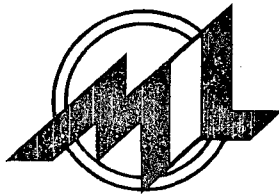


24th
Annual Report
2006-2007



MONNET INDUSTRIES LIMITED



BOARD OF DIRECTORS

Shri M. P. Saraf	Chairman
Shri M. S. Gujral	Director
Shri J. P. Lath	Director
Shri Amitabh S. Mudgal	Director

AUDITORS

M/s. O. P. Bagla & Co.
New Delhi

REGISTERED OFFICE

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

CORPORATE OFFICE

Monnet House,
11, Masjid Moth,
Greater Kailash-II,
New Delhi-110048

SHARES LISTED WITH STOCK EXCHANGES

Bombay Stock Exchange Ltd.
Madhya Pradesh Stock Exchange
The Calcutta Stock Exchange Association Ltd.
The Delhi Stock Exchange Association Ltd.
The Jaipur Stock Exchange Ltd.
The Stock Exchange, Ahmedabad

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NOTICE

NOTICE is hereby given that 24th Annual General Meeting of **MONNET INDUSTRIES LIMITED** will be held on Friday, 28th September, 2007 at 5.00 P.M. at Monnet Marg, Mandir Hasaud,, Raipur-492101, Chhattisgarh, to transact the following business :—

ORDINARY BUSINESS

1. To consider and adopt the Balance Sheet as at 31st March, 2007, Profit & Loss Account for the period ended on 31st March, 2007, along with Auditors' Report & Directors' Report thereon.
2. To appoint a Director in place of Shri J.P. Lath, who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint auditors and fix their remuneration.

By order of the Board of Directors

Date : 31st July, 2007
Place : New Delhi

Sd/-
[HARDEEP SINGH]
COMPANY SECRETARY

Registered Office :—

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

Corporate Office :—

Monnet House,
11, Masjid Moth,
Greater Kailash-II,
New Delhi-110048.

NOTES

1. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member. Proxy in order to be valid must be lodged at the Registered Office of the Company not less than 48 hours before the commencement of the Annual General Meeting.
2. Members desiring any information on the Accounts are requested to write to the Company at least one week before the date of the meeting so as to enable the Management to keep the information ready.
3. The Share Transfer Books of the Company shall remain closed from Friday, 21st September, 2007 to Friday, 28th September, 2007 [both days inclusive].



DIRECTORS' REPORT

TO THE MEMBERS

Your Directors have pleasure in presenting the Twenty Fourth Annual Report together with the Audited Accounts of the Company for the year ended 31st March, 2007.

FINANCIAL RESULTS

			[Rs. in Lacs]	
	2006-07		2005-06	
Profit/(Loss) for the year before Interest, Depreciation		49.98		26.39
Less : Financial Charges	0.11		0.02	
Depreciation	35.07	35.18	40.73	40.75
Profit/(Loss) for the year		14.80		(14.37)
Provision for Tax	1.66		0.00	
Income Tax Adjustment	0.03		(0.01)	
Provision for FBT	0.09	1.78	0.05	0.04
Profit/(Loss) after Tax		13.02		(14.41)
Balance as per last year		(35.64)		(21.23)
Balance carried to Balance Sheet		(22.62)		(35.64)

OPERATIONS OF THE COMPANY

There have been no operations in the Company during the year under review due to the reasons already stated in our previous reports.

DIVIDEND

In view of losses, your Directors are not in a position to recommend the dividend.

DIRECTORS

Pursuant to Section 255 of the Companies Act, 1956, Shri J.P. Lath, Director, being longest in the office, retires by rotation on the day of 24th Annual General Meeting and being eligible offers himself for reappointment.

RESPONSIBILITY STATEMENT

In terms of Section 217 [2AA], your directors confirm having:-

- (i) followed in the preparation of Annual Accounts, the applicable accounting standards, with proper explanation relating to material departures, if any;
- (ii) selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for the year under review ;
- (iii) taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities ;
- (iv) prepared the accounts on a 'going concern' basis.

DEPOSITORY SYSTEM

As on 31st March, 2007, about 95.98% of the shares of your Company have been dematerialized. Since the Securities and Exchange Board of India (SEBI) has made trading in the Company's shares mandatory in dematerialized form, those members who are still holding their shares in physical form are advised to dematerialize their shareholding.



STATUTORY DISCLOSURES

- i) All board members and senior management personnel have affirmed compliance with the code of conduct for the year 2006-07. A declaration to this effect signed by the Director of the company is annexed to this report as **Annexure-I**.
- ii) Shri J.P. Lath, Director, has certified to the board with regard to the financial statements and other matters as required in clause 49 of the listing agreement and the said certificate is annexed to this report as **Annexure-II**.

MANAGEMENT DISCUSSION & ANALYSIS

Pursuant to clause 49 of the Listing Agreement with the Stock Exchanges, Management Discussion & Analysis is given in **Annexure-III** and forms an integral part of this report.

CORPORATE GOVERNANCE REPORT

Pursuant to clause 49 of the Listing Agreement, necessary measures are taken to comply with the requirements of said clause. A report on Corporate Governance along with a certificate of compliance from the Auditors, is given in **Annexure-IV** and forms an integral part of this report.

RISK MANAGEMENT

There being no operations in the Company, the Risk Management Policy being pursued is adequate for safeguarding the assets of the Company. However, the Policy will undergo comprehensive review whenever the Company commences business operations.

AUDIT COMMITTEE

The Audit Committee of Board of Directors constituted in terms of Clause 49 of the Listing Agreement and pursuant to Section 292A of the Companies Act, 1956 consists of Shri M.P. Saraf as Chairman, Shri M.S. Gujral and Shri Amitabh S. Mudgal, as its members.

AUDITORS

The Auditors' Report and Notes to the Accounts as referred in the Auditors' Report are self explanatory and therefore, do not call for any further comments or explanation.

M/s. O.P. Bagla & Co., Chartered Accountants, New Delhi, Auditors of the Company, hold the office till the conclusion of the ensuing Annual General Meeting and are eligible for reappointment. A Certificate from the auditors has been received to the effect that their re-appointment, if made, would be within the prescribed limits under Section 224(1B) of the Companies Act, 1956.

FIXED DEPOSITS

The Company has not invited or accepted any deposits during the year from the Public under Section 58A of the Companies Act, 1956.

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

In view of no operations in the Ferro Alloys Division, no report under the Companies [Disclosure of Particulars in the report of Board of Directors] Rules, 1988 is being given.

PERSONNEL

Since none of the employee is drawing salary in excess of the limits laid down under Section 217(2A) of the Companies Act, 1956 read with Companies [Particulars of Employees] Rules, 1975 as amended up-to-date, the same are not applicable.

ACKNOWLEDGEMENTS

Your Directors take this opportunity to offer their sincere thanks to all concerned for their continued valued assistance and support.

For and on behalf of Board of Directors

Place : New Delhi
Date : 31st July, 2007

Sd/-
(M.P. SARAF)
CHAIRMAN



DECLARATION BY CHIEF EXECUTIVE OFFICER

It is hereby declared that all Board Members and senior management personnel have affirmed compliance with the Code of Conduct within 30 days for and from the beginning of current financial year.

Place : New Delhi
Date : 31st July, 2007

Sd/-
(J.P. Lath)
Director

Annexure - II

CERTIFICATE BY CHIEF EXECUTIVE OFFICER (CEO) AND CHIEF FINANCIAL OFFICER (CFO)

I, J.P. Lath, Director, certify that :—

1. I have reviewed financial statements and the cash flow statement for the year ended 31st March, 2007 and that to the best of my knowledge and belief:—
 - i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; and
 - ii) These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations;
2. There are, to the best of my knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
3. I accept responsibility for establishing and maintaining internal controls for financial reporting and I have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and I have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which I am aware and the steps I have taken or propose to take to rectify the identified deficiencies, and
4.
 - i) There has not been any significant changes in internal control over financial reporting during the year under review;
 - ii) There has not been any significant changes in accounting policies during the year requiring disclosure in the notes to the financial statements; and
 - iii) I am not aware of any instance during the year of significant fraud with involvement therein of management or an employee having a significant role in the company's internal control system over financial reporting.

Place : New Delhi
Date : 31st July, 2007

Sd/-
(J.P. Lath)
Director



MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY STRUCTURE AND DEVELOPMENTS

The majority of ferro alloys units in India are dependant on market demand swings. Increase in consumption of stainless steel is the key driver for the demand. The countries like China, India, Russia and other developing economies will be the major demand driver. The growth of Ferro Alloys Industry is directly or indirectly linked with the growth of Iron & Steel Industry.

OPPORTUNITIES AND THREATS

The availability of raw-material and power is the major areas of threats in the ferro alloys industry and will continue to play the vital role in the survival and profitability of any ferro alloys unit. Therefore, the company's plant is being operated run by Monnet Ispat & Energy Ltd. (MIEL) on lease basis which has its own captive Power which is crucial for Ferro Alloys operations.

SEGMENT-WISE OR PRODUCT-WISE PERFORMANCE/OUTLOOK

Since there are no operations in the Company, no data is being given.

RISKS AND CONCERNS

The ferro alloys industry is primarily dependent upon the steel sector and the Power in particular and ore will continue a challenge for the industry.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

In view of no operations being conducted by the Company, your company does not require extensive control systems. However, your Company has adequate internal control systems in place and can be commenced whenever the need arises for the same.

DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

There is no data pertaining to financial performance in view of no operations in the Company.

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

Industrial relations in the Company are satisfactory. The relations with the labour are cordial and friendly.

CAUTIONARY NOTE

Certain statements in the "Management Discussion and Analysis" section may be forward-looking and are stated as required by applicable laws and regulations. Many factors may affect the actual results, which could be different from what the Directors envisage in terms of the future performance and outlook.



CORPORATE GOVERNANCE REPORT

CORPORATE GOVERNANCE PHILOSOPHY

Your Company stands committed to good Corporate Governance, transparency and disclosure to increase the value of the various stakeholders.

BOARD OF DIRECTORS:

The Board of Directors consists of four directors, i.e. an Independent & Non-executive Chairman and three other Non-executive Directors. Two of these directors are independent.

The Board of Directors meets at least once in a quarter to review the Company's performance and financial results and more often, if considered necessary, to transact any other business.

Present structure of the Board of Directors is as following:—

Name	Category	No. of Directorships in other Companies	No. of Committee Memberships in other Companies
Shri M.P. Saraf	Chairman	2	3
Shri M.S. Gujral	Director	6	7
Shri J.P. Lath	Director	4	3
Shri Amitabh S. Mudgal	Director	4	4

During the year, six Board Meetings were held. The dates on which the Board Meetings were held are as follows:—

30th June, 2006, 26th July, 2006, 31st October, 2006 and 31st January, 2007.

The last Annual General Meeting was held on 29th September, 2006. Following are the details of attendance of Directors at Board Meetings and at the Annual General Meeting held during the year:—

Name	No. of Board Meetings held during the tenure of the Directors	No. of Board Meetings attended	Last AGM attendance
Shri M.P. Saraf	4	4	No
Shri M.S. Gujral	4	4	No
Shri Amitabh S. Mudgal	4	2	No
Shri J. P. Lath	4	4	Yes

Information in cases of appointment or re-appointment of Directors as required under Listing Agreement is given as under: —

SHRI J.P. LATH

A Graduate, Shri J.P. Lath has a total experience of over 30 years in various fields. Out of these, he is working in a senior managerial position for last 8 years. He has ample experience in making compliance of various statutes applicable to a manufacturing unit of large scale and liaise with various Central/State Government Departments in connection therewith. He also has ample exposure in legal matters. Presently, he is working in the capacity of whole-time director in a group Company.

AUDIT COMMITTEE:

The Audit Committee comprises solely of Independent Directors. Shri M.P. Saraf is the Chairman of the Committee. Shri M.S. Gujral, and Shri Amitabh S. Mudgal are the other Members of the Committee. The Statutory Auditors are invitees to the meeting. The terms of reference of this Committee cover the matters specified for Audit Committees under clause 49 of the Listing Agreement as well as in section 292A of the Companies Act, 1956.

REMUNERATION COMMITTEE:

The Remuneration Committee comprises of Shri Amitabh S. Mudgal as Chairman, Shri M.S. Gujral and Shri M.P. Saraf are members of the Committee. The terms of reference of this Committee cover the matters specified for Remuneration Committees under clause 49 of the Listing Agreement.

DETAILS OF REMUNERATION TO WHOLE-TIME-DIRECTOR

There are no directors who are drawing any remuneration.


SITTING FEE PAID TO NON-EXECUTIVE DIRECTORS IS AS GIVEN BELOW:—

Directors	Sitting Fees (Rs.)	ESOP granted (No. of Shares)
Shri M.P. Saraf	4,000	NIL
Shri J.P. Lath	4,000	NIL
Shri M.S. Gujral	4,000	NIL
Shri Amitabh S. Mudgal	2,000	NIL

SHAREHOLDERS'/INVESTORS' GRIEVANCE COMMITTEE:—

The Company's Registrars and Share Transfer Agents MCS Ltd., New Delhi, handle the Investor grievances, in consultation with the Secretarial Department of the Company. The Registrars have adequate skilled staff with professional qualifications and advanced computer systems for speedy redressal of the investor grievances. The total process of settlement of a complaint right from its receipt to disposal is fully computerized to ensure timely settlement. It normally takes 15 days from the date of receipt of the complaint for disposal of investor grievances. Nevertheless, the Company has constituted an Investors' Grievance Committee in accordance with the requirements of Clause 49 of the Listing Agreements for attending to investors' complaints pertaining to transfers/transmission of shares, dividend enquiry, and any other related matters. The Shareholders'/Investors' Grievance Committee comprises of Shri M.P. Saraf as Chairman, Shri J. P. Lath and Shri Amitabh S. Mudgal as Members.

SHARE TRANSFER COMMITTEE

Name	Category	Number of Meetings held during the tenure of the Members	Number of Meetings attended during the year
Shri J. P. Lath	Director	15	15
Shri Amitabh S. Mudgal	Director	9	9

The Committee of the Company has been given the powers to deal with all matters related to transfers, transmission, and issuance of duplicate share certificates, split and/or consolidation requests. The Share Transfer Committee meets regularly.

COMPLIANCE OFFICER:

Shri Hardeep Singh
 Monnet House,
 11 Masjid Moth,
 Greater Kailash-II,
 New Delhi - 110 048

STATUS OF COMPLAINTS FOR THE PERIOD 1ST APRIL, 2006 TO 31ST MARCH, 2007.

1. Number of complaints received from the investors (including the opening Balance as on 01.04.2006) comprising of enquiries regarding status of listing of shares of the Company, Non-receipt of Share Certificates allotted pursuant to demerger, transfer and transmission etc.	34
2. Number of complaints resolved	30
3. Number of complaints not solved as at 31st March, 2007	4
4. Complaints Pending as at 31st March, 2007	4
5. Number of shares pending for Transfer as at 31st March, 2007	0

GENERAL BODY MEETINGS:

Date	AGM	Details of General Meetings of Shareholders	
		Place of Meeting	Time
29th September, 2006	23rd AGM	Monnet Marg, Mandir Hasaud, Raipur-492101 [Chhattisgarh]	5.00 p.m.
30th September, 2005	22nd AGM	Plot No. 216, Sector-C, Urla Industrial Complex, Raipur [Chhattisgarh]	2.30 p.m.
30th September, 2004	21st AGM	Plot No. 216, Sector-C, Urla Industrial Complex, Raipur [Chhattisgarh]	3.00 p.m.



DISCLOSURES:

There were no transactions of the Company of material nature with the promoters, the Directors or the management, or their subsidiaries or relatives during the year, which would have potential conflict with the interest of the Company at large.

MEANS OF COMMUNICATION:

Monnet pursues the policy of timely disclosure of information. The Company publishes quarterly results. Besides, the company also posts quarterly results, entire annual report, shareholding pattern on EDIFAR besides sending complete annual report to the shareholders.

GENERAL SHAREHOLDER INFORMATION:

1. Annual General Meeting :

Day, Date and Time : Friday, 28th September, 2007 at 5.00 p.m.
 Venue : Monnet Marg, Mandir Hasaud, Raipur, Chhattisgarh

2. Financial Calendar for 2007-08 (Tentative) :

Financial year ending : 31st March
 First Quarter Results : 31st July, 2007
 Half Yearly Results : on or before 31st October, 2007
 Third Quarter Results : on or before 31st January, 2008.
 Fourth Quarter Results/Audited Annual Accounts : on or before 30th April, 2008 / 30th June, 2008.

3. Book Closure Dates

: 21-09-2007 to 28-09-2007 (both days inclusive)

4. Dividend Payment

: N.A.

5. Registered Office & Works

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

6. Listing of Shares on Stock Exchanges

: The equity shares of the Company are listed on Bombay Stock Exchange Ltd., Mumbai & listing of shares is awaited on Madhya Pradesh Stock Exchange, Indore. The Company has made application to The Delhi Stock Exchange Association Ltd., The Calcutta Stock Exchange Association Ltd., The Jaipur Stock Exchange and The Stock Exchange, Ahmedabad for delisting of its equity shares.

* Bombay Stock Exchange Ltd.
 Phiroze Jeejeebhoy Towers,
 Dalal Street, Fort
 Mumbai - 400 001

* The Delhi Stock Exchange Association Ltd.
 DSE House, 3/1, Asaf Ali Road,
 New Delhi - 110 002

* The Jaipur Stock Exchange
 Indra Place, J.L.N. Marg
 Malviya Nagar, Jaipur

* M.P. Stock Exchange
 Rajani Bhawan, 3rd Floor,
 M.G. Road, Opp. High Court
 Indore - 452 004 (M.P)

* The Calcutta Stock Exchange Assoc. Ltd.
 7, Lyons Range
 Kolkata - 700 001.

* The Stock Exchange, Ahmedabad
 Kamdhenu Complex, Opp. Sahajanand College,
 Panjarapole, Ahmedabad-380015.

7. Stock Code:

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

8. Registrar & Share Transfer Agents:

MCS Ltd.
 Venkatesh Bhawan,
 W-40, Okhla Industrial Area, Phase-II,
 New Delhi - 110 020
 Tel. : 011-41406149
 Fax : 011-41709881

9. Share Transfer System:

Share Transfer Committee is normally held every 15 days and approves the physical transfers received periodically. Physical Shares sent for transfer are duly transferred within 15-20 days of receipt of documents, if found in order. Shares under



objection are in general returned within 15 days. Share Transfer Agents have been authorized to sign the share certificates on behalf of the Company for expeditious disposal of transfer requests.

10. Distribution of Shareholding as at 31st March, 2007:

Category (Shares)	No. of Folios	% of Shareholders	No. of Shares	% of Capital
1 - 500	1133	91.96	99697	2.71
501 - 1000	37	3.00	29289	0.80
1001 - 2000	18	1.46	23279	0.63
2001 - 3000	5	0.41	12830	0.35
3001 - 4000	5	0.41	18336	0.50
4001 - 5000	1	0.08	5000	0.14
5001 - 10000	8	0.65	55729	1.51
Above 10000	25	2.03	3437102	93.37
TOTAL	1232	100.00	3681262	100.00

11. Shareholding pattern as at 31st March, 2007:

Category	No. of Shares held	% of Shareholding
Promoters / Persons Acting in Concert	2901889	78.83
Banks, Financial Institutions and Insurance Companies	375793	10.21
Mutual Funds & UTI	13543	0.37
Foreign Institutional Investors	0	0.00
NRI/OCBs	44430	1.21
GDRs	NIL	NIL
Private Corporates Bodies	187149	5.08
Resident Individuals	156355	4.25
H.U.F.	2013	0.05
Directors & their Relatives	90	0.00
TOTAL	3681262	100.00

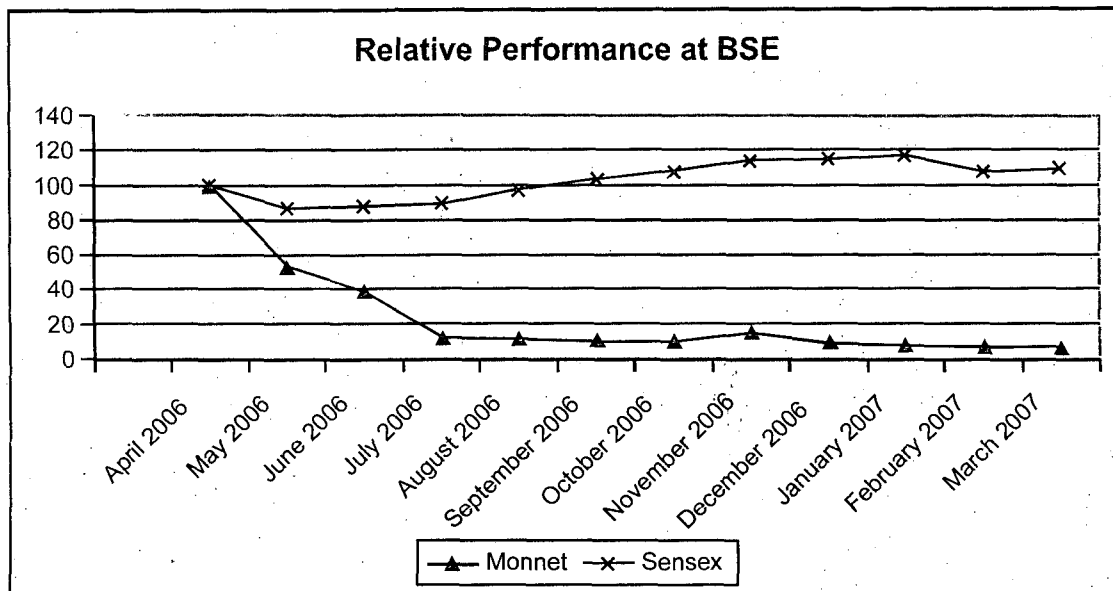
12. Stock Price Data:

Year	Month	BSE High (Rs.)	BSE Low (Rs.)	Monthly Volume (Rs. lacs)
2006	April	10000.00	50.00	5.09
2006	May	915.15	383.25	11.25
2006	June	364.10	281.85	0.21
2006	July	267.80	78.00	6.41
2006	August	108.55	81.25	9.25
2006	September	93.00	74.00	9.48
2006	October	84.00	57.00	22.37
2006	November	105.60	49.10	63.54
2006	December	109.95	65.25	47.17
2007	January	72.85	59.10	15.31
2007	February	65.00	50.00	13.63
2007	March	60.00	46.25	5.11



13. Stock Performance:

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



14. Nomination Facility:

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

15. Bank Details/ECS Mandate:

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

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

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

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

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



CERTIFICATE

To The Members of
MONNET INDUSTRIES LIMITED,

We have reviewed the implementation of Corporate Governance procedures by MONNET INDUSTRIES LIMITED, for the year ended on 31st March, 2007 with the relevant records and documents maintained by the Company, as stipulated in clause 49 of the Listing Agreement of the said Company with stock exchange[s].

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

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

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

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

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

Place : New Delhi
Date : 31st July, 2007

Sd/-
(Atul Aggarwal)
Partner



AUDITORS' REPORT

The Members of
MONNET INDUSTRIES LIMITED

We have audited the attached Balance Sheet of **MONNET INDUSTRIES LIMITED** as at 31st March, 2007 and Profit & Loss Account for the Year Ended 31st March, 2007 annexed thereto and cash flow statement for the Year ended on that date. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

1. As required by the Companies (Auditor's Report) order, 2003 as amended by the Companies (Auditor's Report) (Amendment) order 2004 issued by the Central Government in terms of Section 227(4A) of the Companies Act, 1956, we enclose in the annexure a statement on the matters specified in the paragraphs 4 & 5 of the said order to the extent applicable to the Company.
2. Further to our comments in the annexure referred to in paragraph 1 above, we report that:
 - a) We have obtained all the information and explanations which to the best of our knowledge and belief, were necessary for the purpose of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of such books.
 - c) The Balance Sheet and the Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
 - d) In our opinion, the profit and loss account and balance sheet and Cash Flow Statement comply with the accounting standards referred to in sub-section (3c) of section 211 of the Companies Act, 1956.
 - e) On the basis of written representation received from the directors and taken on records by the Board of Directors, we report that, none of the director is disqualified as on 31st March, 2007 from being appointed as Director u/s 274(1)(g) of the Companies Act, 1956.
 - f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with Significant Accounting Policies and other Notes thereon in Schedule - 14 give the information as required by the Companies Act, 1956 in the manner so required and give true and fair view in conformity with accounting principles generally accepted in India :-
 - i) In the case of the Balance Sheet of the State of affairs of the Company as at 31.03.2007.
 - ii) In the case of the Profit & Loss Account of the PROFIT for the Year Ended on that date.
 - iii) In the case of Cash Flow Statement of the cash flows for the Year ended on that date.

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

Sd/-

[Atul Aggarwal]

Partner

M. No. 92656

Place : New Delhi
Dated : 30.06.07

ANNEXURE REFERRED TO IN PARAGRAPH 1 OF THE AUDITORS' REPORT ON ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2007

1. a) The Company has maintained proper records to show full particulars including quantitative details and situation of fixed assets.
- b) As explained to us, major fixed assets have been physically verified by the management during the year. We have been informed that the discrepancies noticed on such verification as compared to book record were not material and have been properly dealt with in the books of account. In our opinion the frequency of verification is reasonable.
- c) As the Company has disposed off an insignificant part of fixed assets during the year, paragraph 4 (i) (c) of the said order is not applicable.



2. The Company has no stocks during the year under audit.
3. According to the information and explanations given to us, the Company has neither granted nor taken any loans, secured or unsecured to/From Companies, firms or other Parties covered in the register maintained under section 301 of the Companies Act 1956. Accordingly, paragraph 4 (iii) [b], [c] and [d] of the order are not applicable.
4. In our opinion and according to the information and explanations given to us there are adequate internal control procedure commensurate with the size of the Company and the nature of its business with regard to purchase of inventories, fixed assets and with regard to the sale of goods. During the course of audit, no major weakness has been noticed in the underlying internal controls.
5.
 - a) In our opinion and according to information and explanations given to us the transactions that needed to be entered in the register maintained under section 301 of the Act have been entered in the register.
 - b) As per information and explanations given to us aforesaid transactions exceeding the aggregate amount of Rupees five lacs in respect of each Party made during the year, have been made at prices which are reasonable having regard to the prevailing market price at the relevant time.
6. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits within the meaning of provisions of section 58A and 58AA of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975.
7. In our opinion and according to the information and explanations given to us, the Company has adequate internal audit system commensurate with its size and nature of its business.
8. We are informed that the Central Government has not prescribed the maintenance of cost records under section 209(1)(d) of the Companies Act, 1956.
9. As per information and explanations given to us the Company has been regular in depositing the undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Custom Duty, Excise Duty, Cess, Octroi, entry tax and other statutory dues with the appropriate Authorities. There are no undisputed statutory dues at the year end outstanding for a Year of more than six months from the date they become payable.
10. 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 the Financial Institution or bank or debenture holders as at the year end.
11. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Paragraph 4 (xii) of the order is not applicable.
12. According to the information and explanations given to us, the company has not given any guarantees for loans taken by others from banks for financial institutions during the year.
13. According to the information and explanations given to us the company has not taken any term loans during the year.
14. During the year the Company has not made any preferential allotment of shares to parties and Companies covered in the Register maintained u/s 301 of the Companies Act 1956. As such paragraph 4 (xviii) of the order is not applicable.
15. Since the Company has not raised money by way of Public Issue during the year paragraph 4 (xx) of the order is not applicable.
16. 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 31.03.2007.
17. Other clauses of the order are not applicable to the Company for the year under report.

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

Sd/-

(Atul Aggarwal)
Partner

M. No. 92656

Place : New Delhi
Dated : 30.06.07



BALANCE SHEET AS AT 31ST MARCH, 2007

DESCRIPTION	SCHEDULE NO.	AS AT 31.03.2007 Rs.	AS AT 31.03.2006 Rs.
SOURCES OF FUNDS			
SHAREHOLDERS' FUNDS			
Share Capital	1	37,179,861	37,179,861
Reserves & Surplus	2	19,664,770	19,664,770
		<u>56,844,631</u>	<u>56,844,631</u>
APPLICATION OF FUNDS			
FIXED ASSETS			
a) Gross Block	3	74,417,381	74,795,184
b) Less : Depreciation		44,026,793	40,874,166
NET BLOCK		<u>30,390,588</u>	<u>33,921,018</u>
Investments	4	25,000	5,000
CURRENT ASSETS, LOANS & ADVANCES			
Sundry Debtors	5	21,069,079	22,410,021
Cash & Bank Balances	6	5,343,173	3,662,902
Loans & Advances	7	29,788,872	25,485,609
		<u>56,201,124</u>	<u>51,558,532</u>
LESS : CURRENT LIABILITIES & PROVISIONS			
Current Liabilities	8	32,033,484	32,203,739
		<u>32,033,484</u>	<u>32,203,739</u>
NET CURRENT ASSETS		<u>24,167,640</u>	<u>19,354,793</u>
PROFIT & LOSS ACCOUNT			
TOTAL		<u>56,844,631</u>	<u>56,844,631</u>
SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS			
	14		

In terms of our Report of even date annexed.
For **O.P. Bagla & Co.**
Chartered Accountants

Sd/-
Atul Aggarwal
Partner

Sd/-
J.P. Lath
Director

Sd/-
Amitabh S. Mudgal
Director

Sd/-
Hardeep Singh
Company Secretary

Place : New Delhi
Dated : 30.06.07

MONNET INDUSTRIES LIMITED



PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2007

DESCRIPTION	SCHEDULE NO.	YEAR ENDED 31.03.2007 Rs.	PERIOD ENDED 31.03.2006 Rs.
INCOME			
Lease Charges		6,000,000	3,600,000
Other Income	9	326,808	151,681
		6,326,808	3,751,681
EXPENDITURE			
Salaries, Wages & Amenities	10	564,082	307,400
Repairs and Maintenance	11	5,251	14,541
Administrative, Selling & Other Expenses	12	759,201	791,017
Financial Charges	13	10,761	2,444
Depreciation		3,507,166	4,072,736
		4,846,461	5,188,138
Profit/(Loss) Before Tax		1,480,347	(1,436,457)
Income Tax Adjustment		2,930	(287)
Provision for Income Tax		166,000	0
Provision for Fringe Benefit Tax		9,000	5,000
Profit/(Loss) After Tax		1,302,417	(1,441,170)
Balance as per last year		(3,563,820)	(2,122,650)
BALANCE CARRIED OVER TO BALANCE SHEET		(2,261,403)	(3,563,820)
EARNING PER SHARE (BASIC/DILUTED)		0.35	(0.39)
SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS	14		

In terms of our Report of even date annexed.

For **O.P. Bagla & Co.**

Chartered Accountants

Sd/-
Atul Aggarwal
Partner

Sd/-
J.P. Lath
Director

Sd/-
Amitabh S. Mudgal
Director

Sd/-
Hardeep Singh
Company Secretary

Place : New Delhi
Dated : 30.06.07



SCHEDULES

DESCRIPTION	AS AT 31.03.2007 Rs.	AS AT 31.03.2006 Rs.
1. SHARE CAPITAL		
Authorised		
19000000 Equity Shares of Rs. 10/- each	190,000,000	190,000,000
	190,000,000	190,000,000
Issued, Subscribed & Paid up		
3681262 Equity Shares of Rs. 10/- each fully paid up	36,812,620	36,812,620
Share Forfeited Account	367,241	367,241
	37,179,861	37,179,861
2. RESERVES & SURPLUS		
Capital Reserve		
Capital Subsidy	1,500,000	1,500,000
Transferred on Amalgamation	17,600,000	17,600,000
Reconstruction Reserve		
	564,770	564,770
	19,664,770	19,664,770

3. FIXED ASSETS

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	AS AT 01.04.2006	ADDITIONS	SALE	AS AT 31.03.2007	UPTO 31.03.2006	FOR THE YEAR	ADJUST- MENT OF SALES	UPTO 31.03.2007	AS AT 31.03.2007	AS AT 31.03.2006
Land & Site Development	4,615,729	0	0	4,615,729	0	0	0	0	4,615,729	4,615,729
Building	11,373,978	0	0	11,373,978	6,592,584	478,139	0	7,070,723	4,303,255	4,781,394
Plant & Machinery	47,392,312	0	0	47,392,312	26,540,940	3,000,567	0	29,541,507	17,850,805	20,851,372
Furniture & Fixture	239,395	0	0	239,395	190,315	8,883	0	199,198	40,197	49,080
Office Equipment	648,932	0	0	648,932	510,934	19,195	0	530,129	118,803	137,998
Vehicles	422,206	0	377,803	44,403	397,467	382	354,538	43,311	1,092	24,739
Temporary Shed	503,278	0	0	503,278	503,278	0	0	503,278	0	0
Assets Leaseout	9,599,354	0	0	9,599,354	6,138,647	0	0	6,138,647	3,460,707	3,460,707
Current Year	74,795,184	0	377,803	74,417,381	40,874,165	3,507,166	354,538	44,026,793	30,390,588	33,921,019
Previous Year	74,795,184	0	0	74,795,184	36,801,430	4,072,736	0	40,874,166	33,921,018	37,993,754

4. INVESTMENTS

PARTICULARS	OPENING STOCK		PURCHASE		SALES/CONVERSION		CLOSING STOCK		INVESTMENTS COST
	FACE VALUE	COST	FACE VALUE	COST	FACE VALUE	COST	FACE VALUE	COST	
UNQUOTED 100 Shares of Cambridge Construction (Delhi) Ltd.	0	0	20,000	1,000	0	0	20,000	1,000	20,000
QUOTED 50 Shares of Monnet Ispat Ltd. [Fully paid] (Market Value Rs. 14,525/-)	500	5,000	0	0	0	0	500	5,000	5,000
Current Year	500	5,000	20,000	1,000	0	0	20,500	6,000	25,000
Previous Year	500	5,000	0	0	0	0	500	5,000	5,000


5. SUNDRY DEBTORS

[Unsecured Considered Good, except where indicated otherwise]

Debts outstanding for a period exceeding six months

- Considered Doubtful

21,069,079	22,410,021
21,069,079	22,410,021

6. CASH & BANK BALANCES

Cash in hand & imprest

68,301	31,737
---------------	--------

Balance with Scheduled Banks

- in current accounts

5,254,872	3,611,165
------------------	-----------

- in fixed deposit & margin accounts

20,000	20,000
---------------	--------

5,343,173	3,662,902
------------------	-----------

7. LOANS & ADVANCES

[Unsecured Considered Good, except where indicated otherwise]

 Advances recoverable in cash or kind
or for value to be received

20,331,934	20,716,432
-------------------	------------

[Doubtful Rs. 3,594,771/- Previous Year Rs. 3,591,394/-]

Security Deposits

- With Govt. Depts.

7,092,420	3,813,205
------------------	-----------

- With Others

26,200	26,200
---------------	--------

Prepaid Expenses

18,370	13,156
---------------	--------

Income Tax Advances

2,319,948	916,616
------------------	---------

29,788,872	25,485,609
-------------------	------------

8. CURRENT LIABILITIES & PROVISIONS
A. Current Liabilities

Sundry Creditors

687,398	916,750
----------------	---------

Advance against Sales

557,427	627,427
----------------	---------

Unclaimed Dividend

79,910	156,130
---------------	---------

Other Liabilities

70,352	20,700
---------------	--------

Security Deposit Received

30,463,397	30,477,732
-------------------	------------

B. Provisions

Income Tax Provisions

166,000	0
----------------	---

Fringe Benefit Tax Provision

9,000	5,000
--------------	-------

32,033,484	32,203,739
-------------------	------------

9. OTHER INCOME

Interest

270,898	127,506
----------------	---------

Rent Received

24,000	24,000
---------------	--------

Dividend Received

175	175
------------	-----

Profit on Sale of Fixed Assets

31,735	0
---------------	---

326,808	151,681
----------------	---------



10. SALARIES, WAGES & AMENITIES

Salary, Wages & Allowances	510,948	272,924
Staff Welfare	15,000	7,500
Employers Contribution to P.F. etc.	38,134	26,976
	564,082	307,400

11. REPAIRS & MAINTENANCE

Others	5,251	14,541
	5,251	14,541

12. ADMINISTRATIVE, SELLING & OTHER EXPENSES

Printing & Stationery	21,483	6,914
Rent, Rates & Taxes	323,609	38,724
Vehicle Expenses	42,147	14,186
Communication Expenses	26,609	41,468
Travelling & Conveyance	24,000	5,466
Excise Duty Paid	0	115,170
Insurance Charges	39,323	42,692
Legal & Professional Charges	77,869	178,379
Advertisement, Publicity & Sales Promotion	31,791	37,184
Meeting Fees	14,000	0
Auditors' Remuneration		
- As Audit Fees	16,854	16,836
- For Income Tax Matters	7,296	14,112
- For Co. Law, Certification & Other Matters	20,173	11,571
Internal Audit Fee & Expenses	2,809	2,806
Misc. Expenses	111,238	265,509
	759,201	791,017

13. FINANCIAL CHARGES

Interest Paid	0	44
Bank Charges	10,761	2,400
	10,761	2,444



14. ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

A. SIGNIFICANT ACCOUNTING POLICIES

1. Basis of Accounting

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

2. Income and Expenditure

Accounting of Income & Expenditure is done on accrual basis. Except interest on overdue bills which is accounted for on receipt basis.

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

4. Fixed Assets & Depreciation

- a) Fixed assets are stated at their original cost of acquisition inclusive of inward freight, duties and expenditure incurred in the acquisition, construction & installation.
- b) Depreciation is charged on Written Down Value (WDV) Method at the rates and in the manner prescribed in Schedule XIV of the Companies Act, 1956 in respect of assets in use only.
- c) In respect of Assets Leased out as on 31st March, 2007 the cost of leased assets is depreciated over the primary lease Year in line with the method recommended by the Institute of Chartered Accountants of India.
- d) Modvat credit availed on capital goods is accounted for by credit to respective fixed assets and henceforth depreciation has been charged on net cost of Fixed Assets.

5. Investments

Long Term Investments are stated at cost.

6. Excise Duty

Modvat credit, to the extent availed, is adjusted towards cost of materials.

7. Gratuity/Retirement Benefits

Retirement benefits are accounted for on accrual basis.

8. Contingent Liabilities

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

9. Sundry Debtors

Interest on overdue bills is accounted for on receipt basis.

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

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

B. NOTES ON ACCOUNTS

	<u>Current Year</u>	<u>Previous Year</u>
1. Estimated amount of contracts remaining to be executed on Capital Account and not provided for (Net of advances) [Rs. in Lacs]	NIL	NIL
2. Letters of Credit opened in favour of inland/overseas suppliers	NIL	NIL
3. Guarantees (Rs. in Lacs)		
Counter guarantees issued to Bankers in respect of guarantees issued by them	NIL	NIL
Guarantees issued on behalf of Limited Company	NIL	5035.76
4. Contingent Liabilities not provided for [Rs. in Lacs]	NIL	NIL



5. Details of Licenced and Installed Capacities and Production :

Ferro Chrome/Ferro Manganese Division

Licenced Capacity	MT	15000	15000
*Installed Capacity	MT	12000	12000
Production	MT	NIL	NIL

*As certified by the management and relied upon by the Auditors being a technical matter.

- 6.** Balance confirmations have not been received from some of the parties showing debit/credit balances.
- 7.** No information has been furnished by any of the Creditors of their being a Small Scale industrial unit. Hence, the amount due to Small Scale industrial units as on 31st March, 2007 are not ascertainable.
- 8.** Expenditure in Foreign Currency **NIL** NIL
- 9.** Value of Imports on CIF Basis **NIL** NIL
- 10.** Claim against the company not acknowledged as debt (Rs. in lacs) **NIL** NIL
- 11.** 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.
- 12.** No provision for deferred tax liability as required in AS-22 of "Taxes on Income" issued by ICAI, has been made as the taxable income and book profit have no material timing differences.
- 13.** Earning per share (EPS) - The numerators and denominators used to calculate Basic and Diluted Earning per share :

	Year ended 31.03.2007	Year ended 31.03.2006
Profit attributable to the Equity Shareholders - [A]	1302417	(144170)
Basic/Weighted average number of Equity Shares outstanding during the year [B]	3681262	3681262
Nominal value of Equity Shares (Rs.)	10	10
Basic/Diluted Earnings per share (Rs.) - [A] [B]	0.35	(0.39)

Calculation of Profit attributable to Shareholders :

Profit Before Tax	1480347	(1436457)
Add : Income Tax Adjustment	2930	(287)
Less : Income Tax / FBT Provisions	175000	5000
Profit attributable to Shareholders	1302417	(144170)

- 14.** Previous year figures have been regrouped or recasted wherever necessary. Current year figures are not comparable with previous year's figure as the previous year figures are for 9 months.

Signature to the Schedule 1 to 14
For **O.P. Bagla & Co.**
Chartered Accountants

Sd/-
Atul Aggarwal
Partner

Sd/-
J.P. Lath
Director

Sd/-
Amitabh S. Mudgal
Director

Sd/-
Hardeep Singh
Company Secretary

Place : New Delhi
Dated : 30.06.07



**BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE
(AS PER SCHEDULE VI, PART (IV) OF THE COMPANIES ACT, 1956)**

I. Registration Details

Registration No.

0	9	7	1	7
---	---	---	---	---

 State Code

1	0
---	---

 Balance Sheet Date

3	1
---	---

0	3
---	---

2	0	0	7
---	---	---	---

 Date Month Year

II. Capital Raised During the Year

Public Issue					Rights Issue				
				N I L					N I L
Private Placement					Bonus Issue				
				N I L					N I L

III. Position of Mobilisation and Deployment of Funds

Total Liabilities										Total Assets											
			8	8	8	7	8	1	1	5				8	8	8	7	8	1	1	5

Sources of Funds

Paid-up Capital										Reserves & Surplus											
			3	7	1	7	9	8	6	1				1	9	6	6	4	7	7	0
Secured Loans										Unsecured Loans											
										N I L											N I L

Application of Funds

Net Fixed Assets										Capital Work in Progress											
			3	0	3	9	0	5	8	8											N I L
Investments										Net Current Assets											
						2	5	0	0	0				2	4	1	6	7	6	4	0
Misc. Expenditure										Deferred Tax Asset/(Liabilities)											
										N I L											N I L
Accumulated Losses																					
			2	2	6	1	4	0	3												

IV. Performance of the Company

Turnover including other incomes										Total Expenditure											
			6	3	2	6	8	0	8				4	8	4	6	4	6	1		
Profit Before Tax										Profit After Tax											
			1	4	8	0	3	4	7				1	3	0	2	4	1	7		
Earnings Per Share (Rs.)										Dividend Rate %											
						0	.	3	5												N I L

V. Generic Names of Principal Products/Services of the Company

Item Code No. (ITC Code)	7	2	0	2	4	1	0	0													
Product Description	F	E	R	R	O		C	H	R	O	M	E									
Item Code No. (ITC Code)	7	2	0	2	1	1	0	0													
Product Description	F	E	R	R	O		M	A	G	N	E	S	E								

In terms of our Report of even date annexed.
 For **O.P. Bagla & Co.**
 Chartered Accountants

For and on behalf of the Board

Sd/-
Atul Aggarwal
 Partner

Sd/-
J.P. Lath
 Director

Sd/-
Amitabh S. Mudgal
 Director

Sd/-
Hardeep Singh
 Company Secretary

Place : New Delhi
 Dated : 30.06.07



CASH FLOW STATEMENT FOR 2006-2007

	<u>2006-2007</u>	<u>2005-2006</u>
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax and Extra Ordinary Items	1,480,347	(1,436,457)
Adjusted for :		
Depreciation	3,507,166	4,072,736
Interest Received	(270,898)	(127,506)
Interest Paid	0	44
Profit on Sale of Fixed Assets	(31,735)	0
Dividends Received	(175)	3,945,099
Operating Profit before Working Capital Changes	4,684,705	2,508,642
Adjusted for :		
Trade & Other Receivables	(2,962,322)	(1,791,321)
Inventories	0	0
Trade Payable	(170,255)	(1,036)
Cash Generated from Operations	1,552,128	716,285
Interest Paid	0	(44)
Direct Taxes Paid	(177,930)	(4,713)
Deferred Tax	0	0
Cash Flow before Extraordinary Items	0	0
Extraordinary Items	0	(4,757)
Net Cash from Operating Activities	1,374,198	(711,528)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	0	0
Purchase of Investments	0	0
C.W.I.P.	0	0
Sale of Fixed Assets	55,000	0
Purchase of Investments	(20,000)	0
Sale of Investments	0	0
Interest Received	270,898	127,506
Dividend Received	175	175
Net Cash used in Investing Activities	306,073	127,681
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 Finance Lease Liabilities	0	0
Dividends & Dividend Taxes Paid	0	0
Net Cash used in Financing Activities	0	0
Net Increase in Cash and Cash Equivalents (A + B + C)	1,680,271	839,209
Cash and Cash Equivalents as at 1.04.2006	3,662,902	2,823,693
Cash and Cash Equivalents as at 31.03.2007	5,343,173	3,662,902

In terms of our Report of even date annexed.
For **O.P. Bagla & Co.**
Chartered Accountants

For and on behalf of the Board

Sd/-
Atul Aggarwal
Partner

Sd/-
J.P. Lath
Director

Sd/-
Amitabh S. Mudgal
Director

Sd/-
Hardeep Singh
Company Secretary

Place : New Delhi
Dated : 30.06.07



MONNET INDUSTRIES LIMITED

Regd. Office & works : Plot No. 216, Sector-C, Urla Industrial Complex
Raipur - 493221 [Chhattisgarh]

DPID *	
--------	--

Client ID *	
-------------	--

ATTENDANCE SLIP

No. of Shares held	
--------------------	--

Ledger Folio No.	
------------------	--

I Certify that I am a registered shareholder/proxy for the registered shareholder of the Company.

I hereby record my presence at the **24TH ANNUAL GENERAL MEETING** of MONNET INDUSTRIES LIMITED held on Friday, the 28th day of September, 2007 at 5.00 P.M. at Monnet Marg, Mandir Hasaud, Raipur-492101, Chhattisgarh.

Name & Address of the Shareholder [in BLOCK Letters].....
.....

Name of the Proxy holder.....
[if applicable]

* Applicable for Investors holding shares in electronic form.

Member's/Proxy's Signature.....

Note : Please fill this attendance slip and hand it over at the ENTRANCE OF THE HALL.

MONNET INDUSTRIES LIMITED

Regd. Office & works : Plot No. 216, Sector-C, Urla Industrial Complex
Raipur - 493221 [Chhattisgarh]

DPID *	
--------	--

Client ID *	
-------------	--

PROXY FORM

No. of Shares held	
--------------------	--

Ledger Folio No.	
------------------	--

I/We.....

of.....being a member/members

of the above-named Company hereby appoint.....of.....

.....or failing him/her.....

of.....

as my/our proxy to vote for me/us on my/our behalf at the **24TH ANNUAL GENERAL MEETING** of the Company to be held on Friday, the 28th day of September, 2007 at 5.00 P.M. and at any adjournment thereof.

Signed this.....day.....2007.

Affix Re. 1/- Revenue Stamp

* Applicable for Investors holding shares in electronic form.

[Signature]

Note : This Proxy form in order to be effective should be duly stamped, completed and signed and must be deposited at the Registered Office of the Company, not less than 48 hours before the time for holding the aforesaid meeting. The proxy need not be a member of the Company.

BOOK POST

If Undelivered please return to :

MONNET INDUSTRIES LIMITED

Monnet House, 11, Masjid Moth,
Greater Kailash - II,
New Delhi - 110048