

**35<sup>th</sup>**  
**Annual Report**  
**2017-2018**



**MONNET INDUSTRIES LIMITED**

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# Corporate Information

## BOARD OF DIRECTORS

### Non-Executive Directors

Jagdamba Prasad Lath

Vijay Sharma

Babika Goel

### Executive Directors

Mahesh Kumar Sharma

### Company Secretary

Khushboo Sharma

### Chief Financial Officer

Mahesh Kumar Sharma

## BOARD COMMITTEES

### Audit Committee

Babika Goel Chairman

Vijay Sharma Member

Jagdamba Prasad Lath Member

### Nomination and Remuneration Committee

Babika Goel Chairman

Jagdamba Prasad Lath Member

Vijay Sharma Member

### Stakeholders Relationship Committee

Vijay Sharma Chairman

Jagdamba Prasad Lath Member

Babika Goel Member

### Executive Committee

Jagdamba Prasad Lath Member

Babika Goel Member

### Delisting Committee

Jagdamba Prasad Lath Member

Babika Goel Member

### AUDITORS

M/s APAS & Co.

Chartered Accountants, New Delhi

### REGISTERED OFFICE

Plot No. 216, Sector-C, Urla Industrial Complex,  
Raipur-493 221 (Chhatisgarh)

### INVESTOR SERVICES CENTRE

Monnet House, 11 Masjid Moth,

Greater Kailash-II, New Delhi-110 048

Phone: 011-29218542/ 43/ 44/ 45/ 46

Fax: 011-29218541

E-mail: [isc\\_mind@monnetgroup.com](mailto:isc_mind@monnetgroup.com)

### CORPORATE OFFICE

Monnet House, 11 Masjid Moth,

Greater Kailash-II, New Delhi-110 048, India

### CORPORATE WEBSITE

[www.monnetgroup.com](http://www.monnetgroup.com)



## **DIRECTORS' REPORT**

To The Members,

Your Directors have pleasure in presenting the 35<sup>th</sup>(Thirty Fifth) Annual Report together with the Audited Financial Statements of Monnet Industries Limited ("the Company") for the Financial Year ended 31<sup>st</sup> March, 2018.

### **1. FINANCIAL SUMMARY**

A summary of the Company's Financial Results for the Financial Year 2017-18, is as under:

Particulars	Amount (Rs in Lacs.)	
	2017-18	2016-17
Operating income (Net of Excise)	0.00	0.00
Profit/(Loss) before tax (after Exceptional Item)	(888.41)	(2258.37)
Tax Expense (Including Deferred Tax)	0.00	0.81
Profit/(Loss) after Tax	(888.41)	(2259.18)

The Company has adopted Indian Accounting Standard (referred to as 'IND AS') with effect from April 1, 2017 and accordingly these financial results along with the comparatives have been prepared in accordance with the recognition and measurement principals stated therein, prescribed under Section 133 of the Companies Act ("Act") read with the relevant Rules framed thereunder and the other accounting principles generally accepted in India.

### **2. STATEMENT OF COMPANY'S AFFAIR, FUTURE OUTLOOK , MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING FINANCIAL POSITION OF THE COMPANY**

During the year under review your company's plant was closed. Therefore, operating income was Nil. The company's profit before tax (PBT) stands at (Rs.888.41) Lacs, as against the previous year loss of Rs. (2258.37) Lacs, and profit after tax stands at (Rs.888.41) Lacs, as against the previous year loss of Rs. (2259.18) Lacs.

In terms of Section 134(3) (I) of the Companies Act, 2013, except as disclosed elsewhere in this Report, no material changes or commitments affecting the financial position of the Company which have occurred between the end of the financial year and the date of this Report. Further, there has been no change in the nature of the business during the period under review.

### **3. DIVIDEND AND RESERVES**

In view of the financial performance and inadequate profits during the year under review, your directors have not recommended any dividend and have not transferred any amount to reserve for the financial year 2017-18.

### **4. PUBLIC DEPOSITS**

Your Company has not accepted any deposits falling within the purview of Section 73 of the Act read with Chapter V of the Companies Act, 2013 and Companies (Acceptance of Deposits) Rules, 2014.

There is no unclaimed or unpaid deposit lying with the Company.

### **5. SHARE CAPITAL**

The Company's Authorized Share Capital during the financial year ended March 31, 2018, remained at Rs. 19,00,00,000/- (Rupees Nineteen Crore Only) consisting of 40,00,000 (Forty Lac) equity shares of Rs. 10/- (Rupee Ten Only) each and Rs. 150,00,000/- (Rupees Fifteen Crore) consisting of 1,500,000, (Fifteen Lacs) 10% Non-Cumulative, Non-Convertible Redeemable Preference shares.

The Company's Paid Up Share Capital is Rs. 18,68,12,620/- (Rupees Eighteen Crore Sixty Eight Lac



Twelve Thousand Six Hundred Twenty Only) consisting of 36,81,262 (Thirty Six Lacs Eighty One Thousand Two Hundred Sixty Two) equity shares of Rs. 10/- (Rupees Ten Only) each and 15,00,000 (Fifteen Lac) 10% Non-Cumulative, Non-Convertible Redeemable Preference shares of par value of Rs. 100/- (Rupees Hundred Only) each.

In terms of Section 47(2) of the Companies Act, 2013, the shareholders holding above referred 10% Non-Cumulative, Non-Convertible Redeemable Preference shares shall have a right to vote on all the resolutions, which affects their rights attached to preference shares, placed before the general meeting.

The Board of Directors in their meeting held on December 14, 2017, placed a letter from IndusInd Bank regarding Demand Notice for outstanding loan, assignment of loan and invocation of pledge of 1,75,00,000 Cumulative Redeemable Preference Shares of face value of Rs. 100/- each ("CRPS") under Term Loan Agreement dated 22<sup>nd</sup> March, 2013.

(For Further information, please refer Note No. 11 to the Standalone Financial Statements of the Company for the FY 2017-18)

## 6. SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES

Your Company has no Subsidiary, Joint venture or Associate Company and disclosure requirements in relation to Subsidiaries, Joint Ventures or Associate Companies is not applicable on the Company.

Hence, it is not required to attach Form AOC-1, pursuant to Section 129(3) of the Companies Act, 2013 read with Rule 5 of the Companies (Accounts) Rule, 2014, a statement containing salient features of the financial statements of Subsidiaries/Associate Company/Joint Ventures. (Please refer Note No. 11 to the Standalone Financial Statements of the Company)

## 7. DIRECTORS AND KEY MANAGERIAL PERSONNEL

As per requirements of provisions of Companies Act, 2013 and SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015, during the Financial Year 2017-18, Company has a proper board composition including, Independent Directors, Women Director and other Key Managerial Personnel in terms of Section 203 of Companies Act, 2013.

### Directors

In accordance with the provisions of Section 152 of the Companies Act, 2013 and the Company's Articles of

Association, Mr. Mahesh Kumar Sharma (DIN: 07504637), Director, retires by rotation at the forthcoming Annual General Meeting and, being eligible, offers himself for re-appointment. The Board recommends his re-appointment for the consideration of the Members of the Company at the ensuing Annual General meeting. Brief profile of Mr. Mahesh Kumar Sharma has been given in the Notice convening the Annual General meeting.

During the year under review, Mr. Rajiv Poddar, Independent Director resigned from his office w.e.f. May 30, 2017 and Mr. Amitabh Sharma Mudgal, Director, resigned from his office w.e.f. November 15, 2017.

Further, Mr. Raj Kumar Sachdev, Independent Director resigned from his office w.e.f. July 05, 2018 and Mr. Vijay Sharma (holding DIN:08161059) has been appointed as an Independent Director by the Board of Directors in their meeting held on 13<sup>th</sup> August 2018.

### Key Managerial Personnel

Pursuant to the provisions of Section 2(51) & 203 of the Companies Act, 2013, the Key Managerial Personnel (KMP) of the Company are:-

1. Mr. Mahesh Kumar Sharma - Whole Time Director & Chief Financial Officer
2. Ms. Khushboo Sharma— Company Secretary

The directors of the Company are not related to each other in accordance with section 2(77) of the Companies Act, 2013 and Rule 4 of the Companies (Specification of Definitions Details) Rules, 2014.

As required under Regulation 26 of SEBI (Listing Obligations and Disclosures Requirements) Regulations 2015 the required details of directors appointed/reappointed in the 35th Annual General Meeting (AGM) of the Company is annexed with the Notice of said AGM

## 8. STATEMENT ON INDEPENDENCE OF DIRECTORS

All independent directors have given declarations that they meet the eligible criteria of independence as laid down in Section 149(6) of the Companies Act, 2013 and Regulation 16(b) of the SEBI (Listing Obligations and Disclosures Requirements) Regulations 2015.

## 9. NUMBER OF MEETING OF THE BOARD

Six (6) meetings of the Board were held during the Financial Year 2017-18 forms part of the Corporate Governance Report. The Company has complied with

the applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

## 10. COMMITTEES OF THE BOARD

The Board of Directors has the following Committees:

1. Audit Committee
2. Nomination and Remuneration Committee
3. Stakeholders' Relationship Committee
4. Executive Committee
5. Delisting Committee

The details of the Committees along with their composition, number of meetings, terms of reference and attendance of members at the meetings are provided in the Corporate Governance Report which forms part of this Annual Report.

## 11. BOARD EVALUATION

Pursuant to applicable provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosures Requirements) Regulations 2015, a structured questionnaire was prepared after taking into consideration of the various aspects of the Board's functioning, composition of the Board and its Committee, culture, execution and performance of specific duties, obligations and governance.

Schedule IV to the Companies Act, 2013 also provides for the performance evaluation of Independent Directors by the entire Board of Directors, excluding the Directors being evaluated. The performance evaluation of the Chairman and the Non-Independent Directors was carried out by the Independent Directors and Non-Executive Directors. The Board of Directors expressed their satisfaction with the evaluation process.

The manner in which the evaluation of the Board, its Committees and Individual Directors has been carried out is explained in the Corporate Governance Report which forms part of this Annual Report.

## 12. RELATED PARTY TRANSACTIONS

All related party transactions that were entered into during the financial year were on an arm's length basis. Further, there have been no materially significant related party transactions between the Company and the Directors, the management, the subsidiaries or the relatives.

The Board of Directors in their meeting held on November 25, 2016, pursuant to the provisions of section 188 and 177 of the Companies Act, 2013 & the

rules made there under and the Articles of Association of the Company, read with Security and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, reappointed Mr. Jagdamba Prasad Lath, Director as a Consultant in the Company w.e.f. December 01, 2016 for a further period of one year. It was further extended for six months by the Board of Directors in their meeting held on December 14, 2017.

In this regard, disclosure in Form AOC-2 in terms of Section 134(3) (h) read with Section 188(2) of the Companies Act, 2013 forms a part of the report as **Annexure-1**.

As required under Regulation 23(1) of the Listing Regulation, the Company has formulated a policy on dealing with Related Party Transactions. The Policy is available on the website of the company viz. <http://www.monnetgroup.com/pdfs/mil/policy/PolicyonRelatedPartyTransactions.pdf>

(For Further information, please refer Note No. 25 to the Standalone Financial Statements of the Company for FY 2017-18)

## 13. DIRECTOR'S RESPONSIBILITY STATEMENT

The Company has taken utmost care in its operations, compliance, transparency, financial disclosures and financial statements have been made to give a true and fair view of Company. As required under Section 134(5) and Section 134(3) (c), and based upon the detailed representation, due diligence and inquiry thereof and your Board of Directors assures and confirm as under:

- a) In preparation of Annual Accounts for the financial year ended 31<sup>st</sup> March, 2018, the applicable Indian Accounting Standards (Ind AS) and Schedule III of Companies Act, 2013 had been followed and there are no material departures from the same;
- b) The directors had selected such accounting policies and applied 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 31<sup>st</sup> March, 2018 and of the profit and loss of the Company for the Financial Year ended 31<sup>st</sup> March, 2018. The Company has adopted Indian Accounting Standards (Ind AS) with effect from April 01, 2017, pursuant to notification issued by Ministry of Corporate Affairs dated February 16, 2015, notifying the Companies (Indian Accounting Standard) Rules, 2015. Accordingly, the financial statements of the Company for the financial year ended March 31, 2018, have been prepared in accordance with Ind AS as prescribed under Section 133 of the Companies Act,



“Act”), read with the relevant rules made thereunder and other accounting principles generally accepted in India.

- c) The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) The annual accounts have been prepared on going concern basis;
- e) The directors had laid down internal financial controls and same were followed by the Company and that such financial controls were adequate and were operating effectively; and
- f) The directors had devised proper systems to ensure compliance with the provisions of the all applicable laws and that such systems were adequate and operating effectively.

#### 14. INTERNAL CONTROLS & INTERNAL FINANCIAL CONTROLS

Your Company has an effective internal control and risk-mitigation system, which are constantly assessed and strengthened with new/revised standard operating procedures. The Company's internal control system is commensurate with its size, scale and complexities of its operations. The internal and operational audit is entrusted to M/s Krishan Rakesh & Co., Chartered Accountants. The main thrust of internal audit is to test and review controls, appraisal of risks and business processes, besides bench marking controls with best practices in the industry.

The Audit Committee of the Board of Directors actively reviews the adequacy and effectiveness of the internal Control systems and suggests improvements to strengthen the same. The Company has a robust Management information System which is an integral part of the control mechanism.

The Audit Committee of the Board of Directors and the Statutory Auditors are periodically apprised of the internal audit findings and corrective actions taken. Significant audit observations and corrective actions taken by the management are presented to the Audit Committee of the Board. To maintain its objectivity and independence, the Internal Audit function reports to the Chairman of the Audit Committee.

#### 15. AUDITORS

##### i) Statutory Auditor

Pursuant to the provisions of Section 139 of the Act and Rules framed thereunder, at the Annual General Meeting held on September 28, 2017, M/s APAS & Co., Chartered Accountants (Registration No.000340C) were appointed as the Statutory Auditors of the Company to hold such office from conclusion of 34<sup>th</sup> Annual General Meeting until conclusion of 39<sup>th</sup> Annual General Meeting, (subject to ratification of the appointment by the members at every AGM held after 34<sup>th</sup> AGM) to conduct audit.

Vide Section 40 of the Companies (Amendment) Act, 2017 notified by the Ministry of Corporate Affairs on May 7, 2018, the requirement for ratification of the appointment of Statutory Auditors by the members at every Annual General Meeting has been done away with. Accordingly, the Notice convening the ensuing AGM does not carry any resolution on ratification of appointment of Statutory Auditors. However, M/s APAS & Co. Chartered Accountants, has confirmed that they are eligible to continue as Statutory Auditors of the Company to audit the books of accounts of the Company for the Financial Year ending March 31, 2019 and accordingly M/s APAS & Co. Chartered Accountants will continue to be the Statutory Auditors of the Company for Financial Year ending March 31, 2019.

Comments/Qualifications of the Statutory Auditors in their report and the notes forming part of the Accounts are self-explanatory. Management representations to these qualifications/comments are as follows:

- A. Basis for Qualified Opinion in the Audit Report on Financial Statement and Comments of Management thereon-
  - a) The lender bank has assigned the borrowing to a third party vide deed of assignment dt. 28 Sept. 2017. Actual liability towards interest and principal is under negotiation. In view of uncertainty the company has not provided interest on such borrowing after date of aforesaid assignment. Had the interest been provided, loss for the year and previous year would have been higher by Rs. 437.53 Lacs and Rs. NIL respectively (based on prevailing terms & conditions of lending) with a corresponding increase in liability/ borrowings. (For further information please Refer Note-31 of financial statement)





### **Management Response**

The company had expressed its inability to meet its liability to bank in view of inadequacy of cash flow in the company. The company further is in discussion with the bank for a settlement of the loan at convenient terms which is proposed to be funded from alternative sources. In view of these developments further provision of interest is pending till a meaningful outcome to the resolution under discussion.

### **ii) Secretarial Auditor**

Pursuant to Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company had appointed M/s Sanjay Grover & Associates, Practicing Company Secretaries, New Delhi, as the Secretarial Auditor of the Company to conduct the Secretarial Audit of the Company for Financial Year 2017-18. The Report of Secretarial Auditor (Form MR-3) for the Financial Year 2017-18 is annexed to the report as **Annexure-2**.

The Secretarial Audit Report for the financial year ended March 31, 2018 does not contain any observation or qualification requiring explanation or comments from the Board under Section 134(3) of the Companies Act, 2013

### **iii) Internal Auditor**

Pursuant to Section 138 of the Companies Act, 2013, the Company has appointed M/s. Krishan Rakesh & Co. (Firm Registration No. 009088N) as internal auditor of the Company in its Board Meeting held on August 09, 2017 for the financial year 2017-18.

## **16. CORPORATE SOCIAL RESPONSIBILITY**

The Company, at present, does not fall in any of the criteria(s) as provided under section 135 of the Companies Act, 2013 and Rules made there under. Hence the provisions of Corporate Social Responsibility are not applicable on the Company.

## **17. LISTING OF SHARES**

The Company's Equity Shares are presently listed at BSE Limited (Phiroze, Jeejeebhoy Towers, Mumbai-400 001). The Listing Fees for the financial year 2017-18 has been paid to BSE Limited.

The Company has made application to The Calcutta Stock Exchange Ltd. (7, Lyons Range, Kolkata-700001) for delisting of its equity shares. Pending this application the Stock Exchange suspended listing of

securities of the Company and asked the Company to update the compliance status before acceptance of de-listing application.

Further, as per letter no ASEL/376 dated 19/01/2017 received by the Company from Ahmedabad Stock Exchange (ASE), it is undergoing exit under SEBI Circular No. CIR/MRD/DSA/14/2012 dated May 30, 2012 and accordingly, no further compliance with respect to ASE is required.

The Further details in relation to listing of shares are given in the Corporate Governance Report attached with the Board Report.

## **18. MANAGEMENT DISCUSSION & ANALYSIS REPORT**

A detailed analysis of your Company's performance is discussed in the Management Discussion and Analysis Report as stipulated under Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, which forms part of this Annual Report as **Annexure-3**.

## **19. RISK MANAGEMENT**

Your Company's Risk Management Policy is backed by strong internal control systems. The risk management framework consists of policies and procedures framed at management level and strictly adhered to and monitored at all levels. The framework also defines the risk management approach across the enterprise at various levels. Risk management is embedded in our critical business activities, functions and processes. The risks are reviewed for change in the nature and extent of the major risks identified since the last assessment. It also provides control measures for risk and future action plans.

The internal audit team periodically visits the divisions and carries out audit. The findings are periodically reviewed by the Board and Audit Committee with emphasis on maintaining its effectiveness in dynamic business environment.

## **20. DISCLOSURES-**

### **DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE**

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





#### **DETAILS IN RESPECT OF FRAUDS REPORTED BY AUDITORS OTHER THAN THOSE WHICH ARE REPORTABLE TO THE CENTRAL GOVERNMENT**

The Statutory Auditors, Secretarial Auditors or Internal Auditors of the Company have not reported any frauds to the Audit Committee or to the Board of Directors under Section 143(12) of the Companies Act, 2013, including rules made thereunder.

#### **VOLUNTARY REVISION OF FINANCIAL STATEMENTS OR BOARD REPORT**

During the year under review, the company has not filed any application with the tribunal for revision of financial statements or board report in any of the three preceding financial years.

#### **STOCK OPTIONS SCHEME**

The Company does not have any Scheme of Stock Option for its employees, Directors etc.

#### **DISCLOSURE UNDER SECTION 43(A)(III) AND SECTION 54(1)(D) OF THE COMPANIES ACT, 2013**

During the year under review, the Company has not issued any shares with differential voting rights and sweat equity shares and hence, no information as required under Section 43(a)(iii) & Section 54(1)(d) of the Companies Act, 2013 read with applicable rules is required to be disclosed.

#### **EXTRACT OF ANNUAL RETURN**

In accordance with the provisions of Section 134(3)(a) of the Companies Act, 2013 read with Section 36 of Companies (Amendment) Act, 2017 which came into effect on 31<sup>st</sup> July, 2018, the extract of the annual return in **Form No. MGT-9**, has been placed on the website of the company <http://www.monnetgroup.com/pdfs/aug18/mil/Extract-of-Annual-Return.pdf>

#### **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS**

In accordance with the provisions of Section 186 of the Companies Act, 2013, details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 for the year are given in the Note No. 5 to the financial statements for the FY 2017-18.

#### **NOMINATION AND REMUNERATION POLICY**

The Board has, on the recommendation of the Nomination and Remuneration Committee framed a policy for selection and appointment of Directors, Key Managerial Personnel and their remuneration as well as policy on other employee's remuneration. The Brief terms of policy is stated on the website [http://www.monnetgroup.com/pdfs/others/mil/Policy\\_Nomination\\_Remuneration\\_and\\_Board\\_Diversity.pdf](http://www.monnetgroup.com/pdfs/others/mil/Policy_Nomination_Remuneration_and_Board_Diversity.pdf).

#### **AUDIT COMMITTEE**

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

#### **VIGIL MECHANISM / WHISTLE BLOWER POLICY**

The Company has a vigil mechanism named Vigil Mechanism / Whistle Blower Policy to deal with instances of fraud and mismanagement, if any. Details of the same are given in the Corporate Governance Report. The same has also been displayed on the website of the Company and the link for the same is [http://www.monnetgroup.com/pdfs/mil/policy/policy\\_on\\_vigil\\_mechanism\\_and-whistle\\_blower.pdf](http://www.monnetgroup.com/pdfs/mil/policy/policy_on_vigil_mechanism_and-whistle_blower.pdf).

#### **COST RECORDS**

The Company is not required to maintain cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 read with Companies (Accounts) Amendment Rules, 2018 which came into effect on 31<sup>st</sup> July, 2018.

#### **DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORK PLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

Your Company has laid down Anti Sexual Harassment policy on Gender Equality, Gender Protection, Prevention of Sexual Harassment and Redressal System in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. An Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, apprenticeship) are covered under this policy. The following is a summary of sexual harassment complaints received and disposed off during the year under review-

- No. of complaints received: Nil
- No. of complaints disposed off: NA

#### **PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES**



details as required under Section 197(12) of the Act, read with Rule 5(1)/(2)/(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are annexed to this report as **Annexure-4**.

## CORPORATE GOVERNANCE REPORT

Your Company has complied with requirements of Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. A report on the Corporate Governance practices followed by the Company, together with a certificate from the Practicing Company Secretary confirming compliance forms part of this report and a declaration by the Executive Director of the company regarding compliance by Board Members and Senior Personnel with the company's Code of Conduct as **Annexure-5**.

## 21. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO

Information under Section 134(3)(m) of the Companies Act, 2013, read with rule 8(3) of the Companies (Accounts) Rules, 2014 is given below:

**A. Conservation of Energy**-The Company has taken a number of steps to improve the conservation of energy by increasing the efficiency of raw material inputs in ferro alloys generation and by reducing/eliminating consumption wastages. Conservation of energy and improving the efficiency of existing resources are continuing processes and form an integral part of responsibilities of departmental heads and the Company had not made any major capital investment on energy conservation equipments.

### B. Technology Absorption-

#### i. Efforts in brief made towards technology absorption

As technologies change rapidly, your Company recognizes the need to invest in new emerging technologies to leverage them for improving productivity, quality and reach to new customers. It is essential to have a technology infrastructure that is at par with the best in the world. Your Company thus follows a practice of upgrading computing equipment on an ongoing basis.

ii. Benefits derived like product improvement, cost reduction, product development or import

substitution: NIL

iii. In case of imported technology (imported during the last three financial year reckoned from the beginning of the financial year)

(a) Technology Imported: NIL

(b) Year of Import: NIL

(c) Whether the technology has fully been absorbed: NIL

(d) If not fully absorbed, area where absorption has not taken place and reason thereof: NIL

iv. Expenditure incurred on Research and Development: NIL

**C. Foreign Exchange Earnings And Outgo-** Not Applicable

## 22. CAUTIONARY NOTE

Certain Statements in the 'Management Discussion and Analysis' section may be forward-looking and are stated as required by applicable laws and regulations. Many factors may affect the actual results, which would be different from what the Directors envisage in terms of the future performance and outlook. Investors are cautioned that this discussion contains forward looking Statement that involve risks and uncertainties including, but not limited to, risks inherent in the Company's growth strategy, dependence on certain businesses, dependence on availability of qualified and trained manpower and other factors discussed. The discussion and analysis should be read in conjunction with the Company's Financial Statements and notes on accounts.

## 23. ACKNOWLEDGEMENT

Your Directors take this opportunity to offer their sincere thanks to the various Departments of the Central and State Government, Financial Institutions, Bankers to the Company, all Customers, Suppliers and contractors for their continued valued assistance and support. Your Directors also wish to place on record their appreciation for dedicated services rendered by all officers, staff and workers of the Company at all Levels

**By Order of the Board  
For Monnet Industries Limited**

(Jagdamba Prasad Lath) (Mahesh Kumar Sharma)  
Director Whole-time Director & CFO  
DIN: 00380076 DIN: 07504637

**Dated: 13.08.2018  
Place: New Delhi**