



**MONICA ELECTRONICS LIMITED**

**Annual Report**  
**2010-11**

**BOOK-POST**

If undelivered please return to :

**MONICA ELECTRONICS LIMITED**

A-19, B-1, Mohan Co-operative Industrial Estate,  
Mathura Road, Badarpur, New Delhi

## **BOARD OF DIRECTORS**

**S. K. Shukla  
Amarjeet Singh  
B. P. Yadav**

## **AUDITORS**

**Goel Garg & Co.,  
Chartered Accountants,  
Basement 18, National Park,  
Lajpat Nagar-IV  
New Delhi- 110 024**

## **REGD. OFFICE**

**A-19, B-1,  
Mohan Co-operative Industrial Estate,  
Mathura Road, Badarpur,  
New Delhi - 110 044**

## **REGISTRAR & SHARE TRANSFER AGENT**

**Mas Service Limited  
T-34, 2nd Floor,  
Okhla Industrial Area, Phase-II,  
New Delhi- 110 020**

## ***MONICA ELECTRONICS LIMITED***

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NOTICE is hereby given that the annual general meeting of the members of the MONICA ELECTRONICS LIMITED will be held on Friday, the 23rd day of September, 2011 at 9:30 A.M. at H-4, Ansal Villa, Satbari, Chattarpur, New Delhi to transact the following business:

### **AS ORDINARY BUSINESS**

1. To receive, consider and adopt the audited Balance Sheet as at March 31, 2011 and Profit & Loss Account for the year ended on that date along with the reports of Auditors and Directors thereon.
2. To appoint a director in place of Mr B. P. Yadav who retires by rotation and being eligible, offers himself for re-appointment
3. To appoint M/s Goel Garg & Co., Chartered Accountants to hold office from the conclusion of this meeting till the conclusion of the next annual general meeting and fix their remuneration.

**By order of the Board**

**Amar Jeet Singh**  
**Director**

New Delhi, July 26, 2011

### **NOTES :**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE SHOULD BE DULY STAMPED, COMPLETED AND SIGNED AND MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT TIME OF THE MEETING.
2. The register of members and share transfer books of the company will remain closed from September 19, 2011 to September 23, 2011 (both days inclusive).
3. It will be appreciated that queries, if any, on accounts and operations of the company are sent to the company ten days in advance of the meeting so that the answer may be made readily available.
4. Members are requested to produce the enclosed attendance slip duly signed, in accordance with specimen signatures registered with the company for admission to the meeting place.

## ***MONICA ELECTRONICS LIMITED***

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### **DIRECTORS' REPORT TO THE MEMBERS**

The directors submit their report and accounts for the financial year 2010-11

### **OPERATIONS**

During the year ended March 31, 2011, the sales and other income were Rs. 1,32,983/- as against Rs 2,02,089/- in the previous year ended 31st March 2010. The loss for the period under review was Rs 1,85,260/-as against loss of Rs 1,18,991/- in the previous year.

### **DIVIDEND**

The directors do not recommend any dividend.

### **DIRECTORS' RESPONSIBILITIES STATEMENT**

- i) The financial accounts are prepared in conformity with the accounting standards issued by the Institute of Chartered Accountants of India and requirements of the Companies Act, 1956 to the extent applicable to the company.
- ii) The accounting policies used in preparation of financial statements have been consistently applied. The estimates and judgments relating to the financial statements have been made on a prudent and reasonable basis, such financial statements reflect in a true and fair manner, the state of affairs of the company at the year ended on 31.3.2011 and loss of the company for the year ended 31.3.2011.
- iii) Proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 has been taken for safe- guarding the assets of the company and preventing and detecting fraud and other irregularities, to the best of our knowledge and ability.
- iv) The annual accounts have been prepared on a going concern and on accrual basis.

### **DIRECTORS**

In accordance with the provisions of the Companies Act, 1956 and Articles of Association of the company, Mr B. P. Yadav, Director retires by rotation and being eligible, offers himself for re-appointment.

### **AUDITORS' REPORT**

Auditors' observations have been explained in annexure 'B' which forms part of this report.

### **AUDITORS**

The auditors M/s Goel Garg & Co., Chartered Accountants retire at the conclusion of the forthcoming annual general meeting and being eligible offer themselves for re-appointment. A confirmation in terms of Section 224(1B) of the Companies Act, 1956 has been received from them.

### **PARTICULARS OF EMPLOYEES, CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EARNINGS AND OUTGO**

The company does not have any employee whose remuneration falls under the limits prescribed under section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975. The information under section 217 (1) (e) of the said act read with the Companies (Disclosure of particulars in the Report of the Board of Directors) Rules, 1988 is set out in annexure 'A' and forms part of this report.

## ***MONICA ELECTRONICS LIMITED***

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### **ACKNOWLEDGMENT**

Your directors wish to thank and deeply acknowledge the valuable assistance; co-operation and support extended by the Central and State government authorities and banks during the year under review. The Board also gratefully acknowledges the support and goodwill extended by the shareholders of the company.

**For and on behalf of the Board of Directors**

(Amar Jeet Singh)  
(Director)

(B. P. Yadav)  
(Director)

Date: July 26, 2011  
Place: New Delhi

# **MONICA ELECTRONICS LIMITED**

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## **ANNEXURE 'A' TO DIRECTORS' REPORT**

### **1. CONSERVATION OF ENERGY**

**a. Energy conservation measures taken**

The operations of the company remained closed during the year and no energy was consumed. Hence, no measures were taken.

**b. Additional investments and proposals, if any, being implemented for reduction of energy.**

There being no energy conservation and measures taken for energy conservation in view of closed manufacturing operations, no additional measures and proposals implemented for reduction of energy used.

**c. Impact of (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production.**

Not applicable.

### **2. RESEARCH AND DEVELOPMENT**

**a. Specific areas in which R&D carried out by the company.**

The operations of the company being closed, no R&D activity was carried out.

**b. Benefits derived as a result of above R&D**

Not Applicable

**c. Future plan of action.**

Not Applicable

**d. Expenditure on R&D**

Not Applicable

### **3. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION.**

**a. Efforts made towards technology absorption, adaptation and innovation.**

The operations of the company being closed, no R&D activity was carried out.

**b. Benefits derived as a result of above efforts.**

Not Applicable

**c. Particulars relating to improved technology.**

Not Applicable

### **4. FOREIGN EXCHANGE EARNINGS AND OUTGO**

**a. Activities relating to exports:**

As the manufacturing operations of the company remained closed, no initiatives for export were undertaken.

**b. Foreign Exchange Earnings and Outgo**

i) Earnings..... Nil

ii) Outgo by way of import of raw material and other expenditure ..... Nil

# **MONICA ELECTRONICS LIMITED**

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## **ANNEXURE 'B TO DIRECTORS' REPORT**

### **MANAGEMENT'S COMMENTS IN RESPECT OF REMARKS OF AUDITORS UNDER SECTION 217(3) OF THE COMPANIES ACT, 1956**

➤ **OBSERVATION**

Balances grouped under Advances received from customers and Advances recoverable are under reconciliation and subject to confirmation from respective parties.

• **RESPONSE**

The company has started the reconciliation and process of obtaining confirmation from the respective parties. The final adjustment, if any, shall be made on reconciliation of the same.

➤ **OBSERVATION**

Investment includes 12,50,000 equity shares of Onida Finance Limited (OFL) value Rs. Nil. The said company (OFL) has been wound up by High Court on 23.1.2004 under the provisions of Companies Act, 1956. OFL is under liquidation and there is no chance of any recovery out of said Investment in OFL.

• **RESPONSE**

The company has already made a full provision in this regard.

➤ **OBSERVATION**

Advances recoverable include a sum of Rs. 6 lacs being fixed deposits with banks held in the names of ex-employees of the company and are pledged with District Court, New Delhi.

• **RESPONSE**

The company has already realized Rs 3 lacs during the financial year 2010-11. Efforts are being made to realize the remaining amount.

➤ **OBSERVATION**

The accounts have been prepared as a going concern inspite of the fact that the company has closed down its manufacturing operations and its entire net worth has been eroded.

• **RESPONSE**

The existing operations of the company have been closed, the company's Board has not yet resolved not to start any operations yet.

➤ **OBSERVATION**

Advances recoverable include an amount of Rs. 216.19 lacs due from corporate companies for which no provision has been made. However, as per analysis of their net worth as per financial statements available, the amounts are doubtful of recovery.

• **RESPONSE**

The confirmation for the earlier years had been obtained and for the financial year 2010-11 it is being obtained. Hence no provision has been made for the advances.

➤ **OBSERVATION**

The Company has closed down its manufacturing operations w.e.f. 13th May 2002 under section 6W to be read with 6V of U.P. Industrial Dispute Act, 1947. The workers in turn have filed their objection under section 25(o) of Industrial Dispute Act, 1947 with labour court for which the matter is still *sub-judice*.

• **RESPONSE**

The liability will be provided on the outcome of the decision of the court.



## ***MONICA ELECTRONICS LIMITED***

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### **DIRECTORS' REPORT ON CORPORATE GOVERNANCE**

#### **1. Philosophy on Code of Corporate Governance**

The Board of Directors monitors company performance, approves and reviews policies / strategies and evaluates management performance. The Board ensures legal and ethical conduct and accurate financial reporting.

#### **2. Board of Directors**

##### **i) Composition & Category**

The following is the composition of the Board as on 31st March 2011:

| <b>Directors</b>    | <b>Category</b>                      |
|---------------------|--------------------------------------|
| Mr. B. P. Yadav     | Independent & Non-Executive Director |
| Mr. Amar Jeet Singh | Non-Executive Director               |
| Mr. S. K. Shukla    | Independent & Non-Executive Director |

##### **ii) Attendance of each Director at the Board Meetings and the last annual general meeting:**

| <b>Name of the Directors</b> | <b>No. of Board Meetings</b>              |                 | <b>Attendance at last AGM</b> |
|------------------------------|---|-----------------|-------------------------------|
|                              | <b>Held during the tenure of Director</b> | <b>Attended</b> |                               |
| Mr. B. P. Yadav              | 5   | 5               | <b>No</b>                     |
| Mr. Amar Jeet Singh          | 5   | 5               | <b>Yes</b>                    |
| Mr. S. K. Shukla             | 5   | 5               | <b>No</b>                     |

#### **Note :**

- a) None of the directors is related to any other director.
- b) During the year the Board of Directors of Monica Electronics Limited met 5 times i.e. on May 3, 2010, May 28, 2010, July 31, 2010, November 9, 2010, and February 2, 2011. The maximum gap between any two meetings was not more than four months.