

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	1.30 p.m.	No
2011-12	29 th AGM	29 th September 2012	Hasaud, Raipur-492101,	1.30 p.m.	No
2010-11	28 th AGM	30 th September, 2011	Chhattisgarh	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



equity shares but application has remained pending so far. Further, M.P. Stock Exchange has informed that it is in the process of voluntary exit from Exchange Business.

* 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.**

7. STOCK CODE:

Scrip Code, BSE : 532078
Demat ISIN No. in NSDL & CDSL : INE407E01029

8. REGISTRAR & SHARE TRANSFER AGENTS:

MCS Ltd.
Venkatesh Bhawan, F-65, Okhla Industrial Area, Phase-I,
New Delhi – 110 020
Tel. : 011-41406149
Fax : 011-41709881

9. SHARE TRANSFER SYSTEM:

Share Transfer Committee is normally held every 15 days and approves the physical transfers received periodically. Physical Shares sent for transfer are duly transferred within 15-20 days of receipt of documents, if found in order. Shares under objection are in general returned within 15 days. Share Transfer Agents have been authorized to sign the share certificates on behalf of the Company for expeditious disposal of transfer requests.

10. DISTRIBUTION OF SHAREHOLDING AS AT 31ST MARCH, 2014:

Category (Shares)	No. of Folios	% of Shareholders	No. of Shares	% of Capital
1 - 500	1192	88.49	127895	3.47
501 - 1000	68	5.05	52721	1.43
1001 - 2000	34	2.52	49905	1.36
2001 - 3000	8	0.59	21496	0.58
3001 - 4000	5	0.37	17669	0.48
4001 - 5000	4	0.30	17989	0.49
5001 - 10000	12	0.89	88521	2.40
Above 10000	24	1.78	3305066	89.78
	1347	100.00	3681262	100.00


11. SHAREHOLDING PATTERN AS AT 31ST MARCH, 2014:

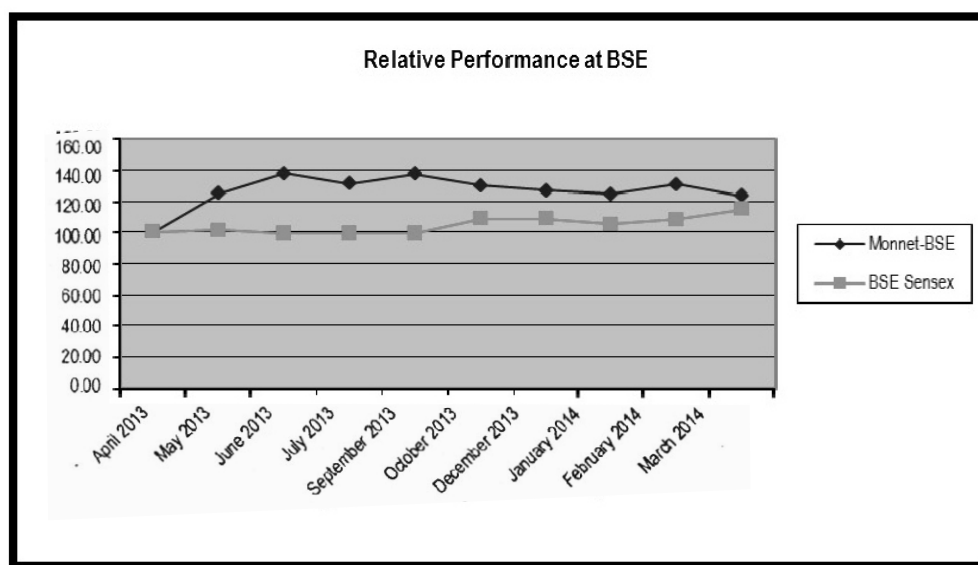
Category	No. of Shares held	% of Shareholding
Promoters / Persons Acting in Concert	2760922	75.00
Banks, Financial Institutions and Insurance Companies	207276	5.63
NRI/OCBs	120279	3.27
Private Corporates Bodies	204623	5.56
Resident Individuals	330573	8.98
H.U.F.	57559	1.56
Directors & their Relatives	30	0.00
Total	3681262	100.00

12. STOCK PRICE DATA:

Year	Month	BSE High (Rs.)	BSE Low (Rs.)	Monthly Volume
2013	April	36.35	26.25	7,691
2013	May	45.35	36.15	26,119
2013	June	50.00	43.10	4,593
2013	July	47.55	47.55	47
2013	September	49.85	49.85	249
2013	October	47.55	45.20	3,716
2013	December	47.55	45.20	3,716
2014	January	46.00	42.65	17,454
2014	February	47.55	45.20	996
2014	March	47.45	47.45	5,931

13. STOCK PERFORMANCE

The performance of the Company's share relative to the BSE Sensitive Index (on closing rates at the end of each month in respective stock exchange) considering 100 as the base is given in the Chart below: ³/₄



**14. NOMINATION FACILITY:**

Shareholders holding shares in physical form and desirous of making a nomination in respect of their holding in the company, as permitted under section 109A of the Companies Act, 1956 are requested to submit to the Company the prescribed Form 2B for this purpose.

15. BANK DETAILS/ ECS MANDATE:

Shareholders holding shares in physical form are requested to notify/send the following to the Company to facilitate better services.

- (i) any change in their address/bank details, and;
- (ii) particulars of their bank account, in case the same have not been sent earlier.

Payment of dividend through ECS minimizes the risk of loss/late delivery of dividend warrant. Therefore, it is in your interest to provide ECS mandate to the Company. Those holding Shares in physical form can also avail this facility. An ECS Mandate form is enclosed.

Interested shareholders may send the filled-in ECS Mandate Form being sent with the Annual Report. Ensure to enclose a cancelled blank cheque of your bank account. Please check before hand that the concerned branch of your bank provides the ECS facility.

16. ADDRESS FOR COMMUNICATION:

Monnet House, 11 Masjid Moth,
Greater Kailash-II,
New Delhi – 110 048
Phone : +91 11 29218542,43,44,45,46
e-mail : isc_mind@monnetgroup.com



CERTIFICATE

To
The Members of
MONNET INDUSTRIES LIMITED,

We have reviewed the implementation of Corporate Governance procedures by **MONNET INDUSTRIES LIMITED**, for the year ended on 31st March, 2014 with the relevant records and documents maintained by the Company, as stipulated in clause 49 of the Listing Agreement of the said Company with stock exchange(s).

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that no investor grievances are pending for a period exceeding one month against the Company as per the records maintained by the Company.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **O.P. BAGLA & CO.,**
Chartered Accountants

Place: New Delhi
Date: 12th August, 2014

Sd/-
(Atul Bagla)
Partner
M. No. 91885
Firm Regn. No. 000018N


Details of Directors seeking appointment / reappointment in 31st Annual General Meeting

(Pursuant to Clause 49 of the Listing Agreement)

Name of Director	Shri Amitabh S. Mudgal	Shri Sourabh Khandelwal	Shri Rajiv Poddar	Shri R.K. Sachdev
Date of Birth	03/04/1964	03/12/1985	12/01/1967	21/04/1938
Date of Appointment	18/02/2006	22/07/2014	29/01/2010	13/08/2012
Qualifications	Production Engineer, Post Diploma in Marketing & Sales Management, Diploma in International Marketing from Indian Institute of Foreign Trade, Delhi	Commerce Graduate	Commerce Graduate	Mining engineer from Indian School of Mines Dhanbad.
Expertise in specific functional area	Having 29 years' experience and presently head of Sales & Marketing and of Corporate Affairs.	Expertise in Ferro Alloys Manufacturing and inventory management.	Mr Poddar is an entrepreneur and is engaged in reality business. Mr Poddar has a total of 29 years of experience in the reality field and has completed many big reality projects whether these be business parks, residential projects, Commercial Complexes and development of land in and around NCR.	Mr. Sachdev is having an experience of around 47 years in the field of mining and has held senior positions in various coal industries.
Directorship held in other public companies (excluding foreign Companies, Private Limited Companies & Section 8 Companies)	<ol style="list-style-type: none"> 1. Monnet Project Developers Limited. 2. Mandakini Coal Company Limited. 3. MP Monnet Mining Company Limited. 4. Urtan North Mining Company Limited. 5. Monnet Engineering and Infrastructure Limited. 	NIL	<ol style="list-style-type: none"> 1. Monnet Project Developers Limited. 	<ol style="list-style-type: none"> 1. Monnet Cement Limited.
Membership/ Chairmanship of Committees of other public Companies (includes only Audit Committees and Shareholders'/ Investors' Grievance Committee)	<ol style="list-style-type: none"> 1. Member of Audit Committee in Monnet Project Developers Limited. 2. Member of Stakeholders Relationship Committee in Monnet Project Developers Limited. 	NIL	<ol style="list-style-type: none"> 1. Chairman of Audit Committee in Monnet Project Developers Limited. 2. Chairman of Stakeholders Relationship Committee in Monnet Project Developers Limited. 	NIL
Shareholding in the Company	NIL	NIL	NIL	NIL



INDEPENDENT AUDITOR'S REPORT

The Members of
MONNET INDUSTRIES LIMITED
NEW DELHI

Report on the Financial Statements

We have audited the accompanying financial statements of MONNET INDUSTRIES LIMITED, which comprise the Balance Sheet as at March 31, 2014 the Statement of Profit and Loss and Cash Flow Statement for the year ended, and a summary of significant accounting policies and other explanatory information, which we have signed under reference to this report.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position and financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 of India (the "Act"), read with the General Circular 15/ 2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014 ;
- b) in the case of the Statement of Profit and Loss, of the **LOSS** for the year ended on that date; and
- c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2003 as amended by the Companies (Auditor's Report) order 2004 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order



2. As required by section 227(3) of the Act, we report that:
- a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
 - c) the Balance Sheet and Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report comply with the Accounting Standards notified under the Act read with the General Circular 15/ 2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013;
 - e. on the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For **O.P. BAGLA & CO.**
CHARTERED ACCOUNTANTS
Firm Regn. No. 000018N

Place : New Delhi
Date : 29th May, 2014

Sd/-
(ATUL BAGLA)
PARTNER
M.NO. 91885

ANNEXURE REFERRED TO IN PARAGRAPH 1 OF THE AUDITORS' REPORT ON ACCOUNTS FOR THE YEAR ENDED 31st MARCH, 2014

1. a) The Company has maintained proper records to show full particulars including quantitative details and situation of fixed assets.
b) As explained to us, major fixed assets have been physically verified by the management during the year. We have been informed that the discrepancies noticed on such verification as compared to book record were not material and have been properly dealt with in the books of account. In our opinion the frequency of verification is reasonable.
c) As the Company has not disposed off any of the fixed assets during the year, paragraph 4 (i) (c) of the said order is not applicable.
2. The Company has no stocks during the year under audit.
3. According to the information and explanations given to us, the Company has neither granted nor taken any loans, secured or unsecured to/From Companies, firms or other Parties covered in the register maintained under section 301 of the Companies Act 1956. Accordingly, paragraph 4 (iii) (b), (c) and (d) of the order are not applicable.
4. In our opinion and according to the information and explanations given to us there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of inventories, fixed assets and with regard to the sale of goods. During the course of audit, no major weakness has been noticed in the underlying internal controls.
5. a) In our opinion and according to information and explanations given to us the transactions that needed to be entered in the register maintained under section 301 of the Act have been entered in the register.
b) As per information and explanations given to us aforesaid transactions exceeding the aggregate amount of Rupees five lacs in respect of each Party made during the year, have been made at prices which are reasonable



having regard to the prevailing market price at the relevant time except investment in 6.5% Non Convertible Cumulative Redeemable Preference shares of M/s Monnet Ispat & Energy Ltd wherein rate of borrowing is substantially higher than the return expected on Non Convertible Cumulative Redeemable Preference shares.

6. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits within the meaning of provisions of section 58A and 58AA of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975.
7. In our opinion and according to the information and explanations given to us, the Company has adequate internal audit system commensurate with its size and nature of its business.
8. We are informed that the Central Government has not prescribed the maintenance of cost records under section 209(1)(d) of the Companies Act, 1956.
9. As per information and explanations given to us the Company has been regular in depositing the undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income Tax, Sales Tax, and other statutory dues with the appropriate Authorities. There are no undisputed statutory dues at the year end outstanding for a Year of more than six months from the date they become payable.
10. The accumulated losses of the Company as at the end of the year are more than the 50% of the net worth of the Company. The Company has incurred cash loss during the year under audit and in the immediately preceding financial year.
11. As per information and explanations given to us, the Company has not defaulted in repayment of dues to the bank.
12. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Paragraph 4 (xii) of the order is not applicable.
13. The Company is dealing in shares, securities, debentures and other investments and proper records have been maintained of the transactions and contracts and timely entries have been made therein. Also the shares, securities, debentures and other securities have been held by the Company in its own name.
14. According to the information and explanations given to us, the Company has not given any guarantees for loans taken by others from banks for financial institutions during the year.
15. According to the information and explanations given to us the term loans taken by the Company have been applied for the purposes for which the loans were obtained.
16. During the year the Company has made preferential allotment of Preference shares to Companies covered in the Register maintained u/s 301 of the Companies Act 1956. In our opinion, the price at which the shares have been issued is not prejudicial to the interest of the Company.
17. Since the Company has not raised money by way of Public Issue during the year paragraph 4 (xx) of the order is not applicable.
18. Based upon the audit procedures performed and information and explanations given by the management, we report that, no fraud on or by the Company has been noticed or reported during the course of our audit for the year ended 31.03.2014.
19. Clauses in Paragraph no.4 (xiii), (xvii), (xix) of the order are not applicable to the Company for the year under report.

For **O.P. BAGLA & CO.**
CHARTERED ACCOUNTANTS
Firm Regn. No. 000018N

Sd/-

(ATUL BAGLA)

Partner

M. No. 91885

Place : New Delhi
Date : 29th May, 2014


BALANCE SHEET AS AT 31ST MARCH, 2014

PARTICULARS	Note	AS AT 31.03.2014	AS AT 31.03.2013
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2	186,812,620	36,812,620
Reserves and Surplus	3	(121,464,010)	2,497,694
		65,348,610	39,310,314
Non-Current Liabilities			
Long Term Borrowings	4	1,750,000,000	1,750,000,000
Other Long Term Liabilities	5	30,000,000	30,000,000
Long-Term Provisions	6	1,680,924	1,441,327
		1,781,680,924	1,781,441,327
Current Liabilities			
Other Current Liabilities	7	237,806,261	120,321,968
Short-Term Provisions	8	195,482	176,986
		238,001,743	120,498,954
TOTAL		2,085,031,277	1,941,250,595
ASSETS			
Non-Current Assets			
Fixed Assets			
Tangible Assets	9	17,583,200	19,041,962
Non-Current Investments	10	1,750,025,000	1,750,025,000
Long-Term Loans and Advances	11	399,437	2,180,094
		1,768,007,637	1,771,247,056
Current Assets			
Cash and Bank Balances	12	62,198,716	1,827,079
Short-Term Loans and Advances	13	146,454,947	32,475,000
Other Current Assets	14	108,369,977	135,701,460
		317,023,640	170,003,539
TOTAL		2,085,031,277	1,941,250,595

SIGNIFICANT ACCOUNTING POLICIES

1

The accompanying notes form an integral part of these financial statements.

In terms of our report of even date annexed

FOR **O P BAGLA & CO**
 CHARTERED ACCOUNTANTS
 Firm Regn. No. 000018N

Sd/-
(Atul Bagla)
 Partner
 M. No. 91885

For and on behalf of the Board

Sd/-
(Rajiv Poddar)
 Director
 DIN 00171063

Sd/-
(Amitabh S. Mudgal)
 Director
 DIN 00468084

Place : New Delhi
 Dated : 29th May, 2014



**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED
31ST MARCH, 2014**

PARTICULARS	Note	YEAR ENDED 31.03.2014	YEAR ENDED 31.03.2013
Revenue			
Revenue From Operations- Lease Rent		6,000,000	6,000,000
Other Income	15	116,516,292	2,660,186
Total Revenue		122,516,292	8,660,186
Expenses			
Employee Benefits Expense	16	3,809,826	3,140,091
Depreciation		1,458,762	1,692,126
Finance Cost	17	239,455,973	1,296,137
Administration & Other Expenses	18	1,753,434	1,560,060
Total Expenses		246,477,995	7,688,414
Profit Before Exceptional And Extraordinary Items & Tax		(123,961,703)	971,772
Tax Expense:			
Current Tax		0	0
Deferred Tax		0	0
PROFIT FOR THE YEAR		(123,961,703)	971,772
EARNING PER SHARE (BASIC / DILUTED) (Rs.)		(33.67)	0.26

SIGNIFICANT ACCOUNTING POLICIES 1

The accompanying notes form an integral part of these financial statements.

In terms of our report of even date annexed

FOR **O P BAGLA & CO**
CHARTERED ACCOUNTANTS
Firm Regn. No. 000018N

Sd/-
(Atul Bagla)
Partner
M. No. 91885

Place : New Delhi
Dated : 29th May, 2014

For and on behalf of the Board

Sd/-
(Rajiv Poddar)
Director
DIN 00171063

Sd/-
(Amitabh S. Mudgal)
Director
DIN 00468084



CASH FLOW STATEMENT FOR 2013-2014

	<u>2013-2014</u>	<u>2012-2013</u>
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax and Extra Ordinary Items	(123,961,703)	971,772
Adjusted for :		
Depreciation	1,458,762	1,692,126
Provision for Non Performing Leased Assets		
Interest Received	(2,747,717)	(2,642,049)
Interest Paid	21,2910,923	1,296,137
Profit on Sale of Fixed Assets		
Dividends Received	(113,750,075)	(250)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	(26,089,810)	1,317,736
Adjusted for :		
Trade & Other Receivables	(84,683,425)	(116,624,289)
Inventories	0	0
Trade Payable	117,742,386	113,977,147
CASH GENERATED FROM OPERATIONS	6,969,152	(1,329,405)
Interest Paid	(212,910,923)	(1,296,137)
Direct Taxes Paid	(184,382)	(644,667)
Deffered Tax	0	0
Cash Flow before Extraordinary Items	0	0
Extraordinary Items	0	0
NET CASH FROM OPERATING ACTIVITIES	(206,126,154)	(3,270,209)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	0	0
Purchase of Investments	0	(1,750,000,000)
C.W.I.P.	0	0
Sale of Fixed Assets	0	0
Sale of Investments	0	0
Interest Received	2,747,717	2,642,049
Dividend Received	113,750,075	250
NET CASH FROM/USED IN INVESTING ACTIVITIES	116,497,792	(1,747,357,701)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Issue of Share Capital	150,000,000	0
Calls in Arrears	0	0
Share Application Money	0	0
Proceeds from Long Term Borrowings	0	1,750,000,000
Repayment of Finance Lease Liabilities	0	0
Dividend & Dividend Taxes Paid	0	0
NET CASH USED IN FINANCING ACTIVITIES	150,000,000	1,750,000,000
NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	60,371,638	(627,910)
Cash and Cash Equivalents as at opening of the year	1,827,079	2,454,989
Cash and Cash Equivalents as at closing of the year	62,198,717	1,827,078

In terms of our report of even date annexed

FOR **O P BAGLA & CO**
CHARTERED ACCOUNTANTS
Firm Regn. No. 000018N

For and on behalf of the Board

Sd/-
(Atul Bagla)
Partner
M. No. 91885

Sd/-
(Rajiv Poddar)
Director
DIN 00171063

Sd/-
(Amitabh S. Mudgal)
Director
DIN 00468084

Place : New Delhi
Dated : 29th May, 2014



NOTES

Note No.1

SIGNIFICANT ACCOUNTING POLICIES

1. **Basis of Accounting**

The Company has prepared its financial statements in accordance with generally accepted accounting principles and also in accordance with the requirements of the Companies Act, 1956.

2. **Income and Expenditure**

Accounting of Income & Expenditure is done on accrual basis.

3. Revenue in respect of claims are recognized only when the same are reasonably ascertained.

4. **Fixed Assets & Depreciation**

a) Fixed assets are stated at their original cost of acquisition inclusive of inward freight, duties and expenditure incurred in the acquisition, construction & installation.

b) Depreciation is charged on Written Down Value (WDV) Method at the rates and in the manner prescribed in Schedule XIV of the Companies Act, 1956 in respect of assets in use only.

c) In respect of Assets Leased out as on 31st March, 2014 the cost of leased assets is depreciated over the primary lease Year in line with the method recommended by the Institute of Chartered Accountants of India.

5. **Investments**

Long Term Investments are stated at cost.

6. **Retirement Benefits**

Liability for Gratuity & Leave encashment benefits has been provided on arithmetical basis on gross liability on balance date. The management is of the view that it is in compliance of AS-15.

7. **Cash and Cash equivalents**

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short term investments with an original maturity of three months or less.

8. **Contingent Liabilities**

Contingent Liabilities are determined on the basis of available information and are disclosed by way of notes to the accounts.

9. Dividend received is accounted for as and when it is declared. However, dividend accrued on non-convertible commutative redeemable preference shares is accounted for on accrual basis.

10. Unless specifically stated to be otherwise, these policies are consistently followed.



NOTES

PARTICULARS	AS AT 31.03.2014	AS AT 31.03.2013
Note No. 2		
SHARE CAPITAL		
AUTHORISED		
Equity Share Capital		
40,00,000 shares of par value of Rs 10/- each (Previous year 1,90,00,000 shares of par value of Rs.10/- each)	40,000,000	190,000,000
Preference Shares		
15,00,000 shares of par value of Rs 100/- each (Previous year Nil)	150,000,000	0
	190,000,000	190,000,000
ISSUED, SUBSCRIBED AND FULLY PAID-UP		
Equity Share Capital		
36,81,262 shares of par value of Rs.10/- each (Previous year 36,81,262 shares of par value of Rs.10/- each)	36,812,620	36,812,620
Preference Shares		
15,00,000 10% Non Cumulative, Non Convertible Redeemable Preference shares of par value of Rs 100/- each (Previous year Nil)	150,000,000	0
Total	186,812,620	36,812,620

NOTES:

- a) (i) During the year, the Company has not issued or brought back Equity shares
- (ii) During the year the Company has issued 10% Non Cumulative Non Convertible Redeemable Preference shares on Dt.31.03.2014.
- (iii) Following is the reconciliation of number of shares outstanding as at the beginning of the year and end of the year

PARTICULARS	AS AT 31.03.2014	AS AT 31.03.2013
Equity Share Capital		
Number of shares outstanding as at the beginning of the year	3,681,262	3,681,262
Number of shares outstanding as at the closing of the year	3,681,262	3,681,262
Preference Shares		
Number of shares outstanding as at the beginning of the year	0	0
Number of shares issued during the year	1,500,000	0
Number of shares outstanding as at the closing of the year	1,500,000	0

- b) The holders of the equity shares are entitled to receive dividends as declared from time to time, and are entitled to vote at meetings of the Company.
- c) There are no holding or subsidiary companies of the Company.
- d) Following shareholders held more than 5% of the total Equity & Preference shares in the Company as at the end of the year:



NOTES

Equity Share Capital

S. NO.	Particulars	EQUITY SHARES	
		No of shares (%)	No of shares (%)
1	CECIL WEBBER ENGINEERING LTD	6,64,120 (18.04)	6,64,120 (18.04)
2	PAVITRA COMMERCIALS LTD	5,99,940 (16.30)	5,99,940 (16.30)
3	KAMDHENU ENTERPRISES LTD	13,41,753 (36.45)	13,41,753 (36.45)

Preference Shares

S. NO.	Particulars	PREFERENCE SHARES	
		No of shares (%)	No of shares (%)
1	B.K.COALFIELDS PVT.LTD.	6,50,000 (43.33)	0
2	PACE ENTERPRISES PVT.LTD.	2,10,000 (14.00)	0
3	MONNET ENNGINEERING & INFRASTRUCTURE LTD.	5,40,000 (36.00)	0
4	MAA BAMLESHWARI MINES AND ISPAT LTD.	1,00,000 (6.67)	0

e) The Company has not issued shares for a consideration other than cash or bonus shares during the immediately preceding 5 years.

Note No. 3

RESERVES AND SURPLUS

Capital Reserve		
Subsidiary Reserve	1,500,000	1,500,000
Share Forefeited Account	367,241	367,241
	1,867,241	1,867,241
Reconstruction Reserve		
As per last Balance Sheet	564,770	564,770
	564,770	564,770
Securities premium Account		
As per last Balance Sheet	17,600,000	17,600,000
	17,600,000	17,600,000
Surplus		
As per last Balance Sheet	(17,534,318)	(18,506,090)
Add: Profit for the year from Statement of Profit & Loss	(123,961,703)	971,772
	(141,496,021)	(17,534,318)
Total	(121,464,010)	2,497,694


NOTES

PARTICULARS	AS AT 31.03.2014	AS AT 31.03.2013
Note No. 4		
LONG TERM BORROWINGS		
Secured Loan		
From IndusInd Bank	1,750,000,000	1,750,000,000
Total	1,750,000,000	1,750,000,000

DISCLOSURES REGARDING LONG TERM BORROWINGS

- a) The term loan is secured against First pari passu charge by way of hypothecation and mortgage over entire present & future movable & immovable fixed assets of the Company
- b) The loan is further secured by exclusive charge by way of mortgage over the immovable property at 10-11, Masjid Moth G.K.-II New Delhi owned by M/s Pace Enterprises Pvt. Ltd. & M/s Cambridge Construction (Delhi) Ltd.
- c) The loan is further secured by pledge of CRPS issued by M/s Monnet Ispat & Energy Ltd. and all rights under the CRPS.
- d) The loan is further secured by personal gurantee of Sh. Sandeep Jajodia and corporate gurantee of M/s Pace Enterprises Pvt. Ltd. & M/s Cambridge Construction (Delhi) Ltd.
- e) The loan is repayable in 3 equal instalment payable at the end of 3th, 4th & 5th years from the date of disbursement. The loan is carrying interest rate between 11.5% to 12.75 %.
- f) There has been no continuing default on the balance sheet date in repayment of loan and interest.
- g) The total amount of borrowing has been invested in 6.5% Non Convertible Cumulative Reedemable Preference shares of M/s Monnet Ispat & Energy Ltd. @ Rs. 100/- per Share

PARTICULARS	AS AT 31.03.2014	AS AT 31.03.2013
Note No. 5		
OTHER LONG TERM LIABILITIES		
Deposits from contractors and others	30,000,000	30,000,000
Total	30,000,000	30,000,000

Note No. 6
LONG TERM PROVISIONS

Provision for Gratuity Obligation		
As per last balance sheet	1,441,327	1,329,715
Additions during the year	239,597	111,612
Total	1,680,924	1,441,327

Note No. 7
OTHER CURRENT LIABILITIES

Provision for Expenses	737,891	1,469,299
Statutory Dues Payable	1,108,370	164,189
Other Liabilities	235,960,000	118,688,480
Total	237,806,261	120,321,968


NOTES

PARTICULARS	AS AT 31.03.2014	AS AT 31.03.2013
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**Note No. 8
SHORT TERM PROVISIONS**

Provision for Earned Leave Liability		
As per last balance sheet	176,986	99,752
Additions during the year	84,426	86,634
Amounts paid during the year	65,930	9,400
Amounts reversed during the year	0	0
Total	195,482	176,986

**Note No. 9
FIXED ASSETS
TANGIBLE ASSETS**

DESCRIPTION	Gross Block				Depreciation/Amortisation				Net Block	
	As at 01.04.2013	Additions	Deductions/ Adjustments	As at 31.03.2014	Upto 01.04.2013	For the year	Deductions/ Adjustments	Upto 31.03.2014	As at 31.03.2014	As at 31.03.2013
Land : (including development expenses)										
Freehold Building :	4,615,729	0	0	4,615,729	0	0	0	0	4,615,729	4,615,729
Others	11,373,978	0	0	11,373,978	9,087,052	228,693	0	9,315,745	2,058,233	2,286,926
Plant and equipment-Leased	35,285,028	0	0	35,285,028	29,574,169	794,381	0	30,368,550	4,916,478	5,710,859
Furniture and fixtures	239,395	0	0	239,395	227,263	2,196	0	229,459	9,936	12,132
Vehicles	512,952	0	0	512,952	326,248	48,338	0	374,586	138,366	186,704
Office equipment	648,932	0	0	648,932	600,566	6,727	0	607,293	41,639	48,366
Electrical Installations	13,579,599	0	0	13,579,599	10,859,059	378,427	0	11,237,486	2,342,113	2,720,540
Sundry Fixed Assets	304,188	0	0	304,188	304,188	0	0	304,188	0	0
Temporary Shed	503,278	0	0	503,278	503,278	0	0	503,278	0	0
Assets Leaseout	9,599,354	0	0	9,599,354	6,138,647	0	0	6,138,647	3,460,707	3,460,707
Current Year	76,662,433	0	0	76,662,433	57,620,471	1,458,762	0	59,079,233	17,583,200	19,041,962
Previous year	76,662,433	0	0	76,662,433	55,928,345	1,692,126	0	57,620,471	19,041,962	20,734,088

PARTICULARS	AS AT 31.03.2014	AS AT 31.03.2013
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**Note No. 10
NON CURRENT INVESTMENTS
Other Non-Trade**
Equity Instruments (fully paid up-unless otherwise stated)
Quoted

50 (50) Equity Shares of Monnet Ispat & Energy Ltd. @ Rs.10/- per Share **5,000** 5,000

Unquoted

100 (100) Equity Shares of Cambridge Construction (Delhi) Ltd @ Rs. 10/- per share **20,000** 20,000


NOTES

PARTICULARS	AS AT 31.03.2014	AS AT 31.3.2013
1,75,00,000 (1,75,00,000) 6.5% Non Convertible Cumulative Redeemable Preference Shares of M/s Monnet Ispat & Energy Ltd. @ Rs.100/- per share	1,750,000,000	1,750,000,000
Total	1,750,025,000	1,750,025,000
Quoted Investments		
Book Value	5,000	5,000
Market Value	4,453	9,980
Unquoted Investments		
Book Value	1,750,020,000	1,750,020,000
a) Non-Current Investments have been valued considering the Significant Accounting Policy No.5 disclosed in Note No. 1 to these financial statement.		
b) Figures in bracket represent previous year figures.		
Note No. 11 LONG TERM LOANS AND ADVANCES (Considered good, unless otherwise stated)		
DEPOSITS (Unsecured)		
Deposit with other authorities	399,437	2,180,094
Total	399,437	2,180,094
Note No. 12 CASH & BANK BALANCES		
CASH & CASH EQUIVALENTS		
Balances with Banks	6,894,927	1,305,575
Cash on Hand	447,786	482,588
	7,342,712	1,788,163
OTHER BANK BALANCES:		
Bank deposits with more than three months maturity	54,856,003	38,916
Total	62,198,716	1,827,079
Note No. 13 SHORT TERM LOANS AND ADVANCES (Unsecured, Considered good, unless otherwise stated)		
Advances to Others	146,454,947	32,475,000
Total	146,454,947	32,475,000


NOTES

PARTICULARS	AS AT 31.03.2014	AS AT 31.03.2013
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Note No. 14
OTHER CURRENT ASSETS

Interest Accrued but not due- From Bank	377,379	1,344,281
Advance to Employees	72,160	33,250
Advance tax deposit & tax deducted at source	1,858,988	1,674,606
Prepaid Expenses	106,061,450	132,649,323
Total	108,369,977	135,701,460

PARTICULARS	YEAR ENDED 31.03.2014	YEAR ENDED 31-03-2013
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Note No. 15
OTHER INCOME

Interest Received from Bank	2,707,558	3,006
Interest Received from others	40,159	2,645,055
Dividend	113,750,075	125
Rent Received	12,000	12,000
Misc Income	6,500	0
	116,516,292	2,660,186

Note No. 16
EMPLOYEE BENEFITS EXPENSE

Salaries and wages	3,515,418	2,866,302
Contribution to provident and other funds	259,593	236,814
Staff welfare expenses	34,815	36,975
	3,809,826	3,140,091

Note No. 17
FINANCE COST

Interest paid to Bank	212,910,923	1,150,685
Loan Processing Fees	26,545,050	145,452
Total	239,455,973	1,296,137


NOTES

PARTICULARS	YEAR ENDED 31.03.2014	YEAR ENDED 31.3.2013
Note No. 18		
ADMINISTRATION & OTHER EXPENSES		
Electricity & Water charges	14,499	20,446
Rent	151,751	151,516
Repairs & Maintenance Others	18,194	17,830
Insurance	45,672	30,585
Rates and Taxes	8,607	11,361
Communication Expenses	90,194	105,897
Traveling Expenses & Conveyance	153,701	167,822
<u>Auditors' Remuneration</u>		
— As Audit Fee	28,090	16,854
— For Tax Audit, Certification & Tax Representations	146,068	171,349
— For Other Services	8,427	14,045
Advertisement and Publicity	45,843	68,542
Internal Audit Fee	2,809	2,809
Books and Periodicals	30,000	29,912
Business Promotion	9,360	9,350
Professional Charges and Consultancy Fees	556,197	308,171
Printing and Stationery	58,985	28,704
Director's Meeting Fees	9,000	14,000
Vehicle Running Expenses	316,857	331,847
Bank Charges	337	692
Miscellaneous Expenses	58,843	58,328
Total	1,753,434	1,560,060



NOTES

OTHER NOTES ON ACCOUNTS

19. Balance confirmations have not been received from some of the parties showing debit/credit balances.
20. The Company has accounted for retirement benefit of employees on accrual basis calculated on arithmetical basis based on last drawn salaries which is considered sufficient by the management for compliance of Accounting Standard AS-15.
21. The Company, has during the year not received any information from any vendor regarding their status being registered under Micro, Small and Medium Enterprises Development Act, 2006. Based on the above, disclosures, if any, relating to amounts unpaid as at the period end along with interest paid / payable have not been given.
22. In the opinion of the Board and to the best of their knowledge and belief, the value on realization of loans, advances & other current assets in the ordinary course of business will not be less than the amount at which they are stated in the Balance Sheet.
23. Deferred tax asset has not been recognized in terms of AS 22 issued by ICAI by adopting the conservative approach in respect of ascertained profitability in the future years.
24. Earning Per Share (EPS)–The numerators and denominators used to calculate Basic and Diluted Earning per share :

	Year Ended 31.3.2014	Year Ended 31.3.2013
Profit attributable to the Equity Shareholders –(A)	(123961703)	971772
Basic / Weighed average number of Equity Shares outstanding during the year (B)	3681262	3681262
Nominal value of Equity Shares (Rs)	10	10
Basic/ Diluted Earning per share (Rs)-(A)/(B)	(33.67)	0.26

Calculation of Profit attributable to Shareholders :

Profit Before Tax	(123961703)	971772
Income Tax Adjustment	0	0
Income Tax / FBT Provisions	0	0
Profit attributable to Shareholders	(123961703)	971772

25. Previous year figures have been regrouped or recasted wherever necessary.

FOR **O P BAGLA & CO**
 CHARTERED ACCOUNTANTS
 Firm Regn. No. 000018N

For and on behalf of the Board

Place : New Delhi
 Dated : 29th May, 2014

Sd/-
(Atul Bagla)
 Partner
 M. No. 91885

Sd/-
(Rajiv Poddar)
 Director
 DIN 00171063

Sd/-
(Amitabh S. Mudgal)
 Director
 DIN 00468084

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MONNET INDUSTRIES LIMITED

Monnet House, 11, Masjid Moth,

Greater Kailash - II

New Delhi - 110048