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75th
ANNUAL REPORT
2008-2009

Mohan Meakin Limited Estd. 1855

For Members only

MOHAN MEAKIN LIMITED

Registered Office: Solan Brewery-173214 (Himachal Pradesh).

NOTICE OF MEETING:

The 75th Annual General Meeting of Mohan Meakin Ltd., will be held at the Registered Office of the Company at Solan Brewery (Himachal Pradesh) on Saturday the 26th September, 2009 at 11:00 A.M., to transact the following business:

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2009 and the Profit and Loss Account, for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Shri Hemant Mohan who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri L.K. Malhotra who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors for the audit of Company's Accounts and those of its branches at Solan Brewery, Mohan Nagar, Kasauli and Mohangram (Bhankarpur) for the year ending 31st March, 2010 and to fix their remuneration.
5. To appoint Auditors for the audit of accounts of the Company's branch at Lucknow for the year ending 31st March, 2010 and to fix their remuneration.

SPECIAL BUSINESS:

6. To consider and if thought fit, to pass with or without modification, the following Resolution as SPECIAL RESOLUTION:

RESOLVED that pursuant to the provisions of Sections 198, 269, 310, 311, 314 and other applicable provisions, if any, read with and in accordance with the conditions specified in Schedule XIII of the Companies Act, 1956, as amended from time to time, the approval of the Company be and is hereby accorded for the re-appointment of Brig. (Dr.) Kapil Mohan, VSM (Retd.) Ph.D., as Managing Director of the Company for a further period of 3 years commencing from 1.4.2010 on the following terms and conditions:

- A. **REMUNERATION** - The remuneration shall be fixed by the Board within the ceiling i.e. Rs. 42 lacs per annum as laid down in schedule XIII, Part II Section II (1) B, of the Companies Act, 1956 in respect of the Company.

The Managing Director shall also be eligible to the following perquisites which shall not be included in the computation of the ceiling on remuneration specified hereinabove :

- (a) Contribution to Provident Fund, Superannuation Fund or annuity Fund to the extent these are singly and collectively not taxable under the Income-tax Act, 1961.
- (b) Gratuity payable at a rate not exceeding half a month's salary for each completed year of service and;
- (c) Encashment of un-availed leave at the end of the tenure.

The value of other perquisites and Company furnished accommodation would be evaluated as per Income Tax Rules, 1962 wherever applicable and at cost, in the absence of such Rules.

- B. **COMMISSION:**

The Managing Director shall be entitled to such amount of commission (in addition to his salary and the perquisites hereinabove stated) calculated with reference to the net profits of the Company for such financial year which together with the salary and monetary value of the perquisites, shall not exceed the ceiling for remuneration as laid down in Schedule XIII of the Companies Act, 1956 as amended from time to time and together with the commission payable to any other Director(s) shall not exceed the applicable limits prescribed under Sections 198, 269, 309, 310 and 311 and other applicable provisions of the Companies Act, 1956.

RESOLVED FURTHER that in the event of inadequacy or absence of profits in any financial year, Brig.(Dr.) Kapil Mohan, VSM (Retd.)Ph.D., Managing Director, shall be paid the same remuneration as stated hereinabove, except commission, as minimum remuneration which shall not exceed the limits prescribed under Clause (B) of Section II of Part II of Schedule XIII to the Companies Act, 1956 or any statutory modification or re-enactment.

RESOLVED FURTHER that for the purpose of giving effect to this Resolution, the Board of Directors of the Company (hereinafter referred to as the 'Board' which term shall be deemed to include Remuneration Committee thereof, for the time being exercising the powers conferred on the Board by this Resolution) be and is hereby authorized to fix, alter and vary in agreement with Brig. (Dr.) Kapil Mohan, VSM (Retd.) Ph.D., the remuneration of the Managing Director within the overall ceiling aforesaid from time to time during the currency of the 3 years of the re-appointment as mentioned hereinabove.

RESOLVED FURTHER that the headquarter of the Managing Director shall be at Mohan Nagar.

This appointment/arrangement may be terminated by either of the party by giving the other party six calendar month's notice in writing.

7. To consider and if thought fit, to pass with or without modification, the following Resolution as SPECIAL RESOLUTION:

RESOLVED that pursuant to the provisions of Sections 198, 269, 310, 311, 314 and other applicable provisions, if any, read with and in accordance with the conditions specified in Schedule XIII of the Companies Act, 1956, as amended from time to time, the approval of the Company be and is hereby accorded for the re-appointment of Shri Hemant Mohan, as Dy. Managing Director of the Company for a further period of 3 years commencing from 1.4.2010 on the following terms and conditions:

A. **REMUNERATION** - The remuneration shall be fixed by the Board within the ceiling i.e. Rs. 42 lacs per annum as laid down in schedule XIII, Part II Section II (1) B, of the Companies Act, 1956 in respect of the Company.

The Dy. Managing Director shall also be eligible to the following perquisites which shall not be included in the computation of the ceiling on remuneration specified hereinabove :

- (a) Contribution to Provident Fund, Superannuation Fund or annuity Fund to the extent these are singly and collectively not taxable under the Income-tax Act, 1961.
- (b) Gratuity payable at a rate not exceeding half a month's salary for each completed year of service and;
- (c) Encashment of un-availed leave at the end of the tenure.

The value of other perquisites and Company furnished accommodation would be evaluated as per Income Tax Rules, 1962 wherever applicable and at cost, in the absence of such Rules.

B. **COMMISSION:**

The Dy. Managing Director shall be entitled to such amount of commission (in addition to his salary and the perquisites hereinabove stated) calculated with reference to the net profits of the Company for such financial year which together with the salary and monetary value of the perquisites, shall not exceed the ceiling for remuneration as laid down in Schedule XIII of the Companies Act, 1956 as amended from time to time and together with the commission payable to any other Director(s) shall not exceed the applicable limits prescribed under Sections 198, 269, 309, 310 and 311 and other applicable provisions of the Companies Act, 1956.

RESOLVED FURTHER that in the event of inadequacy or absence of profits in any financial year, Shri Hemant Mohan, Dy. Managing Director, shall be paid the same remuneration as stated hereinabove, except commission, as minimum remuneration which shall not exceed the limits prescribed under Clause (B) of Section II of Part II of Schedule XIII to the Companies Act, 1956 or any statutory modification or re-enactment.

RESOLVED FURTHER that for the purpose of giving effect to this Resolution, the Board of Directors of the Company (hereinafter referred to as the 'Board' which term shall be deemed to include Remuneration Committee thereof, for the time being exercising the powers conferred on the Board by this Resolution) be and is hereby

authorized to fix, alter and vary in agreement with Shri Hemant Mohan, the remuneration of the Dy. Managing Director within the overall ceiling aforesaid from time to time during the currency of the 3 years of the re-appointment as mentioned hereinabove.

RESOLVED FURTHER that the headquarter of the Dy. Managing Director shall be at New Delhi.

This appointment/arrangement may be terminated by either of the party by giving the other party six calendar month's notice in writing.

BY ORDER OF THE BOARD OF DIRECTORS

REGD. OFFICE

SOLAN BREWERY (H.P.)-173214

DATED: 30th July, 2009

(H.N. HANDA)

COMPANY SECRETARY

NOTES & ANNEXURE:

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 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 of holding the aforesaid meeting. Members/proxies should fill the Attendance Slip for attending the meeting.**
2. Members are requested to bring their attendance slip along with their copy of Annual Report to the Meeting.
3. Members who hold shares in dematerialized form are requested to write their Client ID and DPID and those who hold shares in physical form are requested to write their Folio Number in the attendance slip for attending the Meeting.
4. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
5. Relevant documents referred to in the accompanying Notice are open for inspection by the members at the Regd. Office of the Company on all working days between 11 A.M. and 1 P.M. upto the date of Meeting.
6. Pursuant to Provisions of Section 205A(5) and 205 (C) of the Companies Act, 1956, ("the Act") all unclaimed/unpaid dividends upto the final dividend for the financial year 2001 have been transferred to the General Revenue Account of the Central Government.

Shareholders who have not yet en-cashed the dividend warrants for the said Period, are requested to claim their amounts from the Registrar of Companies, Punjab, H.P. and Chandigarh, 286, Defence Colony, Jalandhar City. Shareholders are hereby informed that after the amendment of the Act w.e.f. 31.10.1998, the Company will be obliged to transfer any money lying in the Unpaid Dividend Account, which remains unpaid or unclaimed for a period of seven years from the date of such transfers to the Unpaid Dividend Account, to the credit of Investor Education and Protection Fund ("the Fund") established by the Central Government in accordance with Section 205C of the Act, no claim shall lie against the Company or Fund in respect of individual amounts of dividend remaining unclaimed and unpaid for a period of seven years from the dates they became first due for payment and no payment shall be made in respect of any such claim.

7. While members holding shares in physical form may write to M/s. Beetal Financial and Computer Services (P) Ltd., Beetal House, 3rd Floor, 99, Madangir, behind Local Shopping Centre, Near Dada Harsukhdas Mandir, New Delhi-110 062 appointed by the Company as Registrar and Share Transfer Agent (R&TA) for any change in their addresses. Members having shares in electronic form, may inform the same to their depository participants immediately to enable the Company to update its record.

8. Corporate Members intending to send their authorized representatives to attend the Meeting are requested to send a duly certified copy of the Board Resolution authorizing their representatives to attend and vote on their behalf at the Annual General Meeting.
9. Consequent upon the introduction of Section 109A of the Companies Act, 1956, shareholders are entitled to make nomination in respect of shares held by them in physical form. Shareholders desirous of making nominations are requested to send their requests in form 2B (which will be made available on request) to the Registrar and Transfer Agents, Messrs. Beetal Financial and Computer Services (P) Ltd., New Delhi.
10. In terms of Article 84 of the Articles of Association of the Company Shri Hemant Mohan and Shri L.K.Malhotra Directors, retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment. Brief resume of these Directors, nature of their expertise in specified functional areas, names of Companies in which they hold directorship and membership/chairmanship, shareholding and relationship between Director inter se as well as particulars of Directors seeking appointment/re-appointment at the Meeting as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges in India, are provided in the Annexure hereto. The Board of Directors of the Company commends their respective re-appointments.

BY ORDER OF THE BOARD OF DIRECTORS

REGD. OFFICE
SOLAN BREWERY (H.P.)-173214
DATED: 30th July, 2009

(H.N. HANDA)
COMPANY SECRETARY

Details of Directors proposed to be appointed/re-appointed in Annual General Meeting fixed for 26th September, 2009 are given below:

1. Name: Brig. (Dr.) Kapil Mohan, VSM (Retd.) Ph.D.
Age: 80 years
Qualifications: M.A. (Soc.) Ph.D.
Specialisation in Art of Brewing Technology from Scotland, England and West Germany.
Experience and expertise in specific Functional Area: Prior to joining Mohan Meakin Ltd., in the year 1973 as Managing Director, he was Managing Director of Trade Links (P) Ltd., in between the years 1956-66. He has vast experience in Brewing and Distillation Technology.
List of public Companies in which outside Directorship held:

Arthos Breweries Ltd.	Director
Mohan Rocky Springwater Breweries Ltd.	Director
Sagar Sugars & Allied Products Ltd.	Director
R.R.B. Energy Ltd.	Director
Solchrome Systems India Ltd.	Director

Chairman/Member of the Committee of Board of Directors of the Companies:
Audit Committee – Member: M/s. Arthos Breweries Ltd.
M/s. Sagar Sugars & Allied Products Ltd.
Shareholding in the Company: 1,79,980 shares

2. Name:	Shri Hemant Mohan	
Age	41 years	
Qualifications:	Bachelors in Business Adm., Degree Majoring in International Business (London).	
Experience and expertise in Specific functional area	Vast experience in Brewing and Distillation Industry.	
List of public Companies in which Outside directorships held:	NIL	
Chairman/Member of the Committee of Board of Directors of the Companies:	NIL	
Shareholding in the Company	83,843 shares	
3. Name:	Shri L.K. Malhotra	
Age	64 years.	
Qualification:	Graduate:	
Experience and expertise In specific functional area:	He has been Managing Partner of Several Business Houses doing business of Shipping, Trading, Import, Export and Construction, Car accessories and parts etc. in Kuwait. He shifted to India in 1985 to provide effective management to Hotel Sofital Surya (now known as Crowne Plaza Surya) a Unit of CHL Ltd. Took charge as Managing Director of this Company in July, 1985 and continuing till date.	
	He has been appointed as Honorary Consul of Tajikistan for India in 1994.	
List of public Companies in which outside directorship held:	CHL Ltd.	Managing Director
	Taurus Investment Trust Co.Ltd.	Director
	Mohan Rocky Springwater Breweries Ltd.	Director
	Malbros Capital Services (P) Ltd.	Director
	Kyjoi Entertainment Media Pvt.Ltd.	Director
	CHL (South) Hotels Ltd.	Director
	CHL International	Director
	CHL Biotech Pvt.Ltd	Director
	Cosmo Asset Reconstruction Co.Ltd.	Director
Chairman/Member of the Committee of Board of Directors of the Companies.		
Shareholders/Investors Grievance Committee	- Chairman	Mohan Meakin Ltd.
Audit Committee	- Chairman	Mohan Meakin Ltd.
Remuneration Committee	- Chairman	Mohan Meakin Ltd.
Audit Committee	- Member	Taurus Investment Trust Co. Ltd.
Shareholding in the Company:	5,000 shares	

EXPLANATORY STATEMENT:

(Pursuant to Section 173 of the Companies Act, 1956)

AGENDA ITEM No.6

The shareholders approved the re-appointment of Brig.(Dr.) Kapil Mohan, VSM (Retd.) Ph.D., as Managing Director in the Annual General Meeting of the Company held on 30th September, 2006 for a period of 3 years on the remuneration package as approved by the Remuneration Committee, w.e.f. 1.4.2007 which period shall expire on 31st March, 2010 and as such his re-appointment is to be made w.e.f. 1.4.2010. The Board considers it desirable that the Company should continue to avail itself of the experience and guidance of Brig.(Dr.) Kapil Mohan, VSM (Retd.) Ph.D., and recommends his re-appointment as Managing Director on the remuneration package as approved by the Remuneration Committee from 1.4.2010 for a period of 3 years on the terms and conditions mentioned in the Resolution, as his appointment would be beneficial in the interest of the Company. He has attained the age of 80 years. His re-appointment is, therefore, being placed before you by way of SPECIAL RESOLUTION as required under Schedule XIII of the Companies Act, 1956 for your approval.

There has been no default in re-payment of any of its debts (including public deposits) or debentures or interest payable thereon for a continuous period of thirty days in any preceding financial year.

A Statement as required under sub clause (iv) of Clause B of Section II of Part II of Schedule XIII to the Companies Act, 1956 is enclosed as Annexure "A".

This may be treated as an abstract under Section 302 of the Companies Act, 1956.

Brig.(Dr.) Kapil Mohan, VSM (Retd.) is interested in the proposed Special Resolution.

AGENDA ITEM No. 7

The shareholders approved the re-appointment of Shri Hemant Mohan, as Deputy Managing Director in the Annual General Meeting held on 30th September, 2006 for a period of 3 years on the remuneration package as approved by the Remuneration Committee, from 1.4.2007 which period shall expire on 31st March, 2010 and as such his re-appointment is to be made w.e.f. 1.4.2010. The Board keeping in view the remarkable performance and achievement of Shri Hemant Mohan in bringing all round improvement in the operations of the Company, recommends his re-appointment as Deputy Managing Director on the remuneration package as approved by the Remuneration Committee for a period of 3 years on the terms and conditions mentioned in the Resolution, as his appointment would be beneficial in the interest of the Company. His re-appointment is, therefore, being placed before you by way of SPECIAL RESOLUTION as required under Schedule XIII of the Companies Act, 1956 for your approval.

There has been no default in re-payment of any of its debts (including public deposits) or debentures or interest payable thereon for a continuous period of thirty days in any preceding financial year.

A Statement as required under sub clause (iv) of Clause B of Section II of Part II of Schedule XIII to the Companies Act, 1956 is enclosed as Annexure "B".

This may be treated as an abstract under Section 302 of the Companies Act, 1956.

Shri Hemant Mohan is concerned or interested in the proposed Special Resolution, Shri Vinay Mohan, a Director of the Company and brother of Shri Hemant Mohan, is also interested in the proposed Resolution.

Annexure-A

Statement as required under sub clause (iv) of clause (B) of Section II of Part II of schedule XIII to the Companies Act, 1956.

I. General Information:

- (1) Nature of Industry Manufacturers of IMFL, Beer, Glass Bottles & Food products etc.
- (2) Date or expected date of commencement of commercial production. Commenced business in 1855
- (3) In case of new Companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus Not applicable
- (4) Financial performance based on given indicators

	(Rs. in Lacs)		
	Financial year.	Sales & other Income	Profits before tax
	2008-2009	44,398	63
(5) Export performance and net Foreign exchange collaborations.	Financial year	F.O.B. value of exports. (Rs. in lacs)	
	2008-2009	745	
(6) Foreign investments or collaborators, if any,	Not applicable		

II. Information about the appointee:

- (1) Background details The background details of Brig. (Dr.) Kapil Mohan, VSM (Retd.) Ph.D., are covered in the statement "Information furnished under Clause 49 of the Listing Agreement" which is attached to the Notice.
- (2) Past Remuneration: The shareholders at the Annual General Meeting held on 30.9.2006 approved the re-appointment of Brig. (Dr.) Kapil Mohan, VSM (Retd.) Ph.D., as Managing Director in the salary grade of Rs. 1,45,000/-p.m. with an annual increment of Rs. 5000/- plus Perks for a period of three years w.e.f. 01.04.2007 and the remuneration payable to him be paid w.e.f. 01.04.2007 even in the event of inadequacy or absence of profits in any financial year except for commission which shall, in such event, not exceed the limits prescribed under sub Clause (B) of Section II of Part II of Schedule XIII of the Companies Act, 1956. The remuneration drawn by him during the year ended 31.3.2009 amounted to Rs.22,43,632/- inclusive of perks and retirement benefits.
- (3) Recognition or awards: He was commissioned in the Territorial Army in 1956, served three major wars viz. Indo-China 1962, Indo-Pak 1965 & 1971, and was promoted to the rank of "First Brigadier" "Vishisht Sewa Medal" for his meritorious services during Indo-Pak war of 1971.
- (4) Job profile and his suitability. The job profile and his suitability are covered in the earlier part of the explanatory statement.
- (5) Remuneration proposed: Salary plus perquisites as fully set out in item No.6 of the Notice.
- (6) Comparative remuneration: Taking into consideration the size of the Company, the Profile of Brig. (Dr.) Kapil Mohan, VSM (Retd.) Ph.D., the responsibilities profile with respect to industry,

size of the Company, profile of the position and person (in case of expatriates, the relevant details would be w.r.t. the country of his origin).

- (7) Pecuniary relationship directly or indirectly with the Company, or relationship with the Managerial personnel, if any.

III. Other Information:

- (1) Reasons of loss or Inadequate profits:

shouldered by him and the industry benchmarks, the remuneration proposed to be paid is commensurate with the remuneration packages paid to similar senior level counterpart(s) in other Companies.

Besides the remuneration proposed to be paid to him, Brig. (Dr.) Kapil Mohan, VSM (Retd.) Ph.D., does not have any other pecuniary relationship with the Company. He is uncle of Shri Hemant Mohan, Deputy Managing Director and Shri Vinay Mohan, Director.

The profits before tax during the last four years are as under :

Years	Profit: (Rs. In lacs)
2005-06	- 102
2006-07	- 160
2007-08	- 152
2008-09	- 63

In spite of the keen competition in the liquor trade, the company's profit increased from Rs. 102 lacs in the year 2005-06 to Rs. 160 lacs in the year 2006-07. The company also maintained the same level of profits at Rs. 152 lacs during the year 2007-08 in spite of the keen competition. The Company has taken adequate steps for reducing the losses by taking several measures including introducing Voluntary Retirement Scheme (VRS) at one of its Units and effecting economy all around and hope to regain its profitability. Despite taking all necessary steps to maintain the profits, the impact of escalation of prices of raw material, power and fuel and other items has adversely affected the profitability of the Company.

- (2) Steps taken or proposed to be taken for improving the Profitability of the Company

Although, the cost of production at all level has increased substantially without any corresponding recovery in the sale, yet the company is trying to minimize the cost of production. For this purpose, the company has ceased manufacturing operation at Lucknow Unit of the company w.e.f. 1st April, 09 to reduce the losses.

The Company is quite confident that it will improve its profitability during the year ended 31st March, 2010 by taking appropriate steps at all levels both reducing the cost of production and increasing the sale price wherever possible.

To meet the financial constraints, the company was planning to liquidate its unproductive Assets into Liquid Assets, but the same could not be done due to complete meltdown of the economy during the year 2008-09. Now with a stable government at the centre, the economic scenario is expected to improve considerably during the year 2009-10. The Company expects to get good price on the sale of its non-productive assets which hopefully will get converted into Liquid Assets in very near future-may be during the current year. By using the Liquid Assets at the Hathras (U.P.) Project, the profitability of the Company will definitely improve.

- (3) Expected increase in Productivity and profits In measurable terms.

As above

Statement as required under sub clause (iv) of clause (B) of Section II of Part II of schedule XIII to the Companies Act, 1956.

I. General Information:

- | | | | |
|---|---|---|----------------------------|
| (1) Nature of Industry | Manufacturers of IMFL, Beer, Glass Bottles & Food products etc. | | |
| (2) Date or expected date of commencement of commercial production. | Commenced business in 1855 | | |
| (3) In case of new Companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus | Not applicable | | |
| (4) Financial performance based on given indicators | | (Rs. in Lacs) | |
| | Financial year. | Sales & other Income | Profits before tax. |
| | 2008-2009 | 44,398 | 63 |
| (5) Export performance and net Foreign exchange collaborations. | Financial year | F.O.B. value of exports.
(Rs. in lacs) | |
| | 2008-2009 | 745 | |
| (6) Foreign investments or collaborators, if any, | Not applicable | | |

II. Information about the appointee:

- | | |
|--|---|
| (1) Background details | The background details of Shri Hemant Mohan are covered in the statement "Information furnished under Clause 49 of the Listing Agreement" which is attached to the Notice. |
| (2) Past Remuneration: | The shareholders at the Annual General Meeting held on 30.9.2006 approved the re-appointment of Shri Hemant Mohan as Deputy Managing Director in the salary grade of Rs. 1,20,000/-p.m. with an annual increment of Rs. 5000/- plus perks for a period of three years w.e.f. 01.04.2007 and the remuneration payable to him be paid w.e.f. 01.04.2007 even in the event of inadequacy or absence of profits in any financial year except for commission which shall, in such event, not exceed the limits prescribed under sub Clause (B) of Section II of Part II of Schedule XIII of the Companies Act, 1956. The remuneration drawn by him during the year ended 31.3.2009 amounted to Rs. 32,90,407/- inclusive of perks and retirement benefits. |
| (3) Recognition or awards: | - |
| (4) Job profile and his suitability. | The job profile and his suitability are covered in the earlier part of the explanatory statement. |
| (5) Remuneration proposed: | Salary plus perquisites as fully set out in item No.7 of the Notice. |
| (6) Comparative remuneration: profile with respect to industry, size of the Company, profile of the position | Taking into consideration the size of the Company, the profile of Shri Hemant Mohan, the responsibilities shouldered by him and the industry benchmarks, the remuneration proposed to be paid |