



21st ANNUAL REPORT 2000-2001

MUNAK CHEMICALS LIMITED



MUNAK CHEMICALS LIMITED

BOARD OF DIRECTORS

Managing Director
V. K. Garg

Directors
H. R. Garg
Ravinder Kumar
P. D. Sharma

Auditors
S.C. Dewan & Co.

Bankers
Allahabad Bank

Registered Office and Works
A-9 to A-15
Industrial Area, focal Point
Dabwali Road
Bathinda 151001 (Punjab)

Administrative Office :
SCO 1-2, (1st Floor)
Sector 26, Madhya Marg
Chandigarh - 160 026

Regional Office
1004, Bhika Ji
Cama Bhawan
New Delhi - 160 066

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MUNAK CHEMICALS LIMITED

NOTICE

NOTICE is hereby given that the Twenty first Annual General Meeting of the Shareholders of **MUNAK CHEMICALS LIMITED** will be held on Friday, 17th August, 2001 at 11.30 AM. at Civil Lines Club, Civil Line, Bhatinda-151 001 (Punjab) to transact the following business :

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Statements of Accounts for the year ended 31st March, 2001 and reports of Directors and Auditors thereon.
2. To appoint a Director in place of Shri Hans Raj Garg who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint auditors to hold office from the conclusion of this meeting until the conclusion of next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS

4. To consider and if thought fit, to pass with or without modifications, the following resolution as an **Ordinary Resolution**.
RESOLVED THAT, pursuant to Section 293(1)(a) of the Companies Act, 1956, the Board of Directors be is hereby authorised to deal, negotiate and dispose of the Land & Building situated at SCO 38-39, Sector 9, Chandigarh and for that purpose to sign, deal and deliver such instrument, assignments, contracts, deeds, conveyances or any other instruments that may be considered necessary usual or proper for the sale, lease or otherwise disposing of the Land and Building which according to the Directors may be considered beneficial and convenient for the company.

By order of the Board

PLACE: CHANDIGARH
DATED: 30.06.2001

(VIJAY KUMAR GARG)
MANAGING DIRECTOR

NOTES

1. 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 the proxy need not be a member of the Company. The Proxy in order to be effective must be received by the Company at its Registered Office not less than 48 hours before the meeting.
2. The Register of Members and Share Transfer Books of the Company will remain closed for three days from 13th August, 2001 to 16th August, 2001 (Both days inclusive).
3. Members are requested to bring their copy of Annual Report at the meeting.
4. Members are requested to notify any change in their address to the Company immediately.
5. Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of item No. 4 set out above is annexed hereto.
6. The Company's Shares are listed on the Stock Exchanges at Ludhiana, New Delhi and Bombay. The listing fee for the financial year 2000-2001 due to all the stock exchanges has been paid.

EXPLANATORY STATEMENT

The Explanatory Statement under section 173(2) of the Companies Act, 1956 for the item No. 4 of the accompanying Notice is as under :

Section 293(1)(a) of the Companies Act, 1956 provides, inter-alia, that the Board of Director of a Public Company shall not, without the consent of such Public company in general meeting, sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the Company.

Since, the Company is interested to dispose of the Land & Building situated at S.C.O. 38-39, Sector 9, Chandigarh, it is necessary for the members to pass a resolution under section 293(1)(a) of the Companies Act, 1956 before disposing of the said Land & Building.

The Directors commend the resolution for acceptance by members. None of the Director is concerned or interested in the resolution.



DIRECTORS' REPORT

Your Directors take pleasure in presenting to you the Twenty first Annual Report and Audited Statements of Accounts for the year ended 31st March, 2001.

FINANCIAL RESULTS

The company has shown dismal performance during the year under report due to unfavourable policies of the Government of India towards fertilizer industry in general and Single Super Phosphate Industry in particular coupled with glut situation created in DAP fertilizer in the market. This has adversely affected the market of Single Super Phosphate Industry and your company is one of the victims. As a result of this the Plant could not be run for most part of the year. Plants in the state of Punjab and other parts of the country have either been closed down or incurring huge losses. Despite all odds, your Company is making efforts to achieve the better performance in the coming year.

Your company has made gross turnover of Rs. 230.12 lacs as compared to Rs. 936.20 lacs in the previous year. After providing for depreciation amounting to Rs. 5.41 lacs, the working results showed net loss of Rs. 83.89 lacs as against a profit of Rs. 1.34 lacs in the previous year.

PRODUCTION

Production during the year under report was 1799 MT of Single Superphosphate and 8349 MT of sulphuric acid as against 17261 MT and 18901 MT respectively in the previous year.

SALES

During the year under report, your Company has sold 2053 MT of Single Superphosphate and 7560 MT of sulphuric Acid as against 18022 MT and 13837 MT respectively in the previous year.

REHABILITATION SCHEME

As per Rehabilitation Scheme, the company has received funds from the promoters and their associate companies and allotted them 5 lacs equity shares of Rs.10/- each at par amounting to Rs.50 lacs during the year under report. The Company has cleared all dues of the Financial Institutions and Bank as per the Rehabilitation Scheme approved. The Hon'able BIFR has passed an order dated 26.04.2001 vide which the Company has been discharged from the purview of SICA and as such the Company is no more Sick company.

FIXED DEPOSITS

The Company has not accepted any fixed deposits from the public during the year.

DIRECTORS

Sh. Hans Raj Garg, Director of the company retire by rotation under Article 123 of the Articles of Association of the company and being eligible offers himself for re-appointment.

Mr. P.D Sharma tendered his resignation effective from 30.11.2000 from the post of Whole Time Directorship. The Board accepted with regret his resignation and placed on record its appreciation of the contributions made by him during his tenure. He has agreed to continue to be the Director on the Board of the Company.

MUNAK CHEMICALS LIMITED

DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956 with respect to Directors' Responsibility Statement, it is hereby confirmed :

- i. that in the preparation of the annual accounts for the financial year ended 31st March, 2001, the applicable accounting standards had been followed along with proper explanation relating to material departures ;
- ii. that the Directors had selected such accounting policies and applied them consistently and made judgements and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the company for the year under review ;
- iii. that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities ;
- iv. that the Directors had prepared the accounts for the financial year ended 31st March, 2001 on a 'going concern' basis.

CONSTITUTION OF AUDIT COMMITTEE

As required by the Provision of Section 292A of the Companies Act, 1956, the Board of director has constituted Audit Committee comprising of three Directors i.e. Sh. H.R. Garg, Sh. P.D. Sharma and Sh. Ravinder Kumar.

AUDITORS

M/s. S.C. Dewan & CO., Chartered Accountants, Auditors of the Company retires at the conclusion of ensuing Annual General Meeting and are eligible for reappointment.

AUDITORS REPORT

EXPLANATION TO OBSERVATIONS OF THE AUDITORS ARE AS FOLLOWS :

NOTE NO. 1 (III)

As the Plant remain closed most part of the year and the Board of Directors has decided not to Charge Depreciation on Factory Building and Plant & Machinery in order to reflect the correct value of Building and Plant & Machinery in the Balance Sheet.

NOTE NO. 3

In the earlier years a Commercial Land was purchased from Chandigarh Administration at a Value of Rs. 151.98 lacs. Due to paucity of funds, your Directors took the permission from Chandigarh Administration to transfer the same at cost price to an another Company. The purchaser constructed Commercial Building thereon and incurred an expenditure of Rs. 66.49 lacs. Subsequently, the Chandigarh Administration withdrew its permission granted earlier for transfer of Land. However, the appeal was filed in the Punjab & Haryana High court, Chandigarh against this withdrawal of permission. Now in order to meet with the urgent requirement of funds for the repayment of Loan of Banks and other Statutory Liabilities, the Company has decided to dispose of the said Commercial Land &



Building. For making the sale of this Commercial Land & Building, the Company had to withdraw its appeal filed before the Hon'able High Court of Punjab & Haryana, Chandigarh, accordingly reflected the cost of Land amounting to Rs. 151.98 lacs and cost of Building amounting to Rs. 66.49 lacs in the books of accounts under the head Fixed Assets.

NOTE NO. 9

Efforts are being made to reconcile the Debit/Credit balances. Confirmation from some of the customers and suppliers is awaited.

NOTE NO. 12

The land was allotted to the Company on 99 years lease hold basis by PSIEC. The dispute was in regard to the total price of the land allotted by PSIEC and as such write-off in respect of land will be provided after dispute is resolved.

NOTE NO. 14

No provision for doubtful debt has been made as efforts are being made to recover the debts. In the opinion of Management all debts appears to be good.

PARTICULARS OF EMPLOYEES

Particulars of Employees pursuant to the provision of Section 217(2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rule, 1975, is not annexed since none of the Employees was in receipt of remuneration higher than the limit fixed in the said Section.

ENERGY CONSERVATION

The particulars with respect to conservation of energy etc. as required under section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of particulars in the report of the Board of Directors) Rule, 1988 are annexed and form part of this report.

ACKNOWLEDGEMENTS

Your Directors wish to convey thanks to all concerned departments of Central, State Governments, Financial Institutions led by IFCI and State Bank of India for their continued co-operation.

Your Directors also express their appreciation of the dedication shown by the employees of the Company during the year.

for and on behalf of the Board of Directors

P. D. SHARMA
DIRECTOR

(VIJAY KUMAR GARG)
MANAGING DIRECTOR

PLACE : CHANDIGARH

DATED : 30th June, 2001

MUNAK CHEMICALS LIMITED

AUDITOR'S REPORT

To

The Shareholders,

Dear Sir,

We have audited the attached Balance Sheet of M/s MUNAK CHEMICALS LIMITED as at 31st March, 2001 and the Profit and Loss account for the year ended on that date and report that :

1. As required by the Manufacturing & 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 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 above, we state that :
 1. We have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit.
 2. In our opinion, proper books of account as required by Law have been kept by the Company so far as appears from our examination of the books.
 3. The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of accounts.
 4. In our opinion, the balance sheet and the profit and loss account comply with the mandatory accounting standards referred to in section 211 (3C) of the companies Act, 1956.
 5. On the basis of the written representations from the Directors, taken on record by the Board of Directors, none of the Directors, is disqualified as on 31st March, 2001 from being appointed as a Director under section 274(1)(g) of the Companies Act, 1956.
 6. In our opinion and to the best of our information and according to the explanations given to us, the said Balance Sheet and the profit and loss account subject to Note No. 1(iii) regarding Non- Provision of depreciation on Factory building and Plant and Machinery, Note No. 3 regarding accounting of commercial land and building amounting to Rs. 218.47 lacs., Note No. 9, regarding unconfirmed and unreconciled debit and credit balances of customers and suppliers, Note No. 12 regarding non-provision of write off in respect of leasehold land, Note No. 14 regarding non-provision for doubtful debits in schedule 'M' of Notes on Accounts and read together with the other Notes on Accounts and significant accounting policies forming part thereof give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view :
 - i) In so far as it relates to the Balance Sheet of the State of affairs of the company as at 31st March, 2001 and
 - ii) In so far it relates to the Profit and Loss account of the Loss of the company for the year ended on that date.

FOR S.C. Dewan & Co.
CHARTERED ACCOUNTANTS

PLACE : PANCHKULA
DATE : 30th June, 2001

(S.C. Dewan)
PARTNER



ANNEXURE TO THE AUDITOR'S REPORT

Referred to in Paragraph 1 of our report of even date :

1. The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets. All the assets have not been physically verified by the Management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the company and nature of its business. No material discrepancy have been noticed in such verification.
2. None of the fixed assets have been revalued during the year. However, the depreciation on the revalued assets, which were revalued as on 30th September, 1992, has been directly charged to revaluation reserve. As a result of this the revaluation Reserve stands at Rs. 1,27,95,447.00 as on 31st March, 2001.
3. The stocks of finished goods, spare parts and raw materials have been physically verified by the management during the year.
4. In our opinion, the procedure of physical verification of stocks followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
5. The discrepancies noticed on verification between physical stocks and the book records by the management were not material and have been properly dealt with in the book of accounts.
6. On the basis of our examination of the stock records, we are of the opinion, that the valuation of stocks is fair and proper in accordance with the normally accepted accounting principals and is the same basis as in preceding year.
7. The company has taken interest free loans during the year from Companies, Firms or other Parties listed in the register maintained under Section 301 and from the Companies under the same management. In our opinion, as no payment of interest is involved, so the terms are not prejudicial to the interests of the members of the Company.
8. According to information and explanations given to us, no loans have been granted to the Companies, Firms or other parties listed in the register maintained under Section 301 and from Companies under the same management. The debit balance of these companies are in the nature of advances recoverable and according to the explanations received, they are not, prima facie, prejudicial to the interest of the company.

MUNAK CHEMICALS LIMITED

9. The Company has given interest free loans and advances in the nature of loans to its employees and the principal amounts are being repaid as stipulated.
10. In our opinion and according to the information and explanations given to us, there is an adequate internal control procedures commensurate with the size of the company and the nature of its business for purchase of stores, raw materials including Components, Plant & Machinery, Equipment and other assets and with regard to sale of goods, but the same needs to be strengthened.
11. In our opinion and according to the information and explanation given to us, the transactions of purchase of goods and materials and sale of goods, materials and services made in pursuance of contracts of agreements entered in the register maintained U/s 301 of the Companies Act, 1956 and aggregating during the year to Rs. 50,000/- or more in respect of each party are at reasonable prices keeping in view the market rate.
12. As explained to us, the company has a regular procedure for determination of unserviceable or damaged stores and raw material and finished goods and they have been properly dealt with in the books of accounts.
13. The provisions of section 58-A of Companies (acceptance of deposits) rules, 1975, are not applicable to the company.
14. The company has maintained reasonable records for sale and disposal of realisable scraps. However there are no by-products.
15. In our opinion the company has an internal audit system, commensurate with the size of the company and nature of its business.
16. According to the records produced under the information given to us, we have seen that the cost records and accounts as prescribed by the central government under section 209 (I)(d) of the companies Act, 1956 have been maintained by the company so far as it appears to us from our examination of the said records.
17. 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 practices.
18. According to the information and explanation given to us, no undisputed amounts payable in respect of Income Tax, Wealth Tax, Sales Tax, Customs duty and excise duty, were outstanding as at 31.3.2001 for a period of more than six months from the date they became payable.



19. The Company has not been regular in depositing the provident and employee's State Insurance dues with the appropriate authorities. As on 31st March 2001, provident fund amounting to Rs. 118739.00 and Employees State Insurance amounting to Rs. 16496.00 are in arrears.
20. 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 Companies (Special Provisions) Act, 1985.

FOR S.C. Dewan & Co.
CHARTERED ACCOUNTANTS

PLACE : PANCHKULA
DATE : 30th June, 2001

(S.C. Dewan)
PARTNER

MUNAK CHEMICALS LIMITED**BALANCE SHEET**

	SCHEDULE	AS AT 31st Mar. 2001 Rs.	AS AT 31st Mar. 2000 Rs.
SOURCE OF FUNDS			
SHAREHOLDER'S FUNDS			
a) Share Capital	'A'	107221110	102221110
b) Reserves & Surplus	'B'	17135617	17135816
		<u>124356727</u>	<u>119356926</u>
LOAN FUNDS			
(a) Secured Loans	'C'	5775998	5856461
(b) Short Term Borrowings		0	11054930
(c) Unsecured Loans		44499950	11797165
(d) Deferred Payments		665377	665377
		<u>50941325</u>	<u>29373933</u>
	TOTAL	<u>175298052</u>	<u>148730859</u>
APPLICATION OF FUNDS			
FIXES ASSETS			
(a) Gross Block	'D'	151150843	129559292
(b) Less :Depreciation		79540751	79222342
(c) Net Block		<u>71610092</u>	<u>50336950</u>
CURRENT ASSETS, LOAN & ADVANCES			
(A) CURRENT ASSETS			
(a) Inventories	'E'	3010082	4599155
(b) Sundry Debtors		21237048	25880668
(c) Cash & Bank Balances		482396	2867875
(B) LOAN AND ADVANCES		<u>5284550</u>	<u>11459758</u>
		30014076	44807456
LESS CURRENT LIABILITIES & PROVISIONS	'F'	<u>30062044</u>	<u>37449080</u>
		-47968	7358376
MISCELLANEOUS EXPENDITURE			
(To the extent not written off/adjusted)	'G'	103735928	91035533
	TOTAL	<u>175298052</u>	<u>148730859</u>
NOTE OF ACCOUNT	'M'		

Auditors Report as per our Separate
Report of even date annexed.

for S.C.DEWAN & CO.
Chartered Accountants

S.C.DEWAN
Partner

PLACE: CHANDIGARH
DATED: 30.06.2001

P. D. Sharma
Director

Lok Nath Aggarwal
Manager (F&T)

V.K.Garg
Managing Director



PROFIT & LOSS ACCOUNT

PARTICULARS	YEAR ENDED 31st Mar. 2001	YEAR ENDED 31st Mar. 2000
INCOME		
Sales	23011785	93619792
Miscellaneous Income	8844653	2167880
Profit on sale of Vehicle	65942	5539
	<u>31922380</u>	<u>95793211</u>
EXPENDITURE		
Manufacturing & Other Expenses	'H' 23346771	61544097
Employees Cost	'I' 9340993	7647940
Excise Duty	823525	2985169
Administrative Expenses	'J' 3107337	4871580
Selling & Distribution Expenses	'K' 1718628	8990225
Financial Expenses.	'L' 1282367	4384793
Pre. & Capital Issue Expns. w/off	151468	151468
Depreciation	540654	5083990
TOTAL	<u>40311743</u>	<u>95659262</u>
PROFIT / (LOSS) FOR THE YEAR	<u>(8389363)</u>	<u>133949</u>
Previous years adjustment	<u>4462500</u>	<u>0</u>
Net Profit/(Loss) Transfd. to Balance Sheet	<u>-12851863</u>	<u>133949</u>

Auditors Report as per our Separate
Report of even date annexed.

for S.C.DEWAN & CO.
Chartered Accountants

S.C.DEWAN
Partner

Lok Nath Aggarwal
Manager (F&T)

PLACE: CHANDIGARH
DATED: 30.06.2001

P. D. Sharma
Director

V.K.Garg
Managing Director

MUNAK CHEMICALS LIMITED**SCHEDULE 'A'**
SHARE CAPITAL

		AS AT 31st Mar. 2001 Rs.	AS AT 31st Mar. 2000 Rs.
AUTHORISED			
110,00,000	Equity Shares of Rs. 10/- each (previous year 90,00,000 Equity Shares of Rs. 10/- each)	<u>110000000</u>	<u>110000000</u>
ISSUED, SUBSCRIBED, CALLED & PAID UP			
102,32,272	Equity Shares of Rs. 10/- each (previous year 87,32,272 Equity Shares of Rs. 10/- each)	107322720	102322720
	Less: Calls-in-arrear other than Directors	<u>101610</u>	<u>101610</u>
	TOTAL	<u><u>107221110</u></u>	<u><u>102221110</u></u>

NOTE : Of above shares, 3000 shares are allotted as fully paid-up pursuant to an agreement without payment being received in cash.

SCHEDULE 'B'
RESERVES & SURPLUS

		AS AT 31st Mar. 2001 Rs.	AS AT 31st Mar. 2000 Rs.
CAPITAL RESERVES :			
Capital Revaluation Reserve	12795646		13733466
Less: Depreciation for the year	<u>199</u>	12795447	<u>937820</u> , 12795646
GENERAL RESERVES :			
Central Investment Subsidy		1500000	1500000
Investment Allowance Utilized Reserve		<u>2840170</u>	<u>2840170</u>
TOTAL		<u><u>17135617</u></u>	<u><u>17135816</u></u>



SCHEDULE 'C' LOAN FUNDS

	AS AT 31st Mar. 2001 Rs.	AS AT 31st Mar. 2000 Rs.
SECURED LOANS		
- Car Loan from Citi Bank (Secured by Hypothication of Car)	175998	256461
- Interest Free Loan from Director (*) of Industries, Punjab	175998	256461
(*)	5600000	5600000
The Interest-Free Loan is secured by way of Second charge on all immovable assets, present and future both of the Company created and/or to be created in favour of the Governor of Punjab.	5775998	5856461
SHORT TERM BORROWINGS		
- State Bank of India	0	11054930
	0	11054930
UNSECURED LOANS		
- V.K. Garg	6238967	764667
- Inter Corporate Deposits	37120619	8882498
- Loan from SBI thru Sh. V.K. Garg	1140364	2150000
	44499950	11797165
DEFFERED PAYMENTS		
- Punjab Small Industries & Export Corporation Limited	665377	665377
TOTAL	50941325	29373933

MUNAK CHEMICALS LIMITED**SCHEDULE 'D'
FIXED ASSETS**

PARTICULARS	GROSS BLOCK			
	As at 31.3.2000	Additions	Sales/ Adjustments	As at 31.3.2001
LAND (LEASE HOLD)	1056627	-	-	1056627
(Commercial)	0	15198049	-	15198049
Site Development	568270	-	-	568270
BUILDING				
Factory	10318032	-	-	10318032
Non Factory	321763	-	-	321763
Commercial	0	6649004	-	6649004
PLANT AND MACHINERY				
General	98103285	-	-	98103285
Electrical Installation	6162166	-	-	6162166
Water Pollution	5731497	-	-	5731497
Control System				
MISC. FIXED ASSETS				
Furniture & Fixtures	1197394	-	-	1197394
Office Equipment	1899817	-	-	1899817
Vehicles	3302201	-	255502	3046699
Weighing Scale	325700	-	-	325700
Workshop Equipment	81957	-	-	81957
Laboratory Equipment	51931	-	-	51931
Construction Equipment	244493	-	-	244493
Computer	194159	-	-	194159
Total	129559292	21847053	255502	151150843
Previous Year	124904522	4760923	106153	129559292



DEPRECIATION			NET BLOCK		
Upto 31.3.2000	Adjust- ment	For the Year	Upto 31.3.2001	As at 31.3.2001	As at 31.3.2000
0	-	-	0	1056627	1056627
0	-	-	0	15198049	0
0	-	-	0	568270	568270
4933150	-	0	4933150	5384882	5384882
78593	-	5245	83838	237925	243170
0	-	0	0	6649004	0
62993263	-	0	62993263	35110022	35110022
3649695	-	0	3649695	2512471	2512471
4013769	-	0	4013769	1717728	1717728
745286	-	75795	821081	376313	452108
1000468	-	120258	1120726	779091	899349
1188273	222444	292611	1258440	1788259	2113928
247448	-	15471	262919	62781	78252
62391	-	0	62391	19566	19566
39534	-	0	39534	12397	12397
200630	-	0	200630	43863	43863
69842	-	31473	101315	92844	124317
79222342	222444	540853	79540751	71610092	50336950
73281223	80692	6021811	79222342	50336950	51623569

MUNAK CHEMICALS LIMITED**SCHEDULE 'E'
CURRENT ASSETS, LOANS AND ADVANCES**

	AS AT 31st Mar. 2001 Rs.	AS AT 31st Mar. 2000 Rs.
(A) CURRENT ASSETS		
Inventories		
(As taken, valued at cost and certified by the Management)		
- Raw Material	954072	1409352
- Finished Goods	838856	2088757
- Packing Material	206783	177450
- Stores & Spares	1010371	923596
	<u>3010082</u>	<u>4599155</u>
SUNDRY DEBTORS		
(Unsecured but considered good)		
- Debtors for more than six months	17081474	14370530
- Others	4155574	11510138
	<u>21237048</u>	<u>25880668</u>
CASH & BANK BALANCES		
- Cash-in hand	210303	153961
- Balance with Banks		
- in current account	189773	1548821
- FDR with SBI thru V K Garg(No-lien a/c)	0	1165093
- Chq. in hand	82320	0
	<u>482396</u>	<u>2867875</u>
(B) LOANS & ADVANCES		
(Unsecured but considered good)		
- Advances recoverable in cash or in kind or for value to be received		
- For Raw Material	56611	2766640
- For Others	<u>3255969</u>	<u>6083333</u>
		8849973
	<u>3312580</u>	
- Security Deposits	1325914	1300914
- Expenses Recoverable	530817	914234
- Pre-Paid Expenses	26530	164959
- Tax Deducted at Source	11555	229678
- Staff Imprest	77154	0
TOTAL	<u>5284550</u>	<u>11459758</u>



SCHEDULE 'F'
CURRENT LIABILITIES & PROVISIONS

	AS AT 31st Mar. 2001 Rs.	AS AT 31st Mar. 2000 Rs.
(A) CURRENT LIABILITIES		
Sundry Creditors :		
- For Raw Material	13374535	25209842
- For Others	<u>1898733</u>	<u>2215864</u>
	15273268	27425706
Securities & Advances	155000	155000
Due to Customers	1948016	1142019
Other Liabilities	5173461	3355511
Bonus Payable	654918	441975
Gratuity Payable	3705855	4002577
Statutory Liabilities	290179	809170
Cheque Issued but not presented	2861347	0.00
(B) PROVISIONS		
For Expenses	<u>0</u>	<u>117122</u>
	0	117122
TOTAL	<u><u>30062044</u></u>	<u><u>37449080</u></u>

SCHEDULE 'G'
MISCELLANEOUS EXPENDITURE

	AS AT 31st Mar. 2001 Rs.	AS AT 31st Mar. 2000 Rs.
Capital Issue Expenses	227201	378669
PROFIT & LOSS ACCOUNT		
Loss of previous year b/f	90656864	90790813
(Profit)/Loss for the year	<u>12851863</u>	<u>(133949)</u>
	103508727	90656864
TOTAL	<u><u>103735928</u></u>	<u><u>91035533</u></u>

MUNAK CHEMICALS LIMITED**SCHEDULE 'H'****MANUFACTURING & OTHER EXPENSES**

	YEAR ENDED 31st Mar. 2001	YEAR ENDED 31st Mar. 2000
Raw Material	13599517	38885150
Labour & Wages	3700319	7234302
Handling Charges	581172	2771015
Stores Spares & Consumables	571902	1567948
Power & Fuel	3643960	8315923
(Increase)/Decrease in stock of Finished Goods	1249901	2769759
TOTAL	<u>23346771</u>	<u>61544097</u>

SCHEDULE 'I'**EMPLOYEES COST**

	YEAR ENDED 31st Mar. 2001	YEAR ENDED 31st Mar. 2000
Salaries & Allowances	6050107	5388482
Compensation to Employees (VRS)	2279658	428463
Contribution towards ESI & PF	871109	1471070
Welfare Expenses	140119	359925
TOTAL	<u>9340993</u>	<u>7647940</u>



SCHEDULE 'J'

ADMINISTRATIVE EXPENSES

	YEAR ENDED 31st Mar. 2001	YEAR ENDED 31st Mar. 2000
Travelling & Conveyance		
- Directors	2368	201805
- Others	399522	628251
Rent, Rates & Taxes	246717	382660
Printing & Stationery	115330	110466
Postage, Telephone & Telex	621474	681838
Vehicle Running & Maintenance Expns.	331009	481781
Security Services	426554	762261
Repair & Maintenance		
- Building	39736	44100
- General	<u>24163</u>	<u>22322</u>
	63899	66422
Insurance Charges	113529	119028
Professional Charges	128955	165825
Auditors Remuneration	78750	78750
Fees, Subs., N. Paper, Periodicals	186085	318471
Electricity & Water Chages. Chd.	112594	80061
Office Upkeep Expenses	27867	50645
Advertisement & Publicity	53270	78882
Business Promotion	87939	370763
House Tax	0	72000
General Charges	111475	221671
TOTAL	<u><u>3107337</u></u>	<u><u>4871580</u></u>

MUNAK CHEMICALS LIMITED**SCHEDULE 'K'****SELLING & DISTRIBUTION EXPENSES**

	YEAR ENDED 31st Mar. 2001	YEAR ENDED 31st Mar. 2000
Freight Outward	552926	4035746
Selling Expenses	262107	48400
Rebates & Discounts	903595	4906079
TOTAL	<u>1718628</u>	<u>8990225</u>

SCHEDULE 'L'**FINANCIAL EXPENSES**

	YEAR ENDED 31st Mar. 2001	YEAR ENDED 31st Mar. 2000
INTEREST :		
Interest on Term Loan	1188972	4220602
Bank Charges	56456	140099
Interest on Car Loan	36939	24092
TOTAL	<u>1282367</u>	<u>4384793</u>



SCHEDULE 'M'

NOTES ON ACCOUNTS

1. SIGNIFICANT ACCOUNTING POLICIES

i) Basis of Accounting

The Company adopts accrual basis in the preparation of accounts.

ii) Recognition on Incomes/Expenses

Sales of Sulphuric Acid and Fertilizers are accounted for on their despatch to customers. Income from interest and subsidy received are accounted for on accrual basis. Insurance claims are accounted for on cash basis.

The Company provides for all known expenses except medical reimbursement and leave encashment which are accounted on actual payment basis.

iii) Fixed Assets and Depreciation

Fixed assets are stated at cost less accumulated depreciation. Cost of acquisition on construction is inclusive of all the related expenses. The Buildings and Plant & Machinery are stated at the value as determined in the Revaluation Report as at 30th September, 1992. No Depreciation on Factory Building & Plant & Machinery has been charged as the same has not been put to use during the year under audit. The Plant has been used occasionally for the trial purpose only. The Depreciation on Non Factory Building, Furniture & Fixture, Vehicle and other Fixed Assets has been provided on the Straight Line Method, on Single Shift Basis at the rates and in the manner specified in Schedule XIV of the Companies Act, 1956 as amended up to date.

The Depreciation on the increased value of Non Factory Building due to revaluation done on 30th September, 1992 has been reduced from Revaluation Reserve.

iv) Inventories

Raw Materials, Stores & Spares and Packing Materials are valued at cost & finished goods valued at net realisable value.

v) Miscellaneous Expenditure

Capital issue Expenses are written off equally over a period of ten years.

2. CONTINGENT LIABILITIES NOT PROVIDED FOR ON ACCOUNT OF

	Year ended 31st March, 2001 Rs.	Year ended 31st March, 2000 Rs.
- Letter of Credit (Net of Margin Money)	Nil	Nil
- Estimated Amount of Contracts remaining to be executed on capital accounts (Net of Advance)	Nil	Nil

3. The Company purchased a commercial land measuring 359.29 sq. yds. from Chandigarh Administration. The total cost of the land was Rs.78.50 lacs. However due to paucity of funds the

MUNAK CHEMICALS LIMITED

company transferred the same to another company namely Bronze Trading Ltd., after obtaining No Objection Certificate from the Chandigarh Administration. Subsequently Chd. Admn. withdrew its No Objection Certificate and showed the land in the name of Munak Chemicals Ltd. in the record of Chd. Administration. Bronze Trading Ltd., to whom the land was transferred incurred a total amount of Rs.208.65 lacs towards the cost of land and construction thereon. The MCL filed an appeal in the Hon'able High Court of Punjab and Haryana against the withdrawal of NOC. However the electricity connection and other related matters in the record of Chd. Admn. are in the name of MCL. During the year under Audit the Company has decided to reflect these transactions in the books of accounts and accordingly the value of Land under the head Commercial Land and Building commercial in the Schedule of Fixed Assets has been increased by way of addition to the cost of Land amounting to Rs. 151.98 lacs and Building amount to be Rs. 66.49 lacs thus totaling Rs.218.47 lacs (Previous year Rs.208.65 lacs has been added in the Gross Block of Fixed Assets.

These transactions has been reflected in the books of accounts pursuant to withdrawal of Company Appeal pending before the Hon'able High Court of Punjab & Haryana, Chandigarh. As a result of these entries, there had been no effect on Profit & Loss account of Company.

4. MANAGING DIRECTOR'S REMUNERATION

- Salary	300000	300000
- House Rent Allowance	120000	120000
- Estimated Value of benefits in cash or in kind	25501	32871
	<u>445501</u>	<u>452871</u>

5. Professional charges include a sum of Rs.78,750 paid to Auditors as per detail below :

AUDITORS REMUNERATION

Audit Fee inclusive of	50,000	50,000
Tax Audit Fee		
Certification Fee	12,500	12,500
Out of pocket expenses	12,500	12,500
Service Tax	3,750	3,750
	<u>78,750</u>	<u>78,750</u>

6. The previous year figures have been regrouped and re-arranged to make them comparable with those of current year.
7. In the opinion of the Board, the current assets, Loans & Advances are approximately of the value stated, if realized in the ordinary course of business, except otherwise stated. The provision for all the known liabilities is adequate and not in excess of amount considered reasonably necessary.
8. All purchases, consumption and closing stock of raw materials and other have been shown at a value which is inclusive of transit losses and also are net of rebates/special rebates etc. allowed by suppliers.



9. Debit and Credit balances in the account of Suppliers, Customers and other are subject to confirmation and reconciliation. Any effect arising out of this will effect the profitability/loss of the Company to that extent.
10. No provision for income tax liability has been made in the absence of assessable income under the Income Tax Act, 1961.
11. The Sales Tax liability has been provided for as per Sales Tax return filed with Sales Tax authorities and any extra liability, if any, arising on assessment shall be provided on actual basis as and when assessed.
12. No write off in respect of land taken from Punjab Small Industries & Export Corporation Limited, on 99 years leasehold basis, has been made; PSIEC has raised certain demands towards leasehold land and the same is under dispute. Accordingly, no provision has been made in the books of accounts as the amount is unascertainable.
13. A sum of Rs. 16,19,565/- (Previous year Rs.7,81,053/-) has been charged to Profit & Loss Account on account of gratuity liability, as required by the Companies (Amendment) Act, 1988.
14. No provision for doubtful debts has been made in the books of accounts, although the debtors include long outstanding balances. In the opinion of management all these debts are good and steps are being taken to realise the same. In case certain balances are not recovered they will have to be eventually written off, and accordingly this will increase the losses of the company to that extent.
15. All figures have been rounded off to the nearest rupee.
16. Schedule 'A' to 'M' form an intergral part of the Balance Sheet and Profit & Loss account and have been duly authenticated.
17. In earlier years the Company raised a loan of Rs. 21.50 lacs from State Bank of India through Sh. V.K. Garg, Managing Director against his personal Securities & Guarantees. During the year under Audit the Company reached a One Time Settlement with State Bank of India and as a result of this settlement a sum of Rs. 65.57 lacs was agreed to be paid against the original loan of Rs. 21.50 lacs. Since Company has not made any provision of Interest on this loan in past as such a sum of Rs. 47,14,862/- has been charged as Interest in Profit & Loss account of the Company, out of this amount a sum of Rs. 44.07 lacs pertains to earlier years.
18. During the year the Company has closed down its operations and certain long outstanding Credit Balances of Suppliers & Customers been written back as income under the head of Misc. Income, as in the opinion of Management, the operation of the Company are closed and the Customers & Suppliers who have not demanded payments for a considerable time should be credited as Income and in case any payment is required to be paid in future, the same shall be charged as an expenditure in the year of payments.
19. Provision for Electricity Charges has been made upto December,2000, the Company has not received any bill from the Electricity Department after December, 2000 and the Electricity Connection has been disconnected due to non payments of Bills. No Provision has been made even for minimum charges as required to be charged by PSEB for the month of January, February and March, 2001.

MUNAK CHEMICALS LIMITED

ADDITIONAL INFORMATION PURSUANT TO THE PROVISION ON PARAGRAPHS 3 & 4 OF PART II OF SCHEDULE VI OF THE COMPANIES ACT, 1956, IS AS FOLLOWS

	AS AT 31ST MARCH, 2001		AS AT 31ST MARCH, 2000	
	Qty.(MT)	Value(Rs.)	Qty.(MT)	Value(Rs.)
A) QUANTITATIVE DATA				
I) LICENCED CAPACITY				
- Single Superphosphate	1,32,000	-	1,32,000	-
- Sulphuric Acid	66,000	-	66,000	-
- Oleum 20/65%	2,500	-	2,500	-
- Sodium Silico Flouride	550	-	550	-
II) INSTALLED CAPACITY				
- Single Superphosphate	1,32,000	-	1,32,000	-
- Sulphuric Acid	56,100	-	56,100	-
- Oleum 20/65%	-	-	-	-
- Sodium Silico Flouride	-	-	-	-
III) PRODUCTION (*)				
- Single Superphosphate	1,799	-	17,261	-
- Sulphuric Acid	8,349	-	18,901	-
- Oleum 20/65%	-	-	-	-
- Sodium Silico Flouride	-	-	-	-
IV) CLOSING STOCK				
- Single Superphosphate	25	69,675	279	9,05,819
- Sulphuric Acid	615	7,69,181	473	11,82,938
- Oleum 20/65%	-	-	-	-
- Sodium Silico Flouride	-	-	-	-
		<u>8,38,856</u>		<u>20,88,757</u>
v) OPENING STOCK				
- Single Superphosphate	279	9,05,819	1,041	28,43,128
- Sulphuric Acid	473	11,82,938	806	20,15,398
- Oleum 20/65%	-	-	-	-
- Sodium Silico Flouride	-	-	-	-
		<u>20,88,757</u>		<u>48,58,516</u>



	AS AT 31ST MARCH, 2001		AS AT 31ST MARCH, 2000	
	Qty.(MT)	Value(Rs.)	Qty.(MT)	Value(Rs.)
vi) RAW MATERIAL CONSUMED				
- Sulphur (***)	2,927	22,74,203	6,615	2,26,60,603
- Sulphuric Acid	0.100	330	817	17,05,666
- Rockphosphate (**)	1,061	1,09,68,506	10,111	1,15,01,744
- Packing Material (Nos.)	37,583	3,56,478	3,65,391	30,17,137
		<u>1,35,99,517</u>		<u>3,88,85,150</u>
vii) SALES				
- Single Superphosphate	2,053	72,05,645	18,022	6,31,76,469
- Sulphuric Acid	7,560	1,58,06,140	13,837	3,04,43,323
- Oleum 20/65%	-	-	-	-
- Sodium Silico Flouride	-	-	-	-
		<u>2,30,11,785</u>		<u>9,36,19,792</u>
B) EXPENDITURE ON EMPLOYEES				
Break-up expenditure incurred on employees in receipt of remuneration aggregating to Rs.6,00,000/-per annum or Rs.50,000/-per month, or more :				
i) Employed for full year				
- Number of employees		-		-
- Salaries & Allowances		-		-
ii) Employed for part of the year				
- Number of employees		-		-
- Salaries & Allowances		-		-
C) CIF VALUE OF IMPORTS				
- Raw Materials (acquired from/through canalised agencies)		1,09,68,506		2,26,60,603
- Capital Goods		-		-
		<u>1,09,68,506</u>		<u>2,26,60,603</u>

MUNAK CHEMICALS LIMITED

		AS AT 31ST MARCH, 2001		AS AT 31ST MARCH, 2000	
		Qty.(MT)	Value(Rs.)	Qty.(MT)	Value(Rs.)
D)	VALUE OF IMPORTED/INDIGENEOUS RAW MATERIALS, STORES AND COMPONENTS CONSUMED(***)				
a)	Raw Material				
	- Imported(Canalised)	80.65%	1,09,68,506	58.72%	2,26,60,603
	- Indigeneous	19.35%	26,30,906	41.28%	1,62,24,547
		100.00%	1,35,99,412	100.00%	3,88,85,150
b)	Stores, Spares & Components :				
	- Imported	-	-	-	-
	- Indigeneous	100.00%	5,71,902	100.00%	15,67,948
E)	EXPENDITURE IN FOREIGN CURRENCY	-	-	-	-
F)	EARNING IN FOREIGN EXCHANGE	-	-	-	-

NOTES:

- * Certified by Management but could not be verified by the Auditors being a technical matter.
- ** Rockphosphate includes Gypsum for Rs. Nil (Previous Year Rs.90,875/- & Sulphur includes Oleum for Rs. NIL(Previous Year Rs. Nil)
- *** Includes freight on imported as well as indigeneous raw materials.

Auditors Report as per our Separate Report of even date annexed.

for S.C.DEWAN & CO.
Chartered Accountants

S.C.DEWAN
Partner

Lok Nath Aggarwal
Manager (F&T)

PLACE: CHANDIGARH
DATED: 30.06.2001

P. D. Sharma
Director

V.K.Garg
Managing Director



CASH FLOW STATEMENT

	For the Year Ended 31.03.2001 (Rs. in Lacs)	For the Year Ended 31.03.2000 (Rs. in Lacs)
A. CASH FLOW OPERATING ACTIVITIES		
Net Profit before Tax	(83.89)	1.34
Adjustments for :		
Previous year adjustments	(44.63)	-
Preliminary & Capital issue expenses written off	1.51	1.51
Depreciation and write offs	5.41	50.84
Interest Paid	<u>12.82</u>	<u>43.85</u>
Operating Profit before Working Capital charges	(108.78)	97.54
Adjustments for :		
Trade and other receivables	108.19	245.54
Inventories	15.89	62.27
Trade payable	<u>(73.87)</u>	<u>(58.78)</u>
	<u>(58.57)</u>	<u>346.57</u>
Interest Paid	<u>(12.82)</u>	<u>(43.85)</u>
NET CASH FROM OPERATING ACTIVITIES	<u>(71.39)</u>	<u>302.72</u>
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(218.47)	(47.61)
Sale of Fixed Assets	<u>0.33</u>	<u>0.25</u>
NET CASH USED INVESTING ACTIVITIES	<u>(218.14)</u>	<u>(47.36)</u>
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds to issue of share capital	50.00	150.00
Proceeds loan Term borrowings	<u>215.67</u>	<u>(403.07)</u>
NET CASH USED IN FINANCING ACTIVITIES	<u>265.67</u>	<u>(253.07)</u>
NET INCREASE CASH AND CASH EQUIVALENTS (A+B+C)	<u>(23.86)</u>	<u>2.29</u>
Cash & Cash Equivalent as at 01.04.2000 (Opening Balance)	28.68	26.39
Cash & Cash Equivalent as at 31.03.2001 (Closing Balance)	4.82	28.68

Notes :

1. Above statements have prepared in indirect method.
2. Cash & Cash equivalent represent Cash and Bank balances only.
3. Proceeds from long term borrowings are shown net of repayments.

for and on behalf of the Board of Directors

Place : CHANDIGARH

Date : 30.06.2001

V K Garg
Managing Director

Auditors Certificate

We have verified the above statement with the books and records maintained by M/s MUNAK CHEMICALS LIMITED and certify that in our opinion and according to the information and explanations given, the above statement is in accordance therewith.
for S C DEWAN & Co.
Chartered Accountants

Date : 30.06.2001

Place : PANCHKULA

(S C DEWAN)
Partner

MUNAK CHEMICALS LIMITED**STATEMENT PURSUANT OF PART IV OF SCHEDULE VI TO THE COMPANIES ACT, 1956
BALANCE SHEET ABSTRACT & COMPANY'S GENERAL BUSINESS PROFILE.****I REGISTRATION DETAILS**

Registration No.	4147	State Code
Balance Sheet Date	31.03.2001	16

II CAPITAL RAISED DURING THE YEAR (Amount in Rs. Thousands)

Public Issue	Right Issue
Nil	Nil
Bonus Issue	Private Placement
Nil	50.00

III POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (Amount in Rs. Thousands)

Total Liabilities	Total Assets
175298	175298
Sources of Funds	
Paid-up Capital	Reserves & Surplus
107221	17136
Secured Loans	Unsecured Loans
5776	44500
Short Term Borrowing	Deferred Payments
0	665
Application of Funds	
Net Fixed Assets	Investments
71610	Nil
Net Current Assets	Misc. Expenditure
(47)	227
Accumulated Losses	
103508	

IV PERFORMANCE OF COMPANY (Amount in Rs. Thousands)

Turnover	Total Expenditure
31922	40311
+ - Profit/Loss before Tax	+ - Profit/Loss after Tax
- 8389	- 8389
(Please Tick + for Profit - for Loss)	
Earning per Share (Rs.)	Dividend Rate @ %
Nil	Nil

V GENERIC NAMES OF PRINCIPAL PRODUCTS/SERVICES OF COMPANY (as per monetary terms)

Item Code No. (ITC Code)	2807
Product Description	Single Super Phosphate
Item Code No. (ITC Code)	
Product Description	Sulphuric Acid



ANNEXURE TO THE DIRECTORS' REPORT

INFORMATION AS PER SECTION 217(1)(e) OF COMPANIES ACT, 1956, READ WITH COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF DIRECTORS) RULES, 1988 AND FORMING PART OF DIRECTORS' REPORT FOR THE YEAR ENDED 31st March, 2001.

A) CONSERVATION OF ENERGY

The Company has reviewed all the electric motors and replaced the motors with a lower H.P. wherever possible. The Company is also strictly following the procedure of switching off motors which are not affecting our production.

A) POWER AND FUEL CONSUMPTION

	Year ended 31st March, 2001	Year ended 31st March, 2000
1) ELECTRICITY		
a) Purchase (Units KWH)	7,54,793	20,36,637
Total Amount (Rs.)	32,13,136	64,65,079
Rate/Unit (Rs.)	4.257	3.174
b) Own Generation		
i) Through Diesel Generator	12,120 KWH	30,130 KWH
Unit per Ltr. of Diesel Oil	4.04 KWH	4.04 KWH
Cost per Unit	3.77	2.08
ii) Through Steam Turbine/ Generator Units	NIL	NIL
Units per Ltr. of Fuel		
Oil/Gas	NIL	NIL
Cost/Unit	NIL	NIL
2) COAL	N.A.	N.A.
3) FURNACE OIL/DIESEL		
F.O. Qty. (KL)	2.56	139
Total Amount (Rs.)	21,504	11,02,861
Average Rate (Per K.L.)	8,400.00	7,934.00
DSL. Qty. (KL)	25.30	64
Total Amount (Rs.)	3,85,320	7,23,982
Average Rate (Per K.L.)	15,230	11,312

MUNAK CHEMICALS LIMITED

4) OTHER/INTERNAL GENERATION

Qty.(KL)	NIL	NIL
Total Amount (Rs.)	NIL	NIL
Average Rate (Per K.L.)	NIL	NIL

A) CONSUMPTION PER UNIT OF PRODUCTION

Unit (M.T.)	ASSP	ASSP
Electricity (KWH)	52	52
Furnace Oil(K.L.)	13.23	12.02
Coal	NIL	NIL
Other Diesel (K.L.)	16.59	5.54

B) TECHNOLOGY ABSORPTION

1) Research And Development

No Research & Development work has been carried out by the Company and therefore, there is no expenditure on this head or any other benefit accrued from it.

2) Technology Absorption

The Company has not imported any technology for its plant.

C) FOREIGN EXCHANGE EARNINGS AND OUT GO

The Company has not exported its products during the year under review, therefore, there is no foreign exchange earnings. There is no foreign exchange out going for importing raw materials and others as the same is being procured from private parties.



MUNAK CHEMICALS LIMITED

Regd. Office : A-9 to A-15, Industrial Area
Focal Point, Dabwali Road, Bathinda - 151 001 (Punjab)

PROXY FORM

I/We _____
of _____
being a member(s) of MUNAK CHEMICALS LIMITED hereby appoint Mr./Mrs./Miss. _____
of _____ or failing him/her, Mr./Mrs./Miss _____
of _____ as my/our proxy to attend and to vote for me/us and on my/our behalf at the
TWENTY FIRST ANNUAL GENERAL MEETING of the Company to be held on 17th Aug. 2001 and
at any adjournment thereof.
Signed this _____ 2001

Re. 1
Revenue
Stamp

Regd. Folio No. _____

Signature

NOTE :

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and a proxy so appointed need not be member of the Company.
2. The Proxy form duly executed and properly stamped should reach the Company's Registered Office atleast 48 hours before the time of the meeting.

ATTENDANCE SLIP

(To be handed over at the entrance of the Meeting Hall)

Name of the Attending Member (In Block Letters) _____
Member Registered Folio Number _____
Name of Proxy (In Block Letters) _____
No. of Shares _____

I hereby record my presence at **TWENTY FIRST GENERAL MEETING** held at Civil Lines Club, Civil Line, Bathinda 151 001 (Punjab) 17th August 2001.

Member's/Proxy's Signature

- NOTE :
1. Shareholders/Representative/Proxies are requested to Sign this attendance slip at the time of handing it over at the gate.
 2. You are requested to bring your copy of the Annual Report to the Meeting Hall.
 3. No gifts or gift coupons shall be distributed. Members are required to co-operate and not to demand gifts.

BOOK POST



If undelivered please return to :

MUNAK CHEMICALS LIMITED

S.C.O. 1-2, 1st Floor, Sector 26, Madhya Marg,
Chandigarh - 160 019

Designed & Printed at :

CLASSIC PRINTER

102, Ind. Area, Phase-I, Chandigarh
Ph. : 389551, 777302