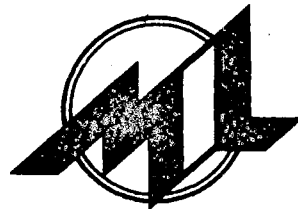


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YE	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>

15th

Annual Report
1997-98

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MONNET INDUSTRIES LIMITED

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MONNET INDUSTRIES LIMITED**NOTICE**

NOTICE is hereby given that the 15th Annual General Meeting of the members of Monnet Industries Limited will be held on Thursday, the 31st December, 1998 at 11.00 A.M. at the Registered Office of the Company at Plot No. 216, Sector - C, Urla Industrial Complex, Raipur - 493 221 (M.P.) to transact the following business :

ORDINARY BUSINESS :

1. To receive, consider and adopt the Profit & Loss Account for the period ended 30th June, 1998 and the Balance Sheet as at that date and Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Shri M. P. Saraf who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Shri P. C. Gupta who retires by rotation and being eligible, offers himself for re-appointment.
4. To declare Dividend on Equity Shares.
5. To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS :

6. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution** :

"RESOLVED THAT Sh. J. P. Lath be and is hereby appointed as a Director of the Company.

7. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**.

"RESOLVED THAT pursuant to the provisions of sections 198, 269, 309 read with Schedule-XIII and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modifications or re-enactment thereof for the time being in force), consent of the Company be and is hereby accorded to the appointment of Sh. J. P. Lath as Whole Time Director of the Company, for a period of five years from 01/08/1998 to 31/07/2003 on the terms and conditions as set out below :

- | | | |
|----------------|---|-----------------------------|
| a) Salary | : | Rs. 17,000/- p.m. |
| b) Commission | : | Nil |
| c) Perquisites | : | As per details given below. |

CATEGORY - A

- | | | |
|---|---|---|
| i) Housing | : | The appointee shall be entitled to House Rent Allowance subject to the ceiling of Rs. 8000/- p.m. |
| ii) Medical Reimbursement | : | Medical Expenses incurred for self and family subject to a ceiling of Rs. 1250/- p.m. |
| iii) Leave Travel Concession/Allowance | : | For self and family once in a year subject to a ceiling of Rs. 2250/- p.m. |
| iv) Reimbursement for Books & Periodicals | : | Expenses for books & periodicals upto a maximum of Rs. 1250/- p.m. |

CATEGORY - B

- | | | |
|-------------------|---|--|
| i) Provident Fund | : | Company's contribution to Provident Fund shall be as per Rules of the Company subject to a ceiling of 12% on the minimum amount of salary required to be considered as per P.F. Rules which is Rs. 5000/- p.m. at present. |
|-------------------|---|--|

MONNET INDUSTRIES LIMITED

- ii) Gratuity : Gratuity payable shall not exceed half a month's salary for each completed year of service, as per the provisions of Payment of Gratuity Act, 1972.

CATEGORY - C

- i) Car : Provision of Car with driver for use on Company's business provided use of car for private purpose shall be billed by the Company to the appointee.
- ii) Telephone at Residence : Free telephone facility shall be provided at residence subject to the condition that personal long distance calls on telephone shall be billed by the Company to the appointee.

"FURTHER RESOLVED THAT an increment upto 15% (Fifteen Percent) of total emoluments may be given by the Board on 1st of April every year [subject to the limits prescribed under Schedule XIII of the Companies Act, 1956]."

"FURTHER RESOLVED THAT the perquisites as mentioned above shall be restricted to an amount equal to the Annual Salary as may be decided by the Board from time to time in consultation with the appointee."

"FURTHER RESOLVED THAT Shri J. P. Lath, shall be entitled for the salary and perquisites as stated above even in the event of no profits or inadequacy of profits in any financial year."

8. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution** :

"RESOLVED THAT pursuant to the provisions of Section 293(1)(a) of the Companies Act, 1956 and other applicable provision, if any, consent of the Company be and is hereby accorded to the mortgaging and/or charging by the Board of Directors of the Company of all the movable and immovable properties of the undertaking of the Company, wheresoever situate, present or future, and the whole or substantially the whole of the undertaking of the Company to/or in favour of any Public Financial Institutions (as defined in Section 4A of the Companies Act, 1956) and/or any Bank(s) and/or Trustees for the debenture holders (hereinafter collectively referred to as the Financial Institutions) to secure rupee term loans and/or any other loans and/or bank guarantees obtained or to be obtained from the aforesaid Financial Institutions upto an aggregate sum not exceeding Rs. 100 Crores (Rupees One Hundred Crores) together with interest at the respective agreed rates, additional interest, liquidated damages commitment charges, costs, charges, expenses and all other moneys payable by the Company to the Financial Institutions in terms of their respective Loan Agreement/Heads of Agreement, Letters of Sanction/Memorandum of Terms and Conditions entered into/to be entered into by the Company in respect of the said term loans."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to agree to all or any of the said Financial Institutions, in terms of their respective Loan Agreement/Heads of Agreement/Letters of sanction/Memorandum of terms and conditions, reserving a right to take over the management of the business and concern of the Company in certain events."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to finalise with the Financial Institutions the documents for creating the aforesaid mortgages and/or charges and for reserving the aforesaid right to do all such acts and things as may be necessary for giving effect to the above Resolutions."

9. To consider and, if thought fit, to pass with or without modification(s) the following resolution as a **Special Resolution** :

"RESOLVED THAT pursuant to Section 372A and other applicable provisions of the Companies Act, 1956 and subject to prior approval of the Financial Institutions wherever required, the consent of the shareholders be and is hereby given to the Board of Directors of the Company to give any guarantee or provide security in connection with loans sanctioned/to be sanctioned by Financial Institution/Bank to Monnet Power Limited upto an amount not exceeding Rs. 105 Crores (Rupees One Hundred Five Crores only)."

10. To consider and, if thought fit, to pass with or without modification(s) the following resolution as a **Special Resolution** :

"RESOLVED THAT pursuant to Section 31 and other applicable provisions of the Companies Act, 1956, if any, the Articles of Association of the Company be altered as follows :

To delete the existing Article 3 of the Articles of Association and substitute the following Article in its place :

MONNET INDUSTRIES LIMITED**MONNET INDUSTRIES LIMITED**

Regd. Office & Works : Plot No. 216, Sec-C, Urla Industrial Complex,
Raipur - 493 221, Madhya Pradesh

ATTENDANCE SLIP

I Certify that I am a registered shareholder/proxy for the registered shareholder of the Company.

I hereby record my presence at the **15TH ANNUAL GENERAL MEETING** of the Monnet Industries Limited held on Thursday 31st December, 1998 at 11.00 A.M. at Regd. Office & Works at Plot No. 216, Sec-C, Urla Industrial Complex, Raipur - 493 221 (M.P.)

(Name & Address of the Shareholder).....

in BLOCK Letters.....

Name of the Proxy holder.....
(if applicable)

No. of Shares held.....

Ledger Folio No.....

Member's/Proxy's Signature.....

Note : Please fill this attendance slip and hand it over at the ENTRANCE OF THE HALL

MONNET INDUSTRIES LIMITED

Regd. Office & Works : Plot No. 216, Sec-C, Urla Industrial Complex,
Raipur - 493 221, Madhya Pradesh

PROXY FORM

I We.....

of.....being a member/members

of the above-named Company hereby appoint.....of.....

.....or failing him/her Shri.....

of.....

as my/our proxy to vote for me/us on my/our behalf at the 15TH ANNUAL GENERAL MEETING of the Company to be held on Thursday 31st December, 1998 at 11.00 A.M. and at any adjournment thereof.

Signed this.....day1998

Reg. Folio No.....

No. of Shares held :.....

Affix
Revenue
Stamp

(Signature)

Note : This Proxy form in order to be effective should be duly stamped, completed and signed and must be deposited at the Registered Office of the Company, not less than 48 hours before the time for holding the aforesaid meeting. The proxy need not be a member of the Company.

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MONNET INDUSTRIES LIMITED**3 - BUY BACK OF SHARES**

Notwithstanding anything contained in these Articles, the Board of Directors may, when and if thought fit, buy back such of the Company's own shares or securities as it may think necessary, subject to such limits, upon such terms and conditions, and subject to such approvals, as may be required by the law."

11. To consider and, if thought fit, to pass with or without modification[s] the following resolution as a **Special Resolution** :

"RESOLVED THAT pursuant to Section 31 and other applicable provisions of the Companies Act, 1956, if any, the Articles of Association of the Company be altered as follows :

In Article 131 of Articles of Association substitute the words "any Director or Secretary or any other person" in place of "any two Directors or one Director and the Secretary or one Director and such other persons."

**By order of the Board
for MONNET INDUSTRIES LTD.**

Place : New Delhi
Date : 31st October, 1998

**RAJESH K. GARG
COMPANY SECRETARY**

NOTES :

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT A MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND PROXY NEED NOT BE A MEMBER.**
2. The instrument appointing proxy should however be deposited at the Registered Office of the Company not later than forty eight hours before the commencement of the meeting.
3. An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, in respect of business as set out in the Notice at Item No. 6 to 11 is annexed hereto.
4. The Register of Members and the Register of Share Transfers of the Company will remain closed from 23rd December, 1998 to 31st December, 1998 both days inclusive.
5. The Dividend, if declared, will be paid to those members whose name appear in the Register of Members of the Company as on 31st December, 1998. No tax will be deducted from Dividend pursuant to Section 115 O of the Income Tax Act, 1962.
6. The members are requested to notify the changes in their address immediately to the Company giving full details in block letters with Pin Code and Post Office.
7. Members desiring any information on the Accounts are requested to write to the Company at least one week before the date of the meeting so as to enable the Management to keep the information ready.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956**ITEM NO. 6 & 7**

Sh. J. P. Lath was appointed as an Additional Director of the Company at the Meeting of the Board of Directors held on 31/07/1998 pursuant to Section 260 of the Companies Act, 1956 and Article 93 of the Articles of Association of the Company. He holds office upto the date of this Annual General Meeting. As required by Section 257 of the Companies Act, 1956, the Company has received a notice alongwith deposit, from a member proposing the candidature of Sh. J. P. Lath for the office of Director of the Company.

The Board has also appointed him as Whole Time Director of the Company for a period of five years with effect from 01/08/1998, subject to the approvals of the shareholders at the Annual General Meeting upon the terms and conditions including remuneration payable to him as covered in the Resolution.

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

MONNET INDUSTRIES LIMITED

None of the Directors except Shri J. P. Lath himself is concerned or interested in the said resolutions.

The appointment and remuneration as covered in the resolution is subject to your approval. Your Directors, therefore, recommend the resolution for your approval.

The said Board Resolution is open for inspection at the Registered Office of the Company between 10.00 A.M. to 4.00 P.M. on any working day till the date of the Meeting.

ITEM NO. 8

The Company is availing financial assistance from the various Financial Institutions/Banks and the said assistance is secured by way of mortgage/charge on all the immovable and movable properties present and future of the Company.

The Company proposes to avail further financial assistance from Financial Institution/Banks for its expansion/working capital requirements. The Company may be required for such assistance to mortgage/charge on all its immovable and movable properties of the Company present and future.

Section 293(1)(a) of the Companies Act, 1956 provides inter alia, that the Board of Directors of a Public Company shall not without the consent of the shareholders in General Meeting, sell, lease or otherwise dispose of the whole or substantially the whole of the undertakings of the Company, or where the Company owns more than one undertaking of the whole or substantially the whole of any such undertaking. Since the mortgages and/or charges to be created in respect of the above may be regarded as disposal of the Company's undertakings, it is proposed to the members to pass a resolution under Section 293(1)(a) of the Companies Act, 1956 upto the limit of Rs. 100 Crores.

None of the Directors is in any way concerned or interested in the resolution. Your Directors, therefore, recommend the resolution for your approval.

ITEM NO. 9

Monnet Power Limited, an associate Company is setting up a captive Power Project of 32.5 MW at Raipur in the State of Madhya Pradesh at a total outlay of about Rs. 153 Crores. The Monnet Power Limited is entering into a tie-up with Financial Institutions and Banks for financing a part of the cost of the Project. It has approached the Company for providing Corporate Guarantee for securing the loan upto Rs. 105 Crores sanctioned/to be sanctioned by the Financial Institutions/Banks.

None of the Directors except Sh. Sandeep Jajodia, Managing Director and Sh. J. P. Lath, Whole Time Director who are also the Directors and members in Monnet Power Limited may be deemed to be concerned or interested in the proposed resolution. Your Board recommends the adoption of this resolution.

ITEM NO. 10

Article 3 of the Articles of Association of the Company prohibits the Company to purchase its own shares. The law has been amended and now the Company can buy back its own shares subject to the certain terms and conditions. Therefore, it is proposed to amend the article to authorise the Company to purchase its own shares.

None of the Directors is interested in this item. Your Board recommends the adoption of this resolution.

ITEM NO. 11

Article 131 of the Articles of Association of the Company authorises for affixing Common Seal in the presence of Two Directors or One Director and Secretary or One Director and such other persons as the Board may appoint. It is now proposed to amend the existing Article so as to authorise affixing of common seal in the presence of any Director or Secretary or any other person as Board may appoint.

This proposal requires amendment in the Article 131 of the Articles of Association of the Company. None of the Director is interested in this item. Your Board recommends the adoption of this resolution.

**By order of the Board
for MONNET INDUSTRIES LTD.**

**RAJESH K. GARG
COMPANY SECRETARY**

Place : New Delhi
Date : 31st October, 1998

MONNET INDUSTRIES LIMITED**BOARD OF DIRECTORS**

Shri O.P. Jindal	Chairman
Shri M.P. Saraf	Director
Shri P.C. Gupta	Director
Shri M.S. Gujral	Director
Shri J.P. Lath	Whole Time Director
Shri Sandeep Jajodia	Managing Director

BANKERS -

Punjab National Bank
Bank of India
Union Bank of India

AUDITORS

M/s. O. P. Bagla & Co.
New Delhi

REGISTERED OFFICE & FERRO ALLOYS DIVISION

Plot No. 216, Sector-C
Uda Industrial Complex
Raipur-493 221 (M.P.)

SUGAR DIVISION

Block Unn
Distt. Muzaffarnagar
Uttar Pradesh-247 778

CORPORATE OFFICE

Mohta Building, 3rd Floor,
4, Bhikaji Cama Place,
New Delhi - 110 066

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