

# MONICA ELECTRONICS LIMITED

The background of the cover features a series of concentric, curved lines in shades of gray, creating a sense of depth and movement. A large, dark gray triangle is positioned in the lower half of the image, pointing upwards. The text is overlaid on this triangle and the background.

ANNUAL REPORT  
**2014-2015**

## **BOARD OF DIRECTORS**

**B. P. Yadav**

**A.K. Dhingra**

**Rajeev Saxena**

**Chandra Nithyanand**

## **AUDITORS**

**Agarwal Seth & Co.  
Chartered Accountants  
212A, Ocean Plaza,  
Sector-18,  
NOIDA-201301 (U.P.)**

## **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 Services Limited  
T-34, II Floor, Okhla Industrial Area-II,  
New Delhi – 110020  
Ph:- 011-26387281/82/83  
Fax:- 011-26387384  
email: info@masserv.com  
website: www.masserv.com**

## ***MONICA ELECTRONICS LIMITED***

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NOTICE is hereby given that the annual general meeting of the members of Monica Electronics Limited will be held on Tuesday, the 29th day of September, 2015 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 31st March, 2015 and Statement of Profit & Loss for the financial year ended 31st March, 2015 and the reports of Director's and Auditor's thereon.
2. To appoint a director in place of Mr Rajeev Saxena, (DIN: 06930660) who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint M/s Agarwal Seth & 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.

### **AS SPECIAL BUSINESS**

4. **To consider and if thought fit, pass with or without modification(s) the following as an ordinary resolution:**

**RESOLVED** That Mrs Chandra Nithyanand (DIN: 00076136), who was appointed as an Additional Director of the Company by the Board of Directors w.e.f. March 30, 2015 pursuant to Section 161 of the Companies Act, 2013 and whose term of office expires at this Annual General Meeting and in respect of whom the Company has received a Notice in writing from a member in terms of Section 160 of the Act proposing his candidature for the office of Director, be and is here by appointed as an Independent Women Director of the Company pursuant to Section 149 of the Act”

**By order of the Board**

August 20, 2015  
New Delhi

**Rajeev Saxena**  
**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. A BLANK FORM OF PROXY IS ENCLOSED. 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.

A PERSON CAN ACT AS A PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. A MEMBER HOLDING MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS A PROXY FOR ANY OTHER PERSON OR SHAREHOLDER.

2. A statement giving relevant details of the directors seeking re-appointment under Item Nos. 3 and 5 of the accompanying notice, as required by Clause 49 of the Listing Agreement entered into with the Stock Exchanges is being given in Corporate Governance Report annexed to the Directors's Report.
3. The register of members and share transfer books of the company will remain closed from, September 23, 2015 to September 29 , 2015 (both days inclusive).
4. Members can avail of the nomination facility in terms of Section 72 of the Companies Act, 2013, by furnishing Form SH. 13 (in duplicate) to the company or its R&T Agent. The said form will be made available on request.
5. 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.

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6. 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.

### **7. E-voting**

- I. Pursuant to the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Clause 35B of the Listing Agreement, the Company is providing the electronic facility to its members to exercise their right to vote at the AGM. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).
- II. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.
- III. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
- IV. The remote voting period begins from 9:00 a.m. on September 26, 2015 and ends at 5:00 P.M. on September 28, 2015. During this period members' of the Company, holding shares as on the cut-off date of September 22, 2015, may cast their vote remote by e-voting. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

The procedure and instructions for members for remote e-voting are as under:

#### **A. In case of Members receiving e-mail from NSDL (For those members whose e-mail addresses are registered with Company/Depositories):**

- a. Open e-mail and open PDF file viz. "MEL-remote e-Voting.pdf" with your client ID or Folio No. as password containing your user ID and password or remote e-voting. Please note that the password is an initial password.
- b. Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>.
- c. Click on Shareholder-Login.
- d. Put user ID and password as initial password noted in step (a) above. Click Login.
- e. Password change menu appears. Change the password with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- f. Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
- g. Select "EVEN" of "Monica Electronics Limited".
- h. Now you are ready for remote e-voting as Cast Vote page opens.
- i. Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
- j. Upon confirmation, the message "Vote cast successfully" will be displayed.
- k. Once you have voted on the resolution, you will not be allowed to modify your vote.
- l. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to [agrawal.kundan@gmail.com](mailto:agrawal.kundan@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).

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### **II. In case of Members receiving Physical copy of Notice of Annual General Meeting (for members whose email IDs are not registered with the Company/Depository Participants(s) or requesting physical copy)**

- a. Initial password is provided in the communication being sent separately.
- b. Please follow all steps from Sl. No. (b) to Sl. No. (l) above, to cast vote.
- V) In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the downloads section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990.
- VI) If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.
- VII) The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of September 22, 2015 .
- VIII) Any person, who acquires shares and becomes member of the Company after despatch of the notice and holding shares as of the cut-off date i.e. September 22, 2015 , will be provided the notice through mail or by post after the cut-off date. Such members may also obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or RTA, MAS Services Limited.  
However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using “Forgot User Details/Password” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or contact NSDL at the following toll free no.: 1800-222-990.
- IX) A member may participate in the AGM even after exercising his/her right to vote through remote e-voting but shall not be allowed to vote again at the AGM.
- X) A person, whose name is recorded in the register of members as on the cut-off date only shall be entitled to avail the facility of remote e-voting or voting at the AGM through ballot paper.
- XI) Mr. Kundan Agrawal, Practising Company Secretary (Membership No. F 7631 & CP No. 8325), has been appointed as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- XII) The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of “Ballot Paper” for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- XIII) The Scrutinizer shall after the conclusion of voting at the AGM, first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- XIII) The results declared along with the report of the Scrutinizer shall be placed on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing and communicated to the stock exchanges.

### **EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**

#### **Item No. 4**

Ms. Chandra Nithyanand was appointed as Additional Director by the Board of Directors in its meeting held on March 30, 2015. Pursuant to Section 161 of the Companies Act, 2013 Ms Chandra Nithyanand is entitled to hold office up to the date of this Annual General Meeting. The Company has received notice in writing under the provisions of Section 160 of the Act from a member along with the deposit of requisite amount proposing the candidature of Ms Chandra Nithyanand for the office of Independent Director.

Except Ms Chandra Nithyanand, no other Director of the Company or their relatives is concerned or interested in the proposed resolution. The resolution seeks approval of the members for the appointment of Ms Chandra Nithyanand as Independent Director of the Company and that she shall not be liable to retire by rotation nor required to hold any qualification shares as per the Articles of Association of the Company. The Board recommends the resolution set forth in item No.5 for the approval of the members

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

The directors submit their report and accounts for the financial year 2014-15.

### **OPERATIONS**

During the year ended March 31, 2015, the Revenue from Operations was Rs. 3,00,000/- against Rs. 5,00,000 in the previous year ended 31st March 2014. The profit for the period under review was Rs 13,567/- as against loss of Rs 9,10,645/- in the previous year.

### **DIVIDEND**

The directors do not recommend any dividend.

### **DIRECTORS**

#### **i) Appointment and Cessation**

During the year Mr Amar Jeet Singh resigned from the Directorship of the company on June 28, 2014. The Board places on record its appreciation for the services rendered by him as a director of the company. Ms Chandra Nithyanand was appointed as an additional director of the company. She holds office till the annual general meeting. The company has received a notice from a shareholder along with the required deposit signifying his intention to proposed the name of Ms Chandra Nithyanand as a woman independent director of the company. The directors recommend the resolution for shareholders approval.

#### **ii) Retirement by rotation**

In accordance with the provisions of the Companies Act, 2013, Mr. Rajeev Saxena, being non-independent retires by rotation and is eligible for reappointment.

#### **iii) Declarations by Independent Directors**

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

#### **vi) Board Evaluation**

The board of directors has carried out an annual evaluation of its own performance, Board committees and individual directors pursuant to the provisions of the Act and the corporate governance requirements as prescribed under Clause 49 of the Listing Agreements

The performance of the Board was evaluated by the Board after seeking inputs from all the directors on the basis of the criteria such as the Board composition and structure, effectiveness of board processes, information and functioning, etc.

The performance of the committees was evaluated by the board after seeking inputs from the committee members on the basis of the criteria such as the composition of committees, effectiveness of committee meetings, etc.

The Board and the Nomination and Remuneration Committee reviewed the performance of the individual directors on the basis of the criteria such as the contribution of the individual director to the Board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc.

In a separate meeting of independent Directors, performance of non-independent directors, and performance of the board as a whole was evaluated, taking into account the views of non-executive directors. The same was discussed in the board meeting that followed the meeting of the independent at which the performance of the Board, its committees and individual directors was also discussed.

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### **v) Nomination & Remuneration Policy**

The Board has, on the recommendation of the Nomination & Remuneration Committee, framed a Policy for selection, appointment and remuneration of Directors and Key Managerial Personnel. More details of the same are given in the Corporate Governance Report.

### **vi) Board Meetings**

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

### **vii) Code of Conduct**

The Board of Directors of the Company have adopted Code of Business Conduct & Ethics. All the members of the Board have affirmed compliance with the Code for the year ended 31st March, 2015 and a declaration to that effect signed by the Chairman of the Board is attached and forms part of this report.

### **viii) Code of Conduct for Prevention of Insider Trading**

The Company has a Code of Conduct for Prevention of Insider Trading in the shares and securities of the Company. This Code, inter alia, prohibits purchase/sale of shares of the Company by Directors and employees while in possession of unpublished price sensitive information in relation to the Company.

## **DIRECTORS' RESPONSIBILITIES STATEMENT**

Pursuant to Section 134(5) of the Companies Act, 2013, the board of directors, to the best of their knowledge and ability, confirm that:

- i) In the preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departures;
- ii) They have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- iii) They have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) They have prepared the annual accounts on a going concern basis;
- v) They have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and operating effectively;
- vi) They have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## **RELATED PARTY TRANSACTIONS**

No Related Party Transactions were entered into during the financial year 2014-15. All Related Party Transactions entered into in the past were on an arm's length basis and were in the ordinary course of business. There are no materially significant Related Party Transactions made by the Company with promoters and directors, which may have potential conflict with the interests of the Company at large.

A statement of all related party transactions is presented before the Audit Committee on a quarterly basis, specifying the nature, value and terms and conditions of the transactions. None of the Directors has any pecuniary relationships or transactions vis-à-vis the Company.

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### **SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS**

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

### **INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY**

The details in respect of internal financial control and their adequacy are included in the Management Discussion & Analysis, which forms part of this report.

### **AUDIT COMMITTEE**

The details pertaining to composition of audit committee are included in the Corporate Governance Report, which forms part of this report.

### **AUDITORS' REPORT**

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

### **SECRETARIAL AUDIT**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. Kundan Agrawal & Associates, a firm of Company Secretaries in Practice, to undertake the Secretarial Audit of the Company. The Secretarial audit had made qualification as to compliance of key managerial persons and few documents/records and returns are required to be updated/ filed as per the various provisions of the Companies Act and other applicable Acts, rules and regulations. Your directors submit that the company's operations are closed and it is no income. Therefore, the company has not appointed any key managerial person. Further, records have been updated and all the returns have been filed. The Report of the Secretarial Audit is annexed herewith as "Annexure – D".

### **AUDITORS**

The auditors M/s Agarwal Seth & Co., Chartered Accountants retire at the conclusion of the forthcoming annual general meeting. M/s Agarwal Seth & Co. have expressed their willingness to continue as auditors of the company, if appointed. They have further confirmed that the said appointment, if made, would be within the prescribed limits under section 141(3)(g) of the Companies Act, 2013 and that they are not disqualified for re-appointment. The Board of Directors recommend the re-appointment of M/s. Agarwal Seth & Co. as statutory auditors of the company.

### **EXTRACT OF ANNUAL RETURN**

As provided under Section 92(3) of the Act, the extract of annual return is given as "Annexure C" in the prescribed Form MGT-9, which forms part of this report.

### **DEPOSITS FROM PUBLIC**

The Company has not accepted any deposits from public and as such, no amount on account of principal or interest on deposits from public was outstanding as on the date of the balance sheet.

### **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186**

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

### **PARTICULARS OF EMPLOYEES**

The company does not have any employee on its roll as such the information required under Section 197 of the Act read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and the statement containing particulars of employees as required under Section 197(12) of the Act read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are not provided.



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

The information as required under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is Annexed herewith as "Annexure -B".

### **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 bank 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**

Rajeev Saxena  
Director  
DIN : 06930660

B. P. Yadav  
Director  
DIN : 01173428

Date: August 20, 2015  
Place: New Delhi

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

#### **MANAGEMENT'S COMMENTS IN RESPECT OF REMARKS OF AUDITORS**

➤ **OBSERVATION**

Advances recoverable include an amount of Rs. 232.40 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 company is making efforts to realize the amount. Hence, no provision has been made for the advances.

➤ **OBSERVATION**

A sum of Rs. 3 lacs being fixed deposit with bank held in the names of ex-employee of the company is pledged with District Court, New Delhi. Interest accrued on above has not been provided in view of uncertainty regarding its realization.

• **RESPONSE**

The company is making efforts to realize the amount. Interest, if any, will be provided on realization of the amount of fixed deposit.

➤ **OBSERVATION**

Balances grouped under Sundry Creditors, Advances from Customers and advance recoverable are under reconciliation and subject to confirmation from respective parties. The final adjustment, if any shall be made on reconciliation of the same.

• **RESPONSE**

Efforts are being made to obtain confirmation from the parties.

➤ **OBSERVATION**

The accounts have been prepared as a going concern in spite 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**

Trading of shares of the company has been suspended by the stock exchanges because of penal reasons.

• **RESPONSE**

Though all stock exchanges compliances prescribed under listing agreement and other rules and regulations are being made, the company has not paid listing fees to the stock exchanges on which the shares of the company are listed due to which the shares have been suspended from trading. The financial position of the company is not such as to pay the listing fees and its arrears.