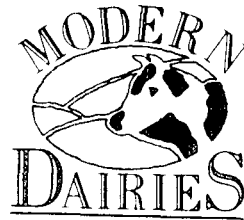


|     |                                     |                                     |     |                                     |
|-----|-------------------------------------|-------------------------------------|-----|-------------------------------------|
| MD  | <input checked="" type="checkbox"/> |                                     | BKC | <input checked="" type="checkbox"/> |
| CS  | NA                                  |                                     | DPY | NA                                  |
| RO  | <input checked="" type="checkbox"/> |                                     | DIV | NA                                  |
| TRA | <input checked="" type="checkbox"/> |                                     | AC  | <input checked="" type="checkbox"/> |
| AGM | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | SHI | <input checked="" type="checkbox"/> |
| YE  | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |     | <input checked="" type="checkbox"/> |



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ANNUAL

REPORT

1997-98

**Modern Dairies Limited**



Modern Dairies Limited



ANNUAL REPORT

**BOARD OF DIRECTORS**

Chairman

Mr. Amarjit Goyal

Managing Director

Mr. Krishan Kumar Goyal

Mr. Yash Mahajan

Mr. Kulwant Singh

Dr. B.N.Mathur

Mrs. Alka Goyal

Mr. M.K. Chanduka (Nominee IFCI)

Mr. H. S. Oberoi, Director (Operations)

**AUDITORS**

M/s. A. Goel &amp; Associates,

Chartered Accountants

**BANKERS**

Punjab National Bank

**HEAD OFFICE**

SCO 98-99, Sub-City Centre,

Sector 34, Chandigarh-160 022

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**REGISTERED OFFICE & WORKS**

136 Km., G.T.Road,

Kamal - 132 001

(HARYANA)

**REGISTRARS & SHARE TRANSFER AGENTS**

WISEC Global Limited

B-6/6, DDA Commercial Complex,

Safdarjung Enclave,

New Delhi - 110 029



Modern Dairies Limited

## NOTICE

NOTICE is hereby given that the 6th Annual General Meeting of the Company will be held at its Registered Office at 136 KM, G.T. Road, Karnal-132001 (Haryana) on Friday, the 15th May, 1998 at 11.00 a.m. to transact the following business :

### ORDINARY BUSINESS

1. To consider and adopt the Audited Balance Sheet and Profit & Loss Account for the year ended 31st March, 1998 and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Amarjit Goyal, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Mrs. Alka Goyal who retires by rotation and being eligible offers herself for re-appointment.
4. To appoint Auditors to hold office from the conclusion of this meeting until the conclusion of next Annual General Meeting and to fix their remuneration.

### SPECIAL BUSINESS

5. To consider and if thought fit, to pass the following resolution with or without Modification(s) as an ORDINARY RESOLUTION.

"RESOLVED THAT pursuant to sections 269 and 316 (2) read with schedule XIII or other applicable provisions, if any, of the Companies Act, 1956, consent and approval of the company be and is hereby accorded to the re-appointment of Mr. Krishan Kumar Goyal as Managing Director of the Company for a period of five years commencing from 02.11.1997 to 01.11.2002 without any remuneration."

By Order of the Board

PLACE : Chandigarh      KRISHAN KUMAR GOYAL  
DATED : 10th April, 1998      Managing Director

**NOTES :**

1. A member entitled to attend and vote is entitled to appoint a Proxy to attend and vote instead of himself/herself and the Proxy need not be a member. Proxy in order to be effective must be received by the Company not less than 48 hours before the meeting. A blank proxy form is enclosed.
2. Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956, in respect of the special business is annexed hereto.
3. The Register of Members and Share Transfer Books of the Company will remain closed from 12th May, 1998 to 15th May, 1998 (Both days inclusive).
4. **MEMBERS ARE REQUESTED TO :**
  - a) Notify promptly, any change, in their addresses to the company.
  - b) Send their queries, if any, at least ten days in advance of the meeting, so that the information can be made available at the meeting.

MEMBERS ARE REQUESTED TO  
BRING THEIR COPY OF ANNUAL  
REPORT AT THE MEETING

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

**ITEM NO. 5**

The Board of Directors of the Company at their Meeting held on 28th November, 1997 reappointed Mr. Krishan Kumar Goyal as Managing Director of the Company for a period of five years w.e.f. 02.11.1997. Mr. Krishan Kumar Goyal has conveyed that on account of sickness of the company, he will not withdraw any remuneration. The members may note that Mr. Krishan Kumar Goyal is also Managing Director of Modern Steels Limited, the promoting Company.

The Board recommends his reappointment as Managing Director and none of the Directors of the Company except Mr. Amarjit Goyal and Mrs. Alka Goyal may be considered to be concerned or interested in the resolution.

This Explanatory Statement relating to the resolution and accompanying notice may be treated as an abstract of the terms of the Agreement between the Company and Mr. Krishan Kumar Goyal and the memorandum of the interest of Directors in such contract as required u/s 302 of the Companies Act, 1956.

**INSPECTION OF DOCUMENTS**

The documents referred to in this notice and Explanatory Statement are open for inspection by any member at the Registered Office of the Company during the Company's business hours on any working day of the Company upto and including the date of meeting.

By Order of the Board

PLACE : Chandigarh  
DATED : 10th April, 1998

KRISHAN KUMAR GOYAL  
Managing Director



## Modern Dairies Limited

### DIRECTOR'S REPORT

Your Directors present their Sixth Annual Report together with the Audited Accounts of the Company for the year ended 31st March, 1998.

### OPERATIONS

During the financial year 1997-98, the Company's sales increased to Rs. 85 crores as against Rs. 76 crores in the previous year. Milk procurement witnessed tough conditions but your company could manage to process 14% more milk than last year. In line with the focus, sales to corporates rose by 65% which led to better performance as compared to the previous year. Consequently, despite having interest burden of Rs.4.29 crores against last year Rs. 3.77 crores, net loss for the financial year 1997-98 at Rs.1.67 crores came down by 41% against the previous year.

### BIFR PROCEEDINGS

As members are aware, on account of erosion of net worth of the Company, a reference was made to BIFR during the year under review. BIFR declared the Company as a sick undertaking and appointed IFCL as an Operating Agency for preparation of rehabilitation proposal. Members may note that the draft of the rehabilitation proposal prepared by IFCL in consultation with PNB and Haryana State Govt. has already been circulated and the final sanction from the BIFR is awaited.

### FUTURE PLANS

Effective steps are being taken to further improve and strengthen milk collection system and capacity utilization of the Dairy Plant. The sale plans is to strengthen liquid milk city supply, butter production and other value-added products.

### DIRECTORS

The Directors have re-appointed Mr. Krishan Kumar Goyal as Managing Director of the Company for a period of 5 years w.e.f. 2nd November, 1997. His terms of appointment are being placed before the share-holders for approval. The Directors recommend the appointment of Mr. Krishan Kumar Goyal.

During the year, Mr. M. K. Chanduka was nominated

on the Board by IFCL w.e.f 19th March, 1998 as its Nominee in place of Mr. G. G. Nair, who was withdrawn from the Board on 6th October, 1997. The Board, while welcoming Mr. M. K. Chanduka, places on record their appreciation for the valuable services and guidance rendered by Mr. G. G. Nair.

Mr. Amarjit Goyal and Mrs. Alka Goyal, who retire by rotation at this Annual General Meeting, being eligible, offer themselves for re-appointment.

### AUDITORS

M/s. A. Goel & Associates, Auditors of the Company, hold office until the conclusion of forthcoming Annual General Meeting and are recommended for reappointment. The Company has received a Certificate from the Auditors to the effect that their appointment, if made would be within the prescribed limits u/s 224 (1) of the Companies Act, 1956.

### HUMAN RESOURCES

Harmonious employees relations prevailed throughout the year. Your Directors place on record their appreciation of all categories of employees for their hard work and dedication. The statement showing particulars of employees as required under Section 217 (2-A) of the Companies Act, 1956 read with companies (Particulars of Employees) Rule, 1975 is annexed which forms part of the report.

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

Information as per Section 217 (1) (e) read with Companies (Disclosure of Particulars of the Report of Board of Directors) Rule, 1988, is given in the annexure forming part of the report.

### APPRECIATION

Yours Directors wish to place on record their sincere thanks to the Industrial Financial Corporation of India Ltd., Punjab National Bank and Govt. of Haryana for their valuable support.

For & on behalf of the Board

PLACE : Chandigarh  
DATED : 10th April, 1998

AMARJIT GOYAL  
CHAIRMAN

**ANNEXURE TO DIRECTORS' REPORT**

Particulars of Employees pursuant to the provision of Section 217 (2A) of the Companies Act, 1956 forming part of Directors' Report for the year ended 31st March, 1998

| Name | Age/<br>Yrs. | Designation/<br>Nature of<br>duties | Gross<br>remunera-<br>tion in Rs. | Qualifications | Exper-<br>ience<br>in yrs. | Date of<br>commence-<br>ment of<br>employment | Last Employment<br>Held/Designation |
|------|--------------|-------------------------------------|-----------------------------------|----------------|----------------------------|---|-------------------------------------|
| 1    | 2            | 3                                   | 4                                 | 5              | 6                          | 7   | 8                                   |

**EMPLOYED THROUGH OUT THE YEAR.**

|                 |    |                                  |          |                        |    |          |  |
|-----------------|----|----------------------------------|----------|------------------------|----|----------|--|
| Mr. H.S. Oberoi | 55 | Director<br>(Operations)         | 3,87,849 | B.Sc.<br>(Dairy Tech.) | 34 | 16.04.93 | Director Technical<br>Roadmaster Foods Ltd.                                |
| Dr. P.K. Jain   | 47 | General<br>Manager<br>Commercial | 3,25,660 | B.V.Sc. & AH           | 26 | 14.11.92 | Jr. Vice President<br>(Procurement)<br>Foremost Industries<br>(India) Ltd. |

**NOTE**

1. Remuneration includes salary, allowances, company's contribution to Provident Fund, Leave Travel Assistance, Medical Expenses & value of other perquisites, wherever applicable.
2. None of these employees related to any Director of the company.