

**32<sup>nd</sup>**  
**Annual Report**  
**2014-2015**



**MONNET INDUSTRIES LIMITED**



## **DIRECTORS' REPORT**

### **TO THE MEMBERS**

Your Directors have pleasure in presenting the 32nd Annual Report together with the Audited Statement of Accounts of the Company for the year ended 31st March, 2015.

### **1. FINANCIAL SUMMARY**

<b>Particulars</b>	<b>Amount [Rs. in Lakhs]</b>	
	<b>2014-2015</b>	<b>2013-2014</b>
Operating income	3804.38	1225.16
Profit/(Loss) before Depreciation	(1475.67)	(1225.03)
Less: Depreciation	4.09	14.58
Profit/(Loss) for the year before Tax	(1479.76)	(1239.61)
Provision for taxation	0.00	0.00
Profit/(Loss) after Tax	(1479.76)	(1239.61)
Reserves and Surplus	(2782.63)	(1214.64)

### **FINANCIAL AND OPERATIONAL PERFORMANCE**

During the year under review your Company's operating income was of Rs. 3804.38 Lacs as compared to Rs. 1225.16 lacs during the previous year. The Company has incurred a loss of Rs. 1479.76. Lacs as compared to Rs. 1239.61 Lacs during the previous year.

Further, there has been no change in the nature of the business during the period under review.

### **2. DIVIDEND**

In view of loss during the year under review, your directors do not recommended any dividend to the shareholders.

### **3. MATERIAL CHANGES AND COMMITMENTS**

No material changes and commitments have taken place between the end of financial year of the Company to which balance sheet relates and date of report, which affects the financial position of the Company.

### **4. PUBLIC DEPOSITS**

Your Company has not accepted any deposits within the meaning of Chapter V of the Companies Act, 2013 and Companies (Acceptance of Deposits) Rules, 2014.

### **5. SHARE CAPITAL**

There was no change in the Company's share capital during the year under review.

The Company's paid up share capital is Rs. 18,68,12,620 comprising of 36,81,262 equity shares of Rs. 10 each and 15,00,000 10% Non-Cumulative, Non-Convertible redeemable Preference shares of par value of Rs. 100 /- each.

### **6. DIRECTORS**

During the year under review, the company has appointed Mr. Saurabh Khandelwal as a Whole-time Director of the Company w.e.f. 12.11.2014 and Ms. Babika Goel as the Additional Director of the Company w.e.f. 14.02.2015.

In accordance with the provisions of the Section 152 of the Companies Act, 2013 and the company's articles of association, Mr. JP Lath, Director retires by rotation at the forthcoming Annual General Meeting and being eligible offer himself for re-appointment.

All independent directors have given declarations that they meet the eligible criteria of independence as provided in



sub-section (6) of section 149 of the Companies Act, 2013 and clause 49 of the Listing agreement. There are three Independent Directors namely Sh. Amitabh Sharma Mudgal, Sh. Rajiv Poddar and Sh. Raj Kumar Sachdev.

Directors of the Company are not related to each other in accordance with section 2(77) of the Companies Act, 2013 and Rule 4 of the Companies (Specification of Definitions Details) Rules, 2014.

As per clause 49 (IV) (G) of the listing agreement, the required details of directors appointed/reappointed during the year is given in **Annexure 1**

## **7. DIRECTOR'S RESPONSIBILITY STATEMENT**

The Company has taken utmost care in its operations, compliance, transparency, financial disclosures and financial statements have been made to give a true and fair view of Company. As required under Section 134(5) and Section 134 (3), and based upon the detailed representation, due diligence and inquiry thereof and your Board of Directors assures and confirm as under:

- a) In preparation of Annual Accounts for the financial year ended 31st March, 2015, the applicable Accounting Standards have been followed and there are no material departures from the same;
- b) The selected accounting policies were applied consistently and the Directors made judgments and estimate that are reasonable and prudent so as to give a true and fair view of Company as at 31st March, 2015 and the profit of the Company for that period;
- c) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) The annual accounts have been prepared on 'going concern basis';
- e) The internal financial controls have been laid down by the company and such financial controls were adequate and operating effectively and;
- f) Proper systems have been devised in compliance with the provision of the all applicable laws and such systems were adequate and operating effectively.

## **8. INTERNAL CONTROLS & INTERNAL FINANCIAL CONTROLS**

Internal Control systems are an integral part of company's corporate governance. Your Company has effective internal control environment. Control systems have documented policies, checks and balances, guidelines and procedures that are supplemented by robust internal audit processes and monitored continuously by periodical reviews by management which provides reasonable assurance that all assets are safeguarded; transactions are authorized, recorded and reported properly. Your Company has an independent MIS and Audit Department to oversee the day-to-day functioning of the Company. The Company has proper budgeting system and the actual performance is continuously evaluated and the corrective measures are taken from time to time. The internal control system is designed to ensure that all financial and other records are reliable for preparing financial statements, other data and for maintaining accountability of assets.

## **9. LISTING OF SHARES**

The Company's Equity Shares are presently listed at the Bombay Stock Exchange, Mumbai. The Company has made application to The Delhi Stock Exchange Association Ltd., The Calcutta Stock Exchange Association Ltd., The Jaipur Stock Exchange and The Stock Exchange, Ahmedabad for delisting of its equity shares but application has remained pending so far. Further, Company got its shares delisted from the Madhya Pradesh Stock Exchange on 23rd April, 2015.

\*Bombay Stock Exchange Ltd.  
Phiroze Jeejeebhoy Towers,  
**Mumbai – 400 001**

\*The Calcutta Stock Exchange Assoc. Ltd.  
7, Lyons Range  
**Kolkata – 700 001**

\*The Stock Exchange, Ahmedabad  
Kamdhenu Complex, Opp. Sahajanand College  
Panjarapole, **Ahmedabad-380015**


**STOCK CODE:**

Scrip Code, BSE : 532078  
 Demat ISIN No. in NSDL & CDSL : INE407E01029

**10. DECLARATION BY INDEPENDENT DIRECTORS**

The company has received the necessary declaration from each director in accordance with Section 149(6) of the Companies Act, 2013 that he/she meets the criteria of Independence as laid out in Section 149(6) of the Companies Act, 2013 and clause 49 of the listing agreement.

**11. BOARD EVALUATION**

Pursuant to the provisions of the Companies Act, 2013 and clause 49 of the listing agreement, the Board evaluated the effectiveness of its functioning and that of Committees, Key Managerial Personnel & individual Directors by seeking their inputs on various aspects of Board/ Committee Governance. Further, the Independent Directors at their meeting reviewed the performance of Board, Chairman of the Board and Non- executive Directors.

**12. RELATED PARTY TRANSACTIONS**

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. Further, there have been no materially significant related party transactions between the Company and the Directors, the management, the subsidiaries or the relatives except for those disclosed in the financial statements. Accordingly, particulars of contracts or arrangements with related parties referred to in Section 188(1) along with the justification for entering into such contract or arrangement in Form AOC-2 does not form part of the report.

**13. KEY MANAGERIAL PERSONNEL**

During the year under review following KMP changes took place:

Sr.No.	Name of Directors	Designation	Date of Appointment at Current Designation
1.	Sh. Sourabh Khandelwal	Whole-time Director	22/11/2014
2.	Sh. Saurav Kumar Pradhan	CFO	14/02/2015
3	Ms. Khushboo Sharma	CS	31/03/2015

**14. AUDITORS**
**i) Statutory Auditor**

The Auditors report is without any qualifications and notes to the accounts as referred in the Auditors Report are self-explanatory and therefore, do not call for any further comments or explanations.

M/s O.P. Bagla & Co., Chartered Accountants, Firm Registration No. 000018N, New Delhi, who were auditors of the Company hold office upto the forthcoming Annual General Meeting and are recommended for reappointment to audit the Accounts of the Company for the FY2015-16. As required under the provisions of Sec 139 of the Companies Act, 2013, the Company has obtained a written confirmation from Messers O.P. Bagla & Co. that their appointment, if made, would be in conformity with the limit specified in the said Section.

**ii) Secretarial Auditor**

Pursuant to Section 204 of the Companies Act, 2013, the Company had appointed M/s Sanjay Grover & Associates, Practicing Company Secretaries, New Delhi as its Secretarial Auditor to conduct the Secretarial Audit of the Company for FY 2014-2015. The Report of Secretarial Auditor (Form MR-3) for the FY 2014-2015 is annexed to the report.

The Secretarial Audit Report for the Financial year ended March 31, 2015 contains certain reservation and remarks which are given along with the management reply for the same:



- Few e-form(s) were filed beyond the due date with the Registrar of Companies, Chhattisgarh.

In this regard, the Company wishes to inform that delay in filing of some forms was mainly due to ambiguity and uncertainty in the provisions of the Companies Act, 2013.

### **iii) Internal Auditor**

The Company has appointed M/s. Krishan Rakesh & Co. as internal auditor of the Company in its Board Meeting held on 13<sup>th</sup> August, 2015.

## **15. CORPORATE GOVERNANCE REPORT**

Pursuant to Clause 49 of the Listing Agreement, the report on Corporate Governance together with Auditor's Certificate on compliance with this regard and Whole-time Director's declaration regarding compliance of code of conduct by Board Members and Senior Management Personnel is attached and forms part of this Annual Report.

## **16. RISK MANAGEMENT**

Your Company's Risk Management Policy is backed by strong internal control systems. The risk management framework consists of policies and procedures framed at management level and strictly adhered to and monitored at all levels. The risk policy defines the risk management handling system vis-à-vis role of various entities. The profiling, a continuously ongoing and evolving process, is done for each risk. The process involves prioritizing, modeling and assigning mitigation process to each type of risk model. The management periodically issues the policies to its divisions. These divisions modify these to make it suitable. A corporate level independently constituted team and a sound internal audit system is in place. The internal audit team periodically visits the divisions and carries out audit. The findings are periodically reviewed by the Board and Audit Committee with emphasis on maintaining its effectiveness in dynamic business environment.

## **17. MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

Management Discussion and Analysis Report as required under the Listing Agreements with the Stock Exchange is annexed and forms part of this Annual Report.

## **18. DISCLOSURES-**

### **NUMBER OF MEETING OF THE BOARD**

During the year, six Board Meetings were convened and held, the details of which are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

### **EXTRACT OF ANNUAL RETURN**

In accordance with the provisions of Section 134(3)(a) of the Companies Act, 2013, the extract of the annual return in Form No. MGT – 9 is annexed as **Annexure-2** hereto and forms a part of this report.

### **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS**

Details of loans, guarantees or investments covered under Section 186 of the Companies Act, 2013 are given in the notes to the financial statements.

### **DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE**

There are no significant material orders passed by the Regulators / Courts which would impact the going concern status of the Company and its future operations.

### **NOMINATION AND REMUNERATION POLICY**

The Board has, on the recommendation of the Nomination and Remuneration Committee framed a policy for selection and appointment of Directors, Key Managerial personnel and their remuneration as well as policy on other employees remuneration. The Brief terms of policy is stated in the Corporate Governance Report.



**AUDIT COMMITTEE**

The Company complies with the provisions related to Audit Committee, as provided under Clause 49 of the Listing Agreement and Section 177 of the Companies Act, 2013. The composition of the Audit Committee is as under:

<b>S. No.</b>	<b>Name of Members</b>	<b>DIN</b>	<b>Composition of the Audit Committee</b>
1.	Sh. Rajiv Poddar	00171063	Chairman
2.	Sh. Raj Kumar Sachdev	05352831	Member
3.	Sh. Amitabh Sharma Mudgal	00468084	Member

**VIGIL MECHANISM / WHISTLE BLOWER POLICY**

The Company has a vigil mechanism named Vigil Mechanism / Whistle Blower Policy to deal with instances of fraud and mismanagement, if any. Details of the same are given in the Corporate Governance Report. The same has also been displayed on the website of the Company and the link for the same is <http://www.monnetgroup.com>

**DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORK PLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013.**

The Company has in place a policy on Gender Equality, Gender Protection, Prevention of Sexual Harassment and Redressal System in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. An Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

No complaints pertaining to sexual harassment were received during FY 2014-15.

**PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES**

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Act, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are annexed to this report as **Annexure 3**.

In terms of the provisions of Section 197(12) of the Companies Act, 2013 read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement showing the names and other particulars of employees drawing remuneration in excess of the limits set out in the said Rules forms part of the Report. However, having regard to the provisions of the first proviso Section 136(1) of the Companies Act, 2013 the Annual Report excluding the aforesaid information is being sent to the members of the Company. The said information is available for inspection at Registered Office of the Company during working hours, Any member interested in obtaining said such information, may write to the Company Secretary at the registered office and the same will be furnished on request.

**19. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO**

Even though operations of the Company are not energy intensive, the management has been highly conscious of the importance of conservation of energy and technology absorption at all operational levels and efforts are made in this direction on a continuous basis. In view of the nature of activities which are being carried on by the Company, the particulars as prescribed under Section 134(3)(m) of the Act read with rule 8 of the Companies (Accounts) Rules, 2014 regarding Conservation of Energy and Technology Absorption are not applicable to the Company and hence have not been provided.



**ACKNOWLEDGMENT**

Your Directors take this opportunity to offer their sincere thanks to the various Departments of the Central and State Government, Financial Institutions, Bankers to the Company, all Customers, Suppliers and contractors for their continued valued assistance and support. Your Directors also wish to place on record their appreciation for dedicated services rendered by all officers, staff and workers of the Company at all levels.

By Order of the Board

For **Monnet Industries Limited**

Date: 13<sup>th</sup> August, 2015  
Place: New Delhi

sd/-  
(Amitabh Sharma Mudgal)  
Director

sd/-  
(Sourabh Khandelwal)  
Whole-time Director


**Details of Directors seeking appointment / reappointment in 32<sup>nd</sup> Annual General Meeting**

(Pursuant to Clause 49 of the Listing Agreement)

<b>Name of Director</b>	<b>Shri J.P. Lath</b>	<b>Ms. Babika Goel</b>	<b>Shri Sourabh Khandelwal</b>
Date of Birth	16/09/1943	22/07/1971	03/04/1964
Date of Appointment	31/07/1998	14/02/2015	12/11/2014
Relationship with other Directors/ Manager/ Key Managerial Personnel	None	None	None
Qualifications	Graduate	Architect	Commerce Graduate
Expertise in specific functional area	38 years of experience in pivotal senior managerial roll in the running of a large manufacturing unit. Land acquisition, statutory regulatory compliance and liaison with Government Agencies for licenses, permissions, NoC etc.	She has an experience of 21 years in the field of validating, controlling and guiding all work requiring architecture & interior inputs, in the non-plant buildings.	Expertise in Ferro Alloys Manufacturing and inventory management..
Directorship held in other public companies (excluding foreign Companies, Private Limited Companies & Section 8 Companies)	1. Deepak Traders Pvt Ltd 2. Monnet Mining Company Private Limited 3. Monnet Project Developers Limited 4. Monnet Ispat And Energy Limited 5. Monnet Cement Limited 6. Monnet Daniels Coal Washeries Limited	1. Monnet Project Developers Limited 2. Monnet Power Company Limited	NIL
Membership/ Chairmanship of Committees of other public Companies (includes only Audit Committees and Shareholders'/Investors' Grievance Committee)	6	NIL	NIL
No.of shares held in the Company as on 31.03.2015	30	NIL	NIL





**FORM NO. MGT 9  
EXTRACT OF ANNUAL RETURN**

**As on financial year ended on 31.03.2015**

**Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company  
(Management & Administration) Rules, 2014.**

**I. REGISTRATION & OTHER DETAILS:**

1. CIN	L51103CT1982PLC009717
2. Registration Date	14/09/1982
3. Name of the Company	MONNET INDUSTRIES LIMITED
4. Category/Sub-category of the Company	Company Limited by shares/Indian Non-Government Company
5. Address of the Registered office & contact details	Plot No-216, Sector-C, Urla Industrial Complex, Raipur, Chhattisgarh.
6. Whether listed company	Yes
7. Name, Address & contact details of the Registrar & Transfer Agent, if any.	MCS Share Transfer Agents Limited Address – F-65, First Floor, Okhla Industrial Area, Phase-1, New Delhi - 110020 Phone No. 011-41709884

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY (All the business activities contributing 10 % or more of the total turnover of the company shall be stated)**

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Ferro Alloys	241	100.00

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANY:**

S.No.	Name and Description of Company	CIN/GLN	Holding/Subsidiary /Associate	% of Shares held Held	Applicable Section
1	N.A.	-	-	-	-

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**

Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2014]				No. of Shares held at the end of the year[As on 31-March-2015]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/ HUF	139101	0.00	139101	3.78	139101	0.00	139101	3.78	0.00
b) Central Govt	-	-	-	-	-	-	-	-	-



Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2014]				No. of Shares held at the end of the year[As on 31-March-2015]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	2621821	0.00	2621821	71.22	2621821	0.00	2621821	71.22	0.00
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other (Directors And their relatives)	-	-	-	-	-	-	-	-	-
<b>Total shareholding of Promoter (A)</b>	<b>2760922</b>	<b>0.00</b>	<b>2760922</b>	<b>75.00</b>	<b>2760922</b>	<b>0.00</b>	<b>2760922</b>	<b>75.00</b>	<b>0.00</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	75000	0.00	75000	2.04	75000	0.00	75000	2.04	0.00
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	132276	0.00	132276	3.59	132276	0.00	132276	3.59	0.00
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1):-</b>	<b>207276</b>	<b>0.00</b>	<b>207276</b>	<b>5.63</b>	<b>207276</b>	<b>0.00</b>	<b>207276</b>	<b>5.63</b>	<b>0.00</b>
<b>2. Non-Institutions</b>									
a) Bodies Corp.	168683	35940	204623	5.55	175765	35940	211705	5.75	0.20
i) Indian									
a) Individuals									
i) Individual shareholders holding nominal share capital up to Rs. 1 lakh	222835	38728	261563	7.11	217396	37153	254549	6.91	(0.20)
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	69010	0.00	69010	1.87	69010	0.00	69010	1.87	0.00
c) Others (specify)	-	-	-	-	-	-	-	-	-
Hindu Undivided Families	57559	0.00	57559	1.56	56331	0.00	56331	1.53	(0.03)
Non Resident Indians	75849	44430	120279	3.27	77144	44295	121439	3.30	0.03
Directors and their Relatives	30	0.00	30	0.00	30	0.00	30	0.00	0.00
<b>Sub-total (B)(2):-</b>	<b>593966</b>	<b>119098</b>	<b>713064</b>	<b>19.37</b>	<b>595676</b>	<b>117388</b>	<b>713064</b>	<b>19.37</b>	<b>0.00</b>
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	<b>801242</b>	<b>119098</b>	<b>920340</b>	<b>25.00</b>	<b>802952</b>	<b>117388</b>	<b>920340</b>	<b>25.00</b>	<b>0.00</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>3562164</b>	<b>119098</b>	<b>3681262</b>	<b>100.00</b>	<b>3563874</b>	<b>119388</b>	<b>3681262</b>	<b>100.00</b>	<b>0.00</b>


**B) Shareholding of Promoter-**

S. No.	Shareholder's Name	Shareholding at the beginning of the year 31.03.2014			Shareholding at the end of the year 31.03.2015			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Cecil Webber Engineering Limited	664120	18.04	0.00	664120	18.04	0.00	0.00
2	Pavitra Commercial Limited	599940	16.30	0.00	599940	16.30	0.00	0.00
3	Monnet Properties Private Limited	8700	0.24	0.00	8700	0.24	0.00	0.00
4	Kamdhenu Enterprises Ltd.	1341753	36.45	0.00	1341753	36.45	0.00	0.00
5	Paras Traders Private Limited	1260	0.03	0.00	1260	0.03	0.00	0.00
6	Harshwardhan Leasing Ltd.	435	0.01	0.00	435	0.01	0.00	0.00
7	Monnet International Limited	5613	0.15	0.00	5613	0.15	0.00	0.00
8	Sandeep Jajodia	8340	0.23	0.00	8340	0.23	0.00	0.00
9	Sandeep Jajodia	11418	0.31	0.00	11418	0.31	0.00	0.00
10	Seema Jajodia	16503	0.45	0.00	16503	0.45	0.00	0.00
11	Nikunj Jajodia	8340	0.23	0.00	8340	0.23	0.00	0.00
12	Nikita Jajodia	87900	2.39	0.00	87900	2.39	0.00	0.00
13	Mahendra Kumar Jajodia	900	0.02	0.00	900	0.02	0.00	0.00
14	Sudha Jajodia	5700	0.15	0.00	5700	0.15	0.00	0.00
	<b>Total</b>	<b>2760922</b>	<b>75.00</b>	<b>0.00</b>	<b>2760922</b>	<b>75.00</b>	<b>0.00</b>	<b>0.00</b>

**C) Change in Promoters' Shareholding (please specify, if there is no change)**

S. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
	At the beginning of the year	2760922	75.00	2760922	2760922
	Change in the promoters shareholding	0	0	0	0
	At the end of the year	2760922	75.00	2760922	75.00

**D) Shareholding Pattern of top ten Shareholders:  
(Other than Directors, Promoters and Holders of GDRs and ADRs):**

S. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1	Krishna Kumar Dharamshi Somaiya	75351	2.05	76051	2.05
2	ICICI bank Ltd.	75000	2.04	75000	2.04
3.	The Oriental Insurance Company Ltd.	75000	2.04	75000	2.04
4	LIC of India	42276	1.15	42276	1.15
5	Bhupendra P Shah	32882	1.15	32882	1.15
6	Shashi Kant Khetan	31446	0.89	31446	0.89
7	Kismat Broadcasting Company Pvt. Ltd.	30000	0.81	30000	0.81
8	Hind Strategic Investments	30000	0.81	30000	0.81
9	Vindhyaachal Estate Private Limited	29286	0.80	29286	0.80
10	Annapurna International Private Ltd	27858	0.76	27858	0.76


**E) Shareholding of Directors and Key Managerial Personnel:**

S. No.	Shareholding of Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1	<b>Jagdamba Prasad Lath</b>				
	<b>At the beginning of the year</b>	30	0.00	30	0.00
	<b>increase &amp; decrease in shareholding during the year</b>				
	<b>At the end of the year</b>	30	0.00	30	0.00

**F) INDEBTEDNESS** -Indebtedness of the Company including interest outstanding/accrued but not due for payment.

	Secured Loans (excluding deposits)	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	1,75,00,00,000	0.00	0.00	1,75,00,00,000
ii) Interest due but not paid	0.00	0.00	0.00	0.00
iii) Interest accrued but not due	0.00	0.00	0.00	0.00
<b>Total (i+ii+iii)</b>	1,75,00,00,000	0.00	0.00	1,75,00,00,000
<b>Change in Indebtedness during the financial year</b>	0.00	0.00	0.00	0.00
* Addition	0.00	0.00	0.00	0.00
* Reduction	0.00	0.00	0.00	0.00
<b>Net Change</b>	0.00	0.00	0.00	0.00
<b>Indebtedness at the end of the financial year</b>	1,75,00,00,000	0.00	0.00	1,75,00,00,000
i) Principal Amount	0.00	0.00	0.00	0.00
ii) Interest due but not paid	0.00	0.00	0.00	0.00
iii) Interest accrued but not due	0.00	0.00	0.00	0.00
<b>Total (i+ii+iii)</b>	1,75,00,00,000	0.00	0.00	1,75,00,00,000

**XI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-**
**A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

(Amount in Rs.)

S.No.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
		<b>Sourabh Khandelwal</b>	
1	<b>Gross salary</b>		
	<b>(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961</b>	2,25,000	2,25,000
	<b>(b) Value of perquisites u/s 17(2) Income-tax Act, 1961</b>	-	-
	<b>(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961</b>	-	-
2	<b>Stock Option</b>	-	-
3	<b>Sweat Equity</b>	-	-
4	<b>Commission- as % of profit- others, specify...</b>	-	-
5	<b>Others, please specify</b>	-	-
	<b>Total (A)</b>	<b>2,25,000</b>	<b>2,25,000</b>
	<b>Ceiling as per the Act</b>	As per schedule V of the Companies Act, 2013.	


**B. Remuneration to other directors**

(Amount in Rs.)

S.No.	Particulars of Remuneration	Name of Directors			Total Amount
		Amitabh Sharma Mudgal	Rajiv Poddar	R.K. Sachdev	
1	<b>Independent Directors</b>				
	Fee for attending board committee meetings	NIL	4000	3000	7000
	<b>Total (1)</b>		4000	3000	7000
2	<b>Other Non-Executive Directors</b>	<b>J.P. Lath</b>	<b>Sourabh Khandelwal</b>		
	Fee for attending board committee meetings	4000	1000		5000
	<b>Total (2)</b>	4000	1000		5000
	<b>Total (B)</b>				<b>12000</b>
	<b>Total Managerial Remuneration (A+B)</b>	-		-	<b>2,37,000</b>

**C. Remuneration To Key Managerial Personnel Other Than MD/Manager/WTD**

S.No.	Particulars of Remuneration		
		Saurav Kumar Pradhan (CFO)	Total Amount
1	<b>Gross salary</b>		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	3,60,204	3,60,204
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	
2.	<b>Others, please specify</b>	-	
	<b>Total</b>	<b>3,60,204</b>	<b>3,60,204</b>

**XII. Penalties / Punishment/ Compounding of Offences under The Companies Act, 1956 And Companies Act, 2013 - NIL**

 By Order of the Board  
 For **Monnet Industries Limited**

 Date: 13<sup>th</sup> August, 2015  
 Place: New Delhi

 sd/-  
 (Amitabh Sharma Mudgal)  
 Director

 sd/-  
 (Sourabh Khandelwal)  
 Whole-time Director



**DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014**

1. THE RATIO OF REMUNERATION OF EACH DIRECTOR TO THE MEDIAN EMPLOYEES REMUNERATION OF THE COMPANY FOR THE FINANCIAL YEAR 2014-15 & THE PERCENTAGE INCREASE IN REMUNERATION OF EACH DIRECTOR, CHIEF FINANCIAL OFFICER, CHIEF EXECUTIVE OFFICER AND COMPANY SECRETARY IN THE FINANCIAL YEAR 2014-15

(Amount in Rs.)

Sr. No.	Name of Director/ KMP and Designation	Remuneration of Director/KMP for financial year 2014-15	% Increase in Remuneration in the Financial Year 2014-15	Ratio remuneration of each Director/ to median remuneration of employees	Comparison of the Remuneration of the KMP against the performance of the Company
1.	Sourabh Khandelwal* Whole -time Director	2,25,000	N.A.	N.A.	NIL
2.	Saurav Kumar Pradhan* Chief Financial Officer	3,60,204	N.A.	N.A.	NIL

- \* They were appointed during the year Hence, median can not be calculated as remuneration was paid for a part of year.
2. The median remuneration of employees of the Company during the financial year was Rs.2,82,456. 59 employees joined for a part of a year hence median for those employees is not calculated.
  3. There was no increase in the median remuneration of the employees.
  4. There were 65 permanent employees on the rolls of the company as on 31st March, 2015 and there were 6 in the previous year.
  5. Relation between average increase in remuneration and company performance-There was a loss of Rs. 1239.61 in 2013-14 and Loss of Rs. 1479.76 in 2014-15 whereas the decrease in median remuneration was 21.18%.
  6. Comparison of remuneration of the Key Managerial Personnel(s) against the performance of the Company  
Remuneration was paid to Whole-time Director and CFO for part of a year w.e.f. 22.11.2014 and hence no comparison can be made with the last year performance.

a) Market capitalization of the Company & Price Earning ratio:

Date	Market Price	EPS in Rs.	P/E Ratio	Market Capitalisation
31.03.2014	44.70	33.67	1.32	16,45,52,411.40
31.03.2015	24.80	40.20	0.616	9,12,95,297.60



7. Average percentage increase made in the salaries of employees other than the managerial personnel in FY 2014-15 was 95.55%.
8. The Key parameter for the variable component of remuneration in case of Chairman and Managing Director – Not Applicable
9. The ratio of remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year- Not Applicable and;
10. It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors. Key Managerial Personnel and other Employees.

By Order of the Board  
For **Monnet Industries Limited**

Date: 13<sup>th</sup> August, 2015  
Place: New Delhi

sd/-  
(Amitabh Sharma Mudgal)  
Director

sd/-  
(Sourabh Khandelwal)  
Whole-time Director



## **SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> MARCH, 2015

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
The Members,  
**Monnet Industries Limited**  
(CIN: L51103CT1982PLC009717)  
Plot No. 216, Sector – C,  
Urla Industrial Complex, Raipur,  
Chhattisgarh- 493221

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Monnet Industries Limited** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

### **We report that**

- a) Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
- b) We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in the secretarial records. We believe that the processes and practices, we followed, provide a reasonable basis for our opinion.
- c) We have not verified the correctness and appropriateness of the financial statements of the Company.
- d) Wherever required, we have obtained the Management representation about the compliances of laws, rules and regulations and happening of events etc.
- e) The compliance of the provisions of the Corporate and other applicable laws, rules, regulation, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.
- f) The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2015 ("Audit Period") complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the company for the financial year ended on 31<sup>st</sup> March, 2015 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;





- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - (c) \*The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (d) \*The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
  - (e) \*The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
  - (h) \*The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

\* No event took place under these regulations during the Audit period.

We have also examined compliance with the applicable clauses of the Listing Agreements entered into by the Company with BSE Limited, Madhya Pradesh Stock Exchange Limited, Calcutta Stock Exchange Limited & Ahmedabad Stock Exchange Limited.

During the audit period under review, the Company has complied with the provisions of the Act, Rules, Regulations and Guidelines, to the extent applicable, except the following-

- *Few e-form(s) were filed beyond the due date with the Registrar of Companies, Chhattisgarh.*

- (vi) The Company is engaged in the business of production and sale of Ferro Manganese within the territory of India and having its plant at Raigarh, Chhattisgarh. Following are some of the laws which are specifically applicable to the company:-
  - Mines Act, 1952 and rules made thereunder;
  - Mines and Minerals (Development & Regulation) Act, 1957.

We have checked the compliance management system of the Company to obtain reasonable assurance about the adequacy of systems in place to ensure compliance of specifically applicable laws and this verification was done on test basis. We believe that the Audit evidence which we have obtained is sufficient and appropriate to provide a basis for our audit opinion. In our opinion and to the best of our information and according to explanations given to us, we believe that the compliance management system of the Company is adequate to ensure compliance of laws specifically applicable to the Company, which can be further strengthened.

**We further report that** the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act subject to the reporting herein above.



Adequate seven days notice is given to all directors to schedule the Board Meetings. Agenda and detailed notes on agenda are sent in advance of the meetings and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting for meaningful participation at the meeting.

Board decisions are carried out with unanimous consent and therefore, no dissenting views were required to be captured and recorded as part of the minutes.

**We further report that** there are adequate systems and processes in the company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines, which can be further strengthened.

**We further report that** on the application for voluntary delisting filed by the Company, the Company has received delisting confirmation of its Equity Shares from Madhya Pradesh Stock Exchange Limited vide Letter Ref: MPSE/53/2015. Further, the Company has applied for voluntary delisting from Calcutta Stock Exchange Limited & Ahmedabad Stock Exchange Limited and application(s) are pending for the same.

Place: New Delhi  
Date: 13<sup>th</sup> August, 2015

For Sanjay Grover & Associates  
Companies Secretaries

sd/-  
Sanjay Grover  
CP No.: 3850



## Corporate Governance Report

### 1. CORPORATE GOVERNANCE PHILOSOPHY

Monnet believes in conducting its affairs in a fair and professional manner and in maintaining the high standards. The Company is committed to following good Corporate Governance practices through a series of measures which include having professional Directors on the Board, adopting pragmatic policies and effective systems and procedures, sharing of information with shareholders on a regular basis through newspapers, audits and checks.

The policies and actions of the Company, while being in full compliance of applicable laws and regulations, are dictated by the underlying objective of maximizing shareholder value on a long-term basis.

### 2. BOARD OF DIRECTORS:

The Company has a strong and a broad-based Board consisting of six Directors with adequate blend of professionals, executive, non-executive and independent Directors. Independent Directors fulfil all the conditions for being Independent to the Company, as stipulated under Clause 49 of the Listing Agreement and the Companies Act, 2013. The maximum tenure of Independent Directors is determined in accordance with the Companies Act, 2013 and clarifications/ circulars issued by the Ministry of Corporate Affairs, from time to time.

The Company has issued formal letter of appointment to Independent Directors in the manner as provided in the Companies Act, 2013 and the terms and conditions of such appointment is disclosed on the website of the Company i.e. [www.monnetgroup.com](http://www.monnetgroup.com)

The Board of Directors meets at least once in a quarter to review the Company's performance and more often, if considered necessary, to transact any other business.

**The details relating to Composition & Category of Directors, Directorships held by them in other companies and their membership and chairmanship on various Committees of Board of other companies, as on March 31, 2015 is as follows:**

Name of Director	Category	Designation	No. of Directorships in other Companies	No. of Committee Memberships in other Companies (Excluding Private Companies, Section 8 & Foreign Companies)	
				As Chairman	As Member
Shri Raj Kumar Sachdev (DIN 05352831)	Independent Non Executive	Director	1	0	0
Shri Amitabh S. Mudgal (DIN 00468084)	Independent Non Executive	Director	6	1	1
Shri J.P. Lath (DIN 00380076)	Non Independent Non Executive	Director	4	2	4
Ms. Babika Goel* (DIN 07060202)	Non Independent Non Executive	Additional Director	2	0	0
Shri Rajiv Poddar (DIN 00171063)	Independent Non Executive	Director	2	1	1
Shri Sourabh Khandelwal** (DIN 06929590)	Non Independent Non Executive	Whole-Time Director	0	0	0



- 1) Other Directorships and Committee Memberships, based on the disclosures received from the directors, are as on 31st March, 2015.
- 2) During the year, Six Board Meetings were held on 29th May, 2014, 12th August, 2014, 12th September 2014, 12th November, 2014, 14th February, 2015 and 31st March 2015.
- 3) \*Ms. Babika Goel was appointed as additional director w.e.f. 14th February, 2015.
- 4) \*\*Mr. Sourabh Khandelwal was appointed as Whole-time director 12th November, 2014.
- 5) Committee Membership is in respect of Audit Committee and Stakeholders Relationship Committee of Indian Public Limited Companies.

As required under Section 149(3) of the Companies Act, 2013, & Clause 49 of Listing Agreement, Ms. Babika Goel, has been appointed as Woman Director on the Board w.e.f 14th February 2015. Her appointment is subject to the approval of members in next General Meeting.

The last Annual General Meeting was held on 27th September 2014. Following are the details of attendance of Directors in the Board Meetings and at the Annual General Meeting held during the year:—

<b>Name</b>	<b>No. of Board Meetings held during the tenure of the Directors</b>	<b>No. of Board Meetings attended</b>	<b>Last AGM attendance</b>
Shri Raj Kumar Sachdev	6	1	No
Shri Amitabh S. Mudgal	6	5	No
Shri J. P. Lath	6	6	Yes
Shri Rajiv Poddar	6	4	No
Smt Babika Goel*	1	1	NA
Shri Sourabh Khandelwal**	4	2	No

\*Smt. Babika Goel was appointed as Additional Director w.e.f. 14/02/2015.

\*\*Shri Sourabh Khandelwal was appointed as Whole-Time Director w.e.f. 22/11/2014

The Company has also formulated familiarization programmes to familiarize the Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates etc. The details of such familiarization programmes are also available on the website of the Company i.e. [www.monnetgroup.com](http://www.monnetgroup.com)

## **2.1 PERFORMANCE EVALUATION**

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Audit, Nomination and Remuneration and Compliance Committees. A structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance.

A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgement safeguarding the interest of the Company and its minority shareholders etc. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors who also reviewed the performance of the Secretarial Department. The Directors expressed their satisfaction with the evaluation process.



**3. BOARD COMMITTEES**

The Board has constituted the Audit Committee, the Stakeholders Relationship Committee and Nomination and Remuneration Committee. The Board is responsible for constituting, assigning, co-opting and fixing the terms of reference for the committees. Recommendations/decisions of the committee are submitted to the Board for approval. The quorum for meetings is either two members or one-third of the members of the committees, whichever is higher.

**3.1 AUDIT COMMITTEE**

The Audit Committee of the Company is constituted in line with the provisions of Clause 49 of the Listing Agreement read with Section 177 of the Companies Act, 2013.

The Audit Committee consists of three directors i.e. Sh. Rajiv Poddar, Chairman, Sh. Amitabh S. Mudgal and Sh. Raj Kumar Sachdev as its members. The Company Secretary of the Company acts as Secretary to the Committee.

The Committee is governed by a Charter which is in line with the regulatory requirements mandated by the Companies Act, 2013 and Clause 49 of the Listing Agreement. The terms of reference of the Committee are: -

**Financial Reporting and Related Processes**

- Oversight of the Company's financial reporting process and financial information submitted to the Stock Exchanges, regulatory authorities or the public.
- Reviewing with the Management the quarterly unaudited financial statements and the Auditors' Limited Review Report thereon/audited annual financial statements and Auditors' Report thereon before submission to the Board for approval. This would, inter alia, include reviewing changes in the accounting policies and reasons for the same, major accounting estimates based on exercise of judgement by the Management, significant adjustments made in the financial statements and / or recommendation, if any, made by the Statutory Auditors in this regard.
- Review the Management Discussion & Analysis of financial and operational performance.
- Discuss with the Statutory Auditors its judgement about the quality and appropriateness of the Company's accounting principles with reference to the Generally Accepted Accounting Principles in India (IGAAP).
- Review the investments made by the Company.

All the Members on the Audit Committee have the requisite qualification for appointment on the Committee and possess sound knowledge of finance, accounting practices and internal controls.

During the year under review, the Audit Committee held a separate meeting with the Statutory Auditors and the Chief Internal Auditor to get their inputs on significant matters relating to their areas of audit.

The committee met four times during the last year on 29<sup>th</sup> May, 2014, 12<sup>th</sup> August 2014, 12<sup>th</sup> November, 2014, 14<sup>th</sup> February, 2015; the details of which are as under:

Director	No of Meetings	
	Held	Attended
Sh. Rajiv Poddar	4	4
Sh. R.K. Sachdev	4	1
Sh. Amitabh S. Mudgal	4	3



**3.2 NOMINATION AND REMUNERATION COMMITTEE**

In compliance with Section 178 of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has constituted its "Nomination and Remuneration Committee".

The Nomination and Remuneration Committee consists of three directors i.e. Sh. Rajiv Poddar, Chairman, Sh. J.P. Lath, and Sh. Raj Kumar Sachdev as its members. The Company Secretary of the Company acts as Secretary to the Committee. The brief terms of reference of the Committee, inter alia, includes the following:

- Succession planning of the Board of Directors and Senior Management Employees;
- Identifying and selection of candidates for appointment as Directors / Independent Directors based on certain laid down criteria;
- Identifying potential individuals for appointment as Key Managerial Personnel and to other Senior Management positions;
- Formulate and review from time to time the policy for selection and appointment of Directors, Key Managerial Personnel and senior management employees and their remuneration;
- Review the performance of the Board of Directors and Senior Management Employees based on certain criteria as approved by the Board.

The committee met four times during the last year on 12th August, 2014, 12th November, 2014 and 14th February, 2015 and 31st March, 2015 the details of which are as under:

Director	No of Meetings	
	Held	Attended
Sh. Rajiv Poddar	4	3
Sh. Amitabh S. Mudgal	4	1
Sh. R.K. Sachdev	4	3

**Nomination and Remuneration Policy**

The Board of the Company has also adopted the Nomination and Remuneration Policy for the Company in compliance with Clause 49 and the applicable provisions of the Companies Act, 2013. The said policy of the Company is available on the website of the company i.e [www.monnetgroup.com](http://www.monnetgroup.com).

**The Objective and Purpose of this policy is as follows:**

- To lay down criteria and terms and conditions with regard to identifying persons who are qualified to become Directors (Executive and Non-Executive) and persons who may be appointed in Senior Management and Key Managerial positions and to determine remuneration of Directors, Key Managerial personnel and other employees.
- To determine remuneration based on the Company's size and financial position and trends and practices on remuneration prevailing in peer companies in the steel industry.
- To provide them reward linked directly to their efforts, performance, dedication and achievement relating to the Company's operations.
- To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.



**The company has one Executive Director. Sitting Fee paid to Non-Executive Directors is as given below:-**

<b>Directors</b>	<b>Sitting Fees (Rs.)</b>	<b>ESOP granted (No. of Shares)</b>
Shri J. P. Lath	4000	NIL
Shri Rajeev Poddar	4000	NIL
Shri R.K. Sachdev	3000	NIL
Shri Sourabh Khandelwal	1000	NIL

The Non-Executive Directors are being paid sitting fees only for attending the Board/Committee Meetings in compliance with the relevant applicable provisions of the Companies Act, 2013.

**Remuneration paid to Whole-Time Director is as follows:-**

<b>Directors</b>	<b>Salary (Rs.)</b>	<b>Notice Period</b>	<b>ESOP granted (No. of Shares)</b>
Shri Sourabh Khandelwal	2,25,000	1 month	NIL

**Shareholding and pecuniary relationship of Non-Executive Directors**

The Non-Executive Directors have disclosed that they hold 30 shares in the Company.

There has been no pecuniary relationship or transactions of the Non-executive Directors vis-à-vis the Company during the year except the sitting fees and Remuneration paid to them as detailed above.

**Employee Stock Option Scheme**

The Company does not have any employee stock option scheme for its employees and Directors

**3.3 STAKEHOLDERS' RELATIONSHIP COMMITTEE**

The Stakeholders' Relationship Committee consists of three directors Sh. R.K. Sachdev, Chairman Sh. J.P. Lath and Sh. Rajiv Poddar as its members.

The Company Secretary of the Company acts as Secretary to the Committee. The terms of reference of the Committee are:

- transfer/transmission of shares/debentures and such other securities as may be issued by the Company from time to time;
- issue of duplicate share certificates for shares/debentures and other securities reported lost, defaced or destroyed, as per the laid down procedure;
- issue new certificates against subdivision of shares, renewal, split or consolidation of share certificates / certificates relating to other securities;
- issue and allot right shares / bonus shares pursuant to a Rights Issue / Bonus Issue made by the Company, subject to such approvals as may be required;
- to grant Employee Stock Options pursuant to approved Employees' Stock Option Scheme(s), if any, and to allot shares pursuant to options exercised;
- to issue and allot debentures, bonds and other securities, subject to such approvals as may be required;
- to approve and monitor dematerialization of shares / debentures / other securities and all matters incidental or related thereto;
- to authorize the Company Secretary and Head Compliance / other Officers of the Share Department to attend to matters relating to non-receipt of annual reports, notices, non-receipt of declared dividend / interest, change of address for correspondence etc. and to monitor action taken;



- monitoring expeditious redressal of investors / stakeholders grievances;
- all other matters incidental or related to shares, debenture.

The committee met four times during the last year on 29th May, 2014, 12th August 2014, 12th November, 2014, 14th February, 2015; the details of which are as under:

Director	No of Meetings	
	Held	Attended
Sh. R.K. Sachdev	4	1
Sh. J.P. Lath	4	4
Sh. Rajiv Poddar	4	4

**Name and Designation of Compliance officer**

Mr Hardeep Singh, was the Compliance Officer of the Company for the FY 2014-15. Ms. Khushboo Sharma was appointed as Company Secretary, w.e.f. 31.03.2015 and Compliance Officer of the Company w.e.f. 18th June, 2015. She can be contacted at:

Address: Monnet House, 11 Masjid Moth, Greater Kailash-II, New Delhi-110 048  
 Phone: 011-29218542, Fax: 011-29218542  
 E-mail: isc\_mind@monnetgroup.com

**Details of the Investor's complaints/queries/requests received, redressed/pending during the financial year 2014-2015**

The details of total number of complaints/queries/requests received; resolved/pending during the financial year 2014-2015 is as follows:

Opening	Received during the year	Resolved during the year	Closing
0	2	2	0

The complaints are handled by Company's Registrars and Share Transfer Agents MCS Share Transfer Agent Ltd., New Delhi. The committee monitors the complaints and other activities and also helps in resolving grievances wherever needed. A firm of Practicing Company Secretaries conducts the audit on quarterly basis and submits Capital Reconciliation Audit Report. It also conducts half yearly due diligence exercise in compliance of Clause 47(c) of the Listing Agreement and submits its certificate.

**4. GENERAL BODY MEETINGS**

The details of last three Annual General Meetings and Special Resolution passed thereat are as given below:

Details of General Meetings of Shareholders			
Date	AGM	Place of Meeting	Time
27th September 2014	31st AGM	Monnet Marg, Mandir Hasaud, Raipur, Chhattisgarh-492101	12:30 p.m
30th September 2013	30th AGM		01.30 p.m
29th September 2012	29th AGM		01:30 p.m.





Till the date of signing of this report, no special resolution is proposed to be conducted through postal ballot in the ensuing Annual General Meeting. Resolutions, if required, shall be passed by Postal Ballot during the year ending on 31st March, 2015, as per the prescribed procedure under Companies Act, 2013 & Listing Agreement.

## **5. MANAGEMENT**

The Management Discussion and Analysis Report have been included in this Annual Report and include discussion on all the matters specified in the Clause 49 of the Listing Agreement.

## **6. DISCLOSURES:**

### **Materially significant related party transactions**

Related Parties and transactions with them as required under Accounting Standard 18 (AS-18) are furnished under paragraph no. 35 of the Notes to the Accounts attached with the financial statements for the year ended March 31, 2015.

The transactions with the related parties are neither materially significant nor they have any potential conflict with the interests of the Company at large. The Company has disclosed the policy on dealing with Related Party Transactions on its website.

### **Matters related to capital market**

There was no non-compliance by the company, nor have any penalties or strictures been imposed on the company by Stock Exchanges or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.

### **Whistle blower Policy and affirmation that no personnel have been denied access to the Audit Committee**

The Company has adopted a Whistle Blower Policy through which vigil mechanism of the Company has been laid down. The Company affirms that no personnel has been denied access to Audit Committee on any issue.

### **Compliance with mandatory requirements and adoption of Non-mandatory requirements**

The Company has complied with all the mandatory requirements of Clause 49 of Listing Agreement. The Company has not adopted any non-mandatory requirement of the Clause 49 of the Listing Agreement.

### **Code of Conduct**

The Board has laid down a code of conduct for all Board members and Senior Management of the Company. All Board members and Senior Management Personnel have complied with the Code of Conduct. Declaration to this effect signed by the Director is enclosed with the Annual Report.

### **Disclosure of Accounting Treatment**

The Financial statement of the Company is prepared as per the prescribed Accounting Standards and reflects true and fair view of the business transactions in the Corporate Governance.

## **7. CEO/CFO CERTIFICATION**

The Whole-time Director and Chief Financial Officer have given a Certificate to the Board of Directors, as required under clause 49 of the Listing Agreement for the year ended 31st March, 2015.

## **8. RISK MANAGEMENT**

The Company is not mandatorily required to constitute Risk Management Committee. Further, the Audit Committee and the Board of Directors review the risks involved in the Company and appropriate measures to minimize the same from time to time. The Board of the Company has also adopted a Risk management policy for the Company.

## **9. MEANS OF COMMUNICATION**

Monnet pursues the policy of timely disclosure of information. The company publishes quarterly results and circulates



the same to stock exchanges and sends the annual report to all the shareholders. The company also posts quarterly results, entire annual report and shareholding pattern on the website of the company besides sending complete annual report to the shareholders.

**Name of the newspapers wherein financial results are normally published**

The quarterly and annual financial results are normally published in “Business Standard” (English Language) and “Pioneer” (Vernacular Language).

The Company also ensures that financial results are promptly and prominently displayed on Company's Website

The Company also ensures that the details of its business, financial information, shareholding pattern, compliance with corporate governance, contact information of the designated officials of the company who are responsible for assisting and handling investor grievances, details of agreements entered into with media companies and/or their associates are promptly and prominently displayed on its Website [www.monnetgroup.com](http://www.monnetgroup.com). Company did not disclose official news release on its website.

**10. GENERAL SHAREHOLDERS INFORMATION**

**a) Ensuing Annual General Meeting**

Day, Date & Time 30th September, 2015, Wednesday at 12:30 P.M.

Venue: Monnet Marg, Mandir Hasaud, Raipur, Chhattisgarh-492101.

**b) Financial Year Calendar 2014-15 (Tentative)**

The Company follows the period of 1st April to 31st March, as the Financial Year

Financial year ending	:31st March
Audited Annual Results	:29th May, 2015
First Quarter Results	:12th August, 2015
Half Yearly Results	:on or before 14th November, 2015
Third Quarter Results	:on or before 14th February, 2016.
Fourth Quarter Results	:on or before 15th May, 2016
Audited Annual Results	:on or before 30th May, 2016

**c) Date of Book Closure**

23rd day of September, 2015 to 30th day of September, 2015 (both days inclusive)

**d) DIVIDEND PAYMENT** : No dividend has been recommended for the Financial Year 2014-15.

**e) REGISTERED OFFICE & WORKS** : Plot No. 216, Sector – C, Urla Industrial Complex, Raipur-493221, Chhattisgarh

**f) LISTING OF SHARES ON STOCK EXCHANGES** : The equity shares of the Company are listed on BSE Ltd. Mumbai  
The Company got itself De-Listed from M.P. Stock Exchange. Annual listing fee for the year 2015-2016 has been paid to BSE Ltd.

**Details of Stock Exchange:**

BSE Ltd.,  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Fort, Mumbai – 400 001


**g) STOCK CODE**

Scrip Code, BSE : 532078

**h) Registrar & Transfer Agent**

MCS Share Transfer Agent Ltd.

F-65, Okhla Industrial Area, Phase-I,

New Delhi – 110 020

Tel. : 011-41406149, Fax: 011-41709881 Email Address: admin\_mcsdel.com

**i) Distribution of Shareholding as at 31st March, 2015**

Category	No. of Folios	% of Shareholders	No. of Shares	% of Capital
1 - 500	1205	89.13	127461	3.46
501 - 1000	65	4.81	50464	1.37
1001 - 2000	34	2.51	50594	1.37
2001 - 3000	4	0.30	10776	0.30
3001 - 4000	4	0.30	13845	0.38
4001 - 5000	5	0.37	22383	0.60
5001 - 10000	11	0.81	80851	2.20
10001-50000	17	1.25	405124	11.00
50001 - 100000	4	0.30	313951	8.52
And Above	3	0.22	2605813	70.80
<b>TOTAL</b>	1352	100.00	3681262	100.00

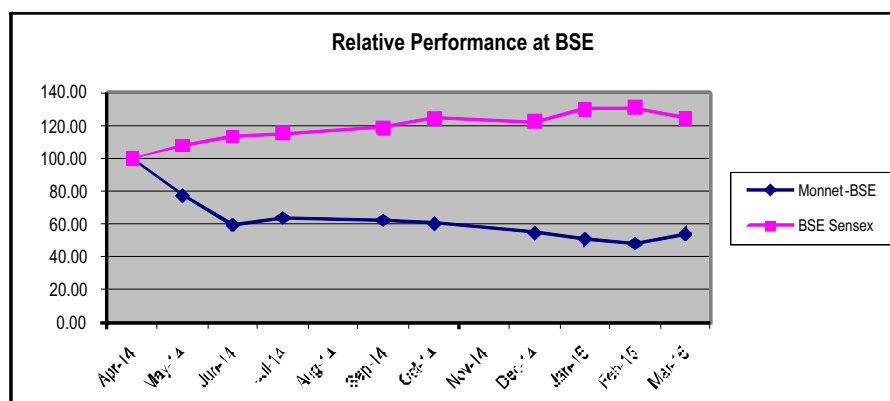
**j) STOCK PRICE DATA (FOR THE PERIOD APRIL, 2014 TO MARCH, 2015)**

Year	Month	BSE High (Rs.)	BSE Low (Rs.)	Monthly Volume (Rs.)
2014	April	46.85	44.55	14,138
2014	May	43.70	35.70	2,89,885
2014	June	33.95	26.40	6,59,461
2014	July	32.95	23.45	3,81,463
2014	August	31.50	20.00	19,86,473
2014	September	32.00	23.00	1,46,353
2014	October	31.30	22.25	2,13,250
2014	November	30.00	22.15	3,25,718
2014	December	30.80	21.00	2,11,412
2015	January	25.80	21.05	84,566
2015	February	26.20	21.85	60,459
2015	March	24.95	20.25	35,370



**k) Stock Performance:**

The performance of the Company's share relative to the BSE Sensitive Index (on closing rates at the end of each month in BSE Ltd.) considering 100 as the base is given in the Chart below:



**l) Share transfers system**

Share Transfer Committee is normally held every 15 days and approves the physical transfers received periodically. Physical Shares sent for transfer are duly transferred within 15-20 days of receipt of documents, if found in order. Shares under objection are in general returned within 15 days. Share Transfer Agents have been authorized to sign the share certificates on behalf of the Company for expeditious disposal of transfer requests.

**m) Dematerializations of Shares and liquidity**

96.81% of Equity Shares of the Company are in dematerialized form as on 31st March, 2015. The shares of the Company are available for dematerialization with both the depositories i.e. NSDL and CDSL vide ISIN No. INE 407E01029.

**n) Outstanding Convertible Instruments, conversion date and likely impact on equity**

The Company has no outstanding convertible instruments.

**o) Shareholding Pattern:**

Shareholding pattern in Monnet Industries Limited as on March 31st, 2015 for the purpose of reporting in the Annual Report of the Company for the year 2014-15 is given as under:

Category	As On 31.03.2015	
	No. of Equity Shares	%
Promoter / Persons Acting in Concert	2760922	75.00
Banks, Financial Institutions and Insurance Companies	207276	5.63
NRIs/OCBs	121439	3.30
Private Corporate Bodies	211705	5.75
Resident Individual	323559	8.79
Any Other: HUF	56331	1.53
- Directors & their relatives	30	0.00



**p) Address for Correspondence**

Monnet House  
11, Masjid Moth, Greater Kailash Part-II,  
New Delhi-110048.  
Phone: 011-29218542-46  
Fax : 011-29218541  
e-mail : isc\_mind@monnetgroup.com

**Disclaimer :**

The information furnished above is certified by Monnet Industries Limited to be true, fair and accurate (except in respect of errors in or omissions from documents filed electronically that result solely from electronic transmission errors beyond our control and in respect of which we take corrective action as soon as it is reasonably practicable after becoming aware of the error or the omission). SEBI, the Stock Exchanges or the NIC do not take any responsibility for the accuracy, validity, consistency and integrity of the data entered and updated by it.

(Khushboo Sharma)  
Company Secretary

**CERTIFICATE**

To  
The Members of  
**MONNET INDUSTRIES LIMITED,**

We have examined the compliance of conditions of Corporate Governance procedures by **MONNET INDUSTRIES LIMITED**, for the year ended on 31st March, 2015, with the relevant records and documents maintained by the Company, as stipulated in clause 49 of the Listing Agreement of the said Company with stock exchange(s).

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

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

Sd/-

**(Atul Bagla)**

**Partner**

**M. No. 91885**

**Firm Regn. No. 000018N**

Place: New Delhi  
Date: 13<sup>th</sup> August, 2015

**DECLARATION BY THE WHOLE-TIME DIRECTOR OF THE COMPANY**

**To,**  
**The Members**  
**Monnet Industries Limited**

Dear Members,

Pursuant to Compliance of Clause 49 of the Listing Agreement, I hereby declare that all the Board Members and senior management personnel have given their affirmation about the compliance with the code. The compliance certificates have been signed by all the board members and senior management personnel and given to the Company.

By Order of the Board  
For **Monnet Industries Limited**

Sd/-  
(Saurabh Khandelwal)  
Whole-time Director  
DIN: 06929590  
House No 6 Karkend Bazar, Pashupati Market,  
Kusunda, Dhanbad, 828116, Jharkhand, India



## **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

### ❖ **FORWARD-LOOKING STATEMENTS**

This report contains forward-looking statements based on certain assumptions and expectations of future events. The Company, therefore, cannot guarantee that these assumptions and expectations are accurate or will be realised. The Company's actual results, performance or achievements can thus differ materially from those projected in any such forward-looking statements. The Company assumes no responsibility to publicly amend, modify or revise any forward looking statements, on the basis of any subsequent developments, information or events.

### ❖ **INDUSTRY STRUCTURE AND DEVELOPMENTS**

Ferro alloys production in India is about six decades old. In India, bulk ferro alloys production through electric submerged arc furnace route made a beginning in late 1950s.

The initial phase of the industry was marked by the installation of small capacity furnaces mostly for the production of Manganese alloys with the starting up of the first furnace at VISL, Bhadravati, total of 18 furnaces were commissioned by the mid-sixties to cater to the domestic steel industry's requirement.

The expansion of the industry took place between late sixties and late seventies, when thirteen more moderately sized furnaces were added to undertake production of Silicon and Chromium alloys. The third phase of expansion in the country was prompted by product diversification, availability of advanced technology and encouragement from Government by way of incentives for setting up 100% export oriented plants, to earn valuable foreign exchange.

### ❖ **BUSINESS OVERVIEW**

The Sales during the year 2014-15 are 3804.38 lacs as compared to 1225.16 lacs in the previous year.

### ❖ **MARKETING**

The Company is setting up a good marketing team to enter to increased turnover.

### ❖ **SWOT**

Our strength is our determination and team work, weakness is the low equity base, opportunities are multiples and threats are the vibrations in the economy and government policies.

#### **The financial highlights are as under: -**

	(Rs. in lacs)
Sales for the year 2014-2015	1225.16
Provision for taxation	0.00
Loss after tax	1479.76
Paid up equity share capital as on 31 <sup>st</sup> March, 2015	1868.12

### ❖ **INTERNAL CONTROL**

The Company has placed systems and procedures of internal control and checks in operation commensurate with the size and the nature of its business for optimum utilization of available precious resources. The mechanism of internal control and checks are reviewed by the management, internal and statutory auditors from time to time and suitable changes/modifications are implemented so as to ensure that an effective scheme of checks and balances exists at all times. The management is reasonably satisfied with the existing internal control systems. The Audit Committee of Board of Directors also reviews these matters from time to time in their meetings.



❖ **MATERIAL DEVELOPMENTS IN HUMAN RESOURCES/INDUSTRIAL RELATIONS FRONT, INCLUDING NUMBER OF PEOPLE EMPLOYED**

The overall industrial relations in the Company were cordial. The manpower employed is around 65 excluding indirect employment.

❖ **DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE**

Your company's turnover for the current financial year stands at 3804.38 lacs as against Rs. 1225.18 lacs last year. Further, your company has posted a loss of Rs.1479.76 lacs this year as against loss of Rs. 1239.61 lacs in the previous year.

❖ **RISKS AND CONCERNS**

Despite the steady growth and potential for steady growth in business there are various bottlenecks which the industry currently faces. While some of them relate to the larger macroeconomic framework, some of them are intrinsic to the industry itself; major ones are as follows:

- High transportation cost due to increase in price of fuels.
- Inadequate and crumbling infrastructure, over burdened roadways, railways and ports.
- Inadequate indigenous supply of good quality and high grade coke.
- High cost of grid power has been affecting the industry's competitiveness despite having the best quality ores and processes

❖ **CAUTIONARY STATEMENT**

Statement in this Management's Discussion and Analysis detailing the Company's objectives, projections, estimates, expectations or predictions are "forward-looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include global and Indian demand-supply conditions, finished goods prices, feedstock availability and prices, cyclical demand and pricing in the Company's principal markets, changes in Government regulations, tax regimes, economic developments within India and the countries within which the Company conducts business and other factors such as litigation and labour negotiations.





## **INDEPENDENT AUDITOR'S REPORT**

The Members of  
**MONNET INDUSTRIES LIMITED**  
NEW DELHI

### **Report on the Standalone Financial Statements**

We have audited the accompanying standalone financial statements of **MONNET INDUSTRIES LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

### **Management's Responsibility for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:-

- (i) in the case of the balance sheet, of the state of affairs of the Company as at 31 March 2015;
- (ii) in the case of the statement of profit and loss, of the loss for the year ended on that date; and
- (iii) in the case of the cash flow statement, of the cash flows for the year ended on that date.

**Emphasis of Matter**

We draw attention to the following matters in the Notes to the financial statements:

- Note No. 31 in respect of accumulated losses of the company as on 31st March 2015 exceeding its paid up capital and free reserves;

Our opinion is not modified in respect of these matters.

**Report on Other Legal and Regulatory Requirements**

1. As required by 'the Companies (Auditor's Report) Order, 2015', issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of the written representations received from the directors as on 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements.
    - ii. In our opinion and as per the information and explanations provided to us, the Company has not entered into any long-term contracts including derivative contracts, requiring provision under applicable laws or accounting standards, for material foreseeable losses.
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

**For O.P. BAGLA & CO.  
CHARTERED ACCOUNTANTS  
Firm Regn. No. 000018N**

**Place : New Delhi  
Date : 28.05.2015**

**Sd/-  
(ATUL BAGLA)  
PARTNER  
M.NO. 91885**

**ANNEXURE REFERRED TO IN PARAGRAPH 1 OF THE AUDITORS' REPORT ON ACCOUNTS FOR THE YEAR ENDED 31st MARCH, 2015**

1. a) The company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.  
(b) As explained to us, all the fixed assets have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.
2. (a) Physical verification has been conducted by the management at reasonable intervals in respect of finished goods, stores, spare parts and raw materials. We were informed that physical verification of manganese ore & coke was made on the basis of volume and density which is approximately correct.  
(b) In our opinion, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.  
(c) In our opinion the Company is maintaining proper records of inventories. 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.
3. As informed to us the company has not granted loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act.
4. In our opinion there is an adequate internal control system commensurate with the size of the company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of audit, we have not observed any continuing failure to correct major weaknesses in internal control system.
5. According to the information and explanations given to us the company has not accepted any deposits, in terms of the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under.
6. In respect of business activities of the company, maintenance of cost records has not been specified by the Central Government under sub-section (l) of section 148 of the Companies Act.
7. As per information and explanations given to us, the company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues with the appropriate authorities. There are no outstanding statutory dues as at the last day of the financial year under audit for a period of more than six months from the date they became payable.
8. The accumulated losses of the company as at the end of the year are more than the 50% of the net worth of the company. The company has incurred cash loss during the year under audit and in the immediately preceding financial year.
9. Based on our audit procedures and on the basis of information and explanations given to us by the management, we are of the opinion that there is no default in repayment of dues to the Financial Institutions, banks or debenture holders as at the year end.
10. According to information and explanations given to us the Company has not given any guarantee for loan taken by others from banks or financial institutions, the terms and conditions whereof are prejudicial to the interest of the company.
11. In our opinion term loans were applied for the purpose for which the loans were obtained by the company.
12. Based upon the audit procedures performed and information and explanations given by the management, we report that, no fraud on or by the Company has been noticed or reported during the course of our audit for the year ended 31.03.2015.

**For O.P. BAGLA & CO.**  
**CHARTERED ACCOUNTANTS**  
**Firm Regn. No. 000018N**

**Place : New Delhi**  
**Date : 28.05.2015**

**Sd/-**  
**(ATUL BAGLA)**  
**Partner**  
**M. No. 91885**


**BALANCE SHEET AS AT 31ST MARCH, 2015**

PARTICULARS	Note	AS AT 31.03.2015	AS AT 31.03.2014
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share Capital	2	<b>186,812,620</b>	186,812,620
Reserves and Surplus	3	<b>(278,263,602)</b>	(121,464,010)
		<b>(91,450,982)</b>	65,348,610
<b>Non-Current Liabilities</b>			
Long Term Borrowings	4	<b>1,201,840,242</b>	1,750,000,000
Other Long Term Liabilities	5	<b>0</b>	30,000,000
Long-Term Provisions	6	<b>1,670,366</b>	1,680,924
		<b>1,203,510,608</b>	1,781,680,924
<b>Current Liabilities</b>			
Trade payable	7	<b>130,105,604</b>	737,891
Other Current Liabilities	8	<b>902,972,896</b>	237,068,370
Short-Term Provisions	9	<b>242,075</b>	195,482
		<b>238,001,743</b>	120,498,954
<b>TOTAL</b>		<b>2,085,031,277</b>	1,941,250,595
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Fixed Assets			
Tangible Assets	10	<b>14,777,314</b>	17,583,200
Intangible Assets		<b>44,149</b>	0
Non-Current Investments	11	<b>1,750,025,000</b>	1,750,025,000
Long-Term Loans and Advances	12	<b>27,950,237</b>	399,437
		<b>1,792,796,700</b>	1,768,007,637
<b>Current Assets</b>			
Inventories	13	<b>44,220,781</b>	0
Trade Receivable	14	<b>13,895,517</b>	0
Cash and Bank Balances	15	<b>60,659,152</b>	62,198,716
Short-Term Loans and Advances	16	<b>152,184,144</b>	146,454,947
Other Current Assets	17	<b>81,623,908</b>	108,369,977
		<b>352,583,501</b>	317,023,640
<b>TOTAL</b>		<b>2,145,380,201</b>	2,085,031,277

**SIGNIFICANT ACCOUNTING POLICIES**

1

The accompanying notes form an integral part of these financial statements.

In terms of our report of even date annexed

FOR **O P BAGLA & CO**  
 CHARTERED ACCOUNTANTS  
 Firm Regn. No. 000018N

Sd/-  
**(Atul Bagla)**  
 Partner  
 M. No. 91885

 Place : New Delhi  
 Date : 28.05.2015

For and on behalf of the Board

Sd/-  
**(Saurabh Kumar Pradhan)**  
 CFO

Sd/-  
**(Saurabh Khandelwal)**  
 Whole-time Director

Sd/-  
**(J.P. Lath)**  
 Director

Sd/-  
**(Khushboo Sharma)**  
 Company Secretary



**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED  
31ST MARCH, 2015**

<b>PARTICULARS</b>	<b>Note</b>	<b>YEAR ENDED 31.03.2015</b>	<b>YEAR ENDED 31.03.2014</b>
<b>Revenue</b>			
Revenue From Operations	18	<b>273,451,861</b>	6,000,000
Less: Excise Duty		<b>12,050,202</b>	0
		<b>261,401,659</b>	6,000,000
Other income	19	<b>119,036,413</b>	116,516,292
<b>Total Revenue</b>		<b>380,438,072</b>	122,516,292
<b>Expenses</b>			
Cost of Material Consumed	20	<b>164,323,703</b>	0
Purchases		<b>1,605,000</b>	0
Change in Inventories	21	<b>(26,190,319)</b>	0
Employee benefits expense	22	<b>10,656,800</b>	3,809,826
Depreciation		<b>409,400</b>	1,458,762
Finance Cost	23	<b>242,301,698</b>	239,455,973
Other expenses	24	<b>135,308,454</b>	1,753,434
<b>Total expenses</b>		<b>528,414,736</b>	246,477,995
<b>Profit before exceptional and extraordinary items &amp; tax</b>		<b>(147,976,664)</b>	(123,961,703)
<b>Tax expense:</b>			
Current tax		<b>0</b>	0
Deferred tax		<b>0</b>	0
<b>PROFIT FOR THE YEAR</b>		<b>(147,976,664)</b>	(123,961,703)
<b>EARNING PER SHARE (BASIC / DILUTED) ( Rs.)</b>		<b>(40.20)</b>	(33.67)

**SIGNIFICANT ACCOUNTING POLICIES**

1

The accompanying notes form an integral part of these financial statements.

In terms of our report of even date annexed

FOR **O P BAGLA & CO**  
CHARTERED ACCOUNTANTS  
Firm Regn. No. 000018N

For and on behalf of the Board

Sd/-  
**(Saurabh Kumar Pradhan)**  
CFO

Sd/-  
**(Saurabh Khandelwal)**  
Whole-time Director

Place : New Delhi  
Date : 28.05.2015

Sd/-  
**(Atul Bagla)**  
Partner  
M. No. 91885

Sd/-  
**(J.P. Lath)**  
Director

Sd/-  
**(Khushboo Sharma)**  
Company Secretary



## CASH FLOW STATEMENT FOR 2014-2015

PARTICULARS	2014-2015	2013-2014
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before tax and Extra Ordinary Items	<b>(147,976,664)</b>	(123,961,703)
Adjusted for :		
Depreciation	409,400	1,458,762
Provision for Non Performing Leased Assets		
Interest Received	(4,651,075)	(2,747,717)
Interest Paid	215,756,648	212,910,923
Profit on Sale of Fixed Assets	27,731	
Dividends Received	(114,373,338)	<b>97,871,893</b>
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<b>(50,807,298)</b>	<b>(26,089,810)</b>
Adjusted for :		
Trade & Other Receivables	(20,702,597)	(84,683,425)
Inventories	(44,220,781)	0
Trade Payable	765,308,274	117,742,386
<b>CASH GENERATED FROM OPERATIONS</b>	<b>649,577,599</b>	<b>6,969,152</b>
Interest Paid	<b>(215,756,648)</b>	(212,910,923)
Direct Taxes Paid	273,152	(184,382)
Deffered Tax	0	0
Cash Flow before Extraordinary Items	0	0
Extraordinary Items	0	0
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>434,094,103</b>	<b>(206,126,154)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(6,608,822)	0
Purchase of Investments	0	0
C.W.I.P.	0	0
Sale of Fixed Assets	110,500	0
Sale of Investments	0	0
Interest Received	4,651,075	2,747,717
Dividend Received	114,373,338	113,750,075
<b>NET CASH FROM/USED IN INVESTING ACTIVITIES</b>	<b>112,526,091</b>	<b>116,497,792</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Issue of Share Capital	0	150,000,000
Calls in Arrears	0	0
Share Application Money	0	0
Proceeds from Long Term Borrowings	0	0
Repayment of Long Term Borrowings	(548,159,758)	0
Repayment of Finance Lease Liabilities	0	0
Dividend & Dividend Taxes Paid	0	0
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>(548,159,758)</b>	<b>150,000,000</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)</b>	<b>(1,539,564)</b>	<b>60,371,638</b>
Cash and Cash Equivalents as at opening of the year	62,198,716	1,827,079
Cash and Cash Equivalents as at closing of the year	60,659,152	62,198,717

In terms of our report of even date annexed

For and on behalf of the Board

FOR **O P BAGLA & CO**  
 CHARTERED ACCOUNTANTS  
 Firm Regn. No. 000018N

Sd/-  
**(Saurabh Kumar Pradhan)**  
 CFO

Sd/-  
**(Saurabh Khandelwal)**  
 Whole-time Director

Place : New Delhi  
 Date : 28.05.2015

Sd/-  
**(Atul Bagla)**  
 Partner  
 M. No. 91885

Sd/-  
**(J.P. Lath)**  
 Director

Sd/-  
**(Khushboo Sharma)**  
 Company Secretary



## NOTES ON ACCOUNTS

### Note No.1

#### **SIGNIFICANT ACCOUNTING POLICIES**

##### **I. Basis of preparation of financial statements:**

These financial statements have been prepared to comply with Accounting Principles Generally accepted in India (Indian GAAP), the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2014 and the relevant provisions of the Companies Act, 2013. The financial statements are prepared on accrual basis under the historical cost convention. The financial statements are presented in Indian rupees rounded off to the nearest rupees

##### **II. Use of estimates:**

The preparation of financial statements in conformity with Indian GAAP requires judgements, estimates and assumptions to be made that affect the reported amount of assets and liabilities, disclosure of contingent liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known/materialized.

##### **III. Tangible & Intangible Fixed Assets:**

- a) Tangible assets are stated at their original cost of acquisition inclusive of inward freight, duties and expenditure incurred in the acquisition, construction/installation less accumulated amortization and impairment loss, if any. CENVAT/ VAT credit availed on capital equipment is accounted for by credit to respective fixed assets.
- b) Intangible Assets are stated at cost of acquisition net of recoverable taxes less accumulated amortization/ depletion and impairment loss, if any.

##### **IV. Depreciation and amortization:**

Depreciation / amortization on tangible and intangible fixed assets is provided to the extent of depreciable amount on the straight line (SLM) Method. Depreciation is provided at the rates and in the manner prescribed in Schedule II to the Companies Act, 2013

##### **V. Investments:**

Long-term investments are stated at cost. Provision for diminution in the value of long-term investments is made only if such a decline is other than temporary.

##### **VI. Inventories:**

Items of inventories are measured at lower of cost and net realizable value after providing for obsolescence. Cost of inventories comprises of cost of purchase, cost of conversion and other costs including manufacturing overheads incurred in bringing them to their respective present location and condition.

Inventories are valued on the following basis:

- a) Stores and Spares - at moving weighted average basis.
- b) Raw Materials - at moving weighted average basis.
- c) Work-in-Process - at estimated cost
- d) Finished Goods - at lower of cost or net realizable value

##### **VII. Revenue Recognition:**

Revenue is recognized only when risks and rewards incidental to ownership are transferred to the customer, it can be reliably measured and it is reasonable to expect ultimate collection. Revenue from operations includes sale of goods, services and excise duty, adjusted for discounts (net).

Dividend received is accounted for as and when it is declared. However, dividend accrued on non-convertible cumulative redeemable preference shares is accounted for on accrual basis.

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the interest rate applicable.

##### **VIII. Excise Duty:**

Excise duty is accounted on the basis of both, payments made in respect of goods cleared and provision made for goods lying in bonded warehouses.



## NOTES ON ACCOUNTS

### IX. Foreign Currency Transactions:

- a) Transactions denominated in foreign currencies are recorded at the exchange rates prevailing on the date of the transaction or that approximates the actual rate at the date of the transaction.
- b) Monetary items denominated in foreign currencies at the year end are restated at year end rates, except in cases covered by forward exchange contracts.
- c) Any income or expense on account of exchange difference either on settlement or on translation is recognized in the profit and loss account.

### X. Employee Benefits:

Liability for Gratuity & Leave encashment benefits has been provided on arithmetical basis on gross liability on balance date. The management is of the view that it is in compliance of AS-15.

### XI. Provision, Contingent Liabilities and Contingent Assets:

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognized but are disclosed in the notes. Contingent assets are neither recognized nor disclosed in the financial statements.

XII. Unless specifically stated to be otherwise, these policies are consistently followed.

PARTICULARS	AS AT 31.03.2014	AS AT 31.03.2013
<b>Note No. 2</b>		
<b>SHARE CAPITAL</b>		
<b>AUTHORISED</b>		
<b>Equity Share Capital</b>		
40,00,000 shares of par value of Rs 10/- each (Previous year 1,90,00,000 shares of par value of Rs.10/- each)	<b>40,000,000</b>	40,000,000
<b>Preference Shares</b>		
15,00,000 shares of par value of Rs 100/- each (Previous year Nil)	<b>150,000,000</b>	150,000,000
	<b>190,000,000</b>	190,000,000
<b>ISSUED, SUBSCRIBED AND FULLY PAID-UP</b>		
<b>Equity Share Capital</b>		
36,81,262 shares of par value of Rs.10/- each (Previous year 36,81,262 shares of par value of Rs.10/- each)	<b>36,812,620</b>	36,812,620
<b>Preference Shares</b>		
15,00,000 10% Non Cumulative, Non Convertible Redeemable Preference shares of par value of Rs 100/- each (Previous year Nil)	<b>150,000,000</b>	150,000,000
<b>Total</b>	<b>186,812,620</b>	186,812,620

### NOTES:

- a) (i) During the year, the Company has not issued or brought back Equity shares
- (ii) During the year the Company has issued 10% Non Cumulative Non Convertible Redeemable Preference shares on Dt. 30.09.2014.





## NOTES ON ACCOUNTS

(iii) Following is the reconciliation of number of shares outstanding as at the beginning of the year and end of the year

PARTICULARS	AS AT 31.03.2015	AS AT 31.03.2014
<b>Equity Share Capital</b>		
Number of shares outstanding as at the beginning of the year	3,681,262	3,681,262
Number of shares outstanding as at the closing of the year	3,681,262	3,681,262
<b>Preference Shares</b>		
Number of shares outstanding as at the beginning of the year	0	0
Number of shares issued during the year	1,500,000	1,500,000
Number of shares outstanding as at the closing of the year	1,500,000	1,500,000

- b) The holders of the equity shares are entitled to receive dividends as declared from time to time, and are entitled to vote at meetings of the Company.
- c) There are no holding or subsidiary companies of the Company.
- d) Following shareholders held more than 5% of the total Equity & Preference shares in the Company as at the end of the year:

### Equity Share Capital

S. NO.	Particulars	EQUITY SHARES	
		No of shares (%)	No of shares (%)
1	CECIL WEBBER ENGINEERING LTD	6,64,120 (18.04)	6,64,120 (18.04)
2	PAVITRA COMMERCIALS LTD	5,99,940 (16.30)	5,99,940 (16.30)
3	KAMDHENU ENTERPRISES LTD	13,41,753 (36.45)	13,41,753 (36.45)

### Preference Shares

S. NO.	Particulars	PREFERENCE SHARES	
		No of shares (%)	No of shares (%)
1	B.K.COALFIELDS PVT.LTD.	6,50,000 (43.33)	6,50,000 (43.33)
2	PACE ENTERPRISES PVT.LTD.	2,10,000 (14.00)	2,10,000 (14.00)
3	MONNET ENNGINEERING & INFRASTRUCTURE LTD.	5,40,000 (36.00)	5,40,000 (36.00)
4	MAA BAMLESHWARI MINES AND ISPAT LTD.	1,00,000 (6.67)	1,00,000 (6.67)

- e) The Company has not issued shares for a consideration other than cash or bonus shares during the immediately preceding 5 years.

### **Note No. 3**

#### **RESERVES AND SURPLUS**

##### **Capital Reserve**

Subsidiary Reserve	1,500,000	1,500,000
Share Forfeited Account	367,241	367,241
Reconstruction Reserve	564,770	564,770



## NOTES ON ACCOUNTS

Securities premium Account	17,600,000	17,600,000
	20,032,012	20,032,012
<b>Surplus</b>		
As per last Balance Sheet	(141,496,021)	(17,534,318)
Add: Adjustment of depreciation (Refer Note No.30)	(8,822,928)	
Add: Profit for the year from Statement of Profit & Loss	(147,976,664)	(123,961,703)
	(298,295,613)	(141,496,021)
<b>Total</b>	(278,263,602)	(121,464,010)

PARTICULARS	AS AT 31.03.2015	AS AT 31.03.2014
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### **Note No. 4**

#### **LONG TERM BORROWINGS**

##### **Secured Loan**

From IndusInd Bank	1,201,840,242	1,750,000,000
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<b>Total</b>	1,201,840,242	1,750,000,000
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#### **DISCLOSURES REGARDING LONG TERM BORROWINGS**

- a) The term loan is secured against First pari passu charge by way of hypothecation and mortgage over entire present & future movable & immovable fixed assets of the company
- b) The loan is further secured by exclusive charge by way of mortgage over the immovable property at 10-11, Masjid Moth G.K.-II New Delhi owned by M/s Pace Enterprises Pvt. Ltd. & M/s Cambridge Construction ( Delhi ) Ltd.
- c) The total amount of borrowing has been invested in 6.5% Non Convertible Cumulative Redeemable Preference shares (CRPS ) of M/s Monnet Ispat & Energy Ltd. @ Rs. 100/- per Share which have been pledged with the bank alongwith all rights associated with CRPS..
- d) The loan is further secured by personal guarantee of Sh. Sandeep Jajodia and corporate guarantee of M/s Pace Enterprises Pvt. Ltd. & M/s Cambridge Construction ( Delhi ) Ltd.
- e) The loan is repayable in 3 equal installment payable at the end of 3th, 4th & 5th years from the date of disbursement. The loan is carrying interest rate is 12.25 %.
- f) There has been no continuing default on the balance sheet date in repayment of loan and interest.

PARTICULARS	AS AT 31.03.2015	AS AT 31.03.2014
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### **Note No. 5**

#### **OTHER LONG TERM LIABILITIES**

Deposits from contractors and others	0	30,000,000
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<b>Total</b>	0	30,000,000
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NOTES ON ACCOUNTS

PARTICULARS	AS AT 31.03.2015	AS AT 31.03.2014
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**Note No. 6**

**LONG TERM PROVISIONS**

**Provision for Gratuity Obligation**

As per last balance sheet	1,680,924	1,441,327
Additions during the year	(10,558)	239,597
<b>Total</b>	<b>1,670,366</b>	<b>1,680,924</b>

**Note No. 7**

**TRADE PAYABLE**

For Goods & Services	127,620,817	0
Provision for Expenses	2,484,787	737,891
<b>Total</b>	<b>130,105,604</b>	<b>737,891</b>

**Note No. 8**

**OTHER CURRENT LIABILITIES**

Current maturities of long term debts	583,333,333	0
Advances from customers & others	1,093,602	0
Statutory Dues Payable	1,824,140	1,108,370
Other liabilities	315,759,123	235,960,000
Book Overdraft	962,698	0
<b>Total</b>	<b>902,972,896</b>	<b>237,068,370</b>

**Note No. 9**

**SHORT TERM PROVISIONS**

Provision for Earned Leave Liability

As per last balance sheet	195,482	176,986
Additions during the year	46,593	84,426
Amounts paid during the year	0	65,930
<b>Total</b>	<b>242,075</b>	<b>195,482</b>



## NOTES ON ACCOUNTS

**Note No. 10**
**FIXED ASSETS**
**TANGIBLE ASSETS**

DESCRIPTION	Gross Block				Depreciation/Amortisation				Net Block	
	As at 01.04.2014	Additions	Deductions/ Adjustments	As at 31.03.2015	Upto 01.04.2014	For the year	Deductions/ Adjustments	Upto 31.03.2015	As at 31.03.2015	As at 31.03.2014
Land : (including development expenses)										
Freehold	4,615,729	0	0	4,615,729	0	0	0	0	4,615,729	4,615,729
Building :										
Others	11,373,978	83,500	0	11,457,478	9,315,745	1,495,048	0	10,810,793	646,685	2,058,233
Plant and equipment	35,285,028	4,401,959	0	39,686,987	30,368,550	4,297,093	0	34,665,643	5,021,344	4,916,478
Furniture and fixtures	239,395	131,761	0	371,156	229,459	7,904	0	237,363	133,793	9,936
Vehicles	512,952	35,000	468,549	79,403	374,586	1,940	330,318	46,208	33,195	138,366
Office equipment	648,932	233,193	0	882,125	607,293	39,533	0	646,826	235,299	41,639
EDP, WP machines	0	108,134	0	108,134	0	12,395	0	12,395	95,739	0
Electric equipment	0	30,195	0	30,195	0	1,546	0	1,546	28,649	0
Electrical Installations	13,579,599	1,529,937	0	15,109,536	11,237,486	87,206	0	11,324,692	3,784,844	2,342,113
Sundry Fixed Assets	304,188	0	0	304,188	304,188	0	0	304,188	0	0
Temporary Shed	503,278	0	0	503,278	503,278	0	0	503,278	0	0
Assets Leaseout	9,599,354	0	0	9,599,354	6,138,647	3,278,669	0	9,417,316	182,038	3,460,707
<b>Current Year</b>	<b>76,662,433</b>	<b>6,553,679</b>	<b>468,549</b>	<b>82,747,563</b>	<b>59,079,233</b>	<b>9,221,334</b>	<b>330,318</b>	<b>67,970,249</b>	<b>14,777,314</b>	<b>17,583,200</b>
Previous year	76,662,433	0	0	76,662,433	57,620,471	1,458,762	0	59,079,233	17,583,200	19,041,962

**INTANGIBLE ASSETS**

DESCRIPTION	Gross Block				Depreciation/Amortisation				Net Block	
	As at 01.04.2014	Additions	Deductions/ Adjustments	As at 31.03.2015	Upto 01.04.2014	For the year	Deductions/ Adjustments	Upto 31.03.2015	As at 31.03.2015	As at 31.03.2014
Software	0	55,143	0	55,143	0	10,994	0	10,994	44,149	0
<b>Current Year</b>	<b>0</b>	<b>55,143</b>	<b>0</b>	<b>55,143</b>	<b>0</b>	<b>10,994</b>	<b>0</b>	<b>10,994</b>	<b>44,149</b>	<b>0</b>
Previous year	0	0	0	0	0	0	0	0	0	0

**PARTICULARS**
**AS AT  
31.03.2015**
**AS AT  
31.03.2014**
**Note No. 11**
**NON CURRENT INVESTMENTS**
**Other Non-Trade**
**Equity Instruments (fully paid up-unless otherwise stated)**
**Quoted**

 50 (50) Equity Shares of Monnet Ispat & Energy Ltd. @ Rs.10/- per Share **5,000** 5,000

**Unquoted**

 100 ( 100) Equity Shares of Cambridge Construction (Delhi) Ltd @  
Rs. 10/- per share **20,000** 20,000



## NOTES ON ACCOUNTS

PARTICULARS	AS AT 31.03.2015	AS AT 31.3.2014
1,75,00,000 (1,75,00,000) 6.5% Non Convertible Cumulative Redeemable Preference Shares of M/s Monnet Ispat & Energy Ltd. @ Rs.100/- per share	<b>1,750,000,000</b>	1,750,000,000
<b>Total</b>	<b>1,750,025,000</b>	1,750,025,000
<b>Quoted Investments</b>		
Book Value	5,000	5,000
Market Value	2,505	4,453
<b>Unquoted Investments</b>		
Book Value	1,750,020,000	1,750,020,000
a) Non-Current Investments have been valued considering the Significant Accounting Policy No.5 disclosed in Note No. 1 to these financial statement.		
b) Figures in bracket represent previous year figures.		
<b>Note No. 12</b>		
<b>LONG TERM LOANS AND ADVANCES</b> (Considered good, unless otherwise stated)		
<b>DEPOSITS (Unsecured)</b>		
Deposit with other authorities	27,950,237	399,437
<b>Total</b>	<b>27,950,237</b>	399,437
<b>Note No. 13</b>		
<b>INVENTORIES</b>		
Raw Material	14,610,323	0
Store & Spares	3,360,345	0
Packing Material	59,793	0
Finished Goods	14,393,676	0
Work In Process	11,796,643	0
	<b>44,220,781</b>	0
<b>Note No. 14</b>		
<b>TRADE RECEIVABLES</b> (Unsecured Considered good unless otherwise stated)		
I) Outstanding for a period exceeding six months		
- Considered Good	0	0
II) Other Debts		
- Considered Good	13,895,517	0
	<b>13,895,517</b>	0



**NOTES ON ACCOUNTS**

<b>PARTICULARS</b>	<b>AS AT 31.03.2015</b>	<b>AS AT 31.03.2014</b>
<b>Note No. 15</b>		
<b>CASH &amp; BANK BALANCES</b>		
<b>CASH &amp; CASH EQUIVALENTS</b>		
Balances with Banks	19,956,615	6,894,927
Cash on Hand	198,958	447,786
	<b>20,155,573</b>	7,342,712
<b>OTHER BANK BALANCES:</b>		
Bank deposits with more than three months maturity	40,503,579	54,856,003
<b>Total</b>	<b>60,659,152</b>	62,198,716
<b>Note No. 16</b>		
<b>SHORT TERM LOANS AND ADVANCES</b>		
(Unsecured, Considered good, unless otherwise stated)		
Advances to Others	152,184,144	146,454,947
<b>Total</b>	<b>152,184,144</b>	146,454,947
<b>Note No. 17</b>		
<b>OTHER CURRENT ASSETS</b>		
Interest Accrued but not due- From Bank	230,704	377,379
Advance to Employees	181,469	72,160
Advance tax deposit & tax deducted at source	1,585,836	1,858,988
Prepaid Expenses	79,625,899	106,061,450
<b>Total</b>	<b>81,623,908</b>	108,369,977
<b>Note No. 18</b>		
<b>REVENUE FROM OPERATIONS</b>		
Sale of Products	272,467,990	0
	<b>272,467,990</b>	0
<b>OTHER OPERATING REVENUE</b>		
Lease Rent	983,871	0
	<b>983,871</b>	0
<b>Total</b>	<b>273,451,861</b>	0



NOTES ON ACCOUNTS

PARTICULARS	YEAR ENDED 31.03.2015	YEAR ENDED 31.03.2014
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**Note No. 19**

**OTHER INCOME**

Interest Received from Bank	4,611,605	2,707,558
Interest Received from others	39,469	40,159
Dividend	114,373,338	113,750,075
Rent Received	12,000	12,000
Misc Income	0	6,500
	<b>119,036,413</b>	<b>116,516,292</b>

**Note No. 20**

**Cost of Material Consumed**

Raw Material Consumed	163,041,738	0
Packing Material Consumed	1,281,965	0
	<b>164,323,703</b>	<b>0</b>

**Note No. 21**

**CHANGE IN INVENTORIES**

<b>AS AT THE BEGINNING OF THE YEAR</b>	<b>0</b>	<b>0</b>
Stock in Trade	0	0
<b>'A'</b>	<b>0</b>	<b>0</b>
<b>AS AT THE CLOSING OF THE YEAR</b>		
Stock in Trade	14,393,676	0
Work in Process	11,796,643	0
<b>'B'</b>	<b>26,190,319</b>	<b>0</b>
<b>A-B</b>	<b>(26,190,319)</b>	<b>0</b>

**Note No. 22**

**EMPLOYEE BENEFITS EXPENSE**

Salaries and wages	9,732,905	3,515,418
Contribution to provident and other funds	553,114	259,593
Staff welfare expenses	370,781	34,815
	<b>10,656,800</b>	<b>3,809,826</b>


**NOTES ON ACCOUNTS**

<b>PARTICULARS</b>	<b>YEAR ENDED 31.03.2015</b>	<b>YEAR ENDED 31.03.2014</b>
<b>Note No. 23</b>		
<b>FINANCE COST</b>		
Interest paid to Bank	<b>215,756,648</b>	212,910,923
Loan Processing Fees	<b>26,545,050</b>	26,545,050
<b>Total</b>	<b>242,301,698</b>	239,455,973
<b>Note No. 24</b>		
<b>Manufacturing Expenses</b>		
Electricity & Water Charges	<b>109,800,379</b>	0
Store & Spares Consumed	<b>4,766,327</b>	0
Hire Charges	<b>3,411,674</b>	0
Manufacturing Expenses	<b>329,863</b>	0
Oil Filtration Charges	<b>56,325</b>	0
Excise Duty on stocks	<b>1,583,356</b>	0
Operation & Maintenance	<b>3,749,289</b>	0
	<b>123,697,213</b>	0
<b>Repairs &amp; Maintenance</b>		
Buildings	<b>1,074,197</b>	0
Plant & machinery	<b>947,158</b>	0
Others	<b>185,912</b>	18,194
	<b>2,207,267</b>	18,194
<b>Administrative Expenses</b>		
Electricity & Water charges	<b>4,026</b>	14,499
Rent	<b>149,768</b>	151,751
Insurance	<b>5,405</b>	45,672
Rates and taxes	<b>260,378</b>	8,607
Communication expenses	<b>256,349</b>	90,194
Travelling expenses & Conveyance	<b>407,953</b>	153,701
<b>Auditors' Remuneration</b>		
— As Audit fee	<b>28,090</b>	28,090
— For Tax Audit, Certification & Tax Representations	<b>19,663</b>	146,068
— For Other services	<b>8,427</b>	8,427
Advertisement and publicity	<b>155,528</b>	45,843
Internal Audit Fee	<b>2,809</b>	2,809
Books and periodicals	<b>31,185</b>	30,000
Business Promotion	<b>9,155</b>	9,360
Professional charges and consultancy fees	<b>717,462</b>	556,197
Printing and stationery	<b>115,363</b>	58,985
Director's Meeting Fees	<b>12,000</b>	9,000





## NOTES ON ACCOUNTS

PARTICULARS	YEAR ENDED 31.03.2015	YEAR ENDED 31.03.2014
Vehicle Running Expenses	<b>762,737</b>	316,857
Miscellaneous expenses	<b>1,489,060</b>	58,843
Loss on Sale of Fixed Assets	<b>27,731</b>	0
Bank charges	<b>4,703</b>	337
Sales Commission	<b>1,175,651</b>	0
Freight Clearing & Loading / Unloading Expenses	<b>3,760,531</b>	0
<b>Total</b>	<b>9,403,974</b>	1,735,240
	<b>135,308,454</b>	1,753,434

### OTHER NOTES ON ACCOUNTS

25. Balance confirmations have not been received from some of the parties showing debit/credit balances.
26. The company has accounted for retirement benefit of employees on accrual basis calculated on arithmetical basis based on last drawn salaries which is considered sufficient by the management for compliance of Accounting Standard AS-15.
27. The Company, has during the year not received any information from any vendor regarding their status being registered under Micro, Small and Medium Enterprises Development Act, 2006. Based on the above, disclosures, if any, relating to amounts unpaid as at the period end along with interest paid / payable have not been given.
28. In the opinion of the Board and to the best of their knowledge and belief, the value on realization of loans, advances & other current assets in the ordinary course of business will not be less than the amount at which they are stated in the Balance Sheet.
29. Deferred tax asset has not been recognized in terms of AS 22 issued by ICAI by adopting the conservative approach in respect of ascertained profitability in the future years.
30. Depreciation and Amortization on tangible and intangible fixed assets: the Company was hitherto charging depreciation on Written Down Value (WDV) at the rates provided in Schedule XIV of the Companies Act, 1956. In the current year, the Company has reassessed the useful life of assets, and adopted the useful life as provided in Schedule II of the Companies Act, 2013.

Consequent to change of useful life as above, an amount of Rs.88,22,928/- representing WDV of those assets whose useful life had already expired as on 1st April, 2014 has been adjusted against the Surplus in Schedule 3, Reserves & Surplus.

Had there been no change, depreciation charge for the year would have been higher by Rs. 1412150/- and profit for the year would have been lower by the same amount.

31. The accumulated losses of the company as on 31st March 2015 exceeds its Paid Up Capital & Free Reserves. Since the net worth of the company have become negative, it is a Sick Industrial Unit. Suitable steps shall be taken in current



## NOTES ON ACCOUNTS

financial year in this connection. In view of uncertainty, the financial statements of the company have been prepared on Going Concern Basis.

### 32. Segmental Reporting:

The business activity of the company falls within one broad business segment viz "Ferro Magnese" and substantially sale of the product is within the country. The Gross income and profit from the other segment is below the norms prescribed in AS-17 of The Institute of Chartered Accountants of India. Hence the disclosure requirement of Accounting Standard 17 of "Segment Reporting" issued by the Institute of Chartered Accountants of India is not considered applicable.

33. To comply with the guidance note on "Accounting Treatment of Excise Duty" issued by Institute of Chartered Accountants of India, excise duty amounting to Rs.15,83,356/- (previous year Nil ) has been included in the value of inventories as on 31.03.2015 and the corresponding amount of Excise Duty payable has been included in other liabilities. However, this accounting policy has no impact on the profit for the year.

### 34. Particulars of Sales & Stocks

	<b>Year Ended 31.3.2015</b>	Year Ended 31.3.2014
a) <b>Opening Stock</b> Ferro / Silico Magnese	<b>Nil</b>	Nil
b) <b>Purchases</b> Ferro / Silico Magnese	<b>16,05,000</b>	Nil
c) <b>Sales</b> Ferro / Silico Magnese	<b>27,24,67,990</b>	Nil
d) <b>Closing Stock</b> Ferro / Silico Magnese	<b>1,43,93,675.55</b>	Nil

### 35. Related Party Disclosures:

In accordance with the Accounting Standards (AS-18) on Related Party Disclosures, where control exists and where key management personnel are able to exercise significant influence and, where transactions have taken place during the year, alongwith description of relationship as identified, are given below:-

#### A. Relationships

Key Management Personnel

<b>Name</b>	<b>Designation</b>
Sh. J.P.Lath	Director
Sh. Sourabh Khandelwal	Whole-time Director



## NOTES ON ACCOUNTS

**B** The following transactions were carried out with related parties in the ordinary course of business :-

Related Party Transactions	Key Management Personnel & their relatives
<b>Directors' Remuneration</b>	
Sh. Sourabh Khandelwal	2,25,000
	(Nil)
<b>Consultancy Charges</b>	
Sh. J.P.Lath	4,00,000
	(Nil)
<b>Directors Meeting Fees</b>	
	12,000
	(9,000)

(Figures in brackets are for previous year)

36. Earning per share (EPS)–The numerators and denominators used to calculate Basic and Diluted Earning per share :

PARTICULARS	YEAR ENDED 31.03.2015	YEAR ENDED 31.03.2014
Profit attributable to the Equity Shareholders –(A)	<b>(14,79,76,664 )</b>	(12,39,61,703)
Basic / Weighed average number of Equity Shares outstanding during the year (B)	<b>3681262</b>	36,81,262
Nominal value of Equity Shares (Rs)	<b>10</b>	10
Basic/ Diluted Earning per share (Rs)-(A)/(B)	<b>(40.20)</b>	(33.67)

Calculation of Profit attributable to Shareholders :

Profit Before Tax	<b>(14,79,76,664 )</b>	(12,39,61,703)
Income Tax Adjustment	<b>0</b>	0
Income Tax / FBT Provisions	<b>0</b>	0
Profit attributable to Shareholders	<b>(14,79,76,664 )</b>	(12,39,61,703)

37. Previous year figures have been regrouped or recasted wherever necessary.

In terms of our report of even date annexed

FOR **O P BAGLA & CO**  
CHARTERED ACCOUNTANTS  
Firm Regn. No. 000018N

Sd/-  
**(Atul Bagla)**  
Partner  
M. No. 91885

Place : New Delhi  
Dated : 28.05.2015

For and on behalf of the Board

Sd/-  
**(Saurabh Kumar Pradhan)**  
CFO

Sd/-  
**(J.P. Lath)**  
Director

Sd/-  
**(Saurabh Khandelwal)**  
Whole-time Director

Sd/-  
**(Khushboo Sharma)**  
Company Secretary

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