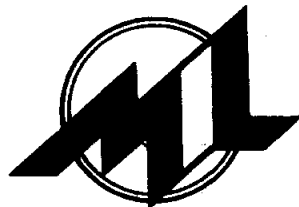


17th
Annual Report
1999-2000



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

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



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				
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.

**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



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


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


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. | : | - |

**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

O.P. Bagla
Partner

Place : New Delhi
Dated : 30.09.2000

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.



- d) On the basis of the examination of the stocks we are satisfied that the valuation of these stocks is fair and proper in accordance with the normally accepted accounting principles read with Note No. 14 and 15 in the Notes on Accounts.
4. In our opinion the rate of interest and the terms and conditions on which loans have been taken from Companies, firms or other parties listed in the register mentioned under Section 301 of the Companies Act, 1956 and/or from Company under the same management as per Section 370(1B) of the Companies Act, 1956 are not prima facie prejudicial to interest of the company. The provisions of the Section are not applicable to the Company on or after 31st October, 1998.
 5. The Company has not granted any loans, secured or unsecured to companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956 and/or to companies under the same management as defined under sub-section (1B) of Section 370 of the Companies Act, 1956, the provisions of the Section are not applicable to the Company on or after 31st October, 1998.
 6. In our opinion the parties to whom the loans or advances in the nature of loans are given by the Company are repaying the principal amounts as stipulated and are also regular in payment of interest. As regards loans given to the employees (free of interest), they are repaying the principal amounts as stipulated.
 7. In our opinion and according to the information and explanations given to us there are adequate internal control procedure commensurate with the size of the Company and the nature of its business for the purchase of stores, raw materials, plant & machinery, equipment and other similar assets and for sale of goods.
 8. In our opinion and according to the information and explanations given to us the transactions of purchase and sale of goods, materials and services in pursuance of contracts and/or arrangements entered in register maintained under Section 301 of the Companies Act, 1956 aggregating during the year to Rs. 50,000/- or more in respect of each party have been made at prices which are reasonable having regard to prevailing market prices.
 9. As explained to us, the Company has a procedure for determination of unserviceable or damaged stores and raw materials. Adequate provisions has been made in the accounts for the loss arising on the items so determined.
 10. The Company has not accepted any deposits from the public.
 11. In our opinion, the Company is maintaining reasonable records for sale and disposal of scrap & by-products.
 12. In our opinion and according to the informations and explanations given to us, the Company has adequate internal audit system commensurate with its size and nature of its business.
 13. The Central Government has prescribed maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956, in respect of manufacturing activities of the Company. We have been informed that such accounts and records have been maintained. We have not, however, made a detailed examination of the same.
 14. In our opinion and according to the information and explanations given to us that the Company has regularly deposited Provident Fund dues and ESI dues with the appropriate authorities in time.
 15. As verified by us there were no un-disputed amounts payable as on 30-6-2000 in respect of income-tax, wealth-tax, custom duty, sales-tax, and excise duty, outstanding for a period of more than 6 months from the date they became payable.
 16. According to the information and explanations given to us, no personal expenses of employees or directors have been charged to revenue account other than those payable under contractual obligations or in accordance with generally accepted business practice.
 17. The Company is not a sick industrial company within the meaning of clause (o) of sub-section (1) of Section 3 of the Sick Industrial Company (Special Provisions Act, 1985).
 18. In our opinion and according to the information given to us there were no damaged goods in respect of trading goods.

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

Place : New Delhi
Dated : 30.09.2000

O.P. Bagla
Partner

MONNET INDUSTRIES LIMITED**BALANCE SHEET AS AT 30TH JUNE, 2000**

DESCRIPTION	SCHEDULE NO.	AS ON 30.06.2000 Rs.	AS ON 30.06.1999 Rs.
SOURCES OF FUNDS			
Shareholders' Funds			
Share Capital	1	146,600,867	112,413,367
Reserves & Surplus	2	518,417,514	473,506,906
		665,018,381	585,920,273
Loan Funds			
Secured Loans	3	804,008,662	722,813,883
Unsecured Loans	4	35,000,000	5,000,000
		839,008,662	727,813,883
TOTAL		1,504,027,043	1,313,734,156
APPLICATION OF FUNDS			
Fixed Assets			
a) Gross Block	5	942,254,561	809,815,022
b) Less : Depreciation		178,817,330	142,059,671
Net Block		763,437,231	667,755,351
Capital Work in Progress		54,045,399	13,545,399
		817,482,630	681,300,750
Investments	6	2,500	2,500
CURRENT ASSETS, LOANS & ADVANCES			
Inventories	7	459,705,502	356,944,293
Sundry Debtors	8	223,760,707	372,237,099
Cash & Bank Balances	9	4,687,894	7,085,558
Loans & Advances	10	90,536,116	118,476,301
		778,690,219	854,743,251
LESS : CURRENT LIABILITIES & PROVISIONS			
a) Current Liabilities	11	98,355,410	215,613,081
b) Provisions	12	0	13,945,420
		98,355,410	229,558,501
NET CURRENT ASSETS		680,334,809	625,184,750
MISCELLANEOUS EXPENDITURE (To the extent not written off or adjusted)	13	6,207,104	7,246,156
TOTAL		1,504,027,043	1,313,734,156
Significant Accounting Policies & Notes on Accounts	22		

In term of our Report of even date annexed.

For **O.P. Bagla & Co.**
Chartered Accountants**Sandeep Jajodia**
Managing Director**M. S. Gujral**
Director**P. C. Gupta**
Director**O.P. Bagla**
Partner**J. P. Lath**
Whole Time Director**D. B. Mathur**
G. M. (Accounts)**Hardeep Singh**
Dy. Company SecretaryPlace : New Delhi
Date : 30.09.2000

MONNET INDUSTRIES LIMITED



PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 30TH JUNE, 2000

DESCRIPTION	SCHEDULE NO.	YEAR ENDED 30.06.2000 Rs.	YEAR ENDED 30.06.1999 Rs.
INCOME			
Sales		1,081,079,409	1,022,409,777
Other Income	14	12,976,991	33,916,509
Increase/Decrease in Stocks	15	98,785,444	6,016,855
		1,192,841,844	1,062,343,141
EXPENDITURE			
Raw Material Consumed	16	781,621,533	689,841,982
Stores & Spares Consumed	17	15,108,475	11,827,921
Excise Duty		69,463,416	40,673,366
Power & Fuel		68,054,691	58,063,262
Salaries, Wages & Amenities	18	30,423,396	28,724,435
Repairs & Maintenance	19	4,687,896	4,437,213
Administrative, Selling & Other Expenses	20	27,142,478	20,761,557
Financial Charges	21	112,958,784	123,956,333
Depreciation		39,441,623	42,306,083
		1,148,902,292	1,020,592,152
Profit Before Tax		43,939,552	41,750,989
Provision for Taxation		0	1,600,000
Income Tax Adjustment		99,279	[844,968]
Profit After Tax		44,038,831	39,306,021
Less : Appropriations/Adjustments			
Excess Dividend Provision W/Back		[2,216]	0
Extra Ordinary Items		12,410,456	0
Prior Period Adjustments		0	213,556
Debenture Redemption Reserve		10,000,000	12,500,000
Proposed Dividend		0	11,122,000
Corporate Dividend Tax		0	1,223,420
		21,630,591	14,247,045
Balance as per last year		90,110,968	75,863,923
BALANCE CARRIED OVER TO BALANCE SHEET		111,741,559	90,110,968

Significant Accounting Policies & Notes on Accounts 22

In term of our Report of even date annexed.

For **O.P. Bagla & Co.**
Chartered Accountants

O.P. Bagla
Partner

Place : New Delhi
Date : 30.09.2000

Sandeep Jajodia
Managing Director

J. P. Lath
Whole Time Director

M. S. Gujral
Director

D. B. Mathur
G. M. (Accounts)

P. C. Gupta
Director

Hardeep Singh
Dy. Company Secretary


SCHEDULES

DESCRIPTION	AS ON 30.06.2000 Rs.	AS ON 30.06.1999 Rs.
1. SHARE CAPITAL		
Authorised		
12,000,000 (Previous Year 12,000,000) Equity Shares of Rs. 10/- each	120,000,000	120,000,000
700,000 (Previous Year 700,000) Cumulative Redeemable Preference Shares of Rs. 100/- each	70,000,000	70,000,000
	190,000,000	190,000,000
Issued, Subscribed & Paid up		
11,624,763 (Previous Year 11,624,763) Equity Shares of Rs. 10/- each fully paid up	116,247,630	116,247,630
Note : Of the above 17,60,000 and 4,00,070 Equity Shares of Rs. 10/- each have been issued as fully paid for consideration other than cash pursuant to the schemes of amalgamation duly approved by Hon. Calcutta High Court and Delhi High Court respectively.		
Less : Calls in arrears	3,646,763	3,834,263
Share Application Money	34,000,000	0
	146,600,867	112,413,367
2. RESERVES & SURPLUS		
Capital Reserve		
Capital Subsidy	1,500,000	1,500,000
Transferred on Amalgamation	17,600,000	17,600,000
Modvat Credit		
As per last year	22,110,520	22,110,520
Credited during the year	13,280,017	0
Share Premium Account		
Amount Received	247,185,418	247,185,418
Debenture Redemption Reserve		
As per last year	20,000,000	7,500,000
Transferred during the year	10,000,000	12,500,000
General Reserve		
As per last year	75,000,000	75,000,000
Profit & Loss Account		
	111,741,559	90,110,968
	518,417,514	473,506,906
3. SECURED LOANS		
A. Non-Convertible Debentures		
600000 17% Secured Non-Convertible Debentures of Rs. 100/- each	60,000,000	60,000,000
B. Term Loans		
From Banks	167,193,451	211,623,663
From ICICI	20,000,000	30,000,000
From IFCI	34,650,000	47,250,000
From IDBI	100,000,000	46,500,000
C. Working Capital Facilities		
From Banks	408,611,111	308,741,615
D. From Limited Companies		
Against Equipment	12,469,515	17,645,175
Against Vehicles	1,084,585	1,053,430
	804,008,662	722,813,883


Notes :

1. Secured Redeemable Non-Convertible Debentures have been issued on private placement basis to be redeemed in 3 equal yearly instalments starting from the end of 4th year from the date of allotment i.e. 5.2.98 & 9.2.98 and are secured by First charge on all moveable and immovable fixed assets (present and future) of the Company (ranking pari-passu with the respective Banks and Financial Institutions) and First Charge on all the moveable assets (both present and future) of the Company (subject to the prior charges created/to be created in favour of company's bankers for securing borrowings for the working capital requirements).
2. Term Loans from Banks are secured as under :-
 - a) Loan for sugar project is secured against the first charge on all moveable and immovable fixed assets (present and future) situated at Company's sugar factory at Block Unn. Distt. Muzaffarnagar (U.P.) ranking pari-passu with ICICI, IDBI and IFCI.
 - b) Short Term Loan from Bank is secured against second charge on the whole of the moveable assets inclusive of book debts (both present and future) of the company. Equitable Mortgage of property of an associate company situated at village Kapashera, Tehsil Mehrauli, Delhi and interlia personal guarantee of a relative of the Managing Director.
3.
 - a) Term Loan from ICICI for sugar project is secured against first charge on all moveable and immovable fixed assets (present and future) situated at Company's factories at Block Unn. Distt. Muzaffarnagar (ranking pari-passu with the respective bank and IFCI) and Urla Industrial Area, Raipur.
 - b) Term Loan from IFCI for sugar project is secured against first charge on all movable and immovable fixed assets (present and future) situated at Company's factory at Block Unn. Distt. Muzaffarnagar (U.P.) ranking pari-passu with the respective bank and ICICI.
 - c) Term Loan from IDBI for sugar project is secured against first charge on all movable and immovable fixed assets (present and future) situated at Company's factory at Block Unn. Distt. Muzaffarnagar (U. P.) ranking pari-passu with the respective bank, IFCI and ICICI.
4.
 - a) Working capital facilities from banks for Ferro Alloys Division are secured against first charge on movable assets and second charge on fixed assets (present and future) situated at Company's Factory at Urla Industrial Area, Raipur (M.P.)
 - b) Working Capital facilities from banks for Sugar Division are secured against first charge on movable assets and second charge on fixed assets (present and future) situated at Company's factory at Block Unn. Distt. Muzaffarnagar (U.P.)
5. All the term loans and working capital facilities are further guaranteed by the Managing Director of the Company.
6.
 - a) Loan from a Limited company is secured against certain equipments leased to a Limited Company. This loan is further guaranteed by the Managing Director of the Company and by the Lessee Company.
 - b) Loan from a Limited Company is secured against hypothecation of vehicles financed.

DESCRIPTION	AS ON 30.06.2000 Rs.	AS ON 30.06.1999 Rs.
4. UNSECURED LOANS		
From Limited Companies	35,000,000	5,000,000
	35,000,000	5,000,000

5. FIXED ASSETS

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	AS AT 01.07.1999	ADDITIONS	SALE	AS AT 30.06.2000	UPTO 30.06.1999	FOR THE YEAR	ADJUST- MENT OF SALES	UPTO 30.06.2000	AS AT 30.06.2000	AS AT 30.06.1999
Land & Site Development	9,120,421	0	0	9,120,421	0	0	0	0	9,120,421	9,120,421
Building	137,787,256	76,957	0	137,864,213	15,024,481	4,170,837	0	19,195,318	118,668,895	122,762,775
Plant & Machinery	598,020,843	147,534,195	16,823,940	728,731,098	81,029,547	28,503,280	2,628,887	106,503,940	621,827,158	516,991,296
Furniture & Fixtures	717,953	99,413	0	817,366	235,312	47,697	0	283,009	534,357	482,641
Office Equipment	5,691,864	65,585	0	5,757,449	1,028,700	313,421	0	1,342,121	4,415,328	4,663,164
Computer	1,721,068	604,902	0	2,325,970	808,179	297,444	0	1,105,623	1,220,347	912,889
Vehicles	5,837,414	952,427	70,000	6,719,841	1,980,555	604,345	55,077	2,529,823	4,190,018	3,856,859
Temporary Shed	503,278	0	0	503,278	503,278	0	0	503,278	0	0
Assets Lease out	50,414,925	0	0	50,414,925	41,449,619	5,504,599	0	46,954,218	3,460,707	8,965,306
Current Year	809,815,022	149,333,479	16,893,940	942,254,561	142,059,671	39,441,623	2,683,964	178,817,330	763,437,231	667,755,351
Previous Year	797,490,811	12,324,211	0	809,815,022	89,753,588	42,306,083	0	142,059,671	667,755,351	697,737,223


6. INVESTMENTS

PARTICULARS	OPENING STOCK		PURCHASE		SALES/CONVERSION		CLOSING STOCK		INVESTMENTS COST
	FACE VALUE	COST	FACE VALUE	COST	FACE VALUE	COST	FACE VALUE	COST	
UNQUOTED									
250 Shares of Monnet Power Ltd. (Fully paid)	2,500	2,500	0	0	0	0	2,500	2,500	2,500
Current Year	2,500	2,500	0	0	0	0	2,500	2,500	2,500
Previous Year	0	0	2,500	2,500	0	0	2,500	2,500	2,500

DESCRIPTION	AS ON 30.06.2000 Rs.	AS ON 30.06.1999 Rs.
-------------	----------------------------	----------------------------

7. INVENTORIES

(As certified by the management)

Raw Materials	1,441,626	1,640,293
Stores & Spares	13,175,558	9,901,126
Finished Goods	442,328,317	343,136,371
Scrap of Machinery	900,000	0
Work-in-Process	1,860,001	2,266,503
	459,705,502	356,944,293

8. SUNDRY DEBTORS

(Unsecured Considered Good, except where indicated otherwise)

a) Debts outstanding for a period exceeding Six Months		
– Considered Good	28,586,137	73,969
– Considered Doubtful	7,765,060	43,174,995
b) Other Debts		
– Considered Good	187,409,510	328,988,135
	223,760,707	372,237,099

9. CASH & BANK BALANCES

Cash in hand & imprest	578,692	582,609
Balance with Scheduled Banks		
– in current accounts	1,691,272	3,208,412
– in fixed deposit & margin accounts	2,202,258	2,477,865
National Saving Certificates	3,000	3,000
Post Office Saving A/c	212,672	813,672
	4,687,894	7,085,558

10. LOANS & ADVANCES

(Unsecured Considered Good, except where indicated otherwise)

Loans (Includes Rs. 4,60,323/- Doubtful)	3,360,323	8,464,077
Advances recoverable in cash or kind or for value to be received (Including Rs. 30,45,397/- Doubtful, Previous Year Rs. 98,130/-)	69,714,110	92,289,554
Security Deposits		
– with Govt. Depts.	175,237	185,237
– with Others	438,524	347,864
Prepaid Expenses	2,709,303	1,668,389
Income Tax Advances	3,186,181	4,006,242
Share Premium Receivable	10,952,438	11,514,938
	90,536,116	118,476,301

11. CURRENT LIABILITIES

Sundry Creditors	56,129,977	205,570,943
Advances against Sales	5,515,627	4,962,906
Unclaimed Dividend	274,231	149,932
Other Liabilities	32,411,685	1,201,701
Security Deposit Received	4,023,890	3,727,599
	98,355,410	215,613,081



DESCRIPTION	AS ON 30.06.2000 Rs.	AS ON 30.06.1999 Rs.
12. PROVISIONS		
Income Tax Provision	0	1,600,000
Proposed Dividend	0	11,122,000
Corporate Dividend Tax	0	1,223,420
	<u>0</u>	<u>13,945,420</u>
13. MISCELLANEOUS EXPENDITURE (To the extent not written off/adjusted)		
Preliminary Expenses		
Balance b/f	42,419	52,365
Less : Written off	9,946	9,946
TOTAL 'A'	<u>32,473</u>	<u>42,419</u>
Share Issue Expenses		
Balance b/f	7,203,737	8,232,843
Less : Written off	1,029,106	1,029,106
TOTAL 'B'	<u>6,174,631</u>	<u>7,203,737</u>
TOTAL 'A' + 'B'	<u>6,207,104</u>	<u>7,246,156</u>
DESCRIPTION	YEAR ENDED 30.06.2000 Rs.	YEAR ENDED 30.06.1999 Rs.
14. OTHER INCOME		
Interest	443,871	19,047,741
Other Income	1,306,604	638,741
Surplus on Sale/Disposal of Raw Material	10,980	50,731
Hire Charges	11,215,536	14,179,296
	<u>12,976,991</u>	<u>33,916,509</u>
15. INCREASE/DECREASE IN STOCKS		
Opening Stock		
Work in Process	2,266,503	625,599
Semi-Finished Goods	0	57,248
Finished Goods	343,136,371	338,703,172
'A'	<u>345,402,874</u>	<u>339,386,019</u>
Closing Stock		
Work in Process	1,860,001	2,266,503
Finished Goods	442,328,317	343,136,371
'B'	<u>444,188,318</u>	<u>345,402,874</u>
'B' - 'A'	<u>98,785,444</u>	<u>6,016,855</u>
16. RAW MATERIAL CONSUMED		
Opening Stock	1,640,293	2,251,158
Purchases	781,631,333	689,841,983
	<u>783,271,626</u>	<u>692,093,141</u>
Less : Closing Stock	1,441,626	1,640,293
: Sale	208,467	610,866
	<u>781,621,533</u>	<u>689,841,982</u>



DESCRIPTION	YEAR ENDED 30.06.1999 Rs.	YEAR ENDED 30.06.1998 Rs.
17. STORES & SPARES CONSUMED		
Opening Stock	9,901,126	12,395,606
Purchases	18,382,907	9,333,441
	<u>28,284,033</u>	<u>21,729,047</u>
Less : Closing Stock	13,175,558	9,901,126
	<u>15,108,475</u>	<u>11,827,921</u>
18. SALARIES, WAGES & AMENITIES		
Salary, Wages & Allowances	26,444,727	25,439,019
Staff Welfare	1,114,183	1,014,607
Employers Contribution to P.F. etc.	1,269,914	938,876
Material Handling Expenses	1,594,572	1,331,933
	<u>30,423,396</u>	<u>28,724,435</u>
19. REPAIRS & MAINTENANCE		
Machinery	2,957,038	3,470,339
Building	901,312	237,127
Others	829,546	729,747
	<u>4,687,896</u>	<u>4,437,213</u>
20. ADMINISTRATIVE, SELLING & OTHER EXPENSES		
Printing & Stationery	773,822	649,749
Rent, Rates & Taxes	5,003,335	2,550,647
Vehicle Expenses	2,004,121	1,773,724
Communication Expenses	1,708,372	1,219,690
Travelling & Conveyance	2,748,968	1,973,944
Insurance Charges	3,116,225	2,854,729
Legal & Professional Charges	722,297	1,185,836
Advertisement, Publicity & Sales Promotion	464,033	365,352
Directors' Sitting Fees	20,000	16,000
Auditors' Remuneration :		
- As Audit Fees	168,000	147,000
- For Tax Audit Fees	10,500	6,300
- For Income Tax Matters	23,250	16,500
- For Co. Law, Certification & other Matters	95,000	8,940
- For Reimbursement of expenses	2,275	0
Internal Audit Fee & Expenses	131,301	101,375
Miscellaneous Expenses	1,137,441	883,516
Sales Commission	2,340,204	2,193,324
Preliminary & Shares Issue Expenses w/off	1,039,052	1,039,052
Packing Forwarding Expenses	4,447,361	3,542,581
Hire Charges	1,186,921	233,298
	<u>27,142,478</u>	<u>20,761,557</u>
21. FINANCIAL CHARGES		
Interest Paid	111,826,090	122,287,307
Bank Charges	331,388	183,291
Other Financial Charges	801,306	1,485,735
	<u>112,958,784</u>	<u>123,956,333</u>

**22. ACCOUNTING POLICIES AND NOTES ON ACCOUNTS****A. SIGNIFICANT ACCOUNTING POLICIES :****1. Basis of Accounting :**

The Company has prepared its financial statements in accordance with generally accepted accounting principles and also in accordance with the requirements of the Companies Act, 1956.

2. Income and Expenditure :

Accounting of Income & Expenditure is done on accrual basis. (Except interest of overdue bills which is accounted for on receipt basis).

3. Sales are shown inclusive of Excise Duty and inter divisional transfers and net of discount, rebate etc.**4. Revenue in respect of claims are recognised only when the same are reasonably ascertained.****5. Fixed Assets & Depreciation :**

a) Fixed assets are stated at their original cost of acquisition inclusive of inward freight, duties and expenditure incurred in the acquisition, construction installation.

b) Depreciation is charged on Straight Line Method at the rates provided in Schedule XIV of the Companies Act, 1956 in Sugar and Co-generation Power Division.

c) Depreciation is charged on Written Down Value (WDV) Method at the rates and in the manner prescribed in Schedule XIV of the Companies Act, 1956 in Ferro Chrome/Ferro Magnese Division in respect of assets in use only.

d) In respect of Assets Leased out as on 30th June, 2000 the cost of leased assets is depreciated over the primary lease period in line with the method recommended by the Institute of Chartered Accountants of India.

e) Modvat credit availed on capital goods stands credited to Capital Reserve Account by necessary debit to respective fixed assets.

f) Capital Work in Progress includes advance to parties for contracts under execution and expenses incurred for the same.

6. Investments :

Long Term Investments are stated at cost.

7. Inventories :

Inventories are valued on the following basis :

a) Finished Goods - at lower of cost or estimated realisable value (including Excise Duty)

b) Work-in-Progress - at cost

c) Raw Materials - at cost

d) Stores and Spares - at cost

8. Excise Duty :

Modvat credit, to the extent availed, is adjusted towards cost of materials.

9. Gratuity/Retirement Benefits :

Retirement benefits are accounted for on accrual basis.

10. Contingent Liabilities :

Contingent Liabilities are determined on the basis of available information and are disclosed by way of notes to the accounts.

11. Sales Tax :

The Company has received partial sales tax exemption on bye products of the company as per the scheme formulated by State Government Authorities.

12. Sundry Debtors :

Interest on overdue bills is accounted for on receipt basis.

13. Preliminary and Share Issue Expenses :

Preliminary and Share Issue Expenses are written off equally in ten financial years.

14. Dividend received is accounted for as and when it is declared.

B. NOTES ON ACCOUNTS

NOTES ON ACCOUNTS		Current Year	Previous Year
1.	Estimated amount of contracts remaining to be executed on Capital Account and not provided for [Net of advances] [Rs. in Lacs]	175.00	NIL
2.	Letters of Credit opened in favour of inland/overseas suppliers	NIL	NIL
3.	Guarantees [Rs. in Lacs]		
	– Counter guarantees issued to Bankers in respect of guarantees issued by them	61.00	82.93
	– Guarantees issued on behalf of Limited Company	5035.76	5035.76
4.	Contingent Liabilities not provided for [Rs. in Lacs]		
	– In respect of demand of Sales Tax on Molloses for F. Y. 96-97	1.57	5.22
	F. Y. 97-98	0.66	1.77
	– In respect of show cause notice/orders received from Excise Deptt. for Molloses pending before higher authorities	5.13	1.86
	– In respect of Other Excise Matters for Modvat excess claimed pending before higher authorities out of which Rs. 63.69 already paid and being contested by the Company	69.42	6.87
	– In respect of Entry Tax for F.Y. 1995-96 pending under appeal out of which Rs. 0.81 already paid and being contested by the Company	8.09	NIL
5.	Remuneration to the Whole Time Director		
	– Salary	264000	204000
	– Perquisites	118200	136500
6.	Details of Licenced and Installed Capacities and Production :		
A. Ferro Chrome/Ferro Magnese Division			
a)	Licenced Capacity MT	15000	15000
b)	*Installed Capacity MT	12000	12000
c)	Production MT	NIL	NIL
B. Sugar Division			
a)	Licenced Capacity TCD	5000	5000
b)	*Installed Capacity TCD	5000	3155
c)	Production QTLS	423798	337856
C. Rice Division			
a)	Licenced Capacity MT	N.A.	N.A.
b)	*Installed Capacity MT	N.A.	N.A.
c)	Production MT	19916	18999

7. Details of Raw Material Consumed :

	UNIT	CURRENT YEAR		PREVIOUS PERIOD	
		QTY	VALUE (Rs.)	QTY	VALUE (Rs.)
A. Sugar Division					
Cane	QTL	4414514	416816429	3982530	347493002
B. Rice Division					
Rice	MT	19935	364803924	19019.420	342348909
Particulars of Sales/Stocks					
A. Opening Stock					
Ferro Alloys	MT	NIL	NIL	8.000	139612
Sugar	QTL	228153	329714530	228150	323118475
Misc.	-	-	13421841	-	15445085


B. Sales

Ferro Alloys	MT	NIL	NIL	8.00	124469
Rice	MT	19916	475986186	16995.144	427480740
Sugar	QTL	333799	496394950	335785	479403107
Misc.		-	41649894	-	58402609
Power *	Units	14611974	67048378	13548247	57279270

* Sales include Inter Division transfer of Rs. 630.35 Lacs for captive consumption of Sugar Division at yearly deemed cost of power payable to UPSEB. This has no impact on the profits of the Company.

C. Closing Stock

Sugar	QTL	318152	422187704	228153	329714530
Misc.	MT	-	20140613	-	13421841

9. The inventories are taken as per records duly certified by the Company. The same have been valued in accordance with Accounting Policies.
10. Balance confirmations have not been received from some of the parties showing debit/credit balances.
11. No information has been furnished by any of the Creditors of their being a Small Scale industrial unit. Hence, the amount due to Small Scale industrial units as on June 30, 2000 are not ascertainable.
12. Expenditure in Foreign Currency :

- Travelling Expenses	27971	NIL
-----------------------	-------	-----
13. Value of Imports on CIF Basis

	NIL	NIL
--	-----	-----
14. The Company was previously valuing inventory of finished goods lying in the factory premises exclusive of Excise Duty. To comply with the guidance note on "Accounting Treatment of Excise Duty" issued by The Institute of Chartered Accountants of India, Excise Duty amounting to Rs. 2,96,05,766/- has been included in the value of inventories as on 30.6.2000 and the corresponding amount of Excise Duty Payable has been included in other liabilities. However, this change in Accounting Policies has no impact in the profit for the year.
15. The Company hitherto was consistently valuing inventory on net realisable basis. To comply with the Accounting Standard (AS-2) on "Valuation of Inventories" issued by The Institute of Chartered Accountants of India, which is mandatory from the current year inventories have been valued 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. 7,13,33,430/-.
16. The Company has provided a sum of Rs. 1,24,10,456/- towards Extraordinary Items in the Profit & Loss Account which represents loss (WDV less value of scrap) on items of Plant & Machinery discarded during the year.
17. In the opinion of the Management the Current Assets, Loans and Advances have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated in the Balance Sheet except stated otherwise.
18. Provision for taxation has not been made as the Company has no taxable income in accordance with the provisions of the Income Tax Act. Also provision for Minimum Alternate Tax has not been made on the Book Profits for the year after considering the exempted profits of the power division.
17. Previous year figures have been regrouped or recasted wherever necessary.

Signature to the Schedule 1 to 22

For **O.P. Bagla & Co.**
Chartered Accountants

O.P. Bagla
Partner

Place : New Delhi
Date : 30.09.2000

Sandeep Jajodia
Managing Director

J. P. Lath
Whole Time Director

M. S. Gujral
Director

D. B. Mathur
G. M. [Accounts]

P. C. Gupta
Director

Hardeep Singh
Dy. Company Secretary


**BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE
(AS PER SCHEDULE VI, PART (IV) OF THE COMPANIES ACT, 1956)**
I. Registration Details

Registration No.

0 9 7 1 7

State Code

1 0

Balance Sheet Date

3 0 0 6 2 0 0 0

Date

Month

Year

II. Capital Raised During the Year

Public Issue

N I L

Bonus Issue

N I L

Right Issue

N I L

Private Placement

N I L

III. Position of Mobilisation and Deployment of Funds

Total Liabilities

1 6 0 2 3 8 2 4 5 3

Sources of Funds

Paid-up Capital

1 4 6 6 0 0 8 6 7

Secured Loans

8 0 4 0 0 8 6 6 2

Application of Funds

Net Fixed Assets

7 6 3 4 3 7 2 3 1

Investments

2 5 0 0

Misc. Expenditure

6 2 0 7 1 0 4

Total Assets

1 6 0 2 3 8 2 4 5 3

Reserves & Surplus

5 1 8 4 1 7 5 1 4

Unsecured Loans

3 5 0 0 0 0 0 0

Capital Work in Progress

5 4 0 4 5 3 9 9

Net Current Assets

6 8 0 3 3 4 8 0 9

Accumulated Losses

N I L

IV. Performance of the Company

Turnover including other incomes

1 0 9 4 0 5 6 4 0 0

Profit Before Tax

4 3 9 3 9 5 5 2

Earnings Per Share (Rs.)

3 . 7 8

Total Expenditure

1 0 5 0 1 1 6 8 4 8

Profit After Tax

4 3 9 3 9 5 5 2

Dividend Rate %

N I L

V. Generic Names of Principal Products/Services of the Company

Item Code No. (ITC Code)

7 2 0 2 4 1 0 0

Product Description

F E R R O C H R O M E

Item Code No. (ITC Code)

7 2 0 2 1 1 0 0

Product Description

F E R R O M A G N E S E

Item Code No. (ITC Code)

1 7 0 1 9 9 0 2

Product Description

S U G A R

In term of our Report of even date annexed.

For and on behalf of the Board

 For **O.P. Bagla & Co.**
Chartered Accountants

Sandeep Jajodia
Managing Director

M. S. Gujral
Director

P. C. Gupta
Director

O.P. Bagla
Partner

J. P. Lath
Whole Time Director

D. B. Mathur
G. M. (Accounts)

Hardeep Singh
Dy. Company Secretary

 Place : New Delhi
Date : 30.09.2000

MONNET INDUSTRIES LIMITED



CASH FLOW STATEMENT FOR 1999-2000

	Rupees	Rupees
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax and extraordinary items		31,529,096
Adjusted for :		
Depreciation	39,441,623	
Preliminary Expenses	1,039,052	
Interest Received	(443,871)	
Interest Paid	111,826,090	
Loss on Sale of Fixed Assets	(5,076)	
Dividend Received	NIL	151,857,818
Operating Profit before Working Capital Changes		183,386,914
Adjusted for :		
Trade and Other Receivables	175,596,516	
Inventories	(102,761,209)	
Trade Payables	(117,257,671)	(44,422,364)
Cash Generated from Operations		138,984,550
Interest Paid	(111,826,090)	
Direct Taxes Paid	(680,660)	
Cash Flow before Extraordinary Items	NIL	
Extraordinary Items	12,410,456	(100,096,294)
Net Cash from Operating Activities		38,868,256
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(176,553,462)	
Sale of Fixed Assets	1,804,596	
Acquisitions of Companies	NIL	
Purchase of Investments	NIL	
Sale of Investments	NIL	
Interest Received	443,871	
Dividend Received	NIL	(174,304,995)
Net Cash used in Investing Activities		(174,304,995)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Issue of Share Capital	NIL	
Calls in Arrears	187,500	
Share Application Money	34,000,000	
Proceeds from Long Term Borrowings	111,194,779	
Repayment of Finance Lease Liabilities	NIL	
Dividend & Dividend Taxes Paid	(12,343,204)	133,039,075
Net Cash used in Financing Activities		133,039,075
Net increase in Cash and Cash Equivalents (A + B + C)		(2,397,664)
Cash and Cash Equivalents as at 1.7.1999		7,085,558
Cash and Cash Equivalents as at 30.6.2000		4,687,894

In term of our Report of even date annexed.
For **O.P. Bagla & Co.**
Chartered Accountants

Sandeep Jajodia
Managing Director

M. S. Gujral
Director

P. C. Gupta
Director

O.P. Bagla
Partner

Place : New Delhi
Date : 30.09.2000

J. P. Lath
Whole Time Director

D. B. Mathur
G. M. (Accounts)

Hardeep Singh
Dy. Company Secretary

AUDITORS' CERTIFICATE

To
The Board of Directors **MONNET INDUSTRIES LIMITED**

We have examined the attached Cash Flow Statement of **MONNET INDUSTRIES LIMITED** for the Year Ended 30.6.2000. The Statement has been prepared by the Company in accordance with the requirements of listing agreement Clause 32 with **Madhya Pradesh Stock Exchange (Indore)** and is based on and in agreement with corresponding Profit & Loss Account and Balance Sheet of the Company covered by our report of 30.09.2000 to the Members of the Company.

For **O. P. Bagla & Co.**
Chartered Accountants

Place : New Delhi
Dated : 30.09.2000

O. P. Bagla
Partner

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 **17TH ANNUAL GENERAL MEETING** of the Monnet Industries Limited held on Saturday, the 30th December, 2000 at 11.00 A.M. at Regd. Office & Works at Plot No. 216, Sector-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.....

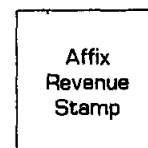
of.....

as my/our proxy to vote for me/us on my/our behalf at the **17TH ANNUAL GENERAL MEETING** of the Company to be held on Saturday, the 30th December, 2000 at 11.00 A.M. and at any adjournment thereof.

Signed this.....day2000

Reg. Folio No.....

No. of Shares held :



(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.

BOOK POST

If Undelivered please return to :

MONNET INDUSTRIES LIMITED

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