

27th
Annual Report
2009-2010



MONNET INDUSTRIES LIMITED



BOARD OF DIRECTORS

Shri Rajiv Poddar	Chairman
Shri M.S. Gujral	Director
Shri M.P. Saraf	Director
Shri J.P. Lath	Director
Shri Amitabh. S. Mudgal	Director

AUDITORS

M/s. O. P. Bagla & Co.
New Delhi

REGISTERED OFFICE

Plot No. 216, Sector-C
Urla Industrial Complex
Raipur-493 221 [Chhattisgarh]

CORPORATE OFFICE

Monnet House,
11, Masjid Moth,
Greater Kailash-II,
New Delhi-110048

SHARES LISTED WITH STOCK EXCHANGES

Bombay Stock Exchange Ltd.
Madhya Pradesh Stock Exchange
The Calcutta Stock Exchange Association Ltd.
The Delhi Stock Exchange Association Ltd.
The Jaipur Stock Exchange Ltd.
The Stock Exchange, Ahmedabad

CONTENTS	
	Page No.
Notice	1
Directors' Report	2 - 3
Declaration by Chief Executive Officer	4
Corporate Governance Report	5 - 10
Auditors' Report and Its Annexure	11 - 12
Balance Sheet	13
Profit & Loss Account	14
Schedules	15 - 17
Accounting Policies and Notes on Accounts	18 - 19
Balance Sheet Abstract	20
Cash Flow Statement	21



NOTICE

NOTICE is hereby given that the 27th Annual General Meeting of **MONNET INDUSTRIES LIMITED** will be held on Thursday, 30th September, 2010 at 4.00 P.M. at Monnet Ispat & Energy Ltd., Monnet Marg, Mandir Hasaud, Raipur, Chhattisgarh-492101, to transact the following business:-

ORDINARY BUSINESS

1. To consider and adopt the Balance Sheet as at 31st March, 2010, Profit & Loss Account for the year ended on that date along with Auditors' Report & Directors' Report thereon.
2. To appoint a director in place of Shri J.P. Lath, who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint auditors and fix their remuneration.

SPECIAL BUSINESS

4. To consider and if thought fit, to pass the following resolution, with or without modification, as an **Ordinary Resolution**:-

"RESOLVED that pursuant to Section 260 of the Companies Act, 1956, Shri Rajiv Poddar be and is hereby appointed as Director of the Company, who shall be liable to retire by rotation."

By order of the Board of Directors
MONNET INDUSTRIES LIMITED

Sd/-
(J. P. LATH)
DIRECTOR

Date : 10th August, 2010
Place : New Delhi

Registered Office :—
216, Sector C,
Urla Industrial Complex,
Raipur-493221.

Corporate Office :—
Monnet House,
11, Masjid Moth,
Greater Kailash-II,
New Delhi-110048.

NOTES

1. **A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member.** Proxy in order to be valid must be lodged at the Registered Office of the Company not less than 48 hours before the commencement of the Annual General Meeting.
2. The Share Transfer Books of the Company shall remain closed from Friday, 24th September, 2010 to Thursday, 30th September, 2010 [both days inclusive].

EXPLANATORY STATEMENT (PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956)

ITEM NO. 4

Shri Rajiv Poddar was co-opted as an additional Director on the Board of the Company w.e.f. 29-1-2010. As such he holds the office only upto the date of ensuing Annual General Meeting. Your Company has received a notice in writing from a member of the Company signifying his intention to propose the name of Shri Rajiv Poddar for the office of Director.

Further, Shri Rajiv Poddar at the time of his appointment as additional director on 29-1-2010, had disclosed that he was not holding any equity shares in the Company.

None of the Directors except Shri Rajiv Poddar is interested or concerned in the proposed resolution. The Board commends the resolution as an Ordinary Resolution.



DIRECTORS' REPORT

TO THE MEMBERS

Your Directors have pleasure in presenting the Twenty Seventh Annual Report together with the Audited Accounts of the Company for the year ended 31 st March, 2010.

FINANCIAL RESULTS

			[Rs. in Lacs]	
		2009-10		2008-09
Profit/(Loss) for the year before Interest, Depreciation		28.80		39.02
Less : Interest	0.00		0.04	
Depreciation	22.90	22.90	23.34	23.38
Profit/(Loss) for the year		5.90		15.64
Provision for Tax	0.00		0.00	
Income Tax Adjustment	0.07		0.00	
Provision for FBT	0.00	0.07	0.29	0.29
Profit/Loss after Tax		5.83		15.35
Balance as per last year		(203.74)		(219.09)
Balance carried to Balance Sheet		(197.91)		(203.74)

OPERATIONS OF THE COMPANY

There have been no operations in the Company during the year under review due to the reasons already stated in our previous reports.

DIVIDEND

In view of inadequate profits, your Directors are not in a position to recommend the dividend.

DIRECTORS

Pursuant to Section 255 of the Companies Act, 1956, Shri J.P. Lath, Director, being longest in the office, retires by rotation on the day of 27th Annual General Meeting and being eligible offers himself for reappointment. Further, Shri Rajiv Poddar was appointed as additional director on the Board of the Company w.e.f. 29th January, 2010. He holds the office of Director till the date of ensuing Annual General Meeting. A member has signified his intention, along with a security deposit of Rs. 500/- for his appointment, to propose his name for reappointment to the office of director. Since Shri Rajiv Poddar has expressed his willingness to act as director, if appointed, the necessary agenda for his appointment has been included in the Notice calling 27th Annual General Meeting.

RESPONSIBILITY STATEMENT

In terms of Section 217 (2AA), your directors confirm having: –

- (i) followed in the preparation of Annual Accounts, the applicable accounting standards , with proper explanation relating to material departures, if any;
- (ii) selected such accounting policies and applied them consistently and made judgments and estimates that were 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 or loss of the Company for the year under review ;
- (iii) taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities ;
- (iv) prepared the accounts on a 'going concern' basis.

DEPOSITORY SYSTEM

As on 31 st March, 2010, about 96.67 % of the shares of your Company have been dematerialized. Since the Securities and Exchange Board of India (SEBI) has made trading in the Company's shares mandatory in dematerialized form, those members who are still holding their shares in physical form are advised to dematerialize their shareholding.

**STATUTORY DISCLOSURES**

All board members and senior management personnel have affirmed compliance with the code of conduct for the year 2009-10. A declaration to this effect signed by the Director of the company is annexed to this report as Annexure-I.

MANAGEMENT DISCUSSION & ANALYSIS

There being no operations in the Company as reported in previous reports as well, there is no requisite information in respect of Management Discussion & Analysis. However, wherever necessary, the requisite information in this respect thereof has been included in the directors' Report itself.

CORPORATE GOVERNANCE REPORT

Pursuant to clause 49 of the Listing Agreement, necessary measures are taken to comply with the requirements of said clause. A report on Corporate Governance along with a certificate of compliance from the Auditors is given in Annexure-II and forms an integral part of this report.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Your Company has adequate internal control systems were commensurate with the size and nature of the business and were supplemented by an extensive program of internal audits, reviews by management and documented policies, guidelines, and procedures to provide reasonable assurance that all assets are safeguarded; transactions are authorized, recorded and reported properly. The Company shall promptly re-establish and reshape these systems to make the same commensurate with the new line of activity in future.

RISK MANAGEMENT

There being no operations in the Company, the Risk Management Policy being pursued is adequate for safeguarding the assets of the Company. However, the Policy will undergo comprehensive review whenever the Company commences business operations.

AUDIT COMMITTEE

The Audit Committee of Board of Directors constituted in terms of Clause 49 of the Listing Agreement and pursuant to Section 292A of the Companies Act, 1956 consists of Shri Rajiv Poddar as Chairman, Shri M.P. Saraf and Shri M.S. Gujral, as its members.

AUDITORS

The Auditors' Report and Notes to the Accounts as referred in the Auditors' Report are self explanatory and therefore, do not call for any further comments or explanation.

M/s. O.P. Bagla & Co., Chartered Accountants, New Delhi, Auditors of the Company, hold the office till the conclusion of the ensuing Annual General Meeting and are eligible for reappointment. A Certificate from the auditors has been received to the effect that their re-appointment, if made, would be within the prescribed limits under Section 224(1B) of the Companies Act, 1956.

FIXED DEPOSITS

The Company has not invited or accepted any deposits during the year from the Public under Section 58A of the Companies Act, 1956.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS & OUTGO

In view of no operations in the Ferro Alloys Division, no report under the Companies [Disclosure of Particulars in the report of Board of Directors] Rules, 1988 is being given.

PERSONNEL

Since none of the employee is drawing salary in excess of the limits laid down under Section 217(2A) of the Companies Act, 1956 read with Companies [Particulars of Employees] Rules, 1975 as amended up-to-date, the same are not applicable.

ACKNOWLEDGEMENTS

Your Directors take this opportunity to offer their sincere thanks to all concerned for their continued valued assistance and support.

For and on behalf of Board of Directors

Sd/-

(RAJIV PODDAR)
CHAIRMAN

Place : New Delhi
Date : 10th August, 2010



DECLARATION BY CHIEF EXECUTIVE OFFICER

It is hereby declared that all Board Members and senior management personnel have affirmed compliance with the Code of Conduct within 30 days for and from the beginning of current financial year.

Place : New Delhi
Date : 10th August, 2010

Sd/-
(J. P. Lath)
Director



CORPORATE GOVERNANCE REPORT

CORPORATE GOVERNANCE PHILOSOPHY

Your Company stands committed to good Corporate Governance, transparency and disclosure to increase the value of the various stakeholders.

BOARD OF DIRECTORS

The Board of Directors consists of Five directors, i.e. an Independent & Non-executive Chairman and Four other Non-executive Directors. Two of these directors are independent.

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

Present structure of the Board of Directors is as following:-

Name	Category	No. of Directorships in other Companies	No. of Committee Memberships in other Companies
Shri Rajiv Poddar	Chairman	1	0
Shri M.S. Gujral	Director	7	9
Shri J.P. Lath	Director	4	5
Shri Amitabh S. Mudgal	Director	7	3
Shri M.P. Saraf	Director	4	0

During the year, five Board Meetings were held. The dates on which the Board Meetings were held are as follows:-

15th May, 2009, 30th June, 2009, 31st July, 2009, 30th October, 2009, 29th January, 2010.

The last Annual General Meeting was held on 30th September, 2009. Following are the details of attendance of Directors at Board Meetings and at the Annual General Meeting held during the year:-

Name	No. of Board Meetings held during the tenure of the Directors	No. of Board Meetings attended	Last AGM attendance
Shri M.P. Saraf	5	3	Yes
Shri M.S. Gujral	5	4	Yes
Shri Amitabh S. Mudgal	5	4	No
Shri J. P. Lath	5	4	Yes
Shri Rajiv Poddar	1	0	N/A

INFORMATION IN CASES OF APPOINTMENT OR RE-APPOINTMENT OF DIRECTORS AS REQUIRED UNDER LISTING AGREEMENT IS GIVEN AS UNDER:-

SHRI J.P. LATH

A Graduate, Shri J.P. Lath has a total experience of over 33 years in various fields. Out of these, he is working in a senior managerial position for last 11 years. He has ample experience in making compliance of various statutes applicable to a manufacturing unit of large scale and liaises with various Central/State Government Departments in connection therewith. He also has ample exposure in legal matters. Presently, he is working in the capacity of whole-time director in a group Company.

AUDIT COMMITTEE:

The Audit Committee comprises solely of Independent Directors. Shri Rajiv Poddar is the Chairman of the Committee. Shri M.S. Gujral, and Shri M.P. Saraf are the other Members of the Committee. The Statutory Auditors are invitees to the meeting. The terms of reference of this Committee cover the matters specified for Audit Committees under clause 49 of the Listing Agreement as well as in section 292A of the Companies Act, 1956.

REMUNERATION COMMITTEE:

The Remuneration Committee comprises of Shri Rajiv Poddar as Chairman, Shri M.S. Gujral and Shri M.P. Saraf are members of the Committee. The terms of reference of this Committee cover the matters specified for Remuneration Committees under clause 49 of the Listing Agreement.

DETAILS OF REMUNERATION TO WHOLE-TIME-DIRECTOR

There are no directors who are drawing any remuneration.



SITTING FEE PAID TO NON-EXECUTIVE DIRECTORS IS AS GIVEN BELOW:—

Directors	Sitting Fees (Rs.)	ESOP granted (No. of Shares)
Shri M.P. Saraf	3000	NIL
Shri J.P. Lath	4000	NIL
Shri M.S. Gujral	4000	NIL
Shri Amitabh S. Mudgal	4000	NIL
Shri Rajiv Poddar	NIL	NIL

SHAREHOLDERS'/INVESTORS' GRIEVANCE COMMITTEE:—

The Company's Registrars and Share Transfer Agents MCS Ltd., New Delhi, handle the Investor grievances, in consultation with the Secretarial Department of the Company. The Registrars have adequate skilled staff with professional qualifications and advanced computer systems for speedy redressal of the investor grievances. The total process of settlement of a complaint right from its receipt to disposal is fully computerized to ensure timely settlement. It normally takes 15 days from the date of receipt of the complaint for disposal of investor grievances. Nevertheless, the Company has constituted an Investors' Grievance Committee in accordance with the requirements of Clause 49 of the Listing Agreements for attending to investors' complaints pertaining to transfers/transmission of shares, dividend enquiry, and any other related matters. The Shareholders'/Investors' Grievance Committee comprises of Shri M.P. Saraf as Chairman, Shri Amitabh S. Mudgal and Shri J. P. Lath as Members.

SHARE TRANSFER COMMITTEE

Name	Category	Number of Meetings held during the tenure of the Members	Number of Meetings attended during the year
Shri J. P. Lath	Director	2	2
Shri Amitabh S. Mudgal	Director	2	2

The Committee of the Company has been given the powers to deal with all matters related to transfers, transmission, and issuance of duplicate share certificates, split and/or consolidation requests. The Share Transfer Committee meets regularly.

COMPLIANCE OFFICER:

Shri J P Lath
Monnet House,
11 Masjid Moth,
Greater Kailash-II,
New Delhi - 110 048

STATUS OF COMPLAINTS FOR THE PERIOD 1ST APRIL, 2009 TO 31ST MARCH, 2010.

1. Number of complaints received from the investors [including the opening Balance as on 01.04.2009] comprising of enquiries regarding status of listing of shares of the Company, Non-receipt of Share Certificates allotted pursuant to demerger, transfer and transmission etc.	29
2. Number of complaints resolved	28
3. Number of complaints not solved as at 31st March, 2010	1
4. Complaints Pending as at 31st March, 2010	1
5. Number of shares pending for Transfer as at 31st March, 2010	0

GENERAL BODY MEETINGS:

Details of General Meetings of Shareholders					
Financial Year	AGM	Date	Place of Meeting	Time	Whether Special Resolution passed
2008-09	26th AGM	30th September, 2009	Monnet Mart, Mandir	4.40 p.m.	No
2007-08	25th AGM	30th September, 2008	Hasaud, Raipur-492101,	4.00 p.m.	No
2006-07	24th AGM	30th September, 2007	Chhattisgarh	5.00 p.m.	No

No special resolution is proposed to be conducted through postal ballot as on the date of adoption of this Corporate Governance Report.



DISCLOSURES:

(A) Disclosure by key managerial personnel about related party transactions

The Board has received disclosures from key managerial personnel relating to financial and commercial transactions where they and/or their relatives have personal interest. There are no materially significant related party transactions, which have potential conflict with the interest of the company at large. The related party transactions have been disclosed in point no. 26 of Schedule - 20 (B) to the Notes on Accounts on Balance Sheet and Profit and Loss Account for the year ended 31st March, 2010.

(B) Matters related to capital market

There was no non-compliance by the company, nor any penalties or strictures have 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.

(C) Access to Audit Committee

No personnel has been denied access to the Audit Committee.

(D) Management Discussion and Analysis

The Management Discussion and Analysis is a part of the annual report.

(E) 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 also complied with non-mandatory requirement pertaining to setting-up remuneration committee. For details, refer to the section of this report dealing with Committees of the Board.

MEANS OF COMMUNICATION:

Monnet pursues the policy of timely disclosure of information. The Company publishes quarterly results. Besides, the company also posts quarterly results, entire annual report, shareholding pattern on EDIFAR besides sending complete annual report to the shareholders.

GENERAL SHAREHOLDER INFORMATION:

1. ANNUAL GENERAL MEETING	:	
Day, Date and Time	:	Thursday, 30th September, 2010, at 4.00 p.m.
Venue	:	Monnet Ispat & Energy Limited, Monnet Marg, Mandir Hasaud, Raipur, Chhattisgarh
2. FINANCIAL CALENDAR FOR 2009-10 (Tentative)	:	
Financial year ending	:	31st March
First Quarter Results	:	15th August, 2010
Half Yearly Results	:	on or before 15th November, 2010
Third Quarter Results	:	on or before 15th February, 2011.
Fourth Quarter Results/ Audited Annual Accounts	:	on or before 15th May, 2011 31st May, 2011.
3. BOOK CLOSURE DATES	:	24-09-2010 to 30-09-2010 (both days inclusive)
4. DIVIDEND PAYMENT	:	N.A.
5. REGISTERED OFFICE & WORKS	:	Plot No. 216, Sector - C, Urla Industrial Complex, Raipur-493221, Chhattisgarh
6. LISTING OF SHARES ON STOCK EXCHANGES	:	The equity shares of the Company are listed on Bombay Stock Exchange Ltd., Mumbai & Madhya Pradesh Stock Exchange, Indore. 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.
* Bombay Stock Exchange Ltd. Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai - 400 001	*	M.P. Stock Exchange Rajani Bhawan, 3rd Floor, M.G. Road, Opp. High Court Indore - 452 004 (M.P)
* The Delhi Stock Exchange Association Ltd. DSE House, 3/1, Asaf Ali Road, New Delhi-110 002.	*	The Calcutta Stock Exchange Assoc. Ltd. 7, Lyons Range Kolkata - 700 001
* The Jaipur Stock Exchange Indra Place, J.L.N. Marg Malviya Nagar, Jaipur	*	The Stock Exchange, Ahmedabad Kamdhenu Complex, Opp. Sahajanand College, Panjarapole, Ahmedabad-380015.