

FOR MEMBERS ONLY

64th Annual Report 1997-98



Mohan Meakin Limited Estd. 1855



Mohau Meakin Limited

7/10/2008

MD	✓		BKC	NA
CS	✓		DFY	NA
RO	✓		DEV	NA
TRA	NP		MC	✓
AGM	✓	✓	DEI	✓
YE	✓	✓		✓

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Board of Directors

Managing Director
Brig.(Dr.)Kapil Mohan,
VSM (Retd.) Ph.D.

Executive Director
Mr. Rakesh Mohan

Executive Director
Mr. Hemant Mohan

Financial Director
Mr. P.D.Goswami,
F.C.A., F.C.S.

Directors:
Lt.Genl.Harbakhsh Singh,
VR CH

Lt.Genl.K.Bahadur Singh

Mr. M.Yusuf Khan

Mr. L.K.Malhotra

Justice Mr. H.L.Anand (Retd.)

Secretary
Mr. H.N.Handa,
B.Com.,F.C.A.,F.C.S.,A.M.C.I.A.(London)

ANNUAL GENERAL MEETING

at 10 A.M. on Monday,
the 28th September,1998
at Solan Brewery
(Himachal Pradesh)

Bankers
Punjab National Bank

Auditors
A.F.Ferguson & Co.

Solicitors
J.B.Dada Chanji & Co.,
New Delhi.

DIRECTORS' REPORT :

The Directors present their 64th Annual Report on the business and operation of the Company, with the Statement of Account, for the year ended March 31, 1998, together with the report of Auditors, Messers A.F. Ferguson & Co.

SUMMARISED FINANCIAL RESULTS:

	1998 Rs.	1997 Rs.
Profit after providing for depreciation and interest but before taxation	2,08,96,299	1,35,55,620
Provision for Income Tax	21,61,000	17,50,000
	1,87,35,299	1,18,05,620
Taxation adjustments relating to earlier years (Net)	6,76,267	(8,33,285)
	1,94,11,566	1,09,72,335
Transferred from investment allowance reserve account	-	10,00,000
Balance brought forward from previous year	1,98,16,171	1,75,23,500
	3,92,27,737	2,94,95,835

APPROPRIATIONS:

1. Transferred to Debenture Redemption Reserve	50,00,000	50,00,000
2. Proposed dividend	42,54,240	42,54,240
3. Tax on proposed dividend	4,25,424	4,25,424
4. Balance carried to balance sheet	2,95,48,073	1,98,16,171
	3,92,27,737	2,94,95,835

RESULTS:

The turnover of the company registered an increase from Rs.1,74,69,65,590 to Rs.2,03,59,86,387 during the year under review which is quite encouraging in the face of stiff competition. This has been possible due to better coverage of the market and extensive market efforts. The liquor trade is becoming very competitive day by day and your Company is also getting geared up to meet the market challenge.

DIVIDEND :

We recommend for your consideration and approval the payment of dividend amounting to Rs.42,54,240 (previous year Rs.42,54,240) out of the profits of the current year at the rate of 10 % (previous year 10%) on the paid up share capital.

DIRECTORS:

In accordance with provisions of the Companies Act, 1956, and the Company's Articles of

Association, Sh.P.D.Goswami, and Sh. Rakesh Mohan, Directors of the Company, retire by rotation and being eligible offer themselves for re-election. We recommend their re-appointments as their advice from time to time has proved beneficial to the interest of the Company. Lt.Genl.K.Bahadur Singh has expressed his desire not to seek re-election as a Director of the Company in the forthcoming Annual General Meeting, hence his name has not been proposed as a Director, retiring by rotation. The Board places on record its deep appreciation for his valuable guidance and suggestions from time to time.

RE-APPOINTMENT OF MANAGING DIRECTOR:

The term of the appointment of the Managing Director, Brig. (Dr.) Kapil Mohan, VSM (Retd.) Ph.D, will expire on 28th July, 1999, after attaining the age of 70 years. Keeping in view the amendment to Schedule XIII of the Companies Act, 1956, waiving the ceiling of 70 years of age, the Board has recommended his re-appointment for a further period of 5 years with effect from 29th July, 1999, and the proposal for his re-appointment is being placed before the forthcoming Annual General Meeting of the Company, for its approval.

RE-APPOINTMENT OF EXECUTIVE DIRECTOR:

The term of the appointment of Executive Director, Shri Hemant Mohan, will expire on 30.9.1998. The proposal for his re-appointment for a further period of 5 (five) years is being placed before the forthcoming Annual General Meeting.

AUDITORS:

Messrs A.F.Ferguson & Co., Chartered Accountants, will retire at the conclusion of the forthcoming Annual General Meeting. They being eligible, offer themselves for re-appointment. Messrs Mohan & Co., Chartered Accountants, for the audit of accounts of the Company's Lucknow Branch, will also retire at the conclusion of the forthcoming Annual General Meeting. They being eligible, offer themselves for re-appointment.

ANNEXURE TO THE AUDITORS' REPORT :

The observations made by the Auditors , have

already been fully explained in the Notes attached to the Accounts and therefore do not call for any further comments under Section 217(3) of the Companies Act, 1956.

COST AUDIT:

As per directions of the Central Govt., Ministry of Law Justice and Company Affairs (Department of Company Affairs) the Cost Audit of the Accounts in respect of Industrial Alcohol for the year ended 31.3.1998 and also every financial year thereafter continuously has to be conducted by a qualified Cost Auditor until further orders. Accordingly, the Company has got the cost audit of the accounts of Industrial Alcohol maintained at Lucknow Distillery for the year ended 31.3.1998 carried out by Shri.K.S.Bhatnagar, a qualified Cost Auditor, as approved by the Central Government.

FIXED DEPOSITS:

On March 31, 1998 there were 470 persons whose fixed deposits amounting to Rs. 38,39,584 had become due for repayment during the year but did not claim or sent instructions for renewal.

TRANSACTIONS WITH NATIONAL CEREALS PRODUCTS LIMITED :

The purchases made by the Company during the year include purchases aggregating to Rs. 5,83,71,747 made from National Careals Products Ltd., which has manufactured the bulk requirements of barley malt and maize flakes for the Company's units at Mohan Nagar, Solan Brewery and Kasauli for more than four decades. The Company holds 341352 shares(approx. 26%), while the Mohan Family holds 364710 shares(approx. 28%) of the total shares of National Cereals Products Ltd. Mrs. Comilla Mohan, Sister-in-Law of Brig. (Dr.)Kapil Mohan, VSM,(Retd), Ph.D., is the Managing Director of National Cereals Products Ltd.

UNCLAIMED DIVIDENDS :

As per rule 4A of the Companies Unpaid Dividend (Transfer to General Revenue Account of the Central Government) Rules, 1978, we have to inform you that a sum of Rs.1,41,422.50 remaining un- paid/ un-claimed for the period of 3 years (dividends pertaining to the year 1994) has been transferred to the General Revenue Account of the Central

Government. Shareholders who have not encashed the dividend warrants for the said period, are requested to claim the amounts from the Registrar of Companies at 286, Defence Colony, Gurgaon Road, Jalandhar City (Punjab). Members who have not encashed their dividend warrants subsequent to the above period, may approach the Company's Registered Office at Solan Brewery P.O., Shimla Hills, H.P. for revalidating the warrants or for obtaining duplicate warrants.

INSURANCE :

The Company's assets have been adequately insured.

PARTICULARS OF EMPLOYEES :

Particulars of employees as required under Section 217(2A) of the Companies Act, 1956, are given in the enclosed schedule on page No.36 forming part of this report.

ENERGY CONSERVATION, TECHNOLOGY, ABSORPTION AND FOREIGN EXCHANGE :

Information pursuant to 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, is given in Annexure forming part of this Report.

CURRENT TREND :

The sale of the Company's products for the first quarter of the current year, are higher by more than about 16 % as compared to the corresponding period of the year under review. This increase is due to extensive market efforts against stiff competition from the competitors. We hope to maintain the trend, barring any unforeseen circumstances.

INDUSTRIAL RELATIONS :

The Company continues to enjoy excellent Industrial relations as usual. Smooth, harmonious management - employee relationship is the result of dynamic leadership of our Managing Director, Brig.(Dr.) Kapil Mohan, VSM (Retd.) Ph.D., who considers the Company's manpower as its precious asset. All Units of your Company functioned without interruption during the year under review. Your

Directors wish to place on record their deep sense of appreciation for the devoted services of the Executives, Staff and Workers of the Company for its success.

URBAN LAND(CEILING & REGULATION) ACT, 1976 :

We have not received any order so far on our applications made to various state Governments for exemption of Company's land under the Act. However, as per indications, the act is likely to be repealed very soon.

BRIG.(Dr.)KAPIL MOHAN

MANAGING DIRECTOR

VSM (Retd.) Ph.D

RAKESH MOHAN

EXECUTIVE DIRECTOR

HEMANT MOHAN

EXECUTIVE DIRECTOR

P.D.GOSWAMI

FINANCIAL DIRECTOR

LT.GENL.HARBAKSH SINGH

DIRECTOR

MOHAN NAGAR

August 17, 1998

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ANNEXURE TO THE DIRECTORS' REPORT:

PARTICULARS UNDER COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988, FOR THE YEAR ENDED MARCH 31, 1998.

A. CONSERVATION OF ENERGY:

Energy conservation measures taken:

The Company in the current Financial year has been able to further conserve energy through the following means:

- (a) In the Brewery Division at Mohan Nagar, a new automatic bottle washing machine and a pasteuriser affected saving both in terms of steam and electricity.
- (b) The Company at its Lucknow Units is building a new Methane Reactor to enhance the quantity of Methane Gas during the treatment of effluent and the same would be used to further conserve the fossil fuels.
- (c) Impact of the above measures for reduction of energy consumption and consequent impact on the cost of production of goods. With the implementation of the above measures, energy consumption is likely to reduce further resulting in the reduction of cost of production and use of fossil fuel.
- (d) Total energy consumption and energy consumption per unit of production as per prescribed Form 'A'.

FORM 'A'**Form for disclosure of particulars with respect to consumption of energy****(A) POWER AND FUEL CONSUMPTION:**

	Glass	*Food Product	*Breakfast Food	Cold Storage (two units)
1. Electricity:				
a) Purchased:				
Units	51,12,723	62,422	4,26,843	12,12,948
	(70,14,230)	(56,789)	(3,82,499)	(11,38,883)
Total amount (Rs.)	2,10,88,506	3,05,966	20,91,531	36,30,812
	(2,36,56,084)	(2,22,613)	(14,99,396)	(32,42,110)
Rate/unit (Rs.)	4.12	4.90	4.90	2.99
	(3.37)	(3.92)	(3.92)	(2.85)
b) Own generation:				
i) Through Diesel Generator:				
Units	14,75,562	16,772	1,07,851	49,904
	(15,06,201)	(18,403)	(1,05,651)	(41,808)
Units per litre of Diesel Oil	3.13	3.09	3.09	1.77
	(3.25)	(3.25)	(3.25)	(1.80)
Cost/unit (Rs.)	2.58	2.73	2.73	5.72
	(2.29)	(2.27)	(2.27)	(4.80)
(ii) Through Steam Turbine/Generator:				
Units	-	-	-	-
	(-)	(-)	(-)	(-)
Units per litre of fuel oil/gas	-	-	-	-
	(-)	(-)	(-)	(-)
Cost/unit (Rs.)	-	-	-	-
	(-)	(-)	(-)	(-)

2. Furnace Oil/ R.F.O.

Qty. (k.ltrs.)	1	-	-	-
	(13)	(-)	(-)	(-)
Total amount (Rs.)	4,539	-	-	-
	(67,483)	(-)	(-)	(-)
Average rate (Rs.)	5,272	-	-	-
	(5,272)	(-)	(-)	(-)

3. L.D.O.

Qty. (K.Ltrs.)	-	-	-	-
	(117)	(-)	(-)	(-)
Total amount (Rs.)	-	-	-	-
	(7,23,162)	(-)	(-)	(-)
Average rate (Rs.)	-	-	-	-
	(6,182)	(-)	(-)	(-)

4. H.S.D.

Qty. (K.Ltrs.)	-	-	-	-
	(161)	(-)	(-)	(-)
Total amount (Rs.)	-	-	-	-
	(12,34,483)	(-)	(-)	(-)
Average rate (Rs.)	-	-	-	-
	(7,681)	(-)	(-)	(-)

5. L.P.G:

Qty. (Tonnes)	-	-	-	-
	(27)	(-)	(8)	(-)
Total cost (Rs.)	-	-	-	-
	(3,86,119)	(-)	(2,03,371)	(-)
Rate/unit (Rs.)	-	-	-	-
	(14,170)	(-)	(25,220)	(-)

6. Natural Gas:

Qty. (Cubic Meters)	39,46,049	-	-	-
	(56,45,633)	(-)	(-)	(-)
Total cost (Rs.)	1,63,68,296	-	-	-
	(2,09,57,207)	(-)	(-)	(-)
Rate/unit (Rs.)	4.15	-	-	-
	(3.71)	(-)	(-)	(-)

7. Steam Used from the Main Boiler House

Total Cost (Rs.)	-	9,92,606	28,55,700	-
	(-)	(13,43,416)	(33,02,847)	(-)

(B) Consumption per Unit of production:

	Standard (if any)	Per tonne	Per tonne	Per tonne	Per tonne
Products (with) details unit:					
Electricity (units)	-	449	39	307	-
	(-)	(396)	(25)	(284)	(-)
F.O./R.F.O., L.D.O., H.S.D. (KL)	-	0.0005	-	-	-
	(-)	(0.0135)	(-)	(-)	(-)
L.P.G. (Tonnes)	-	-	-	-	-
	(-)	(0.00127)	(-)	(0.00469)	(-)
Natural Gas (Cubic Meters)	-	251	-	-	-
	(-)	(263)	(-)	(-)	(-)
Steam	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)

- Notes:**
- (i) Electricity consumption were higher in glass factory because of continuous repair in plant and machinery in glass factory. Therefore, machinery have to be run sometime even though production was very low, thereby increasing electricity consumption per tonne of production.
 - (ii) The LDO, H.S.D., F.O./R.F.O., LPG has been used only when the natural gas was available in scarcity.
 - (iii) *The unit wise consumption of coal and natural gas is not available this year as the steam has been supplied from the main boiler house.
 - (iv) Previous year figures are in bracket.

FORM 'B'**ANNEXURE 1****DISCLOSURE OF PARTICULARS WITH RESPECT TO TECHNOLOGY ABSORPTION AND TECHNOLOGY DEVELOPMENT****B. RESEARCH & DEVELOPMENT:**

The process of complete absorption of the improvements suggested by the Scottish Consultants, is under implementation and will be fully absorbed during the forthcoming financial year.

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION :

1. Efforts in brief made towards technology absorption, adaptation and innovation:

Since most of the technologies are developed in house, they are easily commercially scaled up and these technologies are fully absorbed, adapted and improved.

2. Benefit derived as a result of the above efforts:

The Company has been able to achieve cost reduction, improvement in quality and developing new products to meet increasing competition.

3. Imported technology :

In case of imported technology (imported during the last five years reckoned from the beginning of the financial year) following information is furnished:

<u>Technology</u>	<u>Year</u>	<u>Status</u>
Optimisation of yield and spirit quality.	1995-96	Partially absorbed and further efforts are made to absorb the technology in full scale.

C. FOREIGN EXCHANGE EARNING AND OUTGO:

The information on foreign exchange earning and outgo is contained in Schedule 12 under Notes 18 and 19 of the balance sheet and the profit & loss account.