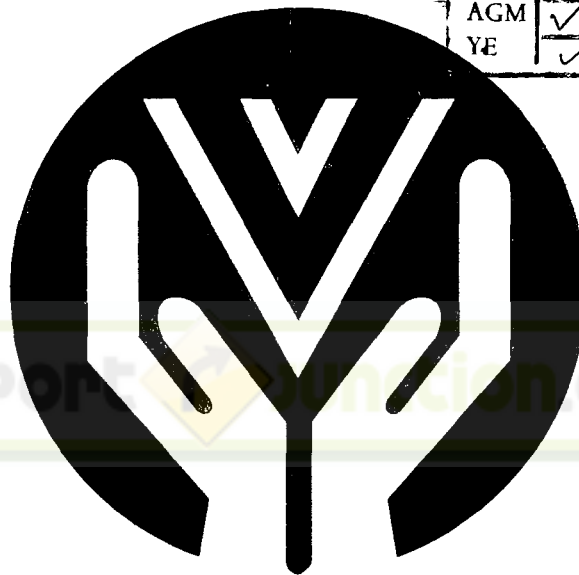


VENUS SUGAR LTD.

MD	✓		BKC	✓
CS	NA		DPY	NA
RO	✓		DIV	NA
TRA	NA		AC	✓
AGM	✓	✓	SHH	✓
YE	✓	✓		✓



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1997-98

ANNUAL REPORT



VENUS SUGAR LIMITED

BOARD OF DIRECTORS

Shri A.P. Singh, I.A.S.	Chairman	(Nominee of UPSIDC)
Shri B. Singh	Director	(Nominee of UPSIDC)
Shri A.K. Bajaj	Director	(Nominee of UPSIDC)
Shri I.L. Nagpal	Director	(Nominee of ICICI)
Shri R.K. Kaul	Director	
Shri O.P. Rana	Director	
Shri B.D. Dikshit	Director	
Shri Ishwar Singh	Director	
Shri R.K. Gupta	Director	
Smt. Shashi Rani	Director	
Smt. Shubhra Singh	Director	
Shri M.P. Singh	Managing Director	

BANKERS

State Bank of India, Chandausi

AUDITORS

G.K. Nigam & Associates
Chartered Accountants
Delhi

PRINCIPAL & CORPORATE OFFICE

C-493, Yojna Vihar,
Delhi – 110 092

REGISTERED OFFICE & WORKS

Shiv Shakti Nagar,
Teh. Chandausi
Distt. Moradabad (U.P.)

MEERUT OFFICE

78, Bank Street
Meerut – 250001

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VENUS SUGAR LIMITED

Registered Office : Shiv Shakti Nagar,
Teh. Chandausi, District Moradabad, U.P.

NOTICE

NOTICE is hereby given that the SEVENTH Annual General Meeting of the Company will be held on Thursday the 29th day of October, 1998 at 10.00 a.m. at the Factory and Registered Office situated at Shiv Shakti Nagar, Teh. Chandausi, District Moradabad (U.P.) to transact the following businesses :

ORDINARY BUSINESS

1. TO RECEIVE AND ADOPT THE AUDITED BALANCE SHEET OF THE COMPANY AS AT 30TH JUNE, 1998 & THE PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 30TH JUNE, 1998, AND THE REPORT OF AUDITORS AND DIRECTORS THEREON.
2. TO APPOINT A DIRECTOR IN PLACE OF SHRI R.K. KAUL WHO RETIRES BY ROTATION AND BEING ELIGIBLE OFFERS HIMSELF FOR RE-APPOINTMENT.
3. TO APPOINT A DIRECTOR IN PLACE OF DR. ISHWAR SINGH WHO RETIRES BY ROTATION AND BEING ELIGIBLE OFFERS HIMSELF FOR RE-APPOINTMENT.
4. TO APPOINT AUDITORS WHO SHALL HOLD OFFICE FROM THE CONCLUSION OF THIS ANNUAL GENERAL MEETING UNTIL THE CONCLUSION OF THE NEXT ANNUAL GENERAL MEETING AND FIX THEIR REMUNERATION AND IN THIS REGARD TO CONSIDER, AND IF THOUGHT FIT, TO PASS, WITH OR WITHOUT MODIFICATION, THE FOLLOWING RESOLUTION AS AN ORDINARY RESOLUTION :

"RESOLVED THAT M/s G.K. Nigam & Associates, Chartered Accountants, be and are hereby appointed Auditors of the Company for holding the office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting of the Company on such remuneration as may be fixed by the Board of Directors exclusive of travelling and other out of pocket expenses."

SPECIAL BUSINESS

5. TO CONFIRM THE REAPPOINTMENT OF THE MANAGING DIRECTOR OF THE COMPANY AND TO INCREASE THE REMUNERATION OF THE MANAGING DIRECTOR AND IF THOUGHT FIT TO PASS THE FOLLOWING RESOLUTION WITH OR WITHOUT MODIFICATION AS ORDINARY RESOLUTION:

"RESOLVED that the draft agreement with Managing Director as placed before the Board providing for the reappointment of the Managing Director in compliance of the Articles of Association of the Company and pursuant to sections 198, 269, 309, 310 & 311 of the Companies Act, 1956, for the another period of 5 years commencing from 1st Nov. 1998, and for increase in remuneration to Managing Director from Rs. 6,00,000/- P.A. to Rs. 10,50,000/- P.A. subject to the conditions as laid down in schedule XIII to the Companies Act, 1956 be and is hereby confirmed on the following terms and conditions:

- a) Period of appointment-Five years w.e.f. 1.11.98.
- b) Total emoluments to the Managing Director by way of salary, dearness allowance, perquisites and any other allowance not exceeding ceiling limit of Rs. 10,50,000/- per annum or Rs. 87,500/- per month.
- c) Commission :

Commission at a percentage (determined by the Board from time to time in this respect) of the Net Profit of the Company Computed in the manner as laid down in Section 309(5) of the Companies Act, 1956.



d) Perquisites

Classified into three categories, A, B and C, restricted to an amount equal to the annual salary or Rs. 10,50,000/- per annum whichever is less, as below :

Category- A :

- (i) Housing : The expenditure by the company on hiring unfurnished accommodation for the Managing Director will be subject to the following ceilings :
 - a) 60% of the salary over and above 10% payable by the Managing Director :
 - b) In case accommodation is owned by the Company and provided to the Managing Director 10% of the salary of Managing Director shall be deducted by the Company :
 - c) In case no accommodation is provided by the company, the Managing Director shall be entitled to House Rent Allowance subject to the ceilings laid down in (a) above, as the case may be.

Explanation : Expenditure incurred by the Company on Gas, Electricity, Water and furnishings shall be valued as per the Income-Tax rules, 1962. This shall, however be subject to a ceiling of 10% of the salary of the Managing Director.

- (ii) Medical reimbursement : Expenses incurred for the Managing Director and his family, subject to the ceiling of one month's salary in a year or three months salary over a period of three years.
- (iii) Leave Travel Concession : For the Managing Director and his family, once in a year subject to the ceiling of one month salary and in accordance with any rules specified by the company.
- (iv) Club Fees : Fees of Club subject to a maximum of two clubs. This will not include admission and life membership fees.
- (v) Personal Accident Insurance : Premium not to exceed Rs. 4000/- per annum.

For the purpose of this category - "family" means spouse, dependent children and dependent parents of the Managing Director.

Category- B

- (i) Contribution to Provident Fund, Superannuation Fund or Annuity Fund will not be included in the computation of the ceilings on perquisites to the extent these either singly or jointly together are not taxable under the Income Tax Act.
- (ii) Gratuity not exceeding half a months salary for each completed years of services.

Category- C

Provision of Car for use on Company's business and telephone at residence will not be considered as perquisites. Personal long distance calls and use of car for private purpose shall, however, be billed by the Company to the Managing Director.

"RESOLVED FURTHER that in case of loss or inadequacy of profits in any of the financial year (s) of the company, Shri M.P. Singh shall be entitled to the remuneration and perquisites as aforesaid except that the salary payable to him shall be reduced by 10% in respect of such financial year (s)."

"RESOLVED FURTHER that the above remuneration payable to Mr. M.P. Singh, Managing Director shall be subject to such conditions or modifications as may be required or imposed by the members or any other authority with liberty to the Board of directors to alter maximum permissible limits in accordance with schedule XIII of the companies Act, 1956 or any amendments thereof as may be made from time to time."

6. TO CONSIDER THE INCREASE IN THE BORROWING POWER OF THE BOARD OF DIRECTORS OF THE COMPANY AND IF THOUGHT FIT TO PASS THE FOLLOWING RESOLUTION, WITH OR WITHOUT MODIFICATION, IF ANY, AS ORDINARY RESOLUTION:

RESOLVED that the approval of the company be and is hereby granted to the Board of Directors of the company



in terms of section 293 (1) (d) and other applicable provisions, if any, of the Companies Act, 1956, and in continuation of the permission granted to the Board of Directors through resolution passed in the Extra Ordinary General meeting held on 29th August 1995, for borrowing money from time to time even though the money to be borrowed by the Company (apart from temporary loan obtained from Company's Banker' in the ordinary course of business) exceed to aggregate of Paid Up Capital to the company and its free reserves, that is to say reserve not set apart for any specific purpose provided, however, the total amount of such borrowing shall not exceed the sum of Rs. 80 crores (Rupees Eighty crores only)".

"RESOLVED FURTHER THAT the consent of the company be and is hereby accorded in terms of Section 293 (1) (a) and other applicable provisions if any, of the Companies Act 1956, to the Board of Directors of the Company to mortgage and/or charge all the immovable and movable properties of the company wheresoever situate, present and future and over raw material and finished goods to secure term loans from Financial Institutions/Banks and working capital limit sanctioned/to be sanction by Banks".

"RESOLVED FURTHER THAT the Board of Directors of the company be and are hereby authorised to do and execute all such acts, deeds and things as may be necessary for giving effects to the above resolution."

7. TO CONSIDER THE BUY BACK OF THE SHARES OF THE COMPANY AND IF THOUGHT FIT, TO PASS THE FOLLOWING RESOLUTION, WITH OR WITHOUT MODIFICATIONS, IF ANY, AS A SPECIAL RESOLUTION:

"RESOLVED THAT subject to all applicable provisions of the Companies Act, 1956 (including any statutory modifications(s) or reenactment thereof and any Ordinance promulgated in this regard for the time being in force and as may be enacted/ promulgated from time to time) and subject to such other approvals, permissions and sanctions, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, which may be agreed to, by the Board of Directors of the Company hereinafter called "The Board" which shall include any committee constituted /to be constituted by The Board for exercising the powers conferred on the Board by this resolution (the consent of the company be and is hereby accorded to the Board to Buy-Back, from the existing holders of shares and /or other securities giving right to subscribe for shares of the Company, on a proportionate basis and/or from the open market and/or from the lots smaller then the market lots of the securities (odd lots) and/or by purchasing the securities issued to the employees pursuant to the scheme of stock option, the shares or such other securities or securities having such underlying voting rights as may hereafter be notified by the Central Government or any other regulatory authority from time to time of the Company, from out of its free reserves or out of securities premium account of the company or out of proceeds of any issue made by the company specifically for the purpose or from such other sources as may be permitted by law from time to time provided that the aggregate of the securities so bought back shall not exceed such percentage of the respective securities of the company as the Board may deem fit but within the overall limit specified under the provisions of the Companies Act, 1956 (including any statutory modifications(s) or re-enactment thereof and any Ordinance promulgated in this regard for the time being in force and as may be enacted / promulgated from time to time specified under the Companies Act, 1956)."

"RESOLVED FURTHER THAT the Board of Directors of the company be and is hereby authorised to do all such acts and things and deal with all such matters and take all such steps in this regard as it may, in its absolute discretion, deem necessary, fit or proper."

8. TO CONSIDER THE INCREASE IN AUTHORISED SHARE CAPITAL OF THE COMPANY AND IF THOUGHT FIT, TO PASS THE FOLLOWING RESOLUTION, WITH OR WITHOUT MODIFICATION IF ANY, AS AN ORDINARY RESOLUTION:

"RESOLVED that pursuant to the provisions of Section 94 and other applicable provisions, if any, of the Companies Act, 1956, the Authorised Share Capital of the company be and is hereby, increased from Rs. 40,00,00,000/- (Rupees Forty Crores) divided into 4,00,00,000 (Four Crores) equity shares of Rs. 10/- (Rupees Ten) each to Rs. 50,00,00,000/- (Rupees Fifty Crores) classified into Rs. 40,00,00,000/- (Rupees Forty Crores) divided into 4,00,00,00 (four crores) equity shares of Rs. 10/- (Rupees Ten) each and Rs. 10,00,00,000 (Rupees Ten Crores) divided into 1,00,00,000 (One Crore) Preference Shares of Rs. 10/- (Rupees Ten) each and Clause V of the Memorandum of Association of the company be altered accordingly."

"RESOLVED FURTHER that pursuant to the provisions of Section-16 read with Section 94 and other applicable provisions, if any, of the Companies Act 1956, the existing Clause V of the Memorandum of Association of the company be altered by substituting the following in place of the existing clause:"



"The Authorised Share Capital of the company is Rs. 50,00,00,000/- (Rupees Fifty Crores) classified into Rs. 40,00,00,000/- (Rupees Forty Crores) divided into 4,00,00,000 (Four Crores) Equity Shares of Rs. 10/- (Rupees Ten) each and Rs. 10,00,00,000/- (Rupees Ten crores) divided into 1,00,00,000/- (One Crore) Preference Shares of Rs. 10/- each."

"RESOLVED FURTHER THAT the Board of Directors be and are hereby authorised to file the necessary forms and other documents with the Registrar of the Companies."

"RESOLVED FURTHER THAT the Board of Directors be and are hereby authorised to make necessary changes in the Memorandum and Articles of Association and in all other papers and documents."

9. TO CONSIDER THE SUBSTITUTION OF ARTICLE-6 FOR INCREASE IN AUTHORISED SHARE CAPITAL IN ARTICLES OF ASSOCIATION AND, IF THOUGHT FIT, TO PASS THE FOLLOWING RESOLUTION WITH OR WITHOUT MODIFICATION, IF ANY, AS A SPECIAL RESOLUTION :

RESOLVED that pursuant to the provision of Section 31 and other applicable provisions, if any, of the Companies Act 1956, Article-6 of Articles of Association of the company be altered by substituting the following in place of the existing Article:

"The Authorised Share Capital of the company is Rs. 50,00,00,000/- (Rupees Fifty Crores) Classified into Rs. 40,00,00,000 (Rupees Forty Crores) divided into 4,00,00,000 (Four Crores) Equity Shares of Rs. 10/- each and Rs. 10,00,00,000 (Rupees Ten Crores) divided into 1,00,00,000 (One Crore) Preference Shares of Rs. 10/- each."

10. TO CONSIDER THE ISSUE OF 70,00,000 EQUITY SHARES OF RS. 10/- AT CASH AT PAR AGGREGATING TO RS. 700 LACS OR TO ISSUE 70,00,000 FULLY/PARTLY/OPTIONALLY CONVERTIBLE/NON CONVERTIBLE OR CUMULATIVE/NON CUMULATIVE PREFERENCE SHARES OF RS. 10/- EACH AT CASH AT PAR OR OTHERWISE AGGREGATING TO RS. 700 LACS TO THE PROMOTER, THEIR FRIENDS, RELATIVES AND ASSOCIATES AND OTHER ENTITIES AGAINST MONEY BROUGHT/TO BE BROUGHT BY THEM AND, IF THOUGHT FIT, TO PASS THE FOLLOWING RESOLUTION WITH OR WITHOUT MODIFICATION, IF ANY, AS A SPECIAL RESOLUTION:

"RESOLVED that pursuant to Section 81 and other applicable provisions, if any, of the Companies Act, 1956 the Articles of Association of the company and the Listing Agreement entered into by the company with Stock Exchanges where the shares of the company are listed and subject to such approvals, consents, permissions as may be required from any appropriate authorities, institutions or bodies (hereinafter collectively referred to as the "Concerned Authorities") and subject to such stipulation and conditions as may be imposed by such concerned authorities in granting such consent, permissions, sanctions or approvals, the Board of Directors of the company (hereinafter referred to as the "Board") be and is hereby authorised to create, offer, issue and allot:

- (i) Equity Shares and/or (ii) Fully/Partly/ Optionally Convertible/ Non Convertible/ Cumulative/Non-Cumulative Preference Shares (iii) Warrants attached to Equity Shares including fully/partly Convertible Debentures and/or (iv) Any securities convertible into Equity Shares (whether optionally or otherwise) and/or (v) any other securities of the company (hereinafter referred to as "Securities") for cash at par and/or at price (including premium) as may be decided by the Board upto an aggregate amount not exceeding Rs. 700 lacs (inclusive of such premium, as may be fixed on such securities), to all or any one or more categories of:

- (i) Existing Members/shareholders, (ii) Promoters, Directors, their friends, relatives nominees and associates, (iii) Indian and/or Multinational Development Financial Institutions, Indian Mutual Funds, Foreign Institutional Investors, whether registered with SEBI or not, (including Non-resident Indian and Overseas Corporate Bodies), (iv) Permanent employees and/or workers of the company (including Indian working Directors), (v) the shareholders of Group Companies, as on a record date to be fixed by the Board (vi) Indian Public and/or (vii) Any such categories of persons, institutions, authorities or whether or not such investors are members of the company, through a prospectus and/or letter of offer and/or on a private placement basis, and/or by way of preferential allotment, at such time or times, and in such manner and in such numbers as deemed fit by the Board and on such terms and conditions including as to security, rate of interest, payment of dividend, conversion and other manner as may be decided by the Board in its absolute discretion and in the best interest of the company at the time of such offer.

"RESOLVED FURTHER that the new Equity/Preference Shares to be issued and/or such number of Equity/Preference Shares, as may be required to be issued and allotted upon conversion of any security referred above or as may be necessary in accordance with the terms of offering, shall, subject to the Memorandum and Articles



of Association of the company, rank pari-passu in all respects with existing issued and subscribed equity shares of the company, except that they shall be eligible for dividends, if any, declared for the financial year in which such equity shares are allotted, at pro-rata basis.

"RESOLVED FURTHER that in the event of the company making a bonus issue or rights issue of shares/ debentures after the allotment of such debentures or other securities convertible into Equity Shares but before conversion of such securities, the holder of such debentures/securities shall be entitled to all rights shares or bonus shares and/or rights debentures in such proportion as may be decided at any time of the date of issue of such debentures/securities and subject to such conditions as may be deemed fit."

"RESOLVED FURTHER that for the purpose of giving effect to all or any of the foregoing, the Board be and is hereby authorised in its absolute discretion as the Board may deem fit:

- a) To make on its own accord or to accept such amendments, modifications, variations and alternations as Securities and Exchange Board of India and/or Stock Exchange and/or Institutions and/or Bodies and/or other authorities may stipulate in that behalf.
- b) to amend, recalculate, modify vary or alter all or any of the terms of the issue including the amount and timing of the issue.
- c) to enter into and execute any arrangement(s) or documents with any Lead Manager(s), Underwriter(s), Debenture Trustees and/or with any other agency in reference to such offering of shares and to remunerate them on such terms including by way of payment of commission, brokerage & fees etc.
- d) To finalise and prescribe the form of prospectus, letter of offer, application form(s) etc. and to make or carry out any alteration or modifications to the above and to accept and give effect to such alternation or modifications as regards the terms and conditions of the issue as may be suggested by lead manager(s) or other agency (ies) without requiring approval of the members.
- (e) to settle any question or remove any difficulties or doubt that may arise with regard to the terms and conditions of the issue including utilisation of the proceeds of the issue.
- f) to seek the listing of such securities on any or more of the stock exchange(s) at which the existing Equity Shares of the Company are presently listed."

11. TO CONSIDER THE DELISTING OF SHARES AT JAIPUR & AHMEDABAD STOCK EXCHANGES AND IF THOUGHT FIT, TO PASS THE FOLLOWING RESOLUTION, WITH OR WITHOUT MODIFICATION, IF ANY, AS A SPECIAL RESOLUTION :-

RESOLVED THAT subject to the approval of the Stock Exchanges and/or any other authority as may be required, approval be and is hereby accorded for delisting of the company's shares from Jaipur and Ahmedabad Stock Exchanges.

By order of the Board
For **VENUS SUGAR LIMITED**

Sd/-
(**TILAK RAJ SETHI**)

COMPANY SECRETARY

Dated : 23-09-1998

Place : Shiv Shakti Nagar (Chandausi)



NOTES :

1. Explanatory statement as required under section 173(2) of the Companies Act, 1956, is attached.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY FORM IS ATTACHED HERewith. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY AT ITS REGISTERED OFFICE NOT LESS THAN 48 HOURS BEFORE THE TIME FOR HOLDING THE MEETING.**
3. The Register of Members will remain closed from 02-11-98 to 07-11-98 (both days inclusive). The Transfer Books of the Company will also remain closed for the aforesaid period.
4. Members are requested to notify immediately, change in their address, if any, to VENUS SUGAR LIMITED, C-493, YOJNA VIHAR, DELHI-92, quoting their Folio Number(s).

ANNEXURE TO NOTICE DATED 23-09-98 FOR CALLING SEVENTH ANNUAL GENERAL MEETING ON 29TH OCTOBER, 1998.

(EXPLANATORY STATEMENTS UNDER SECTION 173(2) OF THE COMPANIES ACT, 1956).

Item no.5:

Mr. M.P. Singh, was appointed as Managing Director of the company for a period of 5 years w.e.f 1.11.93, his term expiring on 31.10.98. He is the whole time director of the company managing day to day affairs of the company.

In view of his valuable contribution towards the company it is proposed to consider the reappointment of Mr. M.P.Singh, as Managing Director of the company for a further period of 5 years commencing from 1.11.98.

As Mr. M.P.Singh was devoting his full time and sincere efforts in managing the working of the company it is further proposed to increase the remuneration of the Managing Director from Rs. 6,00,000 P.A. to Rs. 10,50,000 P.A. as mentioned in the proposed resolution.

The application, if necessary, will be made for the approval of appropriate authorities. The terms of remuneration as set out in the resolution may be regarded as an abstract of the terms and memorandum of concern or interest for the purpose of Section 302 of the Companies Act, 1956.

Mr.M.P.Singh, Managing Director may be deemed to be interested in the resolution.

Smt. Shashi Rani and Smt. Shubhra Singh, Directors being relatives of the Shri M.P.Singh Managing Director may also be deemed to be interested in the resolution.

Item No. 6:

The shareholders at the annual general meeting held on 31.12.93 had approved creation of mortgage/charge for borrowing/financial assistance not exceeding Rs. 35 Crores and increased limit to Rs. 50 Crores at the Extra Ordinary General Meeting held on 29.08.1995.

Now, it is proposed to increase the limit of borrowing to the extent of Rs. 80 Crores in this meeting by authorising the Board to create charge/mortgage as and when required. This will augment the future working capital requirement also.

The company has availed /is proposing to avail term loans/working capital limits in connection with the implementation and operation of its Sugar Mill project from Financial Institution/Banks/Corporates and /or other term lending Institutions. Such borrowing have to be secured by charge/mortgage on the assets of the company, both movable and immovable, in the manner as may be desired by the lenders and agreed to by the company.