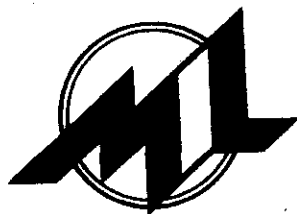


17th
Annual Report
1999-2000

Report  junction.com



MONNET INDUSTRIES LIMITED

MONNET INDUSTRIES LIMITED**BOARD OF DIRECTORS**

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

BANKERS

Punjab National Bank

AUDITORS

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

**REGISTERED OFFICE &
FERRO ALLOYS DIVISION**

Plot No. 216, Sector-C
Urda 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

SHARES LISTED WITH EXCHANGES

Madhya Pradesh Stock Exchange
The Stock Exchange Mumbai
The Calcutta Stock Exchange Association Ltd.
The Delhi Stock Exchange Association Ltd.
The Jaipur Stock Exchange Ltd.
The Stock Exchange Ahmedabad

CONTENTS

	Page No.
Directors' Report and Its Annexure	2 - 6
Auditors' Report and Its Annexure	7 - 8
Balance Sheet	9
Profit & Loss Account	10
Schedules	11 - 15
Accounting Policies and Notes on Accounts	16 - 18
Balance Sheet Abstract	19
Cash Flow Statement	20

MONNET INDUSTRIES LIMITED**DIRECTORS' REPORT****To the Members**

Your Directors have pleasure in submitting the Seventeenth Annual Report on the Operations of the Company and the Audited Statement of Accounts for the year ended 30th June, 2000.

FINANCIAL RESULTS

	1999-2000		[Rs. in Lacs] 1998-1999
SALES TURNOVER & INCOME	10940.56		10563.26
Cash Profit	844.20		850.96
Less : Depreciation	394.42	423.06	
Preliminary Expenses Written Off	10.39	404.81	10.39
PROFIT BEFORE TAX	439.39		417.51
Less : Provision for taxation	—		24.45
Add : Income Tax Adjustment	0.99		—
PROFIT AFTER TAX	440.38		393.06
Add : Amount B/F from last year	901.11		758.64
PROFIT AVAILABLE FOR APPROPRIATION	1341.49		1151.70
Less : Appropriations/adjustments			
Exceeds Dividend Provision Written Back	(0.02)		—
Prior Period Adjustment	—		2.14
Extra Ordinary Items	124.10		—
Debenture Redemption Reserve	100.00		125.00
Proposed Dividend	—		111.22
Corporate Dividend Tax	—		12.23
BALANCE CARRIED TO NEXT YEAR'S A/C	1117.41		901.11

DIVIDEND

Your Directors have decided to conserve the resources for the operations of the Company. As such, the Board has not recommended any dividend for declaration.

OPERATIONS

During the year under review, your Company achieved a higher crushing of 44.14 lac Qtls. of sugar cane as against 39.83 lac Qtls. during the last year resulting in an increase of 10.85%.

Your Company achieved an all time high recovery of 9.60% and produced 4.24 lac bags of good quality sugar as against recovery of 8.48% and production of 3.38 lac bags in the last year resulting in increase of production by 25.44%.

Your Company has exported 16.22 lacs units (16.17 lacs units in last year) being surplus power (over and above the power consumed for Sugar operations) to UPSEB under the Power Purchase Agreement (PPA) dtd. 30/12/95 signed with them.

EXPANSION SCHEME

Your directors are pleased to report that during the year under review, your Company have increased the crushing capacity of the Sugar Mill from 3125 TCD to 5000 TCD. The expansion of capacity was completed in between the last crushing season due to which the Company could reap a part benefit of the expanded capacity in the year under review. Full benefit of the expanded capacity will be available in the next crushing season subject to availability of cane.

MONNET INDUSTRIES LIMITED**PUBLIC DEPOSITS**

Your Company has not received or accepted any deposits from Public under Section 58A of the Companies Act, 1956.

DIRECTORS

During the year under review Shri P.K. Sharma resigned from the Directorship of the Company. Your Directors place on record their sincere appreciation for the guidance and advice received by the Company from Sh. P.K. Sharma during his tenure as Director of the Company.

Shri M. P. Saraf, Director retire by rotation and being eligible offers himself for reappointment at the ensuing Annual General Meeting.

Shri Sandeep Jajodia has been re-appointed as Managing Director of the Company, without any remuneration for a further period of 5 years with effect from 02/09/1999.

AUDITORS

M/s. O.P. Bagla & Co., Chartered Accountants, New Delhi, the Statutory Auditors of the Company retire at the conclusion of this meeting and being eligible offer themselves for reappointment. A Certificate has been received from auditors to the effect that their reappointment, if made, would be within the prescribed limits under Section 224(1B) of the Companies Act, 1956.

PERSONNEL

Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 as amended, is not applicable since none of the employee is drawing salary in excess of the limits laid down therein.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION FOREIGN EXCHANGE, EARNINGS & OUTGO

As required under the Companies (Disclosure of Particulars in the report of Board of Directors) Rules, 1988 the relevant data is given in Annexure hereto forming part of this report.

ACKNOWLEDGEMENT

Your Director take this opportunity to place on record their sincere thanks to the various Departments of the Central Government, Ministry of Foods & Civil Supplies, State Government of Madhya Pradesh & Uttar Pradesh, Financial Institutions, Bankers to the Company, Customers and Suppliers for their continued assistance and support. Your Directors also wish to place on record their sincere appreciation and thanks for the dedicated efforts put in by staff and workers at all levels of the Organisation.

For and on behalf of the Board of Directors

Place : New Delhi
Date : 31.10.2000

Sandeep Jajodia
Managing Director

M. S. Gujral
Director

MONNET INDUSTRIES LIMITED**ANNEXURE TO THE DIRECTORS' REPORT**

Information as per 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 and forming part of the Director's Report for the period ended 30th June, 2000.

A. CONSERVATION OF ENERGY

- a) Energy conservation measures taken : As a result of installation of various energy bearing equipments installed earlier, we have been able to conserve the energy cost and lower the prime cost.
- b) Additional Investments and proposal, if any, being implemented for reduction of consumption of energy. : We are going to upgrade the 20 Tones Boiler of officiate of steam and conservation of energy cost.
- c) Impact of measures of (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods. :
- d) Total energy consumption and energy consumption per unit of production. : As per Form 'A' Annexed.

B. TECHNOLOGY ABSORPTION

- e) Efforts made in technology absorption. : As per Form 'B' Annexed.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

- f) Activities relating to exports; initiatives taken to increase exports; development of new export markets for products and services; and plans. : NIL
- g) Total Foreign Exchange used and earned :- :
 - Used Capital Goods Import (CIF) Value : NIL
 - Earned : NIL

FORM "A"

Form for Disclosure of Particulars with respect of Conservation of Energy

	CURRENT YEAR (1999-2000)	PREVIOUS YEAR (1998-1999)
A. POWER AND FUEL CONSUMPTION :		
1. Electricity		
a] Purchased		
- Units	NIL	NIL
- Total Amount (Rs. in lacs)	NIL	NIL
- Rate/Unit (Rs.)	NIL	NIL

MONNET INDUSTRIES LIMITED**b] Own Generation****[1] Through Diesel Generator**

- Units [in KWH]	4,28,886	4,09,210
- Units per ltr. of Diesel Oil	2.71	2.33
- Cost/Unit [Rs.] of Diesel Oil	5.84	4.30

[2] Through Steam Turbine

- Units [in KWH]	1,57,11,800	1,29,49,037
- Unit per pound of steam	1.80	1.80
- Cost/Unit	0.99	0.88

2. Coal (Specify quality and where used)

Quantity (tonnes)	NIL	NIL
Total Cost (Rs. in lacs)	NIL	NIL
Average rate (Rs. per ton)	NIL	NIL

3. Furnace Oil/LDO

Quantity (K. Ltrs)	NIL	NIL
Total Cost (Rs. in lacs)	NIL	NIL
Average rate (Rs.)	NIL	NIL

4. Others (Own Baggase)

Quantity (MT)	1,22,361	94,175
Total Cost (Rs. in lacs)	672.99	470.88
Average rate (Rs.)	550.00	500.00

B. CONSUMPTION PER MT OF FERRO ALLOYS

1. Electricity (KWH)	NIL	NIL
2. Furnace Oil (Ltrs.)	NIL	NIL
3. Steam Coal (Tonnes)	NIL	NIL
4. Others	NIL	NIL

C. CONSUMPTION PER MT OF SUGAR

1. Electricity (KWH)	33.28	33.54
2. Furnace Oil (Ltrs.)	NIL	NIL
3. Steam Coal (Tonnes)	NIL	NIL
4. Fire Wood MT	NEGLIGIBLE	NEGLIGIBLE
5. Others Baggase (Qtls)	2.89	2.79

MONNET INDUSTRIES LIMITED**FORM "B"****Form for Disclosure of particulars with respect to Technology Absorption****TECHNOLOGY ABSORPTION :****i) Research and Developments (R & D)**

- | | | |
|--|---|--|
| 1. Specific Areas in which R&D carried out by the Company. | : | The Company is continuing its efforts on R&D work in developing the early maturing varieties of Cane and has taken measures to reduce disease in the Cane by offering pesticides, the treated seeds after processing in the hot treatment plant. Continuous efforts are being made to increase the high sugar varieties in the area. |
| 2. Benefits derived as a result of the above R & D. | : | The new and high sugar varieties of cane will increase the sugar recovery. |
| 3. Future Plan of Action. | : | - As above - |
| 4. Expenditure on R & D | : | |
| a) Capital | : | NIL |
| b) Recurring | : | NIL |
| c) Total | : | NIL |
| d) Total R & D expenditure as percentage of total turnover | : | NIL |

ii) Technology Absorption, Adaptation & Innovation :

- | | | |
|---|---|--|
| 1. Efforts, in brief made towards technology absorption, adaptation and innovation. | : | The Company is continuously making efforts to adopt latest and most modern technology in the Cane Crushing process and also for Sugar manufacturing process. |
| 2. Benefits derived as a result of the above efforts e.g., product improvement, cost reduction, product development, import substitution etc. | : | - |
| 3. In case of imported technology following information may be furnished. | : | The Company has not imported any technology since the start of production in the last Sugar Crushing Season. |
| a. Technology imported | : | - |
| b. Year of import | : | - |
| c. Has technology been fully absorbed. | : | - |
| d. If not fully absorbed, areas where this has not taken place, reason therefore, and future plans of action. | : | - |

MONNET INDUSTRIES LIMITED**AUDITORS' REPORT**

To
The Members of
MONNET INDUSTRIES LIMITED

We have audited the attached Balance Sheet of **MONNET INDUSTRIES LIMITED** as at 30th June, 2000 and Profit & Loss Account for the Year Ended 30th June, 2000 and report that :-

1. As required by the Manufacturing and other Companies (Auditors' Report) Order 1988 issued by the Company Law Board in terms of Section 227(4A) of the Companies Act, 1956, we enclose in the annexure, a statement on the matters specified in paragraph 4 & 5 of the said order.
2. Further to our comments in the annexure referred to in paragraph 1 above :-
 - a) We have obtained all the information and explanations which to the best of our knowledge and belief, were necessary for the purpose of our audit.
 - b) Proper books of account as required by law have been kept by the Company so far as appears from our examination of such books.
 - c) The Balance Sheet and the Profit & Loss Account dealt with by this report are in agreement with the books of account.
 - d) In our opinion, the Profit & Loss Account and Balance Sheet comply with the mandatory accounting standards referred to in sub-section [3c] of Section 211 of the Companies Act, 1956.
 - e) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with Significant Accounting Policies and other Notes thereon in Schedule - 22 subject to Note No. 15 regarding change in the valuation of inventories to comply with the Accounting Standard (AS-2) issued by The Institute of Chartered Accountants of India which is mandatory from the current year, inventories have been valued at lower of cost or net realisable value. If there would not be any change, the inventories as on 30.6.2000 and the profit for the year would have been higher by Rs. 713.33 Lacs give the information as required by the Companies Act, 1956 in the manner so required and give true and fair view :-
 - i) In the case of the Balance Sheet of the State of affairs of the Company as at 30.6.2000.
 - ii) In the case of the Profit & Loss Account of the PROFIT for the Year Ended on that date.

For **O.P. BAGLA & CO.**
Chartered Accountants

Place : New Delhi
Dated : 30.09.2000

O.P. Bagla
Partner

ANNEXURE REFERRED TO IN PARAGRAPH 1 OF THE AUDITOR'S REPORT ON ACCOUNTS FOR THE YEAR ENDED 30TH JUNE, 2000

1. The Company is maintaining proper records to show full particulars including quantitative details and situation of fixed assets. We are informed that these fixed assets have been physically verified by the management and no material discrepancies were noticed.
2. None of the fixed assets have been revalued during the year.
3.
 - a) As explained to us physical verification has been conducted by the management at reasonable intervals in respect of finished goods, stores, spare parts and raw materials.
 - b) The procedure of physical verification of these stocks followed by the management is reasonable and adequate in relation to the size of the Company and the nature of its business.
 - c) The discrepancies noticed on such verification between the physical stocks and book records were not significant and the same have been properly dealt with in the books of account.