

31st
Annual Report
2013-2014



MONNET INDUSTRIES LIMITED



DIRECTORS' REPORT CUM MANAGEMENT DISCUSSION & ANALYSIS

TO THE MEMBERS

Your Directors present the 31st Annual Report together with the Audited Accounts of the Company for the year ended 31st March, 2014.

FINANCIAL RESULTS

	2013-2014	[Rs. in Lakhs] 2012-2013
Revenue and Other Income	12.25	86.60
Profit before Depreciation	1225.03	26.63
Depreciation	14.59	16.92
Profit before tax	(1239.62)	9.71
Provision for Income Tax	0.00	0.00
Profit after Tax	(1239.62)	9.71
Balance as per last year	(175.34)	(185.06)
Balance carried to Balance Sheet	(141.50)	(175.34)

OPERATIONS OF THE COMPANY

Your Company is not conducting any manufacturing operations for the same reasons as stated in our previous reports.

DIVIDEND

In view of inadequate profits and accumulated losses of earlier years, your Directors are not in a position to recommend the dividend.

DIRECTORS

Pursuant to Section 152 of the Companies Act, 2013, Shri Amitabh S. Mudgal (DIN No. 00468084), Director, being longest in the office, retires by rotation on the day of 31st Annual General Meeting and being eligible offers himself for reappointment. Further, Shri Sourabh Khandelwal (DIN 06929590) was inducted as Additional Director on the Board of the Company w.e.f. 22-07-2013 and holds the office upto the date of ensuing Annual General Meeting. The company has received notice u/s 160 of the Companies Act, 2013 proposing his name for the directorship along with a fee of Rs. 1,00,000/-.

The nature of composition of the Board member is being recast to make it compliant with the provisions of the Companies Act, 2013 with respect to appointment of independent directors for a fixed term during which period, they shall neither retire by rotation nor shall be counted in the Total strength of the Board. However, two-third of the total strength of the Board shall comprise of the directors whose office shall be liable to determination by retirement by rotation. For this purpose, requisite resolutions have been incorporated in the Notice of the 31st Annual General Meeting and the Explanatory Statement contains the detailed reasons therefor.

As per Clause 49 (IV) (G) of the Listing Agreement, the required detail of directors appointed/reappointed during the year is given in Annexure-III.

INDEPENDENT DIRECTORS

Pursuant to Section 149 of the Companies Act, 2013 (new Act) read with the Rules made thereunder, the Independent Directors can hold office for a period of up to 5 consecutive years and shall not be liable to retire by rotation. They may be appointed for a maximum of two consecutive terms of up to 5 years each. In terms of revised clause 49 of the listing agreement which will be applicable from 1st October, 2014, in case the Independent Director has already served for 5 or more years, he can be appointed for only one term of 5 years. However, under the new Act and Clause 49 of listing agreement, they may be appointed afresh with a fixed period of up to 5 years. As per sub-section (5) of said Section 149,



the compliance is to be made within one year from the date of commencement of the new Act.

Presently, Shri Rajiv Poddar and Shri R.K. Sachdev are the Independent Directors of the Company in terms of Section 149. As per their existing terms of appointment, all of them are liable to retire by rotation. The Board considered the appointment of the above mentioned Directors in terms of Section 149 and Schedule IV to the Companies Act, 2013 and Clause 49 of the listing agreement and was of the view that these independent directors fulfill the conditions specified in the Act and the rules made thereunder and that the proposed directors are independent of the management and can be appointed for a term of five years during which period, they shall not be liable to retire by rotation. These directors possess requisite qualifications, appropriate skills, experience and knowledge in one or more fields of finance, law management, marketing, administration, technical operations and other disciplines related to Company's business, the educational / professional qualifications, working experience, expertise in line with Company's business, positive attributes.

RESPONSIBILITY STATEMENT

In terms of Section 134(3)(c), 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, 2013 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 31st March, 2014, about 96.76% of the shares of your Company have been dematerialized.

The shares of the Company are available for trading in the dematerialised form under both the Depository Systems in India – NSDL and CDSL. The International Securities Identification Number (ISIN) allotted to the Company's shares under the Depository System is INE407E01029. The annual custody fee for the financial year 2014-15 has been paid to NSDL and CDSL, the Depositories.

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

- i) A declaration signed by Chairman as required under Clause 49 (I) (D) of the Listing Agreement is enclosed as **Annexure-I**.
- ii) The Chairman has given a certificate to the Board of Directors, as required under Clause 49 (V) of the Listing Agreement, for the year ended 31st March, 2014.

MANAGEMENT DISCUSSION & ANALYSIS

During the year under review, your Company has not been carrying on any business activity and consequently, there is no requisite information in respect of Management Discussion & Analysis. However, wherever necessary, the requisite information in respect thereof has been included in the Directors' Report itself.

INTERNAL CONTROL SYSTEMS AND RISK MANAGEMENT

Your Company has adequate internal control systems commensurate with the size and nature of the business. The Risk Management Policy being pursued by the Company is adequate for safeguarding the assets of the Company. The Policy is periodically reviewed to keep it commensurate with the size and nature of Company's business.

**CORPORATE GOVERNANCE REPORT**

Pursuant to clause 49 of the Listing Agreement, necessary measures have been 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.

AUDIT COMMITTEE

The Audit Committee of Board of Directors constituted in terms of Clause 49 of the Listing Agreement and pursuant to Section 177 of The Companies Act, 2013 consist of Shri R.K. Sachdev as Chairman, Shri Rajiv Poddar has been co-opted as a member of the Committee besides Shri Amitabh S. Mudgal being the other member of the Committee. The Company Secretary is the ex-officio Secretary of the Audit Committee.

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, holds the office till the conclusion of the ensuing Annual General Meeting and is 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 139(1) of the Companies Act, 2013.

FIXED DEPOSITS

The Company has not invited or accepted any deposits during the year from the Public under Section 73 of the Companies Act, 2013.

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

In view of no manufacturing operations during the year under report, the provisions of Companies (Disclosure of Particulars in the report of Board of Directors) Rules, 1988 are not applicable and therefore, no report is enclosed.

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/-

(Rajeev Poddar)

Chairman

Place: New Delhi

Date:, 12th August, 2014



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: 12th August, 2014

Sd/-
(Rajeev Poddar)
Chairman

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 of Director	Category	No. of Directorships in other Companies (Excluding Private Companies, Section 25 & Foreign Companies)	No. of Committee Memberships in other Companies	
			As Chairman	As Member
Shri R.K. Sachdev Chairman (DIN 05352831)	Non Executive Independent	1	NIL	NIL
Shri Rajiv Poddar (DIN 00171063)	Non Executive Independent	1	2	0
Shri J.P. Lath (DIN 00380076)	Non Executive Non Independent	4	0	3
Shri Amitabh S. Mudgal (DIN 00468084)	Non Executive Non Independent	5	0	2
Shri Sourabh Khandelwal * (DIN 06929590)	Non Executive Non Independent	0	0	0

Other Directorships and Committee Memberships, based on the disclosures received from the directors, are as on 31st March, 2014. If appointed later, as on the date of appointment.

* Appointed as Additional Director w.e.f. 22-07-2014

During the year, four Board Meetings were held on May 30, 2013, August 12, 2013, November 11, 2013 and February 12, 2014. : —

The last Annual General Meeting was held on 30th September, 2013. 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 R.K. Sachdev	4	1	No.
Shri Rajiv Poddar	4	4	No
Shri Amitabh S. Mudgal	4	4	No
Shri J. P. Lath	4	4	Yes
Shri Sourabh Khandelwal	N.A.	N.A.	N.A.



Information in cases of appointment or re-appointment of Directors as required under listing agreement is given in **Annexure-III**.

AUDIT COMMITTEE:

Your Company has in place a qualified and independent Audit Committee as defined in Section 177 of the Companies Act, 2013 and Clause 49 of the Listing Agreement. It has been delegated with Powers, Role & Responsibilities as defined in the said Section 177 and sub clause (II) of existing Clause 49 and sub clause (III) of revised Clause 49 besides power to review as per sub clause (V) of Clause 49 of the Listing Agreement. It meets at least four times in a year and not more than four months elapse between two meetings as prescribed in sub-clause (B) of the aforesaid Clause 49 (II). The Audit Committee also meets the requirements contained in Section 292A of the Companies Act, 1956 and Section 177 of the Companies Act, 2013. The Board has defined the roles and responsibility of the Committee in line with those prescribed under Section 177 & Rules made thereunder and as also as per Revised Clause 49 of the Listing Agreement.

COMPOSITION

The Audit Committee comprises majority of Independent Directors. Shri R.K. Sachdev is the Chairman of the Committee, Shri Rajiv Poddar and Shri Amitabh S. Mudgal 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 177 of the Companies Act, 2013.

NOMINATION & REMUNERATION COMMITTEE:

The Nomination & Remuneration Committee (erstwhile Remuneration Committee) comprises of Shri R.K. Sachdev, Chairman, Shri Rajiv Poddar and Shri J.P. Lath are other members of the Committee. The terms of reference of this Committee cover the matters specified for Remuneration Committees under Annexure-(I D) of existing Clause 49 and under new clause 49 (IV) of the Listing Agreement. The Remuneration Committee has been given the Roles and Responsibilities as defined in Section 178 of the Companies Act, 2013 and as also as per Revised 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 J.P. Lath	4000	NIL
Shri Amitabh S. Mudgal	NIL	NIL
Shri Rajiv Poddar	4000	NIL
Shri R.K. Sachdev	1000	NIL

STAKEHOLDERS RELATIONSHIP COMMITTEE: —

The Stakeholders' Relationship Committee (erstwhile Shareholders/Investors Grievance Committee) oversees the redressal of Shareholders and Investor Grievances. The Committee has the composition and has been given the Roles and Responsibilities in compliance of Clause 49 of the Listing Agreement and Section 178 of the Companies Act, 2013. Apart from this, the Committee also oversees the compliance with Listing Agreement and various statutes, Rules, Regulations pertaining to securities market, dissemination of quarterly information to Stock Exchanges, furnishing of various certificates from practicing Company Secretary such as Capital Reconciliation Audit, Clause 47 certification, NSDL & CDSL matters such as carrying out Corporate Action etc.

There are very negligible complaints received by the Company. These are handled by Company's Registrars and Share Transfer Agents MCS Ltd., New Delhi. The Compliance Officer monitors the complaints and other activities and also helps in resolving grievances wherever needed. A firm of Practicing Company Secretaries conducts the audit on quarterly basis and submits Capital Reconciliation Audit Report. It also conducts half yearly due diligence exercise in compliance of Clause 47 of the Listing Agreement and submits its certificate.



COMPOSITION

The Stakeholders' Relationship Committee is headed by Non-executive Chairman in compliance of Clause 49 IV (G) (iii) of the Listing Agreement. Shri R.K. Sachdev is the Chairman and Shri J.P Lath is the other Member of the Committee.

SHARE TRANSFER COMMITTEE

The Share Transfer work is handled by the Registrars who along with Share Transfer Committee handle the transfers/transmission of shares, issue of duplicate share certificates etc. The Composition and attendance of the members during the financial year ending 31st March, 2014 is as follows: —

Name	Category	Number of Meetings held during the tenure of the Members	Number of Meetings attended during the year
Shri J. P. Lath	Director	1	1
Shri Amitabh S. Mudgal	Director	1	1

Whereas requests for share transfer, transmission, split/consolidation and duplicate share certificate are first processed by Company's Registrar & Transfer Agents, MCS Ltd. and only valid requests are forwarded to Share Transfer Committee for its approval, requests for dematerialization/rematerialization are handled directly and independently by MCS Ltd. in line with the Depository Guidelines for their speedy disposal. The Share Transfer Committee meets as and when situation arises.

COMPLIANCE OFFICER:

Shri Hardeep Singh

Monnet House, 11 Masjid Moth,
Greater Kailash-II,
New Delhi – 110 048.

STATUS OF COMPLAINTS FOR THE PERIOD 1ST APRIL, 2013 TO 31ST MARCH, 2014.

1. Number of complaints received from the investors (including the opening Balance as on 01.04.2013) 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.	3
2. Number of complaints resolved	3
3. Complaints Pending as at 31 st March, 2014	0
4. Number of shares pending for Transfer as at 31 st March, 2014	NIL

GENERAL BODY MEETINGS.

Details of Last 3 Annual General Meetings

Financial Year	AGM	Date	Place of Meeting	Time	Whether any Special Resolution passed
2012-13	30 th AGM	30 th September 2013	Monnet Marg, Mandir Hasaud, Raipur-492101, Chhattisgarh	1.30 p.m.	No
2011-12	29 th AGM	29 th September 2012		1.30 p.m.	No
2010-11	28 th AGM	30 th September, 2011		1.00 p.m.	No

No special resolution is proposed to be conducted through postal ballot in the ensuing Annual General Meeting.

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, 2012.

(B) Matters related to capital market

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

There being no business activity in the Company, the related information pertaining to Management Discussion and Analysis is included in the Directors' Report, wherever necessary.

(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 and circulates the same to stock exchanges and sends the Annual Report to all the shareholders. Besides, the company also posts quarterly results, entire annual report, shareholding pattern on the website of the Company besides sending complete annual report to the shareholders.

GENERAL SHAREHOLDER INFORMATION:

1. ANNUAL GENERAL MEETING :

Day, Date and Time : Saturday, 27th September 2014 at 12.30 p.m.
Venue : Monnet Ispat & Energy Limited,
Monnet Marg, Mandir Hasaud,
Raipur, Chhattisgarh

2. FINANCIAL CALENDAR FOR 2014-15 (Tentative) :

Financial year ending : 31st March,
Audited Annual Results : 29th May, 2014
First Quarter Results : 12th August, 2014
Half Yearly Results : on or before 14th November, 2014
Third Quarter Results : on or before 14th February, 2015.
Fourth Quarter Results/or : on or before 15th May, 2015
Audited Annual Accounts : on or before 30th May, 2015

3. BOOK CLOSURE DATES : 23-09-2014 to 27-09-2014 (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