

MONICA ELECTRONICS LIMITED

Annual
Report

2016
2017

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'
secretarial@monicaelectronics.com**

REGISTRAR & SHARE TRANSFER AGENT

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

NOTICE is hereby given that the 41th Annual General Meeting of the members of Monica Electronics Limited will be held on Friday, the 29th day of September, 2017 at 10:00 A.M. at Aashiyana Residency, Chaudhary Dharambir Market, Near Sebel Cinema, Badarpur, 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, 2017 and Statement of Profit & Loss for the financial year ended 31st March, 2017 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 ratify the appointment of M/s Agarwal Seth & Co., Chartered Accountants, as Statutory Auditors of the Company and in this regard to consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 139 and 142 and all other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modifications or reenactments for the time being in force), the appointment of M/s Agarwal Seth & Co., Chartered Accountants as approved in the 40th Annual General Meeting until 42nd Annual General Meeting, be and is hereby ratified from conclusion of this Annual General Meeting up to the conclusion of next Annual General Meeting at such terms and remuneration as may be determined by the Board of Directors or Audit Committee.

By order of the Board

Date : May 29, 2017
Place : New Delhi

Rajeev Saxena
Director
DIN : 06930660

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING THE PROXY IS ENCLOSED ALONG WITH THE ANNUAL REPORT.
2. 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 Annual General Meeting.
3. 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.
4. During the period beginning 24 hours before the time fixed for commencement of the Annual General Meeting and ending with the conclusion of the Annual General Meeting a member would be entitled to inspect the proxies lodged at any time during the business hours of the Company, provided that not less than 3 days notice in writing is given to the Company.

5. 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.
6. Corporate members intending to send their authorized representatives at the Annual General Meeting are requested to send a certified true copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Annual General Meeting.
7. In case of joint holders attending the Annual General Meeting only such joint holders who is higher in order of names will be entitled to vote.
8. As a measure of economy, copies of Annual Report will not be distributed at the venue of not be distributed at the venue of the Annual General Meeting of the Company. The members are requested to bring their copies of Annual Report.
9. 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.
10. A statement giving relevant details of the Directors seeking re-appointment under Item No. 2 of the accompanying notice, is being given in Corporate Governance Report annexed to the Directors' Report as **Annexure 'C'**.
11. The Register of Members and Share Transfer Books of the Company will remain closed from, September 23, 2017 to September 29, 2017 (both days inclusive). It will be appreciated that queries, if any, on accounts and operations of the company are sent to the Company 10 days in advance of the meeting so that the answer may be made readily available.

12. 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 Regulation 44(1) OF SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Company is providing electronic facility to its members to exercise their right to vote at the Annual General Meeting. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the Annual General Meeting ("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 Annual General Meeting 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 Annual General Meeting may also attend the Annual General Meeting but shall not be entitled to cast their vote again.
- IV. The remote e-voting period commences on Monday, September 25, 2017 (09:00 am) and ends on Thursday, September 28, 2017 (05:30 pm). During this period members' of the Company, holding shares as on the cut-off date of September 22, 2017, may cast their vote 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 with a copy marked to evoting@nsdl.co.in.

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 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, 2017.
- 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, 2017, 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 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 or contact NSDL at the following toll free no.: 1800-222-990.
- IX) A member may participate in the Annual General Meeting even after exercising his/her right to vote through remote e-voting but shall not be allowed to vote again at the Annual General Meeting.

- 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 Annual General Meeting 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 Annual General Meeting, 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 Annual General Meeting but have not cast their votes by availing the remote e-voting facility.
- XIII) The scrutinizer shall after the conclusion of voting at the Annual General Meeting 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 Annual General Meeting, 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.
- XIV) 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.

**DIRECTORS' REPORT
TO THE MEMBERS**

The directors submit their report and accounts for the financial year 2016-17.

OPERATIONS

During the year ended March 31, 2017, the Total Revenue was nil against Rs. 2,35,050/- in the previous year ended 31st March 2016. The loss for the period under review was Rs. 3,60,816/- as against loss of Rs. 5,71,769/- in the previous year.

DIVIDEND

The directors do not recommend any dividend.

DIRECTORS**i) Retirement by rotation**

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

ii) 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.

iii) 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.

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.

iv) 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 annexed as **Annexure 'C'**.

v) 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, 2017 and a declaration to that effect signed by the Chairman of the Board is attached and forms part of this report.

vii) 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' RESPONSIBILITY STATEMENT

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

- i) that in the preparation of the annual accounts for the year ended 31st March, 2017, the applicable accounting standards read with the requirements set out under Schedule III have been followed alongwith proper explanation relating to material departures.
- ii) that the Directors 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) that 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;
- iv) that the annual financial statements have been prepared on a going concern basis;
- v) that proper internal financial controls to be followed by the Company have been laid down and that such internal financial controls are adequate and were operating effectively ;
- vi) that proper systems have been devised 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 2016-17. During the year, the Company had not entered into any contract / arrangement / transaction with related parties which could be considered material or 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.

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 auditor 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 – E"**.

AUDITORS

The Company in its 40th Annual General Meeting had appointed M/s Agarwal Seth & Co., Chartered Accountants as statutory auditors from 40th Annual General Meeting until 42nd Annual General Meeting. In terms of sections 139 and 142, a resolution seeking ratification of their appointment from 41st Annual General Meeting to 42nd Annual General Meeting is place for approval of the shareholders.

EXTRACT OF ANNUAL RETURN

As provided under Section 92(3) of the Act, the extract of annual return is given as **"Annexure D"** 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.

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: May 29, 2017
Place: New Delhi