

14th

Annual Report

2015-2016



MONNET PROJECT DEVELOPERS LIMITED

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Corporate Information

BOARD OF DIRECTORS

Non-Executive Directors

Sandeep Kumar Jajodia
Jagdamba Prasad Lath
Rajiv Poddar
Amitabh Sharma Mudgal
Babika Goel

Executive Directors

B.D. Bhardwaj

Chief Financial Officer

Mohd. Arshad

Company Secretary

Gaurav Gupta

BOARD COMMITTEES

Audit Committee

Rajiv Poddar	Chairman
J.P. Lath	Member
Amitabh S. Mudgal	Member

Nomination and Remuneration Committee

Amitabh S. Mudgal	Chairman
Sandeep Kumar Jajodia	Member
Rajiv Poddar	Member

Stakeholders Relationship Committee

Rajiv Poddar	Chairman
J.P. Lath	Member
Amitabh S. Mudgal	Member

AUDITORS

O.P. Bagla & Co.

Chartered Accountants, New Delhi

REGISTERED OFFICE

Monnet Marg, Mandir Hasaud,
Raipur, 492101
Chattisgarh

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_mpd@monnetgroup.com

CORPORATE OFFICE

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

CORPORATE WEBSITE

www.monnetgroup.com

DIRECTORS' REPORT

To The Members,

Your Directors are pleased to present the 14th Annual Report on the business and operation of the company together with the Audited Financial Statements for the year ended 31st March, 2016.

1. FINANCIAL RESULTS

Particulars	Amount (Rs in lakhs.)		
	Standalone		Consolidated
	2015-16	2014-15	2015-16
Gross Revenue	281.09	267.83	891.62
Profit before tax (after Exceptional Item)	121.90	201.96	144.33
Tax Expenses (Including Deferred Tax)	25.33	42.40	17.89
Minority Interest and Share in Profit of Associates	-	-	-
Profit after Tax	97.53	159.56	126.43

2. COMPANY'S PERFORMANCE

The financial statements of the company had been consolidated for the year 2015-16. At Consolidated level, the gross revenue from the operations was Rs. 891.62 lakhs and the operating profit before tax stood at Rs. 144.33 lakhs. The Net Profit for the year stood at Rs. 126.43 lakhs. At Standalone level, the gross revenue from operations stood at Rs. 281.09 lakhs as compared to previous year of Rs. 267.83 lakhs representing a growth of 4.04%. The profit after tax stood at Rs. 97.53 lakhs. (Previous Year Rs. 159.56 lakhs)

3. DIVIDEND

In view of inadequate profits during the year, your directors do not recommended any dividend to the shareholders.

4. RESERVES

In view of inadequate profits during the year under review, Company has not transferred any amount to the reserve during the year under review.

5. MATERIAL CHANGES AND COMMITMENTS

No material changes and commitments have taken place between the end of financial year of the Company to which balance sheet relates and date of report, which affects the financial position of the Company.

6. PUBLIC DEPOSITS

Your Company has not accepted any deposits within the meaning of chapter V of the Companies Act, 2013

and Companies (Acceptance of Deposits) Rules, 2014.

7. SHARE CAPITAL

There was no change in the Company's share capital during the year under review. The Company's paid up share capital is Rs. 7,41,25,240/- (Rupees Seven Crore Forty One Lac Twenty Five Thousand Two Hundred Forty Only) comprising of 74,12,524 (Seventy Four Lac Twelve Thousand Five Hundred Twenty Four) equity shares of Rs. 10/- (Rupees Ten Only) each.

8. SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES

Your Company has one associate company and pursuant to Section 129(3) of the Companies Act, 2013 read with Rule 5 of the Companies (Accounts) Rules, 2014, a statement containing salient features of the financial statements of Subsidiaries/Associate Companies/Joint Ventures is given in Form AOC-1 forms part of this Report and marked as **Annexure -1**

9. CONSOLIDATED FINANCIAL STATEMENTS

The Consolidated Financial Statements of the Company are prepared in accordance with relevant Accounting Standards viz. AS-21, AS-23 and AS-27 issued by the Institute of Chartered Accountants of India and forms an integral part of this Report.

10. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS

No significant and material orders were passed by the Regulators, Courts or Tribunals impacting the going concern status and Company's operations in future.

However, members' attention is drawn to the statement on contingent liabilities in the notes forming part of the Financial Statements.

11. DIRECTORS AND KEY MANAGERIAL PERSONNEL

During the period under review, the company has appointed Sh. Rajiv Poddar as an Additional Director w.e.f. 24.06.2015 and Sh. B.D. Bhardwaj has been appointed as a Whole-time Director of the Company w.e.f. 28.05.2015

In accordance with the provisions of the Section 152 of the Companies Act, 2013 and the company's articles of association, Sh. J.P. Lath, Director retires by rotation at the forthcoming Annual General Meeting (AGM) and being eligible offer himself for re-appointment.

Shri Amitabh Sharma Mudgal and Ms. Babika Goel was appointed as Independent Directors by Board of Directors which is subject to the approval of the shareholders in ensuing AGM of the Company.

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

Sh. Mohd. Arshad is the Chief Financial Officer and Sh. Gaurav Gupta is the Company Secretary of the Company.

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

12. STATEMENT ON INDEPENDENCE OF DIRECTORS

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

As required under Regulation 26 of SEBI (Listing Obligations and Disclosures Requirements) Regulations 2015 the required details of directors appointed/reappointed in the 14th Annual General Meeting (AGM) of the Company is annexed with the Notice of said AGM.

13. AUDITORS

i) Statutory Auditor

The Auditors report is without any qualifications and notes to the accounts as referred in the Auditors Report are self-explanatory and therefore, do not call for any further comments or explanations.

Pursuant to the provisions of section 139 of the Act and the rules framed thereafter, O.P. Bagla & Co, Chartered Accountants, Firm Registration No. 000018N were appointed as statutory auditors of the Company from the conclusion of the 12th annual general meeting (AGM) of the Company held on September 27, 2014 till the conclusion of the 15th AGM to be held in the year 2017, subject to ratification of their appointment at every AGM.

ii) Secretarial Auditor

Pursuant to Section 204 of the Companies Act, 2013, the Company had appointed M/s Sanjay Grover & Associates, Practicing Company Secretaries as its Secretarial Auditor of the Company to conduct the Secretarial Audit of the Company for FY 2015-2016. The Report of Secretarial Auditor (Form MR-3) for the FY 2015-2016 is annexed to the report as **Annexure 2**.

The Secretarial Audit Report for the financial year ended March 31, 2016 contains certain reservation and remarks which are given along with the management reply for the same:

- *Mr. Amitabh Sharma Mudgal was appointed as Independent Director w.e.f. 14th February, 2015 by the Board of Directors of the Company, however his appointment is yet to be approved by the Shareholders of the Company;*

In this regard, the Company wishes to inform that in the 14th Annual General Meeting of the Company appointment of Sh. Amitabh Sharma Mudgal is proposed to be approved by the Shareholders of the Company.

- *The Company appointed a Company Secretary (Key Managerial Personnel) on 23rd June, 2015 i.e. beyond a period of six months from the date of such vacancy i.e. 15th October, 2014.*

In this regard, the Company wishes to inform that the Company has appointed Sh. Gaurav Gupta as Company Secretary w.e.f. 23rd June, 2015.

iii) Internal Auditor

Pursuant to section 138 of Companies Act, 2013, the Company had appointed M/S Krishan Rakesh & Co. (Firm registration No 009088N) as Internal Auditors of the Company for the financial year 2015-16.

14. 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), and based upon the detailed representation, due diligence and inquiry thereof and your Board of Directors assures and confirms as under:

- a) In preparation of Annual Accounts for the financial year ended on March 31, 2016 the Applicable Accounting Standards have been followed and there are no material departures from the same;
- b) The selected accounting policies were applied consistently and the Directors made judgments and estimate that are reasonable and prudent so as to give a true and fair view of Company as at March 31, 2016 and the profit of the Company for that periods;
- c) 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 the safeguarding of 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 internal financial controls have been laid down by the company and such financial controls were adequate and operating effectively and;
- f) Proper systems have been devised in compliance with the provision of the all applicable laws and such systems were adequate and operating effectively.

15. INTERNAL CONTROL SYSTEMS AND ITS ADEQUACY

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 benchmarking 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, Statutory Auditors and the Business Heads 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.

16. 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 and the corporate governance requirements as prescribed by Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations 2015 ("SEBI Listing Regulations").

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 evaluation of the Executive Directors and Non-Executive Directors was carried out by the Independent Directors. The Board of Directors expressed their satisfaction with the evaluation process.

17. NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS

During the year, 4(four) Board Meetings were duly convened and held, the details of which are given in the Corporate Governance Report which forms part of this Annual Report.

18. 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. Delisting Committee
5. Finance 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. Further, during the year review, the board has accepted all the recommendations of the Audit Committee.

19. RELATED PARTY TRANSACTIONS

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. Further, there have been no materially significant related party transactions between the Company and the Directors, the management, the subsidiaries or the relatives except for those disclosed in the financial statements.

In this regard, disclosure in Form AOC-2 in terms of Section 134 of the Companies Act, 2013 form part of the report as **Annexure-3**

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> and at the Weblink: http://www.monnetgroup.com/pdfs/mpdl/policy/Policy_on_Related_Party_Transactions.pdf

20. CORPORATE SOCIAL RESPONSIBILITY (CSR):

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.

21. LISTING OF SHARES

The Company's Equity Shares are presently listed at BSE Limited, Mumbai. Further, Company got its shares delisted from the Madhya Pradesh Stock Exchange on 23rd April, 2015.

The Listing Fees for the financial year 2016-17 has been paid to BSE Limited.

BSE Ltd.
Phiroze Jeejeebhoy Towers, Dalal Street
Mumbai – 400 001

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

22. MANAGEMENT DISCUSSION & ANALYSIS REPORT

Management Discussion and Analysis Report as required under the Listing Agreements with the Stock Exchange is annexed and forms integral part of this Report.

23. RISK MANAGEMENT POLICY

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.

24. 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.

25. DISCLOSURES-

EXTRACT OF ANNUAL RETURN

In accordance with the provisions of Section 134(3)(a) of the Companies Act, 2013, the extract of the annual return in Form No. MGT – 9 is annexed as **Annexure-4** hereto and forms a part of this report.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

In accordance with the provisions of Section 134(3)(g) 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 notes to the financial statements.

NOMINATION AND REMUNERATION POLICY

The Board has framed a policy which lays down a framework on directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a director and other matters as provided under Section 178(3) of the Companies Act, 2013. The details of this policy are explained in the Corporate Governance Report.

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>

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

The Company has in place a 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, trainees) are covered under this policy. No complaints pertaining to sexual harassment were received and/or disposed off during FY 2015-16.

PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

Disclosures pertaining to remuneration and other 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-5**.

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

Even though operations of the Company are not energy intensive, the management has been highly conscious of the importance of conservation of energy and technology absorption at all operational levels and efforts are made in this direction on a continuous basis. In view of the nature of activities which are being carried on by the Company, the particulars as prescribed under Section 134(3)(m) of the Act read with rule 8 of the Companies (Accounts) Rules, 2014 regarding Conservation of Energy and Technology Absorption are not applicable to the Company and hence have not been provided.

ACKNOWLEDGEMENT

Your Directors thank various Central and State Government Departments, Organizations and Agencies for the continued help and co-operation extended by them. The Directors also gratefully acknowledge all stakeholders of the Company viz. customers, members, dealers, vendors, banks and other business partners for the excellent support received from them during the year. The Directors place on record their sincere appreciation to all employees of the Company for their unstinted commitment and continued contribution to the Company.

For and on behalf of the Board
MONNET PROJECT DEVELOPERS LIMITED

(J.P. Lath)
Director
DIN: 00380076

(Braham Dutt Bhardwaj)
Whole Time Director
DIN: 01779434

Dated: 08.08.2016
Place: New Delhi

FORM NO. AOC -1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)
Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "A": Subsidiaries

(Information in Respect of each subsidiary to be presented with amounts in Rs.)

Sl. No.	1
Name of subsidiary	NOT APPLICABLE
Reporting period for the subsidiary concerned if different from the holding Company's reporting period	
Reporting Currency and exchange rate as on last date of the relevant financial year in case of foreign subsidiaries	
Share capital	
Reserves and surplus	
Total asset	
Total liabilities	
Investments	
Turnover	
Profit before taxation	
Provision for taxation	
Profit after taxation	
Proposed Dividend	
% of shareholding	

Additional Disclosure	Name of the Subsidiaries
Subsidiaries yet to commence operations	NIL
Subsidiaries Liquidated or sold during the year	NIL

Part "B": Associates/Joint ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Name of Associates/Joint Ventures		Galaxy Monnet Infraheights Limited
1. Latest audited Balance Sheet Date		31.03.2016
2. Shares of Associate/Joint Ventures held by the company on the year end		
I. No.		15,00,000
II. Amount of Investment in Associates/Joint Venture		1,50,00,000
III. Extend of Holding %		50.00%
3. Description of how there is significant influence		N.A.
4. Reason why the associate/joint venture is not Consolidated		N.A.
5. Networth attributable to Shareholding as per latest audited Balance Sheet		3,61,29,920
6. Profit / Loss for the year		
i. Considered in Consolidation		29,00,840
ii. Not Considered in Consolidation		29,00,840
Total		58,01,680
	ADDITIONAL DISCLOSURE	NAME OF ASSOCIATES OR JOINT VENTURES
1. Names of associates or joint ventures which are yet to commence operations		NIL
2. Names of associates or joint ventures which have been liquidated or sold during the year		NIL

For and on behalf of the Board
MONNET PROJECT DEVELOPERS LIMITED

(J.P. Lath)
Director
DIN: 00380076

(Braham Dutt Bhardwaj)
Whole Time Director
DIN: 01779434

Date: 08.08.2016
Place: New Delhi