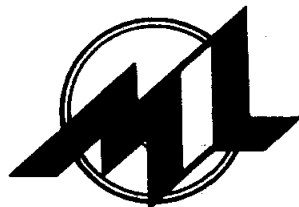


17th
Annual Report
1999-2000

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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
Urla 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

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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	433.45
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				
Excess 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]	4,26,886	4,09,210
- Units per ltr. of Diesel Oil	2.71	2.33
- Cost/Unit [Rs.] of Diesel Oil	5.64	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 (Qtlis)	2.89	2.79