.

## 1. CONSERVATION OF ENERGY

- I. Your company has been making efforts to reduce energy consumption by focusing on improving the steam efficiency and capacity utilisation, upgradation of technology, modernization of plants/training and motivation of employees towards energy conservation.

Details pertaining to energy consumption as prescribed are given hereunder:

### FORM A

Form for disclosure of particulars with respect to conservation of energy for the year ended 31st March, 1999

	Year ended 31.03.1999	Year ended 31.03.1998
A) Power and Fuel consumption		
1) Electricity		
a) Purchased		
Units	95,25,070	1,01,05,523
Total Value	2,97,82,800	2,74,81,907
Rate/Unit	3.13	2.72
b) Own Generation		
Through Diesel Generator		
Units	12,87,128	8,75,585
Total Value	43,14,962	30,74,308
Unit per litre of:		
Diesel Oil	3.02	2.61
Cost/Unit	3.35	3.51
2) Furnace Oil		
Quantity(K.Ltrs)	3	—
Total Cost	21,420	—
Avg. Rate	71,40.00	—
3) Others/Internal Generation		
i) Husk/Bagasse/Torria Husk/ Rice Bran/Sun Flower Husk/Fire Wood		
Quantity(Tonnes)	26,022	30,259
Total Amount	2,25,88,085	2,50,16,170
Avg. Rate	8,68.03	826.73
ii) LDO		
Quantity(K.Ltrs)	129	84
Total Amount	11,77,416	6,83,884
Avg. Rate	9,100.80	8,141.48
Total (2+3)	2,37,86,921	2,57,00,054

- II. The Company has two manufacturing plants at different locations and produces various products and uses different sources of energy in different combinations for the different products. It is, therefore, not feasible to arrive at the energy consumption per unit for each source of energy as prescribed.

## 2. RESEARCH AND DEVELOPMENT AND TECHNOLOGY ABSORPTION

The Company has not imported any technology for the various products being produced/marketed by it. There is ongoing work for the quality improvement, finding alternative packing materials, improvement in the various processes. These measures taken/being taken will reduce the cost of production.

## 3. FOREIGN EXCHANGE EARNINGS AND OUTGO

Complete information required under this head is shown in note no. 17B(17) and 17B(18) in Schedule No. 17- Significant Accounting Policies and Notes to Accounts. Members are requested to please refer to these notes for the relevant information.



## Notice

NOTICE is hereby given that the Twenty Sixth Annual General Meeting will be held at the Registered Office of the Company at Bahadurgarh, District Patiala, 147021 (Punjab) on Wednesday, the 29th September, 1999 at 12.30 p.m. to transact the following business:

- (1) To receive and adopt the Profit and Loss Account for the year ended 31st March, 1999 and Balance Sheet as at that date and the report of Auditors and Directors thereon.
- (2) To appoint a Director. Mr. J. Jaiswal retires by rotation at this Annual General Meeting and being eligible, offers himself for reappointment.
- (3) To appoint a Director. Mr. A.P. Jaiswal retires by rotation at this Annual General Meeting and being eligible, offers himself for reappointment.
- (4) To appoint Auditors and fix their remuneration. M/s Price Waterhouse, the Auditors, retire and being eligible, offer themselves for re-appointment.

By Order of the Board

Dated : 30th July, 1999  
Registered Office:  
P.O. Bahadurgarh,  
Distt. Patiala (Punjab)

S P KHURANA  
President &  
Company Secretary

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### NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE IN HIS STEAD AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME FOR HOLDING THE MEETING.
2. The Register of Members and the Transfer Books of the Company will remain closed from 24th September, 1999 to 29th September, 1999 (both days inclusive).
3. Members are requested to intimate to the Company changes, if any, in their registered addresses alongwith Pin Code numbers.



# Directors' Report

## TO THE MEMBERS

The Directors present their Twenty Sixth Annual Report together with Audited Accounts of the Company for the year ended 31st March, 1999.

### FINANCIAL RESULTS

(Rs./Lacs)

Loss after charging all expenses	(76.16)
Deduct: Depreciation	(169.85)
Loss for the year	(246.01)
Less: Provision for taxation for earlier years	(4.71)
Extra ordinary items	(28.57)
Add: Profit brought forward from previous year	653.01
Available for appropriation	373.72
Appropriations:	
Transferred to Debenture Redemption Reserve	18.16
Transferred to Balance Sheet	355.56
	373.72

### OPERATIONS

During the period under report, the Company's sales were Rs. 16162.78 lacs and cash loss Rs. 76.16 lacs compared to last year's figures of Rs. 15434.08 lacs and cash profit of Rs. 223.39 lacs respectively. After depreciation, the loss for the year was Rs. 279.29 lacs compared to profit of Rs. 12.60 lacs in the earlier year.

### DEBENTURES

During the year under report an amount of Rs. 326.20 lacs was paid towards redemption of Debentures. The total amount of Non-Convertible Debentures outstanding as on 31st March, 1999 was Rs. 328.21 lacs (Previous year Rs. 654.41 lacs). It is certified that the funds raised by the issue of Debentures are being utilised for the purpose for which the funds were raised and the same have not been diverted for any other purpose.

### FIXED DEPOSITS

On 31.3.1999, 16 persons whose Fixed Deposits with the Company amounting to Rs. 1.42 lacs had become due for payment during the year, did not claim or renew their Deposits. Out of these, Fixed Deposits of 10 persons amounting to Rs. 0.46 lacs have since been renewed/ paid.

### PARTICULARS OF EMPLOYEES

Information as per Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, forms part of this Report. However, as per the provisions of Section 219 (1) (b) (iv), the Report and Accounts is being sent to all shareholders of the Company excluding the statement of particulars of employees. Any shareholder interested in obtaining a copy of the said statement may write to the Company Secretary at the Registered Office of the Company.

### CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

As required under Section 217(1)(e) of the Companies Act, 1956 read with Rule 2 of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, the information relating to Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo is annexed.

### **Y2K COMPLIANCE**

The Company has been cognisant of the Y2K issue for quite sometime and has planned and taken appropriate and effective steps to address it. Barring unforeseen circumstances, the company is confident of becoming Y2K compliant before end October 1999. Initiatives have also been taken by the company to evaluate the systems operating with its business associates, vendors and customers, with a view to ensuring that the business continuity plans take account of the year 2000 problem. The cost to address Y2K problem is considered to be negligible.

### **DIRECTORS**

Mr. J. Jaiswal and Mr.A.P. Jaiswal, Directors, retire by rotation and, being eligible, offer themselves for re-election.

### **AUDITORS**

Messrs Price Waterhouse, Chartered Accountants, Auditors of the Company, retire and being eligible, offer themselves for reappointment.

### **GENERAL**

Your Directors wish to express their appreciation of the co-operation and support given by all employees of the Company during the year.

The notes forming part of the accounts being self-explanatory, the comments made by the auditors in their report are not being dealt with separately.

For and on behalf of the Board

New Delhi  
30th July, 1999

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(KARAMJIT S. JAISWAL)  
*Managing Director*