

MONICA ELECTRONICS LIMITED

Annual Report - 2012-13



BOARD OF DIRECTORS

**A.K. Dhingra
Amarjeet Singh
B. P. Yadav**

AUDITORS

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

REGD. OFFICE

**Shop No. 21, C/o Aashiyana Residency,
Chaudhary Dharambir Market,
Near Sebel Cinema, Badarpur,
New Delhi -110044**

**'Designated email id for investors' grievances'
mel.complaints@yahoo.in**

REGISTRAR & SHARE TRANSFER AGENT

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

MONICA ELECTRONICS LIMITED

NOTICE is hereby given that the annual general meeting of the members of the MONICA ELECTRONICS LIMITED will be held on Friday, the 27th day of September 2013 at 10:00 A.M. at Shiv Farm House, Rama Garden, Jaitpur Road, New Delhi - 110044 to transact the following business:

AS ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as at March 31, 2013 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. Amar Jeet Singh who retires by rotation and being eligible, offers himself for re-appointment
3. To appoint M/s Agarwal Seth & Co., Chartered Accountants as statutory auditors 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

July 30, 2013
New Delhi

Amar Jeet Singh
Director

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF 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 21, 2013 to September 27, 2013 (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

DIRECTORS' REPORT TO THE MEMBERS

The directors submit their report and accounts for the financial year 2012-13.

OPERATIONS

During the year ended March 31, 2013, the sales and other income were ₹. 2923/- as against ₹. 2,66,507/- in the previous year ended 31st March 2012. The loss for the period under review was ₹. 2,58,355/- as against loss of ₹. 44,150/- 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 31.3.2013 and loss of the company for the year ended 31.3.2013.
- 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. Amar Jeet Singh, 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. However, they have conveyed their intention not to be considered for re-appointment.. The Company has received a notice under section 257 of the Companies Act from a shareholder proposing the name of M/s. Agarwal Seth & Co., Chartered Accountants for statutory auditors. Their appointment as statutory auditors forms an item of the agenda of the ensuing annual general meeting.

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

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 30, 2013
Place: New Delhi

MONICA ELECTRONICS LIMITED

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 consumption 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

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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**

Advances recoverable include a sum of ₹. 3 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**

Efforts are being made to realize the remaining amount. Interest accrued on above has not been provided in view of uncertainty regarding its realisation.

➤ **OBSERVATION**

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

• **RESPONSE**

Though the company has closed down its existing manufacturing operations, the company's Board has not yet decided not to start the any operations yet.

➤ **OBSERVATION**

Advances recoverable include an amount of ₹. 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 2011-12 it is being obtained. Hence no provision has been made for the advances.

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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 2013:

Directors	Category
Mr. B. P. Yadav	Independent & Non-Executive Director
Mr. Amar Jeet Singh	Non-Executive Director
Mr A. K. Dhingra*	Non-Executive Director
Mr. S. K. Shukla**	Independent & Non-Executive Director

* Appointed as Director on 28.9.2012

**Ceased to be a Director w.e.f. 28.9.2012

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

Name of the Directors	No. of Board Meetings		Attendance at last AGM
	Held during the tenure of Director	Attended	
Mr. B. P. Yadav	5	5	Yes
Mr. Amar Jeet Singh	5	5	Yes
Mr A. K. Dhingra	3	3	N.A.
Mr. S. K. Shukla	2	0	No

Note :

- None of the directors is related to any other director.
- During the year the Board of Directors of Monica Electronics Limited met 5 times i.e. on May 28, 2012, July 30, 2012, November 6, 2012, November 7, 2012 and January 31, 2013. The maximum gap between any two meetings was less than four months.

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iii) Other Directorship/Membership and Committees of the Board

Number of outside directorship of the members of Board of Directors:

Name	No. of outside directorship held	No. of membership in Committee of Directors	Chairmanship held in committee of Directors
Mr. B. P. Yadav	1	2	2
Mr. Amar Jeet Singh	Nil	Nil	Nil
Mr A. K. Dhingra	Nil	Nil	Nil
Mr. S. K. Shukla	Nil	Nil	Nil

2. COMMITTEES OF THE BOARD

Currently there are two committees of the Board, the Audit Committee and the Investors' Grievance Committee. The composition and the number of meetings held during the financial period and the related attendance are provided below:

i) Audit Committee

The Audit Committee covers the areas mentioned under clause 49 of the Listing Agreement and Section 292A of the Companies Act, 1956. The composition of the Audit Committee as on 31.3.2013 was as under:

Mr. B. P. Yadav	-	Chairman
Mr. Amar Jeet Singh	-	Member
Mr. A. K. Dhingra	-	Member

During the year Mr. S. K. Shukla ceased to be a member of the Committee and Mr. A. K. Dhingra became a member. The committee met four times i.e. on May 28, 2012, July 30, 2012, November 7, 2012 and January 31, 2013. The minutes of the Audit Committee were placed before the Board. The overall attendance of the directors was as under:

Member	Held during the tenure of Director	Meetings Attended
Mr. B. P. Yadav	4	4
Mr. Amar Jeet Singh	4	4
Mr A. K. Dhingra	2	2
Mr. S. K. Shukla	2	0

ii) Shareholders'/ Investors' Grievances & Share Transfer Committee

The Board of Directors of the company has constituted Shareholders/ Investors' Grievances Committee. As on date it is being headed by Mr B. P. Yadav. Mr Amar Jeet Singh and Mr A. K. Dhingra are its members. During the year Mr S. K. Shukla ceased to be a member of the Committee and Mr A. K. Dhingra became a member. The committee looks into redressal of shareholders' complaints like transfer of shares, non-receipt of balance sheet, etc. The committee also oversees the performance of the Registrar and Transfer Agents, and recommends measures for overall improvement in the quality of investor services. During the year the committee met four times i.e. on May 28, 2012, July 30, 2012, November 7, 2012 and January 31, 2013. The overall attendance of the directors was as under:

Member	Held during the tenure of Director	Meetings Attended
Mr. B. P. Yadav	4	4
Mr. Amar Jeet Singh	4	4
Mr A. K. Dhingra	2	2
Mr. S. K. Shukla	2	0

During the financial year ended March 31, 2013 the company had received three new complaint from shareholders / stock exchanges / SEBI. The company resolved two complaints including one that was pending at the start of the financial year 2012-13. As on March 31, 2013 two complaints was pending.

Mr Amar Jeet Singh, Director acts as the Compliance Officer.

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3. Remuneration of Directors

Non-Executive independent directors are paid sitting fees for attending the Board meetings within the limits prescribed under the Companies Act, 1956. Mr S. K. Shukla and Mr. A.K. Dhingra had opted not to take any sitting fee for attending the meetings of the Board of Directors.

Directors	Sitting fees	Salary & Perquisites	Commission	Total
Mr. B. P. Yadav	10,000/-	-	-	10,000/-
Mr. Amar Jeet Singh	Nil	Nil	Nil	Nil
Mr. S. K. Shukla	Nil	Nil	Nil	Nil
Mr. A.K. Dhingra	Nil	Nil	Nil	Nil

4. Procedures at Committee Meetings

The guidelines relating to Board meetings are applicable to committee meetings as far as may be practicable. Minutes of the proceedings of each of the committee meeting are placed before the Board for its perusal and noting.

5. Shareholding of Directors as on March 31, 2013

Name	No. of Shares held
Mr. B. P. Yadav	75
Mr. Amar Jeet Singh	10
Mr. A. K. Dhingra	-
Mr. S. K. Shukla	-

6. Annual General Meetings

Location and time for the last 3 annual general meetings were as follows:

Year	Location	Year	Time
2009-10	H-4, Ansal Villa, Satbari, Chattarpur, New Delhi	September 24, 2010	9:30 A.M.
2010-11	H-4, Ansal Villa, Satbari, Chattarpur, New Delhi	September 23, 2011	9:30 A.M.
2011-12	Shiv Farm House, Rama Garden, Jaitpur Road, New Delhi - 110044	September 28, 2012	10:00 A.M.

During the financial year ended March 31, 2013 no resolution was carried through postal ballot process.

7. Disclosures

- a) There are no materially significant transactions with the related party transactions viz. promoters, directors, relatives, the management, subsidiaries, etc. that may have potential conflict with the interests of the company at large.

None of the transactions of material nature with any of the related parties was in conflict with the interest of the company at large.