

**MONNET INDUSTRIES LIMITED**  
Standalone Balance Sheet for period 01/04/2010 to 31/03/2011

**[610000] General information about financial statements**

Unless otherwise specified, all monetary values are in INR

|  | <b>01/04/2010<br/>to<br/>31/03/2011</b>  | <b>01/04/2009<br/>to<br/>31/03/2010</b> |
|--|--|---|
| Disclosure of general information about company [abstract] |  |   |
| Disclosure of company information [abstract]               |  |   |
| Name of company  | MONNET INDUSTRIES LIMITED  |   |
| Corporate identity number                                  | L51103CT1982PLC009717  |   |
| Permanent account number of entity                         | AAACM0437E   |   |
| Address of registered office of company                    | PLOT NO 216, SECTOR - C , URLA INDUSTRIAL COMPLEX , RAIPUR , CHHATISHGARH , INDIA - 493221 |   |
| Type of industry   | Commercial and Industrial  |   |
| Disclosure of document information [abstract]              |  |   |
| Date of board meeting when final accounts were approved    | 03/08/2011   |   |
| Date of start of reporting period                          | 01/04/2010   | 01/04/2009                              |
| Date of end of reporting period                            | 31/03/2011   | 31/03/2010                              |
| Nature of report standalone consolidated                   | Standalone   |   |
| Content of report  | Balance Sheet  |   |
| Description of presentation currency                       | INR  |   |
| Level of rounding used in financial statements             | Actual   |   |
| Type of balance sheet                                      | Sources and Application of Funds [Vertical Format]   |   |
| Type of cash flow statement                                | Indirect Method  |   |
| Disclosure of other general information [abstract]         |  |   |
| SRN of form 66   | P79312781  |   |

**[630000] Disclosures - Directors report**

Unless otherwise specified, all monetary values are in INR

|  | <b>01/04/2010<br/>to<br/>31/03/2011</b> |
|--|---|
| Disclosure in board of directors report [text block] | Textual information (1) [See below]     |

## Textual information (1)

### Disclosure in board of directors report [text block]

#### DIRECTORS' REPORT

#### To the Members

Your Directors have pleasure in presenting the Twenty Eight Annual Report together with the Audited Accounts of the Company for the year ended 31 st March, 2011.

#### Financial Results

|                                   | [Rs. in Lacs] |       |         |       |
|-----------------------------------|---------------|-------|---------|-------|
|                                   | 2010-11       |       | 2009-10 |       |
| Profit/(Loss) for the year before | 24.40         |       | 28.80   |       |
| Interest, Depreciation            |               |       |         |       |
| Less : Interest                   | 0.00          |       | 0.00    |       |
| Depreciation                      | 22.85         | 22.85 | 22.90   | 29.90 |
| Profit/(Loss) for the year        | 1.55          |       | 5.90    |       |
| Provision for Tax                 | 0.00          |       | 0.00    |       |
| Income Tax Adjustment             | 0.00          |       | 0.07    |       |
| Provision for FBT                 | 0.00          | 0.00  | 0.00    | 0.07  |

|                                  |          |          |
|----------------------------------|----------|----------|
| Profit/Loss after Tax            | 1.55     | 5.83     |
| Balance as per last              | (197.91) | (203.74) |
| Balance carried to Balance Sheet | (197.35) | (197.91) |
|                                  | =====    | =====    |

### 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 Amitabh S. Mudgal and Shri M.S. Gujral, Directors, being longest in the office, retires by rotation on the day of 28 th Annual General Meeting and being eligible offers himself for reappointment.

### 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, 2011, about 96.74% 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 2010-11. 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 the 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 J.P. Lath and Shri Amitabh S. Mudgal, 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: 3 rd August , 2011

Annexure - I

## **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.

Sd/-

(J.P. Lath)

Director

Place: New Delhi

Date: 3 rd August , 2011

Annexure - I I

### 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 four directors, i.e. an Independent & Non-executive Chairman and three 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<br>(excluding Private Companies, Section 25<br>& Foreign Companies) | No. of Committee Memberships in<br>other Companies |
|------------------|----------|---|--|
| Shri M.S. Gujral | Director | 6   | 7  |
|                  |          |   |  |

|                        |          |   |   |
|------------------------|----------|---|---|
| Shri J.P. Lath         | Director | 3 | 4 |
| Shri Amitabh S. Mudgal | Director | 5 | 0 |
| Shri Rajiv Poddar      | Director | 0 | 0 |

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

May 11, 2010, August 10, 2010, November 13, 10 and February 10, 2011.

The last Annual General Meeting was held on 30 th September, 2010. 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        | 3   | 3                              | No                  |
| Shri M.S. Gujral       | 4   | 4                              | No                  |
| Shri Amitabh S. Mudgal | 4   | 4                              | No                  |
| Shri J. P. Lath        | 4   | 4                              | Yes                 |
| Shri Rajiv Poddar      | 4   | 4                              | Yes                 |

\* Shri M.P. Saraf resigned from the directorship of the company w.e.f. 31/12/2010.

**Information in cases of appointment or re-appointment of Directors as required under Listing Agreement is given as under: —**

#### SHRI AMITABH S. MUDGAL

Having 27 years experience, presently head of Sales & Marketing and of Corporate Affairs. He is a Post Graduate diploma holder in Marketing and Sales as also diploma in International Marketing from Indian Institute of Foreign Trade, Delhi . He is also a member of SIMA and Coal Producers Association.



## SHRI M.S. GUJRAL

M.S.Gujral, 86, is the former chairman of the Railway Board and the former chairman of coal India Limited. He has 60 years of experience in managing capital and labour intensive enterprises, including one of the largest railway networks in the world. He holds degree from Punjab University .

### 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 J.P. Lath 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 J.P. Lath 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 | 3,000              | NIL                          |

|                        |       |     |
|------------------------|-------|-----|
| Shri J.P. Lath         | 4,000 | NIL |
| Shri M.S. Gujral       | 4,000 | NIL |
| Shri Amitabh S. Mudgal | 4,000 | NIL |
| Shri Rajiv Poddar      | 4,000 | 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 Rajiv Poddar 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 Rajiv Poddar      | Chairman | 4  | 4   |
| Shri Amitabh S. Mudgal | Director | 4  | 4   |
| Shri J. P. Lath        | Director | 4  | 4   |

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.