

34th
Annual Report
2016-2017



MONNET INDUSTRIES LIMITED

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Corporate Information

BOARD OF DIRECTORS

Non-Executive Directors

Jagdamba Prasad Lath

Amitabh Sharma Mudgal

Raj Kumar Sachdev

Babika Goel

Executive Directors

Mahesh Kumar Sharma

Company Secretary

Khushboo Sharma

Chief Financial Officer

Mahesh Kumar Sharma

BOARD COMMITTEES

Audit Committee

Babika Goel Chairman

Raj Kumar Sachdev Member

Amitabh S. Mudgal Member

Nomination and Remuneration Committee

Babika Goel Chairman

J. P. Lath Member

Raj Kumar Sachdev Member

Stakeholders Relationship Committee

Raj Kumar Sachdev Chairman

J. P. Lath Member

Babika Goel Member

Executive Committee

J. P. Lath Member

Amitabh S. Mudgal Member

Delisting Committee

J. P. Lath Member

Amitabh S. Mudgal Member

AUDITORS

O.P. Bagla & 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

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 have pleasure in presenting the 34th (Thirty Fourth) Annual Report together with the Audited Statement of Accounts of Monnet Industries Limited ("the Company") for the year ended 31st March, 2017.

1. FINANCIAL SUMMARY

Particulars	Amount (Rs in lacs.)	
	2016-17	2015-16
Operating income(Net of Excise)	0.00	1219.89
Profit/(Loss) before Depreciation	(2184.39)	(2789.85)
Less: Depreciation	5.05	5.06
Profit/(Loss) for the year before Tax	(2189.43)	(2794.91)
Provision for taxation	0.00	0.00
Profit/(Loss) after Tax	(2190.25)	(3932.41)
Reserves and Surplus	(8905.30)	(6715.05)

2. FINANCIAL AND OPERATIONAL PERFORMANCE

During the year under review your Company's plant was closed. Therefore, operating income was Nil as compared to Rs. 1257.52 Lacs during the previous year. The Company has incurred a loss of Rs. 2190.25/- Lacs as compared to Rs. 3932.41 Lacs during the previous year.

Further, there has been no change in the nature of the business during the period under review.

3. DIVIDEND

In view of loss during the year under review, your directors do not recommend any dividend to the shareholders.

4. RESERVES

In view of loss 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. 18,68,12,620/- (Rupees Eighteen Crore Sixty Eight Lac Twelve Thousand Six Hundred Twenty Only) comprising of 36,81,262 (Thirty Six Lacs Eighty One Thousand Two Hundred Sixty) 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 placed before the general meeting.





8. 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.

9. 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

The Board of Directors of the Company in their meeting held on 07th May, 2016 formed an opinion that the Company has become a Sick Industrial Company as per Sick Industrial Companies Act, 1985 (SICA, 1985) and made an Application to Board for Industrial & Financial Reconstruction (BIFR) for revival and rehabilitation under SICA 1985, as company falls under scheduled industry category.

The same was admitted and BIFR asked for further information from the Company. But upon dissolution of BIFR vide notification dated 25th November, 2016 issued by Ministry of Finance with effect from 01st December, 2016 the Company decided not to transfer such proceeding to National Company Law Tribunal.

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

10. BOARD OF 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 under review, 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.

During the period under review, Mr. Sourabh Khandelwal resigned as Whole-time Director of the Company w.e.f. 07th May, 2016

Mr. Mahesh Kumar Sharma was appointed as Additional Director of the Company and designated as Whole-time Director in the Board Meeting held on 07th

May, 2016 for a period of five years w.e.f. 07th May, 2016. The appointment of Mr. Mahesh Kumar Sharma was also regularized and approved as Whole-time Director and KMP by the shareholders in the Annual General Meeting held on 30th September, 2016.

Mr. Rajiv Poddar, Independent Director of the company resigned w.e.f. 30th May, 2017.

Further, Mr. Sourav Kumar Pradhan resigned as CFO of the Company w.e.f. 27th May, 2016 and Mr. Mahesh Kumar Sharma appointed as CFO of the company w.e.f. 25th November, 2016.

Ms. Khushboo Sharma is the Compliance Officer and Company Secretary of the Company.

In accordance with the provisions of the Section 152 of the Companies Act, 2013 and the company's articles of association, Mr. J. P. Lath, Director retires by rotation at the forthcoming Annual General Meeting and being eligible offer himself for reappointment. The details of the directors seeking appointment/ reappointment are given in the Notice of the aforesaid AGM of the Company.

11. 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. There are two Independent Directors on the Board of the Company namely Mr. R.K. Sachdev and Ms. Babika Goel.

Further, Mr. Rajiv Poddar, Independent Director of the company resigned w.e.f. 30th May, 2017.

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 34th Annual General Meeting (AGM) of the Company is annexed with the Notice of said AGM.

12. 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 confirm as under:

- a) In preparation of Annual Accounts for the financial year ended 31st March, 2017, the applicable Accounting Standards 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 31st March, 2017 and of the profit and loss of the Company for the Financial Year ended 31st March, 2017;
- 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.

13. 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.

14. 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 delisting 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 the Corporate Governance Report attached with the Board Report.

15. 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.

16. NUMBER OF MEETING OF THE BOARD

During the year, Six (6) Board Meetings were convened and held, the details of which are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

17. 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. Further, during the year under review, the board has accepted all the recommendations of the Audit Committee.

18. 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.

19. 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.

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

20. 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.

At the Annual General Meeting held on September 27, 2014, M/s. O.P. Bagla & Co., Chartered Accountants (Firm Registration No. 000018N) were appointed as the Statutory Auditors of the Company to hold the office till the conclusion of Annual General Meeting to be held in the calendar year 2017, subject to the ratification of shareholders at every Annual General Meeting.

Further, pursuant to the provisions of section 139 and other applicable provisions, if any of the Companies Act, 2013 and rules thereunder as amended time to time, the term of M/s O.P. Bagla & Co. expires at the ensuing AGM. Pursuant to recommendation of Audit Committee of the Board of Directors, M/s APAS & Co., Chartered Accountants (Registration No.000340C), be and hereby proposed to be appointed as Auditors of the Company, to hold such office from conclusion of ensuing Annual General Meeting until conclusion of 39th Annual General Meeting, (subject to ratification of the appointment by the members at every AGM held after this AGM) to conduct audit.

Comments/Qualifications of the Statutory Auditors in their report and the notes forming part of the Accounts are self-explanatory and needs no further explanation/comments.

ii) Secretarial Auditor

Pursuant to Section 204 of the Companies Act, 2013, 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 FY 2016-2017. The Report of Secretarial Auditor (Form MR-3) for the FY 2016-2017 is annexed to the report as **Annexure-2**.



The Secretarial Audit Report for the financial year ended March 31, 2017 does not contain any adverse remark and it is self-explanatory

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 08th August 2016 for the financial year 2016-17

21. MANAGEMENT DISCUSSION & ANALYSIS REPORT

A detailed analysis of your Company's performance is discussed in the Management Discussion and Analysis Report, which forms part of this Annual Report and annexed to the report as **Annexure-3**.

22. 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.

23. 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** here to and forms a part of this report.

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 notes to the financial statements.

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 employees 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.

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_no_Vigil_Mechanism_and_whistle_blower.pdf.

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 during FY 2016-17.

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**.

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 Company's Auditors confirming compliance forms part of this report and annexed as **Annexure-6**.

24. 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

25. ACKNOWLEDGMENT

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)
Director
DIN: 00380076**

**(Mahesh Kumar Sharma)
Whole-time Director & CFO
DIN: 07504637**

**Place: New Delhi
Dated: 09th August, 2017**



Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

1. Details of contracts or arrangements or transactions not at arm's length basis

(a) Name(s) of the related party and nature of relationship	N.A
(b) Nature of contracts/ arrangements/ transactions	
(c) Duration of the contracts/arrangements/transactions	
(d) Salient terms of the contracts or arrangements or transaction including the value, if any	
(e) Justification for entering into such contracts or arrangements or transactions'	
(f) Date of approval by the Board	
(g) Amount paid as advances, if any	
(h) Date on which the special resolution was passed in General meeting as required under first proviso to section 188	

2. Details of material contracts or arrangements or transactions at arm's length basis

(a) Name(s) of related party and nature of relationship	N.A
(b) Nature of contracts/arrangements/transactions	
(c) Duration of the contracts/arrangements/transactions	
(d) Salient terms of the contracts or arrangements or transactions including the value, if any	
(e) Date(s) of approval by the Board, if any	
(f) Amount paid as advances, if any:	

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

Date: 09th August, 2017

Place: New Delhi

(Jagdamba Prasad Lath)

Director

DIN:00380076

(Mahesh Kumar Sharma)

Whole-time Director & CFO

DIN:07504637





Annexure-2

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2017

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Monnet Industries Limited
(CIN: L51103CT1982PLC009717)
Plot No. 216, Sector – C,
Urla Industrial Complex, Raipur,
Chhattisgarh- 493221

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Monnet Industries Limited** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

We report that

- a) Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
- b) We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in the secretarial records. We believe that the processes and practices, we followed, provide a reasonable basis for our opinion.
- c) We have not verified the correctness and appropriateness of the financial statements of the Company.
- d) Wherever required, we have obtained the Management representation about the compliances of laws, rules and regulations and happening of events etc.
- e) The compliance of the provisions of the Corporate and other applicable laws, rules, regulation, standards is the responsibility of the management. Our

examination was limited to the verification of procedures on test basis.

- f) The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2017 ("Audit Period") complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the company for the financial year ended on 31st March, 2017 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings (wherever applicable);
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) *The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements)



Regulations, 2009;

- (d) * The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- (e) *The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Act and dealing with client;
- (g) *The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- (h) *The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; and
- (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

* No event took place under these regulations during the Audit period.

We have also examined compliance with the applicable clauses of the Secretarial Standard on Meetings of the Board of Directors and on General Meetings issued by the Institute of Company Secretaries of India, with which the Company has generally complied.

During the audit period under review, the Company has complied with the provisions of the Act, Rules, Regulations and Guidelines, to the extent applicable.

(vi) The Company is engaged in the business of production and sale of Ferro Manganese within the territory of India and having its plant at Raigarh, Chhattisgarh. Following are some of the laws which are specifically applicable to the company:-

- Mines Act, 1952 and rules made thereunder; and
- Mines and Minerals (Development & Regulation) Act, 1957.

We have checked the compliance management system of the Company to obtain reasonable assurance about the adequacy of systems in place to ensure compliance of specifically applicable laws and this verification was done on test basis. In our opinion and to the best of our information and according to explanations given to us, we believe that the compliance management system of the

Company is adequate to ensure compliance of laws specifically applicable to the Company, which can be further strengthened.

We further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the audit period were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings. Agenda and detailed notes on agenda are sent in advance of the meetings and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting for meaningful participation at the meeting.

Board decisions are carried out with unanimous consent and therefore, no dissenting views were required to be captured and recorded as part of the minutes.

We further report that there are systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that the Company had filed applications for delisting of its equity shares from the Calcutta Stock Exchange Limited (CSE) and Ahmadabad Stock Exchange Limited (ASE). Pending these applications, CSE and ASE suspended listing of Securities of the Company. Further, CSE asked the Company to update the Compliance Status before acceptance of the delisting application and for this purpose, the Company vide its letter dated 07th April, 2016 submitted the information sought by CSE for revocation of suspension.

**For Sanjay Grover & Associates
Companies Secretaries
Firm Registration No. P2001DE052900**

**Kumar Gaurav
Partner
CP No.: 16188**

**DATED : 09th August, 2017
PLACE : New Delhi**



MANAGEMENT DISCUSSION AND ANALYSIS REPORT

❖ FORWARD-LOOKING STATEMENTS

This report contains forward-looking statements based on certain assumptions and expectations of future events. The Company, therefore, cannot guarantee that these assumptions and expectations are accurate or will be realized. The Company's actual results, performance or achievements can thus differ materially from those projected in any such forward-looking statements. The Company assumes no responsibility to publicly amend, modify or revise any forward looking statements, on the basis of any subsequent developments, information or events.

❖ INDUSTRY STRUCTURE AND DEVELOPMENTS

Ferro alloys production in India is about six decades old. In India, bulk Ferro alloys production through electric submerged arc furnace route made a beginning in late 1950's.

The initial phase of the industry was marked by the installation of small capacity furnaces mostly for the production of Manganese alloys with the starting up of the first furnace at VISL, Bhadravati, total of 18 furnaces were commissioned by the mid-sixties to cater to the domestic steel industry's requirement.

The expansion of the industry took place between late sixties and late seventies, when thirteen more moderately sized furnaces were added to undertake production of Silicon and Chromium alloys. The third phase of expansion in the country was prompted by product diversification, availability of advanced technology and encouragement from Government by way of incentives for setting up 100% export oriented plants, to earn valuable foreign exchange.

❖ OPPORTUNITIES AND THREATS

The Company is exploring through various means to utilize the opportunities available to carry on the objects for the growth of the Company. The threats are the vibrations in the economy and government policies.

❖ SEGMENT WISE REPORTING

There is no segment reporting in the Company during the period under review.

❖ OUTLOOK

Global economic growth remains moderate with uneven prospects across the main countries and region. The outlook for advanced economies is improving while growth in emerging markets and developing economies is expected to be lower primarily reflecting weaker prospectus for some large emerging market economies.

❖ INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has placed systems and procedures of internal control and checks in operation commensurate with the size and the nature of its business for optimum utilization of available precious resources. The mechanism of internal control and checks are reviewed by the management, internal and statutory auditors from time to time and suitable changes/modifications are implemented so as to ensure that an effective scheme of checks and balances exists at all times. The management is reasonably satisfied with the existing internal control systems. The Audit Committee of Board of Directors also reviews these matters from time to time in their meetings.

❖ MATERIAL DEVELOPMENTS IN HUMAN RESOURCES/INDUSTRIAL RELATIONS FRONT, INCLUDING NUMBER OF PEOPLE EMPLOYED

The company recognizes the fact that manpower is the most vital resource. The company ensures that its employees are provided the best working environment and compensated with attractive remunerations. Employees are encouraged to be innovative and involved to pursue their goals which are allied with the larger interest of the company. Presently the operations of the company are not going on large scale and there were five employees in the Company in the end of the Financial Year

❖ DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

Your company's turnover for the current financial year, 2016-17 stands at Nil as against 1257.52 Lacs last year. Further, your company has posted a loss after tax of Rs. 2190.25 Lacs this year as against loss of Rs. 3932.41 Lacs in the previous year.



❖ RISKS AND CONCERNS

In any business, risks and prospects are inseparable. As a responsible management, the Company's principal Endeavour is to maximize returns. The Company continues to take all steps necessary to minimize its expenses through detailed studies and interaction with experts; **major risks and concerns are as follows:**

a) Global Economic Slowdown

In the past years, the continuing Euro-zone problem, slow growth in developed economies and a cooling of emerging economies took a toll on the industry.

b) Dumping of Iron and Steel by China

Huge imports and dumping of Iron & Steel in India by Chinese manufacturers has further dampened the market prices of Iron & Steel, which coupled with sluggish demand has further pushed the prices downwards resulting in negative contribution. Though the Government has taken remedial measures by way of imposing minimum import duty to safeguard the interests of the domestic producers, however, the cheap import has already affected the industry to a major extent.

❖ DISCLOSURE OF ACCOUNTING TREATMENT

The Financial statement of the Company is prepared as per the prescribed Accounting Standards and reflects true and fair view of the business transactions and there is no deviation in following the treatment prescribed in any Accounting Standards (AS) in the preparation of financial statements of the Company.

❖ CAUTIONARY STATEMENT

Statement in this Management's Discussion and Analysis detailing the Company's objectives, projections, estimates, expectations or predictions are "forward-looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include global and Indian demand-supply conditions, finished goods prices, feedstock availability and prices, cyclical demand and pricing in the Company's principal markets, changes in Government regulations, tax regimes, economic developments within India and the

countries within which the Company conducts business and other factors such as litigation and labour negotiations.

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

(Jagdamba Prasad Lath)
Director
DIN: 00380076

(Mahesh Kumar Sharma)
Whole-time Director & CFO
DIN: 07504637

**Place: New Delhi
Date: 09th August, 2017**



**FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN**

As on the financial year ended on 31.03.2017

[Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management & Administration) Rules, 2014]

I. REGISTRATION & OTHER DETAILS:

1.	CIN	L51103CT1982PLC009717
2.	Registration Date	14/09/1982
3.	Name of the Company	Monnet Industries Limited
4.	Category/Sub-category of the Company	Company Limited by shares/Indian Non-Government Company
5.	Address of the Registered office & contact details	Plot No-216, Sector-C, Urla Industrial Complex, Raipur - 493221. Chhattisgarh
6.	Whether listed company	Yes
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	MCS Share Transfer Agents Limited Address – F-65, First Floor, Okhla Industrial Area, Phase-1, New Delhi-110020 Phone No.- 011-41709884, 011-41406149-52

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company is stated:-

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
-	NIL	-	-

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:-

S. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/Associate	% of Shares held	Applicable Section
N.A.					

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year[As on 01 st April,2016]				No. of Shares held at the end of the year[As on 31 st March, 2017]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	139101	0.00	139101	3.78	139101	0.00	139101	3.78	0.00
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	2621821	0.00	2621821	71.22	2621821	0.00	2621821	71.22	0.00
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other (Directors And their relatives)	-	-	-	-	-	-	-	-	-
Sub-total (A)(1)	2760922	0.00	2760922	75.00	2760922	0.00	2760922	75.00	0.00
(2) Foreign									
a) NRI's-Individuals	-	-	-	-	-	-	-	-	-
b) Other-Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	-	-	-	-	-	-	-	-
d) Banks/FI	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
Sub Total (A) (2)	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A)= (A)(1)+(A)(2)	2760922	0.00	2760922	75.00	2760922	0.00	2760922	75.00	0.00
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	75000	0.00	75000	2.04	75000	0.00	75000	2.04	0.00
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-



Category of Shareholders	No. of Shares held at the beginning of the year[As on 01 st April,2016]				No. of Shares held at the end of the year[As on 31 st March, 2017]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
f) Insurance Companies	132276	0.00	132276	3.59	132276	0.00	132276	3.59	0.00
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	207276	0.00	207276	5.63	207276	0.00	207276	5.63	0.00
2. Non-Institutions									
a) Bodies Corp.	173319	35940	209259	5.68	166388	34560	200948	5.46	(0.22)
b) Individuals									
i) Individual shareholders holding nominal share capital up to Rs. 1 lakh	252083	36838	288921	7.85	284532	36973	321505	8.73	0.88
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	93260	0.00	93260	2.53	70272	0.00	70272	1.90	(0.63)
c) Others (specify)									
Non Resident Indians	77194	14430	91624	2.49	76044	14295	90339	2.46	(0.03)
Overseas Corporate Bodies	0	30000	30000	0.81	0	30000	30000	0.81	0.00
Sub-total (B)(2):-	595856	117208	713064	19.36	597236	115828	713064	19.36	0.00
Total Public Shareholding (B)=(B)(1)+(B)(2)	803132	117208	920340	25.00	804512	115828	920340	25.00	0.00
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	3564054	117203	3681262	100.00	3565434	115828	3681262	100.00	0.00

*Previous year's figures are reclassified in lines with the current year figures as per the format of SEBI Listing Regulations and Companies Act, 2013.

ii) Shareholding of Promoter

S. No.	Shareholder's Name	Shareholding at the beginning of the year 01.04.2016			Shareholding at the end of the year 31.03.2017			%change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Cecil Webber Engineering Limited	664120	18.04	0.00	664120	18.04	0.00	0.00
2	Pavitra Commercial Limited	599940	16.30	0.00	599940	16.30	0.00	0.00
3	Monnet Properties Private Limited	8700	0.24	0.00	8700	0.24	0.00	0.00
4	Kamdhenu Enterprises Ltd.	1341753	36.45	0.00	1341753	36.45	0.00	0.00
5	Paras Traders Private Limited	1260	0.03	0.00	1260	0.03	0.00	0.00
6	Harshwardhan Leasing Ltd.	435	0.01	0.00	435	0.01	0.00	0.00
7	Monnet International Limited	5613	0.15	0.00	5613	0.15	0.00	0.00
8	Sandeep Jajodia (H.U.F)	8340	0.23	0.00	8340	0.23	0.00	0.00
9	Sandeep Jajodia	11418	0.31	0.00	11418	0.31	0.00	0.00
10	Seema Jajodia	16503	0.45	0.00	16503	0.45	0.00	0.00
11	Nikunj Jajodia	8340	0.23	0.00	8340	0.23	0.00	0.00
12	Nikita Jajodia	87900	2.39	0.00	87900	2.39	0.00	0.00
13	Mahendra Kumar Jajodia	900	0.02	0.00	900	0.02	0.00	0.00
14	Sudha Jajodia	5700	0.15	0.00	5700	0.15	0.00	0.00
	Total	2760922	75.00	0.00	2760922	75.00	0.00	0.00

iii) Change in Promoters' Shareholding (please specify, if there is no change)

S. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	27,60,922	75.00	27,60,922	75.00
	Date wise Increase/ Decrease in promoters Shareholding during the year	0	0	0	0
	At the end of the year	27,60,922	75.00	27,60,922	75.00



iv) Shareholding Pattern of top ten Shareholders: (Other than Directors, Promoters and Holders of GDRs and ADRs):

SNo.	Shareholder's Name	No. of Shares at the beginning of the year (01.04.2016)	% of total shares of the company	Date	Increase/ Decrease in Shareholding	Reason	Cumulative Shares during the year	% of total shares of the company during the year
1	ICICI bank Ltd.	75000	2.04		No Change		75000	2.04
2.	The Oriental Insurance Company Ltd.	75000	2.04		No Change		75000	2.04
3	Krishna Kumar Dharamshi Somaia	76051	2.07				76051	2.07
				11.11.2016	(400)	Sale	75651	2.06
				27.01.2017	(645)	Sale	75001	2.04
				10.02.2017	(400)	Sale	74601	2.03
	At the end of the year (31.03.2017)						74601	2.03
4	LIC of India	42276	1.15		No Change		42276	1.15
5	Shashi Kant Khetan	31446	0.85		No Change		31446	0.85
6	Hind Strategic Investments	30000	0.81		No Change		30000	0.81
7	Kismat Broadcasting Company Pvt. Ltd.	30000	0.81		No Change		30000	0.81
8	Vindhyachal Estate Private Limited	29286	0.80		No Change		29286	0.80
9	Religare Securities Limited	28395	0.77		No Change		28395	0.77
10	Annapurna International Private Ltd	27858	0.76		No Change		27858	0.76
	Total						445312	12.1

v) Shareholding of Directors and Key Managerial Personnel:

S. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year 01-04-2017		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Jagdamba Prasad Lath				
	At the beginning of the year	30	0.00	30	0.00
	Date wise Increase / Decrease in shareholding during the year	0	0.00	-	-
	At the end of the year 31-05-2017	30	0.00	30	0.00

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans (excluding deposits)	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	1,75,00,00,000	0.00	0.00	1,75,00,00,000
ii) Interest due but not paid	6,20,19,677	0.00	0.00	6,20,19,677
iii) Interest accrued but not due	0.00	0.00	0.00	0.00
Total (i+ii+iii)	1,81,20,19,677	0.00	0.00	1,81,20,19,677
Change in Indebtedness during the financial year				
* Addition	0.00	0.00	0.00	0.00
* Reduction	60,54,30,315	0.00	0.00	60,54,30,315
Net Change	60,54,30,315	0.00	0.00	60,54,30,315
Indebtedness at the end of the financial year				
i) Principal Amount	11,66,666,666	0.00	0.00	11,66,666,666
ii) Interest due but not paid	39,922,695	0.00	0.00	39,922,695
iii) Interest accrued but not due	0.00	0.00	0.00	0.00
Total (i+ii+iii)	12,06,589,362	0.00	0.00	12,06,589,362

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(Amount in Rs.)

S. No.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961		
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961		
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961		
2	Stock Option		NIL
3	Sweat Equity		
4	Commission - as % of profit - others, specify		
5	Others, please specify		
	Total (A)		
	Ceiling as per the Act		



B. Remuneration to other directors

(Amount in Rs.)

S. No.	Particulars of Remuneration	Name of Directors			Total Amount
1	Independent Directors	R.K. Sachdev	Rajiv Poddar	Babika Goel	
	<ul style="list-style-type: none"> Fee for attending board committee meeting 	6,000	6,000	6,000	18,000
	<ul style="list-style-type: none"> Commission 	--	--	---	---
	<ul style="list-style-type: none"> Others 	--	---	---	---
	Total (1)	6,000	6,000	6,000	18,000
2	Other Non-Executive Directors	Amitabh Sharma Mudgal	J.P. Lath*		
	<ul style="list-style-type: none"> Fee for attending board committee meeting 	--	6,000		6,000
	<ul style="list-style-type: none"> Commission 	--	--		--
	<ul style="list-style-type: none"> Others 	--	--		--
	Total (2)	--	6,000		6,000
	Total (B)=1+2				24,000
	Total Managerial Remuneration(A+B)	--	--	--	24,000
	Overall Ceiling as per the Act	As per Companies Act 2013			

*Mr. J. P. Lath is receiving consultancy fees not exceeding Rs. 1,00,000 p.m. for his services rendered in professional capacity as approved by the Board of Directors in the Board Meeting held on 25th November, 2016 for a period of 01st December, 2016 to 30th November, 2017.

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

S.No.	Particulars of Remuneration	Key Managerial Person		
		Khushboo Sharma (CS)	Mahesh Kumar Sharma (WTD & CFO)	Total
1	Gross salary	4,04,271	-	4,04,271
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961		-	
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission (as % of profit)	-	-	-
5.	Others (Specify)	-	-	-
	Total	4,04,271	-	4,04,271

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES UNDER THE COMPANIES ACT, 1956 AND COMPANIES ACT, 2013:- NIL

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

Date: 09th August, 2017
Place: New Delhi

(Jagdamba Prasad Lath)
Director
DIN:00380076

(Mahesh Kumar Sharma)
Whole-time Director & CFO
DIN:07504637



Annexure-5

DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

Required Disclosures are as under:-

1. The ratio of the remuneration of each director to the median remuneration of the employees of the Company and the percentage increase in remuneration of each director, chief executive officer, chief financial officer, Company Secretary in the financial year 2016-17:

(Amount in Rs.)

Sr. No.	Name & Designation of Director/KMP	Remuneration of Director / KMP for financial year 2016-17	Ratio of remuneration of each Director/KMP to median remuneration of employees	% increase in Remuneration of each Director, chief executive officer, chief financial officer, company secretary	% increase in the median remuneration of employees in the financial year:
1.	Khushboo Sharma (Company Secretary)	4,04,271	1:1	17%	26.16

The median remuneration of employees of the Company was Rs. 402200. Median is not calculated for the employees who were associated for a part of the year.

For this purpose, Sitting Fees paid to the Directors have not been considered as remuneration.

Figures have been rounded off wherever necessary.

The number of permanent employees on the rolls of Company	5 (as on 31.03.2017)
Average percentage decrease made in the salaries of employees other than the managerial personnel in FY 2016-17	7.55%
Whereas the increase in the managerial remuneration for the same financial year was-	NIL
The key parameters for any variable component of remuneration availed by the directors.	Not Applicable
Affirmation that Remuneration paid by the company is as per the Remuneration policy of the company	It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors. Key Managerial Personnel and other Employees.

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

(Jagdamba Prasad Lath)
Director
DIN:00380076

(Mahesh Kumar Sharma)
Whole-time Director
DIN: 07504637

Date : 09th August, 2017
Place : New Delhi



PARTICULARS OF EMPLOYEES DRAWING REMUNERATION IN EXCESS OF THE LIMITS SET OUT IN RULE 5 (2) & (3) OF COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014, AS AMENDED, AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED ON MARCH 31, 2017

A. The name of top 10 employees in terms of remuneration drawn:-

Name of the employee	Mr. V.N.Kedia	Ms. Khushboo Sharma	Mr. Surendra Mandal	Mr. Ramdhani	Mr. Rajat Parida
Designation of the employee;	GM	Company Secretary	Admin. Asstt.	Driver	Peon
Remuneration received;(P.A.)	1827218	404271	402200	217151	67020
Qualifications and experience of the employee;	Metric 23 Years	Company Secretary, 3 Years	High School, 26 Years	5 th Std, 33 Years	High School 17 Years
Date of commencement of employment;	01.04.1994	31.03.2015	06.10.1999	01.11.2005	01.08.2000
The age of such employee;	65 Years	26years	43 Years	57 Years	36 Years
The last employment held by such employee before joining the company;	NA	Monnet Daniels Coal Washeries Limited	M/s Worldlink Finance Ltd.	Private Driver	Fresher

Notes:

- 1) The nature of employment in all cases is on Company roll.
- 2) Employees do not hold by himself or along with his/her spouse and dependent children, 2% or more of equity shares of the Company.
- 3) None of the above employee is a relative of any director or manager of the Company.

B. Employed throughout the year and were in receipt of remuneration of not less than Rs. 1,02,00,000 per annum-NIL

C. Employed for a part of the year and were in receipt of remuneration of not less than Rs. 8,50,000 Per Month-NIL

D. Employed throughout the financial year ended on march 31, 2017 or part thereof was in receipt of Remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate is in excess of that drawn by the Managing Director or WTD or Manager and holds by himself or along with his spouse and dependent children, not less than 2% of the equity shares of the company:-NIL

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

(Jagdamba Prasad Lath)

(Mahesh Kumar Sharma)

Date : 09th August, 2017

Director

Whole-time Director

Place : New Delhi

DIN:00380076

DIN: 07504637

**CORPORATE GOVERNANCE REPORT FOR THE YEAR 2016-17****1. CORPORATE GOVERNANCE PHILOSOPHY**

Monnet believes that Corporate Governance is a set of guidelines to help fulfill its responsibilities to all its stakeholders. The Company is committed to sound corporate practices based on conscience, openness, fairness, professionalism and accountability in building confidence of its various stakeholders in it, thereby paving the way for its long term success. The Company further exercises its fiduciary responsibilities in the widest sense of the term. In the same spirit, timely and accurate disclosure of information regarding the financial position, performance, ownership and governance of the company is an important part of the Company's Corporate Governance.

The Board of Directors, guided by above philosophy, formulate strategies and policies having focus on optimizing value for various stakeholders like consumers, shareholders and the society at large. Your Company's Corporate Governance framework ensures that we share correct information regarding financials and performance as well as business of the Company.

2. BOARD OF DIRECTORS**A. Composition & Category of Directors**

The Company well recognized that an effective Board of Directors is a pre-requisite for strong and effective corporate governance. Our Board and Committees thereof are formed as per requirement of Companies Act, 2013 read with SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015 (hereinafter referred as "Listing regulations") which oversees how the Management serves and protects the interests of all the stakeholders. The composition and strength of the Board is reviewed from time to time for ensuring that it remains aligned with statutory as well as business requirements.

The Company has a judicious combination of Executive and Non-Executive Directors. As on 31st March, 2017, the Board comprised of 6 Directors, out of which one is an Executive Director and five Non-Executive Directors (including three Independent Directors).

The details relating to Composition & Category of Directors, Directorships held by them in other companies and their membership and chairmanship on various Committees of Board of other companies as at 31st March, 2017 is as follows:-

Name	Category	Designation	No. of Directorships in other Companies [#]	No. of Committee Memberships in other Companies ^{##}	
				As Chairman	As Member
Raj Kumar Sachdev (DIN 05352831)	Independent Non-Executive	Director	1	0	0
Amitabh S. Mudgal (DIN 00468084)	Non-Independent Non-Executive	Director	8	0	2
J. P. Lath (DIN 00380076)	Non-Independent Non-Executive	Director	6	3	6
BabikaGoel* (DIN 07060202)	Non-Independent Non-Executive	Director	2	0	1
Mahesh Kumar Sharma** (DIN 07504637)	Non Independent Executive	Whole-time Director	4	0	0
Rajiv Poddar*** (DIN 00171063)	Independent Non-Executive	Director	7	2	2



**Ms. Babika Goel was appointed as Independent Director on 30th September, 2016 for a period of 5 years.*
***Mr. Mahesh Kumar Sharma was appointed as Whole-time Director on 07th May, 2016 for a period of 5 years.*
****Mr. Rajiv Poddar resigned from the Directorship of the Company on 30th May, 2017.*

- 1) Other Directorships and Committee Memberships, are based on the disclosures received from the directors.
- 2) #Directorships in other Companies excludes Foreign Companies and Companies under Section 8 of the Companies Act, 2013.
- 3) ##Committee Membership considered are those prescribed under Regulation 26 of the Listing Regulations, viz. Audit Committee and Stakeholder's Relationship Committee of Indian Public Limited Companies (excluding Monnet Industries Limited).
- 4) None of the directors is a member of more than ten committee or acts as the chairman of more than five committees in all Public companies in which they are directors. Necessary disclosures regarding committee position in other public companies have been made by directors.
- 5) There is no relationship between directors inter-se.

B. Board Meetings

In the financial year 2016-17, the Board met six times. The meetings were held on 07th May, 2016, 27th May, 2016, 08th August, 2016, 14th November, 2016, 25th November, 2016 and 13th February, 2017. The Interval between two meetings was well within the maximum period mentioned under Section 173 of the Companies Act, 2013 and the Listing Regulation.

The last Annual General Meeting was held on 30th September, 2016. Following are the details of attendance of Directors in the Board Meetings and at the Annual General Meeting held during the year:—

Attendance of Directors

The details of attendance of Directors at the Board Meetings and Annual General Meeting held during the year ended 31st March, 2017 are given below :—

Name of the Director	No. of Board Meetings held during the year 2016-17	No. of Board Meetings attended during the year 2016-17	Attendance at the last AGM
Raj Kumar Sachdev	6	6	No
Amitabh S. Mudgal	6	5	No
J. P. Lath	6	6	Yes
Rajiv Poddar*	6	6	No
Mahesh Kumar Sharma**	6	6	No
BabikaGoel***	6	6	No

** Shri Rajiv Poddar resigned from the directorship w.e.f 30th May, 2017.*

***Shri Mahesh Kumar Sharma was appointed as Whole-time Director w.e.f 07th May, 2016.*

****The designation of Ms. BabikaGoel was changed to Independent Director, w.e.f 30th September, 2016.*

C. Inter-se relationships between Directors-Directors do not have any inter-se relationship.

D. Number of Shares and Convertible Instruments held by Non-executive Directors

Except Non-Independent Non- Executive Director, Mr. J. P. Lath, holding 30 Equity Shares of the Company no other Director including Non-Executive Director of the Company hold any shares or convertible instruments in the Company during the financial year ended 31st March, 2017.

E. Familiarization Programme for the Independent Directors



The Company has also formulated familiarization programmes to familiarize the Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates etc. The complete details of such familiarization programmes are also available on the website of the Company i.e. http://www.monnetgroup.com/pdfs/code/may2015/Familiarization_Programme_for_Independent_Directors_MIND.docx

F. Performance Evaluation

Pursuant to the provisions of the Companies Act, 2013 and Regulation 17(10) of Listing Regulations, the Board has carried out the annual performance evaluation of its own performance, the Directors individually, including independent directors as well as the evaluation of the working of its Audit, Nomination and Remuneration and Other Committees formed under the Companies Act, 2013. A set of evaluation factors was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance.

A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgment safeguarding the interest of the Company and its minority shareholders etc. Section IV of the Companies Act, 2013 states that performance evaluation of Independent Directors shall be done by the entire Board, excluding the director being evaluated. The performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors who also reviewed the performance of the Secretarial Department. The Directors expressed their satisfaction with the evaluation process.

The performance evaluation criteria for Independent Directors are determined by the Nomination and Remuneration Committee. An indicative list of factors that may be evaluated include participation and contribution by a director, commitment, effective deployment of knowledge and expertise, effective management of relationship with stakeholders, integrity and maintenance of confidentiality and independence of behavior and judgment. The performance evaluation of Independent Directors was done by the entire Board of Directors and in the evaluation the directors who are subject to evaluation had not participated.

3. BOARD COMMITTEES

The Board of Director has constituted Board Committees to deal with specific areas and activities which concern the Company and requires a closer review. The Board Committees are formed with the approval of the Board and function under their respective Charters. These Committees play an important role in the overall management of day-to-day affairs and governance of the Company. The Board Committees meet at a regular interval and take necessary steps to perform its duties entrusted by the Board. The Minutes of the Committee meetings are also placed before the Board in the next board meeting for noting.

The Board currently has following Committees:

A. AUDIT COMMITTEE

i. Composition of Audit Committee

The Audit Committee of the Company is constituted in line with the provisions of Regulation 18 of Listing Regulations read with Section 177 of the Companies Act, 2013.

All members of the Audit Committee are financially literate and have the requisite qualification for appointment on the Committee and possess sound knowledge of finance, accounting practices and internal controls. The Audit Committee was reconstituted on November, 14, 2016 and Ms. Babika Goel was appointed as member in place of Mr. R.K. Sachdev. As on March 31, 2017 the Audit Committee consists of three directors i.e. Sh. Rajiv Poddar (Non-Executive Independent Director), Chairman, Sh. Amitabh S. Mudgal (Non-Executive Non Independent Director) and Ms. Babika Goel (Non-Executive Independent Director) as its members. The Company Secretary of the Company acts as Secretary to the Committee, as required by Regulation 18(1) of the Listing Regulation.

The Committee is governed by a Character which is in line with the regulatory requirements mandated by the Companies Act, 2013 and Regulation 18 of Listing Regulation. The terms of reference of the Committee are: -



ii. Brief description of Character/terms of reference of Audit Committee

The brief Description of Character/terms of reference of Audit Committee is broadly as under:

- Oversight of the Company's financial reporting process and the disclosure of its financial information submitted to the Stock Exchanges, regulatory authorities or the public.
- Recommendation for appointment, remuneration and terms of appointment of auditors of the Company and Approval of payment for any other services rendered by the statutory auditors;
- Reviewing with the Management the quarterly unaudited financial statements and the Auditors' Limited Review Report thereon/audited annual financial statements and Auditors' Report thereon before submission to the Board for approval. This would, inter alia, include reviewing changes in the accounting policies and reasons for the same, major accounting estimates based on exercise of judgment by the Management, significant adjustments made in the financial statements and / or recommendation, if any, made by the Statutory Auditors in this regard.
- Review the Management Discussion & Analysis of financial and operational performance.
- Discuss with the Statutory Auditors its judgment about the quality and appropriateness of the Company's accounting principles with reference to the Generally Accepted Accounting Principles in India (IGAAP).
- Review the investments made by the Company.

iii. Audit Committee Meetings and Attendance :

The Committee met 5 (five) times during the Financial Year 2016-17, on 27th May, 2016, 08th August 2016, 14th November, 2016, 25th November, 2016 and 13th February, 2017. The maximum gap between the meetings was not more than 120 days; the necessary quorum was present in the meetings. The Table below provides the Attendance of the Audit Committee members:

Sr. No.	Name of Directors	Position	Category	No. of Meetings Attended
1.	Rajiv Poddar*	Chairperson	Non-Executive Independent	5 of 5
2.	Raj Kumar Sachdev	Member	Non-Executive Independent	3 of 3
3.	Amitabh S. Mudgal	Member	Non-Executive Non- Independent	5 of 5
4.	BabikaGoel [#]	Member	Non-Executive Independent	2 of 2

* Shri Rajiv Poddar resigned from the directorship w.e.f 30th May, 2017.

[#]Ms. Babika Goel was appointed as member w.e.f. 04th November, 2016

Note: The committee was also reconstituted on 30th May, 2017 and comprise of Ms. Babika Goel, Director as Chairman of Audit Committee, Mr. Amitabh S. Mudgal and Mr. R.K. Sachdev, Directors as its members.

iv. Internal Controls and Governance Processes

The Company continuously invests in strengthening its internal control and Governance processes. The Audit Committee formulates a detailed plan to the Internal Auditors for the year, which is reviewed at the Audit Committee Meetings. The Audit Committee held a separate meeting with the Statutory Auditors and the Internal Auditor to get their inputs on significant matters relating to their areas of audit.

v. Risk Management

The Company is not mandatorily required to constitute Risk Management Committee. Further, the Audit Committee and the Board of Directors review the risks involved in the Company and appropriate measures to minimize the same from time to time. The Board of the Company has also adopted a Risk management policy for the Company.



B. NOMINATION AND REMUNERATION COMMITTEE

i. Composition of Nomination and Remuneration Committee:

In compliance with Section 178 of the Companies Act, 2013 and Regulation 19 of Listing Regulations, the Board has constituted its "Nomination and Remuneration Committee".

As at March 31, 2017 the Nomination and Remuneration Committee consists of three directors i.e. Sh. Rajiv Poddar (Non-Executive Independent Director), Chairman, Sh. J.P. Lath (Non-Executive Non Independent Director), and Sh. Raj Kumar Sachdev (Non-Executive Independent Director) as its members. The Company Secretary of the Company acts as Secretary to the Committee.

The brief terms of reference of the Committee, *inter alia*, includes the following:

- Succession planning of the Board of Directors and Senior Management Employees;
- Identifying and selection of candidates for appointment as Directors / Independent Directors based on certain laid down criteria;
- Identifying potential individuals for appointment as Key Managerial Personnel and to other Senior Management positions;
- Formulate and review from time to time the policy for selection and appointment of Directors, Key Managerial Personnel and senior management employees and their remuneration;
- Review the performance of the Board of Directors and Senior Management Employees based on certain criteria as approved by the Board.

The committee met three times during the last year on 07th May, 2016, 08th August, 2016 and 25th November, 2016, the details of which are as under:

Sr. No.	Name of Directors	Position	Category	No. of Meetings Attended
1.	Rajiv Poddar*	Chairperson	Non-Executive Independent	3 of 3
2.	J.P. Lath	Member	Non-Executive Non-Independent	3 of 3
3.	R.K. Sachdev	Member	Non-Executive Independent	3 of 3

* Shri Rajiv Poddar resigned from the directorship w.e.f 30th May, 2017.

Note: The committee was reconstituted on 30th May, 2017 and comprise of Ms. Babika Goel, Director as Chairman and J.P. Lath and R.K. Sachdev, Directors as its members.

ii. Nomination and Remuneration Policy:

The Board of the Company has also adopted the Nomination and Remuneration Policy for the Company in compliance with Schedule II, Part-D of Listing Regulations and the applicable provisions of the Companies Act, 2013. The said policy of the Company is available on the website of the company i.e. <http://www.monnetgroup.com> and accessed through following weblink;

"http://www.monnetgroup.com/pdfs/others/mil/Policy_Nomination_Remuneration_and_Board_Diversity.pdf"

The Objective and Purpose of this policy is as follows:

- To lay down criteria and terms and conditions with regard to identifying persons who are qualified to become Directors (Executive and Non-Executive) and persons who may be appointed in Senior Management and Key Managerial positions and to determine remuneration of Directors, Key Managerial personnel and other employees.



- To determine remuneration based on the Company's size and financial position and trends and practices on remuneration prevailing in peer companies in the steel industry.
- To provide them reward linked directly to their efforts, performance, dedication and achievement relating to the Company's operations.
- To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.

iii. Performance Evaluation Criteria for Independent Directors :

The Nomination and Remuneration policy of the Company lays down the criteria for Directors'/Key Managerial Personnel's appointment and remuneration including criteria for determining qualification, positive attributes, independence of Directors, criteria for performance evaluation of Executive and Non-Executive Directors (including Independent Directors) and other matters as prescribed under the provisions of the Companies Act, 2013 and the Listing Regulations as well as the performance evaluation criteria for Independent Directors is determined by the Nomination and Remuneration committee. An indicative list of factors that may be evaluated include participation and contribution by a director, commitment, effective deployment of knowledge and expertise, effective management of relationship with stakeholders, integrity and maintenance of confidentiality and independence of behavior and judgment.

DETAILS OF REMUNERATION PAID TO DIRECTORS FOR THE YEAR ENDED 31st MARCH, 2017

As on 31st March, 2017, the company had one Executive Director and Five Non-Executive Directors. Sitting Fee paid to Non-Executive Directors for attending the meetings of the Board held during financial year 2016-17 is as given below: -

Directors	Sitting Fees (Rs.)	ESOP granted (No. of Shares)
J. P. Lath	6,000	NIL
Rajiv Poddar*	6,000	NIL
Raj Kumar Sachdev	6,000	NIL
BabikaGoel**	6,000	NIL
Amitabh Sharma Mudgal	NIL	NIL

* *Shri Rajiv Poddar resigned from the directorship w.e.f 30th May, 2017.*

** *The designation of Ms. Babika Goel was changed to Independent Director, w.e.f 30th September, 2016.*

Note: No sitting fee was paid to any of the directors for attending the committee meetings of the Board. Further, as per terms and appointment of the Executive Director, no remuneration is payable to him.

• Criteria of Making Payments To Non-Executive Directors Including All Pecuniary Relationship or Transactions of the Non-Executive Directors

The Non-Executive Independent Directors are not paid any remuneration other than the sitting fee for attending meetings of the Board and the Committees thereof as approved by the Board.

During the Financial Year Mr. J.P. Lath received a consultancy fees of Rs. 9,60,000/- (Rupees Nine Lacs Sixty Thousands Only) for the services rendered by him in professional capacity as approved by the Board of Directors by its resolution passed on 25th November, 2016.

There has been no pecuniary relationship or transactions of the Non-Executive Directors' vis-à-vis the Company during the year except the sitting fees, consultancy fees and Remuneration paid to them as detailed above.

The Criteria of Making Payments to Non-Executive Directors is available on the website of the company i.e. <http://www.monnetgroup.com> and accessed through following weblink; http://www.monnetgroup.com/pdfs/others/mil/Criteria_for_making_paymnet_to_Non-Executive_Directors.pdf



- **Shareholding of Non-Executive Directors**

None of the non-executive directors hold any shares in the Company except Mr. Jagdamba Prasad Lath, who holds 30 equity shares in the Company.

- **Employee Stock Option Scheme**

The Company does not have any employee stock option scheme for its employees and Directors.

C. STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Stakeholders' Relationship Committee consists of three directors Sh. Raj Kumar Sachdev (Non-Executive Independent Director), Chairman, Sh. J.P. Lath (Non-Executive Non Independent Director) and Sh. Rajiv Poddar (Non-Executive Independent Director) as its members. The Company Secretary of the Company acts as Secretary to the Committee.

The stakeholders' relationship committee is constituted in line with the provisions of Regulation 20 of Listing Regulations read with section 178 of the Act.

i. Terms of Reference :

The Board has clearly defined the terms of reference for this committee, which generally meets once in a quarter. The Committee looks into the matters of Shareholders / Investors grievances along with other matters listed below:

- transfer/transmission of shares/debentures and such other securities as may be issued by the Company from time to time;
- issue of duplicate share certificates for shares/debentures and other securities reported lost, defaced or destroyed, as per the laid down procedure;
- issue new certificates against subdivision of shares, renewal, split or consolidation of share certificates / certificates relating to other securities;
- issue and allot right shares / bonus shares pursuant to a Rights Issue / Bonus Issue made by the Company, subject to such approvals as may be required;
- to grant Employee Stock Options pursuant to approved Employees' Stock Option Scheme(s), if any, and to allot shares pursuant to options exercised;
- to issue and allot debentures, bonds and other securities, subject to such approvals as may be required;
- to approve and monitor dematerialization of shares / debentures / other securities and all matters incidental or related thereto;
- to authorize the Company Secretary and Head Compliance / other Officers of the Share Department to attend to matters relating to non-receipt of annual reports, notices, non-receipt of declared dividend / interest, change of address for correspondence etc. and to monitor action taken;
- monitoring expeditious redressal of investors / stakeholders grievances;
- all other matters incidental or related to shares, debenture

ii. Meetings and Attendance :

The committee met four times during the last year on 27th May, 2016, 08th August 2016, 14th November, 2016 and 13th February, 2017; the details of which are as under:

Sr. No.	Name of Directors	Position	Category	No. of Meetings Attended
1.	Raj Kumar Sachdev	Chairperson	Non-Executive Independent	4 of 4
2.	J.P. Lath	Member	Non-Executive Non Independent	4 of 4
3.	Rajiv Poddar*	Member	Non-Executive Independent	4 of 4

* Shri Rajiv Poddar resigned from the directorship w.e.f 30th May, 2017.



Note: The committee was reconstituted on 30th May, 2017 and comprise of Mr. R.K. Sachdev, Director as Chairman and Mr. J.P. Lath and Ms. Babika Goel, Directors as it's members.

iii. Name and Designation of Compliance officer:

Name : Ms. Khushboo Sharma
 Designation : Company Secretary
 Address : Monnet House, 11 Masjid Moth,
 Greater Kailash-II, New Delhi-110 048
 Phone : 011-29218542
 Fax : 011-29218542
 E-mail : isc_mind@monnetgroup.com

iv. Details of the Investor's complaints/queries/requests received, redressed/pending during the financial year 2016-17 :

The details of total number of complaints/queries/requests received; resolved/pending during the financial year 2016-17 is as follows:

Opening	Received during the year	Number not solved to the satisfaction of Shareholders	Resolved during the year	Closing
0	2	0	2	0

Note: The above table also includes Complaints received from SEBI SCORES by the Company.

The complaints are handled by Company's Registrars and Share Transfer Agents MCS Share Transfer Agent Ltd., New Delhi. The committee monitors the complaints and other activities and also helps in resolving grievances wherever needed.

D. OTHER BOARD'S COMMITTEES

i. Executive Committee:

The Executive Committee was formed to deal with urgent matters requiring immediate action of the Board of Directors before a meeting of the Board could be convened. The Minutes of the Executive Committee are placed in front of Board for their review and noting. As on March 31, 2017, the executive committee of directors comprising of Mr. J. P. Lath (Director) and Mr. Amitabh Sharma Mudgal (Director) as Member of the Committee. During the financial year 2016-17, 1 meeting of Executive Committee took place, which was held on 22nd September, 2016 and was attended by both the Committee members.

ii. Delisting Committee:

The Delisting Committee was formed to deal with the matters relating to delisting of the Company from regional Stock Exchanges. However, no meeting of Delisting Committee was held during the Financial Year 2016-17.

iii. Independent Directors:

During the year under review, the Independent Directors met on 08th August, 2016, inter alia, to discuss:

- Evaluate performance of Non Independent Directors and the Board of Directors as a whole;
- Evaluate performance of the Chairman of the Company, taking into account the views of the Executive and Non-Executive Directors; and
- Evaluation of the Quality, Quantity and Timeliness of Flow of Information between the Management and the Board



that is necessary for the Board to effectively and reasonably perform its duties.

All the Independent Directors were present for this Meeting.

4. **GENERAL BODY MEETINGS**

i. The details of last three Annual General Meetings and Special Resolution passed thereat are as given below:

AGM	Date & Time	Place of Meeting	Details of Special Resolution Passed
33 rd	September 30, 2016, 12:30 P.M	Monnet Marg, Mandir Hasaud, Raipur, Chhattisgarh- 492101	No Special Resolution Passed
32 nd	September 30, 2015, 12:30 P.M		One Special Resolution Passed
31 st	September 27, 2014, 12:30 P.M		No Special Resolution Passed

ii. Special Resolutions passed in previous Three Annual General Meetings:

In previous three Annual General Meeting only One Special resolution was passed details of which are given below;

In the 32nd Annual General Meeting held on 30th September, 2015, Special Resolution was passed for appointment of Mr. Sourabh Khandelwal as a Whole-time Director on the Board of the Company which was passed unanimously, details of which are as follows;

Date of AGM Notice: 13th August, 2015

E-Voting Period: September 27, 2015 to September 29, 2015

Date of AGM: September 30, 2015

Mr. Sanjay Grover of M/s Sanjay Grover & Associates, Practicing Company Secretaries (CP No. 3850) was appointed as scrutinizer to scrutinize the e-voting and poll process in a fair and transparent manner. The Company successfully completed the process of obtaining approval of shareholders for Special Resolutions on the item detailed below:-

Purpose of Resolution	Type of Resolution (Ordinary/Special)	No. of Shares held	No. of Valid Votes Polled	Votes Cast in Favor		Votes Cast Against	
				No of Votes	%age	No of Votes	%age
To appoint Mr. Sourabh Khandelwal (DIN:06929590) as a Whole-time Director of the Company	Special Resolution	3,175,474	2,916,733	2,916,733	100.00	0	0.00

iii. Disclosures related to Postal Ballot

During the Financial year ended March 31, 2017 the Company has not passed any Resolution through Postal Ballot.

Further, till the date of signing of this report, no Special Resolution is proposed to be conducted through postal ballot.

iv. Procedure of Postal ballot

Resolutions, if required, shall be passed by Postal Ballot during the year ending on March 31, 2017, as per the prescribed procedure under the Companies Act, 2013 and Listing Regulations.

5. **MEANS OF COMMUNICATION**

- A. The Unaudited quarterly/ half yearly results are announced within forty-five days of the close of the quarter. The audited annual results are announced within sixty days from the closure of the financial year as per the requirement of the



SEBI Listing Regulation, as amended from time to time.

- B. The Company normally publishes quarterly results/ half yearly in leading Business Newspapers National daily of the country like "Pioneer"/ Financial Express(English Language) and "The Raj express" (Vernacular Language) in accordance with the Listing Regulations and circulates the same to stock exchanges & the shareholders.;
- C. The official news releases, including the quarterly, half yearly and annual results and presentations made to institutional investors/analysts, if any, are also posted on the Company's website www.monnetgroup.com
- D. The Company also ensures that the details of its business, financial information, shareholding pattern, compliance with corporate governance, contact information of the designated officials of the company who are responsible for assisting and handling investor grievances, details of agreements entered into with media companies and/or their associates and other information as required under Companies Act, 2013 and SEBI listing Regulations are promptly and prominently posted on its website www.monnetgroup.com.

6. GENERAL SHAREHOLDERS INFORMATION

a) Ensuing Annual General Meeting

Day, Date & Time : Thursday, 28th September, 2017 at 12:30 P.M.
Venue : Monnet Marg, Mandir Hasaud, Raipur-492101 (Chhattisgarh)

b) Financial Year Calendar 2017-18 (Tentative)

The Company follows the period of 1st April to 31st March, as the Financial Year

Financial year ending : 31st March, 2018
Audited Annual Results : 29th May, 2017
First Quarter Results : on or before 14th September, 2017
Half Yearly Results : on or before 14th December, 2017
Third Quarter Results : on or before 14th February, 2018
Fourth Quarter Results : on or before 30th May, 2018.
Audited Annual Results : on or before 30th May, 2018

- c) Date of Book Closure** : 21st day of September, 2017 to 28th day of September, 2017 (both days inclusive)
- d) Date of Book Closure** : 21st day of September, 2017 to 28th day of September, 2017 (both day inclusive)/21st day of September, 2017
- e) Dividend Payment** : No dividend has been recommended for the Financial Year 2016-17
- f) Registered Office** : Plot No. 216, Sector – C, Urla Industrial Complex, Raipur-493221, Chhattisgarh
- g) Listing of Shares on Stock Exchange:**

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

However, the Company had filed applications for delisting of its equity shares from the Calcutta Stock Exchange Limited (CSE). Pending the applications, CSE suspended listing of Securities of the Company. Further, CSE asked the Company to update the Compliance Status before acceptance of the delisting application and for this purpose, the Company vide its letter dated 07th April, 2016 submitted the information sought by CSE for revocation of suspension.



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.

As the delisting is in process, the Company has not paid the listing fees to the stock exchange i.e. CSE.

h) Details of Stock Exchange :

- i. BSE Ltd.,
PhirozeJeejeebhoy Towers,
Dalal Street, Fort,
Mumbai – 400 001
- ii. The Calcutta Stock Exchange Limited
7, Lyons Range,
Kolkata 700001.

i) Stock Code :

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

Scrip Code, CSE : 23484

j) Registrar & Transfer Agent :

MCS Share Transfer Agent Ltd.
F-65, Okhla Industrial Area, Phase-I,
New Delhi – 110 020
Tel : 011-41406149, Fax : 011-41709881
Email: admin@mcsregistrars.com

k) Distribution of Shareholding as at 31st March, 2017 :

Category	No. of Folios	% of Shareholders	No. of Shares	% of Capital
1 – 500	1247	88.06	132949	3.61
501 – 1000	77	5.45	60286	1.64
1001 – 2000	40	2.82	60131	1.63
2001 – 3000	9	0.64	23956	0.65
3001 – 4000	6	0.42	20994	0.57
4001 – 5000	2	0.14	9500	0.26
5001 – 10000	12	0.85	89222	2.42
10001-50000	16	1.13	365910	9.94
50001-100000	4	0.28	312501	8.49
And Above	3	0.21	2605813	70.79
TOTAL	1416	100.00	3681262	100.00

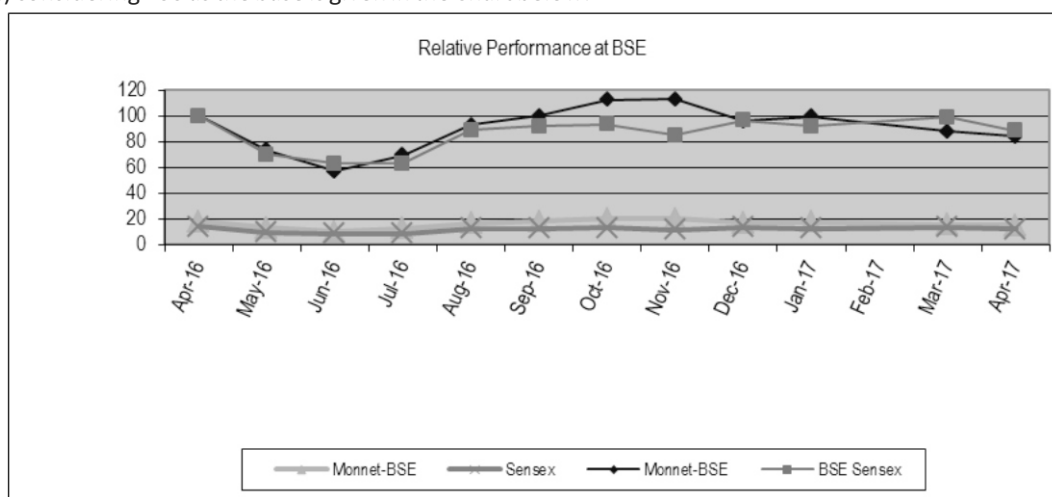
l) Stock Price Data (for the period April, 2016 to March, 2017) :



Year	Month	BSE High (Rs.)	BSE Low (Rs.)	Monthly Volume (Rs.)
2016	April	43.90	34.40	32132.00
2016	May	47.45	35.00	209209.00
2016	June	48.70	38.75	5982.00
2016	July	52.40	46.00	3377.00
2016	August	50.30	40.85	93838.00
2016	September	42.85	33.40	34087.00
2016	October	34.60	29.30	37208.00
2016	November	30.30	23.75	425509.00
2016	December	32.55	23.70	107435.00
2017	January	31.90	19.20	468667.00
2017	February	21.10	15.75	487336.00
2017	March	18.15	15.50	487336.00

m) 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 BSE Ltd.) considering 100 as the base is given in the Chart below:



n) Share Transfers System

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.

In case of shares in electronic form, the transfers are processed by NSDL/CDSL through respective Depository Participants. In compliance with the Listing Regulation, a certificate from a practicing company secretary within one month of the end of each half of the financial year, certifying that all certificates have been issued within thirty days of the date of lodgement for transfer, subdivision, consolidation, renewal, exchange or endorsement of calls/allotment monies, is also issued.

o) Dematerializations of Shares and liquidity

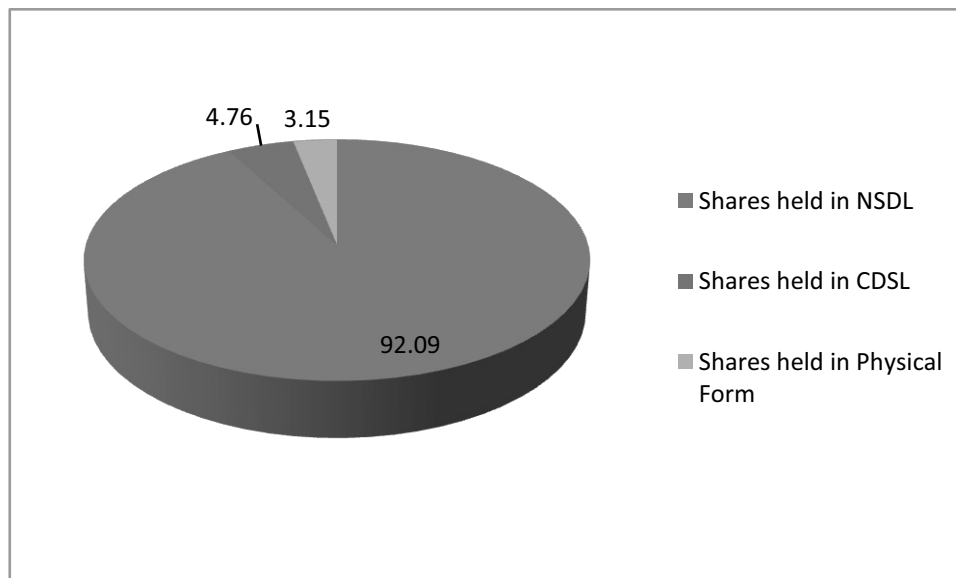
96.85% of Equity Shares of the Company are in dematerialized form as on 31st March, 2017. The shares of the Company are available for dematerialization with both the depositories i.e. NSDL and CDSL vide ISIN No. INE 407E01029.

Normally, requests of dematerialization of shares are processed and confirmed within 15 days of receipt to NSDL and CDSL.



Details of which are as follows;

Shares Held in NSDL	92.09	33,90,049
Shares Held in CDSL	4.76	1,75,385
Shares Held in Physical Form	3.15	1,15,828



- **Shares held in Electronic Form**

Shareholders holding shares in electronic form may please note that instructions regarding change of address, bank details, nomination and power of attorney should be given directly to the Depository Participant(s).

- **Shares held in Physical Form**

Shareholders holding shares in physical form may please note that instructions regarding change of address, bank details, nomination and power of attorney should be given to the Company's RTA viz. MCS Share Transfer Agents Limited, Delhi.

p) Commodity price risk or foreign exchange risk and hedging activities

The company has not done any kind of activities related to the Commodity price risk or foreign exchange risk and hedging.

q) Outstanding Convertible Instruments, conversion date and likely impact on equity

The Company has no outstanding convertible instruments.

r) Shareholding Pattern:

Shareholding pattern in Monnet Industries Limited as on 31st March, 2017, for the purpose of reporting in the Annual Report of the Company for the year 2016-17 is given as under:

Sr. No.	Category	As On 31.03.2017	
		No. of Equity Shares	%
(A)	Promoter Holding		
	a) Individuals	139101	3.78
	b) Bodies Corporates	2621821	71.22
	Sub Total (A)	2760922	75.00



Sr. No.	Category	As On 31.03.2017	
		No. of Equity Shares	%
(B)	Public Shareholding		
	1. Institutions		
	a) Financial Institutions/ Banks	75000	2.04
	b) Insurance Companies	132276	3.59
	c) Foreign Institutional Investor	00	00
	Sub Total (B)(1)	207276	5.63
	2. Non Institutions		
	a) Bodies Corporate	200948	5.46
	b) Individuals		
	i) Individual Shareholders Holding nominal share capital upto Rs. 2 lac	332885	9.04
	ii) Individual Shareholders Holding nominal share capital in excess of Rs. 2 lac	58892	1.60
c) Others			
Non-Resident Indians	90339	2.46	
Overseas Corporate Bodies	30000	0.81	
Sub Total (B)(2)	713064	19.37	
(C)	Shares Held by custodians and against which depository receipts have been issued	NIL	NIL
	Grand Total (A+B+C)	3681262	100.00

s) Disclosures with respect to Demat suspense account/unclaimed suspense account:

As per Regulation 34(3) read with Schedule V of Listing Regulations, the details of the shares in the Suspense Account are as follows:

Aggregate Number of Shareholders and the Outstanding Shares in the suspense account lying at the beginning of the year	Number of shareholders who approached the Company for transfer of shares from suspense account during the year	Number of shareholders to whom shares were transferred from suspense account during the year	Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year	That the voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares
(1)	(2)	(3)	(4)	(5)
NA	NA	NA	NA	NA



t) Plant Location

Plot No 216, Sector-C,
Urla Industrial Complex, Raipur-493221
Chhattisgarh.

u) Address for Correspondence

Monnet House
11, Masjid Moth, Greater Kailash Part-II,
New Delhi-110048
Phone : 011-29218542-46
Fax : 011-29218541
E-mail : isc_mind@monnetgroup.com

7. OTHER DISCLOSURES

i. Materially significant related party transactions and related party policy

All transactions entered into with the Related Parties as defined under the Companies Act, 2013 and Regulation 23 of the Listing Regulation during the financial year were in the ordinary course of business and on arm's length basis and do not attract the provisions of Section 188 of the Companies Act, 2013.

Related Parties and transactions with them as required under Accounting Standard 18 (AS-18) are furnished under Note no. 29 of the Notes to the Accounts attached with the financial statements for the year ended March 31, 2017 and all the transactions with the related parties neither materially significant nor they have any potential conflict with the interests of the Company at large.

As required under Regulation 23(1) of the Listing Regulations, 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/Policy_on_Related_Party_Transactions.pdf

ii. Details of non-compliance by the listed entity, penalties, strictures imposed on Company by stock exchange or SEBI or any statutory authority during last three years

The Company has complied with the requirements of the Regulatory Authorities on matters related to the capital market and no penalties/ strictures have been imposed against the Company by the Stock Exchanges or SEBI or any other Regulatory Authority on any matter related to capital market during the last three years in terms of Schedule V(c) 10(b) to the Listing Regulations.

For more details please refer General Shareholders Information given in this report.

iii. Whistle blower Policy and affirmation that no personnel have been denied access to the Audit Committee

Pursuant to Section 177(9) and (10) of the Companies Act, 2013, and Regulation 22 of the Listing Regulations, the Company has formulated Whistle Blower Policy for vigil mechanism of Directors and employees to report to the management about the unethical behavior, fraud or violation of Company's Code of Conduct. The mechanism provides for adequate safeguards against victimization of employees and Directors who use such mechanism and makes provision for direct access to the chairperson of the Audit Committee in exceptional cases. None of the personnel of the Company has been denied access to the Audit Committee. The Whistle Blower Policy is displayed on the Company's website and link of the is given below;

http://www.monnetgroup.com/pdfs/mil/policy/Policy_on_Vigil_Mechanism_and_whistle_blower.pdf

iv. Material Subsidiary Policy



As the Company has no subsidiary, it is not required to maintain the policy for Determining Material Subsidiaries of the Listing Regulations.

v. **Compliance with mandatory requirements and adoption of Non-mandatory requirements**

The Company has complied with all the mandatory requirements of Listing Regulations. The Company has not adopted any non-mandatory requirement of the Listing Regulations.

vi. **Code of Conduct**

The Board has laid down a code of conduct for all Board members and Senior Management of the Company. All Board members and Senior Management Personnel have complied with the Code of Conduct.

The Code of Conduct is available on Company's website www.monnetgroup.com

All the members of the Board and Senior Management Personnel have affirmed compliance to the code as on March 31, 2017.

A Declaration of Whole-time Director regarding compliance with Code of Conduct by Directors and Senior Management Personnel forms part of this Corporate Governance Report.

vii. **Disclosure of Accounting Treatment**

The Financial statement of the Company is prepared as per the prescribed Accounting Standards and reflects true and fair view of the business transactions in the Corporate Governance and there is no deviation in following the treatment prescribed in any Accounting Standards (AS) in the preparation of financial statements of the Company.

8. **CEO/CFO CERTIFICATION**

A Certificate on financial statements for the financial year under review, pursuant to Regulation 17(8) of the Listing Regulations signed by Whole-time Director and Non-Executive Director was placed before the Board of Directors.

9. **DISCLOSURE OF COMPLIANCE WITH CORPORATE GOVERNANCE REQUIREMENTS SPECIFIED IN REGULATION 17 TO 27 AND REGULATION 46 OF LISTING REGULATIONS**

The Company has complied with the applicable provisions of Listing Regulations including Regulation 17 to 27 and Regulation 46 of Listing Regulations.

The Company submits a quarterly compliance report on corporate governance signed by Compliance officer to the Stock Exchange within 15 days from the close of every quarter. Such quarterly compliance reports on corporate governance are also posted on the Company's website.

Compliance of the Conditions of Corporate Governance has also been audited by Practicing Company Secretary. After being satisfied of the above compliances, they have issued a compliance certificate in this respect. The said certificate is reproduced in below point for ready reference of the members of the Company. This certificate will be forwarded to the Stock Exchanges alongwith the Annual Report of the Company, which is also annexed to this report.

10. **RISK MANAGEMENT**

The Company is not mandatorily required to constitute Risk Management Committee. Further, the Audit Committee and the Board of Directors review the risks involved in the Company and has taken appropriate measures to minimize the same from time to time. The Board of the Company has also adopted a Risk management policy for the Company.



11. PREVENTION OF INSIDER TRADING CODE

In accordance with Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, the Company has adopted Code of Conduct to Regulate, Monitor and Report Trading by Insiders and Code of Practices and Procedures For Fair Disclosure of Unpublished Price Sensitive Information. All the connected persons as per Code of Conduct to Regulate, Monitor and Report Trading by Insiders who could have access to the unpublished price sensitive information of the Company are governed by this code. The Company has appointed Ms. Khushboo Sharma, Company Secretary of the Company as Compliance officer under the said regulations.

DISCLAIMER

The information furnished above is certified by Monnet Industries Limited to be true, fair and accurate (except in respect of errors in or omissions from documents filed electronically that result solely from electronic transmission errors beyond our control and in respect of which we take corrective action as soon as it is reasonably practicable after becoming aware of the error or the omission). SEBI, the Stock Exchanges or the NIC do not take any responsibility for the accuracy, validity, consistency and integrity of the data entered and updated by it.

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

**Place: New Delhi
Dated: 09-08-2017**

**(Jagdamba Prasad Lath)
Director
DIN: 00380076**

**(Mahesh Kumar Sharma)
Whole-time Director & CFO
DIN: 07504637**



CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

**TO THE MEMBERS OF
MONNET INDUSTRIES LIMITED,**

We have examined the compliance of conditions of Corporate Governance by MONNET INDUSTRIES LIMITED, for the year ended on March 31, 2017, as per Regulation 17-27, clause(b) to (i) of Regulation 46(2) and Paragraph C, D and E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

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 with the conditions of Corporate 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 our examination of the relevant records and the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Regulation for the respective periods of applicability as specified under paragraph 1 above, during the year ended 31st March, 2017.

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

**Rahul Aggarwal
Company Secretary**

**Place: New Delhi
Date: 09.08.2017**

**(Membership No. F4005)
C. P. No. 7052**

DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT

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.

For Monnet Industries Limited

**Mahesh Kumar Sharma
Whole-time Director
DIN: 07504637**

**Place: New Delhi
Date: 29-05-2017**



INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF MONNET INDUSTRIES LIMITED

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **MONNET INDUSTRIES LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2017, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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 standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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 the 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 financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, 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 on the standalone financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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:-

- (i) in the case of the balance sheet, of the state of affairs of the Company as at 31 March 2017;
- (ii) in the case of the statement of profit and loss, of the loss for the year ended on that date; and
- (iii) in the case of the cash flow statement, of the cash flows for the year ended on that date.

Emphasis of Matter

We draw attention to the following matters in the Notes to the financial statements:

- i. Note no. 28 in the financial statements which indicates that the Company has accumulated losses resulting in erosion of net worth and has incurred net cash losses in the current and immediately preceding financial year. The current liabilities of the Company exceeded its current assets as at the balance sheet date. These conditions may cast doubt about the Company's ability to continue as a going concern. However, the financial statements of the Company have been prepared on a going concern basis for the reasons stated in the said Note.

Our opinion is not modified in respect of these matters.



Report on Other Legal and Regulatory Requirements

1. As required by 'the Companies (Auditor's Report) Order, 2016', issued by the Central Government of India in terms of sub-section (11) of section 143 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-1 a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors as on 31st March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) The going concern matter described in subparagraph (b) under the Emphasis of Matters paragraph above, in our opinion, may have an adverse effect on the functioning of the

Company.

- (g) We are enclosing herewith a report in Annexure II for our opinion on adequacy of internal financial controls system in place in the company and the operating effectiveness of such controls.
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements.
 - ii. In our opinion and as per the information and explanations provided to us, the Company has not entered into any long-term contracts including derivative contracts, requiring provision under applicable laws or accounting standards, for material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
 - iv. The Company had provided requisite disclosures in its Note No 6 the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with books of account and records maintained by the Company and as produced to us by the Management.

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

(RAKESH KUMAR)
PARTNER
M NO. 087537

PLACE : NEW DELHI
DATED: 29/05/2017





ANNEXURE- I TO THE INDEPENDENT AUDITOR'S REPORT
(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

1. In respect of its fixed assets:
 - a) The company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b) As explained to us, all the fixed assets have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.
 - c) Title deeds In respect of all immovable properties are held in the name of the company.
2. (a) As explained to us physical verification has been conducted by the management at reasonable intervals in respect of raw materials.
 - (b) In our opinion, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
 - (c) In our opinion the Company is maintaining proper records of inventories. The discrepancies noticed on such verification between the physical stocks and book records were not significant and the same have been properly dealt with in the books of account.
3. As informed to us the company has not granted loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act.
4. According to the information and explanations given to us, the company has complied with the provisions of Section 186, wherever applicable, in respect of investments made by the company. We are informed that the company has not provided any security/given any loan or guarantee during the year. Being a limited company, provisions of section 185 of the Act are not applicable.
5. According to the information and explanations given to us the company has not accepted any deposits, in terms of the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act 2013 and the rules framed there under.
6. In respect of business activities of the company, Companies (cost records and audit) Rules 2014 as specified by the Central Government under sub-section (I) of section 148 of the Companies Act and rules thereunder are not applicable.
7. a. As per information and explanations given to us, the company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues with the appropriate authorities. There are undisputed statutory dues of provident fund of Rs. 23642/- as at the last day of the financial year under audit for a period of more than six months from the date they became payable.
 - b. There are no statutory dues which are pending to be deposited on account of any dispute at any forum.
8. Based on our audit procedures and on the basis of information and explanations given to us by the management, we are of the opinion that there is no default in repayment of dues to Bank. The company has not obtained any loan from financial institutions or government and has not issued any debentures.
9. The company has not raised any money during the year by way initial or further public offer. The company has not obtained any term loan during the year.
10. 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 31.03.2017.
11. According to information and explanations given to us, the managerial remuneration paid and provided by the company during the year is in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V of the Companies Act 2013.
12. The provisions of clause (xii) of the Order are not applicable as the company is not a Nidhi Company as specified in the clause.
13. According to information and explanations given to us we are of the opinion that all related party transactions are in compliance with the Section 177 and 188 of Companies Act 2013. Necessary disclosures have been made in the financial statements as required by the applicable accounting Standards.
14. According to information and explanations given to us the company has not made any preferential allotment



or private placement of shares or debentures during the year.

15. According to information and explanations given to us the Company has not entered into any non-cash transaction with the director or any person connected with him during the year.
16. In our opinion, in view of its business activities, the company is not required to be registered under section 451A of Reserve Bank of India Act 1934.

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

**(RAKESH KUMAR)
PARTNER
M NO. 087537**

**PLACE : NEW DELHI
DATED: 29/05/2017**

**ANNEXURE- II TO THE INDEPENDENT AUDITOR'S REPORT
(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)**

We have audited the internal financial controls over financial reporting of **MONNET INDUSTRIES LIMITED** ("the Company") as of 31st March 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial



reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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. We believe that the audit evidence I/we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future

periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2017, based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on "Audit of Internal Financial Controls Over Financial Reporting" issued by the Institute of Chartered Accountants of India.

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

**PLACE : NEW DELHI
DATED: 29/05/2017**

**(RAKESH KUMAR)
PARTNER
M NO. 087537**



MONNET INDUSTRIES LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2017

PARTICULARS	Note	AS AT	
		31.03.2017	31.03.2016
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2	186,812,620	186,812,620
Reserves and surplus	3	(890,530,168)	(671,504,768)
		(703,717,548)	(484,692,148)
Non-current liabilities			
Long Term Borrowings	4	0	583,333,333
Long-term provisions	5	1,607,654	1,607,077
		1,607,654	584,940,410
Current liabilities			
Trade payable	6	28,310,077	31,951,538
Other current liabilities	7	1,719,180,630	1,716,485,454
Short-term provisions	8	300,887	251,777
		1,747,791,594	1,748,688,769
TOTAL		1,045,681,700	1,848,937,030
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	9	13,353,321	13,840,658
Intangible assets		9,221	26,685
Non-current investments	10	998,025,000	1,750,025,000
Long-term loans and advances	11	819,317	819,317
		1,012,206,859	1,764,711,660



MONNET INDUSTRIES LIMITED

PARTICULARS	Note	AS AT	
		31.03.2017	31.03.2016
Current assets			
Inventories	12	113,320	113,320
Trade Receivable	13	222,113	222,113
Cash and bank balances	14	2,031,976	1,804,040
Short-term loans and advances	15	4,148,061	27,802,700
Other current assets	16	26,959,371	54,283,196
		33,474,840	84,225,370
TOTAL		1,045,681,700	1,848,937,030

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

PLACE : NEW DELHI
DATED : 29.05.217

(Rakesh Kumar)
PARTNER
M.No. 087537

(Mahesh Kumar Sharma)
WHOLE-TIME DIRECTOR
DIN : 07504637

(J. P. Lath)
DIRECTOR
DIN : 00380076

(Mahesh Kumar Sharma)
CHIEF FINANCIAL
OFFICER

(Khushboo Sharma)
COMPANY
SECRETARY
M.No. AC534984



MONNET INDUSTRIES LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2017

PARTICULARS	NOTE	YEAR ENDED	
		31.03.2017	31.03.2016
Revenue			
Revenue From Operations	17	0	125,752,278
Less: Excise Duty		0	3,762,872
		0	121,989,406
Other income	18	750,180	1,922,199
Total Revenue		750,180	123,911,605
Expenses			
Cost of Material Consumed	19	0	67,339,053
Change in Inventories	20	0	26,190,319
Employee benefits expense	21	3,189,289	6,460,621
Depreciation	9	504,801	505,932
Finance Cost	22	212,203,735	259,020,536
Other expenses	23	3,796,290	43,886,311
Total expenses		219,694,115	403,402,772
Profit before exceptional and extraordinary items & tax		(218,943,936)	(279,491,167)
Exceptional and Extraordinary Items			
- Dividend earlier provided w/back		0	113,750,000
Tax expense:			
Current tax adjustment for earlier years		81,464	0
LOSS FOR THE YEAR		(219,025,400)	(393,241,167)
EARNING PER SHARE (BASIC / DILUTED) (Rs.)		(59.50)	(106.82)

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**

**PLACE : NEW DELHI
DATED : 29.05.2017**

**(Rakesh Kumar)
PARTNER
M.No. 087537**

**(Mahesh Kumar Sharma)
WHOLE-TIME DIRECTOR
DIN : 07504637**

**(J. P. Lath)
DIRECTOR
DIN : 00380076**

**(Mahesh Kumar Sharma)
CHIEF FINANCIAL
OFFICER**

**(Khushboo Sharma)
COMPANY
SECRETARY
M.No. AC534984**





MONNET INDUSTRIES LIMITED
CASH FLOW STATEMENT FOR 2016-2017

	2016-2017	2015-2016
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax and Extra Ordinary Items	(219,025,400)	(393,241,167)
Adjusted for :		
Depreciation	504,801	505,932
Dividend earlier provided w/back	0	0
Provision for non performing leased aseets		
Interest Received	(737,180)	(1,910,199)
Interest Paid	185,658,685	232,475,486
Profit on Sale of Fixed Assets	0	0
Dividends Received	0	0
	185,426,306	231,071,219
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	(33,599,093)	(162,169,948)
Adjusted for :		
Trade & Other Receivables	50,256,704	192,214,694
Inventories	0	44,107,461
Trade Payable	(896,598)	653,285,227
	49,360,105	889,607,382
CASH GENERATED FROM OPERATIONS	15,761,013	727,437,435
Interest Paid	(185,658,685)	(232,475,486)
Direct Taxes Paid	721,760	311,785
Deffered Tax	0	0
Cash Flow before Extraordinary Items	0	0
Extraordinary Items	0	0
	(184,936,925)	(232,163,701)
NET CASH FROM OPERATING ACTIVITIES	(169,175,912)	495,273,734
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	0	(12,000)
Purchase of Investments	0	0
C.W.I.P.	0	0
Sale of Fixed Assets	0	460,189
Sale of Investmets	752,000,000	0
Interest Received	737,180	1,910,199
Dividend Received	0	0
	752,737,180	2,358,388
NET CASH FROM/USED IN INVESTING ACTIVITIES	752,737,180	2,358,388
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Issue of Share Capital	0	0
Calls in Arrears	0	0
Share Application Money	0	0
Proceeds from Long Term Borrowings	0	0
Repayment of Long Term Borrowings	(583,333,332)	(556,487,234)
Repayment of Finance Lease Liabilities	0	0
Dividend & Dividend Taxes Paid	0	0
	(583,333,332)	(556,487,234)
NET CASH USED IN FINANCING ACTIVITIES	(583,333,332)	(556,487,234)
NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	227,936	(58,855,112)
Cash and Cash Equivalents as at opening of the year	1,804,040	60,659,152
Cash and Cash Equivalents as at closing of the year	2,031,976	1,804,040

IN TERMS OF OUR REPORT OF EVEN DATE ANNEXED

FOR O P BAGLA & CO
CHARTERED ACCOUNTANTS

PLACE : NEW DELHI
DATED : 29.05.217

(Rakesh Kumar)
PARTNER
M.No. 087537

(Mahesh Kumar Sharma)
WHOLE-TIME DIRECTOR
DIN : 07504637

(J. P. Lath)
DIRECTOR
DIN : 00380076

(Mahesh Kumar Sharma)
CHIEF FINANCIAL
OFFICER

(Khushboo Sharma)
COMPANY
SECRETARY
M.No. AC534984

MONNET INDUSTRIES LIMITED

1. SIGNIFICANT ACCOUNTING POLICIES

I. Basis of preparation of financial statements:

These financial statements have been prepared to comply with Accounting Principles Generally accepted in India (Indian GAAP), the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2014, as amended and the relevant provisions of the Companies Act, 2013. The financial statements are prepared on accrual basis under the historical cost convention. The financial statements are presented in Indian rupees rounded off to the nearest rupees

II. Use of estimates:

The preparation of financial statements in conformity with Indian GAAP requires judgements, estimates and assumptions to be made that affect the reported amount of assets and liabilities, disclosure of contingent liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known/materialized.

III. Tangible & Intangible Fixed Assets:

- a) Tangible assets are stated at their original cost of acquisition inclusive of inward freight, duties and expenditure incurred in the acquisition, construction / installation less accumulated amortization and impairment loss, if any. CENVAT/VAT credit availed on capital equipment is accounted for by credit to respective fixed assets.
- b) Intangible Assets are stated at cost of acquisition net of recoverable taxes less accumulated amortization/ depletion and impairment loss, if any.

IV. Depreciation and amortization:

Depreciation / amortization on tangible and intangible fixed assets is provided to the extent of depreciable amount on the straight line (SLM) Method. Depreciation is provided at the rates and in the manner prescribed in Schedule II to the Companies Act, 2013.

V. Investments:

Long-term investments are stated at cost. Provision for diminution in the value of long-term

investments is made only if such a decline is other than temporary.

VI. Inventories:

Items of inventories are measured at lower of cost and net realizable value after providing for obsolescence. Cost of inventories comprises of cost of purchase, cost of conversion and other costs including manufacturing overheads incurred in bringing them to their respective present location and condition.

Inventories are valued on the following basis:

- a) Raw Materials - at moving weighted average basis.

VII. Revenue Recognition:

Dividend received is accounted for as and when it is declared.

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the interest rate applicable.

VIII. Employee Benefits:

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

IX. Provision, Contingent Liabilities and Contingent Assets:

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognized but are disclosed in the notes. Contingent assets are neither recognized nor disclosed in the financial statements.

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



MONNET INDUSTRIES LIMITED

PARTICULARS	AS AT	
	31.03.2017	31.03.2016

Note No. 2

SHARE CAPITAL

AUTHORISED

Equity Share Capital

40,00,000 shares of par value of Rs 10/- each

(Previous year 40,00,000 shares of par value of

Rs.10/- each)

40,000,000

40,000,000

Preference Shares

15,00,000 shares of par value of Rs 100/- each

(Previous year 15,00,000)

150,000,000

150,000,000

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 15,00,000)

150,000,000

150,000,000

Total

186,812,620

186,812,620

NOTES:

- a) (i) During the year, the company has not issued or brought back any Equity / Preference shares
(ii) Following is the reconciliation of number of shares outstanding as at the beginning of the year and end of the year

PARTICULARS	AS AT 31.03.2017	AS AT 31.03.2016
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	1,500,000	1,500,000
Number of shares outstanding as at the closing of the year	1,500,000	1,500,000

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 share holders held more than 5% of the total Equity & Preference shares in the company as at the end of the year:



Equity Share Capital

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

Preference Shares

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

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

PARTICULARS	AS AT	
	31.03.2017	31.03.2016

Note No. 3

RESERVES AND SURPLUS

Other Reserves

As per last balance sheet

Subsidy Reserve	1,500,000	1,500,000
Share Forefeited Account	367,241	367,241
Reconstruction Reserve	564,770	564,770
Securities premium Account	17,600,000	17,600,000

20,032,012	20,032,012
------------	------------

Surplus

As per last balance sheet	(691,536,780)	(298,295,613)
Add: Loss for the year from Statement of Profit & Loss	(219,025,400)	(393,241,167)

(910,562,180)	(691,536,780)
---------------	---------------

Total

(890,530,168)	(671,504,768)
---------------	---------------



MONNET INDUSTRIES LIMITED

PARTICULARS	AS AT	
	31.03.2017	31.03.2016

Note No. 4

LONG TERM BORROWINGS

Secured Term Loan
From IndusInd Bank

0 583,333,333

Total

0	583,333,333
---	-------------

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 total amount of borrowing has been invested in 6.5% Non Convertible Cumulative Redeemable Preference shares (CRPS) of M/s Monnet Ispat & Energy Ltd. @ Rs.100/- per Share which have been pledged with the bank alongwith all rights associated with 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 3rd, 4th & 5th years from the date of disbursement. The loan is carrying interest rate of 12.25 %.

f) There has been no continuing default on the balance sheet date in repayment of loan. However interest payment is overdue for two months.



MONNET INDUSTRIES LIMITED

PARTICULARS	AS AT	
	31.03.2017	31.03.2016

Note No. 5

LONG TERM PROVISIONS

Provision for Gratuity Obligation

As per last balance sheet	1,607,077	1,670,366
Reversal during the year	(74,769)	0
Additions during the year	75,346	(63,289)
Total	1,607,654	1,607,077

NOTE - 6

TRADE PAYABLE

For Goods & Services	27,730,727	30,149,690
Provision for Expenses	579,350	1,801,848
	28,310,077	31,951,538
Dues towards micro and small enterprises as required under MSMED Act 2006	NIL	NIL

Note No. 7

OTHER CURRENT LIABILITIES

Current maturities of long term debts	1,166,666,666	1,166,666,666
Interest accrued and due on long term debt	39,922,696	62,019,678
Advances from customers & others	16,700	16,700
Statutory Dues Payable	137,609	139,970
Other liabilities	512,436,959	487,642,440
Total	1,719,180,630	1,716,485,454

Note No. 8

SHORT TERM PROVISIONS

Provision for Earned Leave Liability

As per last balance sheet	251,777	242,075
Additions during the year	49,110	9,702
Amounts paid during the year	0	0
Total	300,887	251,777

MONNET INDUSTRIES LIMITED

Note No. 9

FIXED ASSETS

TANGIBLE ASSETS

DESCRIPTION	Gross Block		Depreciation/Amortisation		Net Block					
	As at 1.4.2016	Additions	Deductions/ Adjustments	As at 31.03.2017	Upto 1.4.2016	For the year	Deductions/ Adjustments	Upto 31.03.2017	As at 31.03.2017	As at 31.03.2016
Land :										
(including development expenses)										
Freehold	4,615,729	0	0	4,615,729	0	0	0	0	4,615,729	4,615,729
Building :										
Others	11,457,478	0	0	11,457,478	10,826,658	0	0	10,842,523	614,955	630,820
Plant and equipment	39,686,987	0	0	39,686,987	34,832,917	167,274	0	35,000,191	4,686,796	4,854,070
Furniture and fixtures	239,395	0	0	239,395	229,269	0	0	229,269	10,126	10,126
Vehicles	44,403	0	0	44,403	44,268	0	0	44,268	135	135
Office equipment	656,832	0	0	656,832	619,579	1,501	0	621,080	35,752	37,253
EDP, WP machines	28,606	0	0	28,606	9,304	9,039	0	18,343	10,263	19,302
Electric equipment	0	0	0	0	0	0	0	0	0	0
Electrical Installations	15,109,536	0	0	15,109,536	11,618,350	293,658	0	11,912,008	3,197,528	3,491,186
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	9,417,316	0	0	9,417,316	182,038	182,038
Current Year	82,245,786	0	0	82,245,786	68,405,128	471,472	0	68,892,465	13,353,321	13,840,658
Previous year	82,747,563	12,000	513,777	82,245,786	67,970,248	488,468	53,588	68,405,128	13,840,658	14,777,315

INTANGIBLE ASSETS

DESCRIPTION	Gross Block		Depreciation/Amortisation		Net Block					
	As at 1.4.2016	Additions	Deductions/ Adjustments	As at 31.03.2017	Upto 1.4.2016	For the year	Deductions/ Adjustments	Upto 31.03.2017	As at 31.03.2017	As at 31.03.2016
Software	55,143	0	0	55,143	28,458	17,464	0	45,922	9,221	26,685
Current Year	55,143	0	0	55,143	28,458	17,464	0	45,922	9,221	26,685
Previous year	55,143	0	0	55,143	10,994	17,464	0	28,458	26,685	44,149



MONNET INDUSTRIES LIMITED

PARTICULARS	AS AT	
	31.03.2017	31.03.2016

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

99,80,000 (1,75,00,000) 6.5% Non Convertible Cumulative Redeemable Preference Shares of M/s Monnet Ispat & Energy Ltd. @ Rs.100/- per Share 99,80,000 1,75,00,000

Total	99,80,000	1,75,00,000
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Quoted Investments

Book Value 5,000 5,000

Market Value 1,705 1,115

Unquoted Investments

Book Value 99,80,000 1,75,00,000

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 819,317 819,317

Total	819,317	819,317
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MONNET INDUSTRIES LIMITED

PARTICULARS	AS AT	
	31.03.2017	31.03.2016

Note No. 12

INVENTORIES (as taken valued and certified by the management)

Raw Material	113,320	113,320
	113,320	113,320

Valuation of inventories has been done in accordance with accounting policy no. VI as referred in Note no.1

NOTE - 13

TRADE RECEIVABLES

(Unsecured Considered good unless otherwise stated)

Outstanding for a period exceeding six months

- Considered Good	222,113	222,113
	222,113	222,113

Note No. 14

CASH & BANK BALANCES

CASH & CASH EQUIVALENTS

Balances with banks	670,165	521,055
Cash on hand	40,794	40,576
Bank deposits within three months maturity	1,321,017	0
	2,031,976	561,631

OTHER BANK BALANCES:

Bank deposits with more than three months maturity	0	1,242,409
	2,031,976	1,804,040

Specified Bank Notes (SBN) disclosure

Disclosure related to details of Specified Bank Notes (SBN) held and transacted during the period 08 November 2016 to 30 December 2016:

Particulars	SBNs	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	31000	931	31,931
(+) Withdrawal from Bank accounts		100,000	100,000
(+) Permitted receipts			
(-) Permitted payments		13,086	13,086
(-) Amount deposited in Banks	31000		31,000
Closing cash in hand as on 30.12.2016	0	87,845	87,845



MONNET INDUSTRIES LIMITED

PARTICULARS	AS AT	
	31.03.2017	31.03.2016

Note No. 15

SHORT TERM LOANS AND ADVANCES

(Unsecured, Considered good, unless otherwise stated)

Advances to Others	4,148,061	27,802,700
Total	4,148,061	27,802,700

Note No. 16

OTHER CURRENT ASSETS

Interest Accrued but not due- From Bank	5,701	6,648
Advance to Employees	1,500	(3,817)
Advance tax deposit & tax deducted at source	552,291	1,274,051
Prepaid Expenses	26,399,879	53,006,314
Total	26,959,371	54,283,196

Note No. 17

REVENUE FROM OPERATIONS

Sale of Products	0	125,752,278
Total	0	125,752,278

Note No. 18

OTHER INCOME

Interest Received from Bank	86,289	377,119
Interest Received from others	650,891	1,533,080
Excess Provision Written Back	1,000	0
Rent Received	12,000	12,000
Total	750,180	1,922,199

Note No. 19

Cost of Material Consumed

Raw Material Consumed	0	66,388,835
Packing Material Consumed	0	950,218
Total	0	67,339,053



MONNET INDUSTRIES LIMITED

PARTICULARS	YEAR ENDED	
	31.03.2017	31.03.2016

NOTE - 20

CHANGE IN INVENTORIES

AS AT THE BEGINNING OF THE YEAR

Stock in Trade	0	14,393,676
Work in Process	0	11,796,643

'A'	0	26,190,319
-----	---	------------

AS AT THE CLOSING OF THE YEAR

Stock in Trade	0	0
Work in Process	0	0

'B'	0	0
-----	---	---

A-B	0	26,190,319
-----	---	------------

Note No. 21

EMPLOYEE BENEFITS EXPENSE

Salaries and wages	2,917,860	5,914,294
Contribution to provident and other funds	240,083	431,931
Staff welfare expenses	31,346	114,396

	3,189,289	6,460,621
--	-----------	-----------

Note No. 22

FINANCE COST

Interest paid to Bank	185,658,685	232,475,486
Loan Processing Fees	26,545,050	26,545,050

Total	212,203,735	259,020,536
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MONNET INDUSTRIES LIMITED

PARTICULARS	YEAR ENDED	
	31.03.2017	31.03.2016
<u>Note No. 23</u>		
<u>Manufacturing Expenses</u>		
Electricity & Water Charges	0	25,086,141
Store & Spares Consumed	0	2,771,323
Manufacturing Expenses	0	79,292
Excise Duty on stocks	0	(1,583,356)
	0	26,353,400
<u>Repairs & Maintenance</u>		
Plant & machinery	0	215,207
Others	0	49,588
	0	264,795
<u>Administrative Expenses</u>		
Electricity & Water charges	455,974	7,253
Rent	0	258,852
Insurance	62,725	118,368
Rates and taxes	60,977	135,004
Communication expenses	67,923	160,971
Travelling expenses & Conveyance	168,476	305,404
<u>Auditors' Remuneration</u>		
-- As Audit fee	28,750	28,750
-- For Tax Audit, Certification & Tax Representations	25,863	25,675
-- For Other services	126,500	188,875
Advertisement and publicity	53,780	143,462
Internal Audit Fee	2,875	2,875
Books and periodicals	30,000	30,583
Business Promotion	9,360	9,321
Professional charges and consultancy fees	1,733,598	1,535,476
Printing and stationery	114,360	113,108
Director's Meeting Fees	24,000	14,000
Vehicle Running Expenses	556,330	671,092
Miscellaneous expenses	266,839	933,004
Irrecoverable Balances Written off	0	12,475,000
Bank charges	7,961	69,751
Sales Commission	0	41,292
Total	3,796,290	17,268,116
	3,796,290	43,886,311



MONNET INDUSTRIES LIMITED

OTHER NOTES ON ACCOUNTS

24. Balance confirmations have not been received from some of the parties showing debit/credit balances.
25. 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.
26. 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.
27. 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 for setting off the deferred tax asset.
28. The accumulated losses of the company as on 31st March 2017 exceeded its Paid Up Capital & Free Reserves. Net worth of the company have become negative and the company has incurred cash losses during the year and immediately preceding previous year and current liabilities are significantly higher than current assets. In this regard the management is of the view that realization from liquidation of investment shall result in improvisation of financial performance of the company. Accordingly, the financial statements of the company have been prepared on Going Concern Basis.
29. **Related Party Disclosures:**

In accordance with the Accounting Standards (AS-18) on Related Party Disclosures, where control exists and where key management personnel are able to exercise significant influence and, where transactions have taken place during the year, alongwith description of relationship as identified, are given below:-

A. Relationships

Key Management Personnel

Name	Designation
Sh. J.P.Lath	Director
Sh. Rajeev Poddar	Director
-Ms Babika Goel	Director
-Mr Raj Kumar Sachdev	Director
-Ms Khushboo Sharma	Company Secretary



B. The following transactions were carried out with related parties in the ordinary course of business :-

Related Party Transactions	Key Management Personnel & their relatives	
	Current Year	Previous Year
Consultancy Charges		
- Sh. J.P. Lath	9,60,000	9,60,000
Directors Meeting Fees		
- Sh. J.P. Lath	6,000	3,000
-Sh. Rajeev Poddar	6,000	3,000
-Ms Babika Goel	6,000	3,000
-Mr Raj Kumar Sachdev	6,000	3,000
Remuneration Paid to Company Secretary		
-Ms Khushboo Sharma	4,04,271	3,45,795

30. Earning per share (EPS) –The numerators and denominators used to calculate Basic and Diluted Earning per share :

	Year Ended 31.3.2017	Year Ended 31.3.2016
Profit (Loss) attributable to the Equity Shareholders –(A)	(219025400)	(393241167)
Basic / Weighted 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)	(59.50)	(106.82)

Calculation of Profit attributable to Shareholders :

Loss for the year	(218943936)	(279491167)
Extra -ordinary Items	0	(113750000)
Income Tax Adjustment	0	0
Income Tax / FBT Provisions	81464	0
Profit attributable to Shareholders	(219025400)	(393241167)

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

**FOR O P BAGLA & CO
CHARTERED ACCOUNTANTS**

PLACE : NEW DELHI
DATED : 29.05.217

(Rakesh Kumar)
PARTNER
M.No. 087537

(Mahesh Kumar Sharma)
WHOLE-TIME DIRECTOR
DIN : 07504637

(J. P. Lath)
DIRECTOR
DIN : 00380076

(Mahesh Kumar Sharma)
CHIEF FINANCIAL
OFFICER

(Khushboo Sharma)
COMPANY
SECRETARY
M.No. AC534984

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Monnet House, 11, Masjid Moth,

Greater Kailash - II

New Delhi - 110048