

27th
Annual Report
2009-2010



MONNET INDUSTRIES LIMITED

**BOARD OF DIRECTORS**

Shri Rajiv Poddar	Chairman
Shri M.S. Gujral	Director
Shri M.P. Saraf	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 the 27th Annual General Meeting of **MONNET INDUSTRIES LIMITED** will be held on Thursday, 30th September, 2010 at 4.00 P.M. at Monnet Ispat & Energy Ltd., Monnet Marg, Mandir Hasaud, Raipur, Chhattisgarh-492101, to transact the following business:-

ORDINARY BUSINESS

1. To consider and adopt the Balance Sheet as at 31st March, 2010, Profit & Loss Account for the year ended on that date 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.

SPECIAL BUSINESS

4. To consider and if thought fit, to pass the following resolution, with or without modification, as an **Ordinary Resolution**:-

"RESOLVED that pursuant to Section 260 of the Companies Act, 1956, Shri Rajiv Poddar be and is hereby appointed as Director of the Company, who shall be liable to retire by rotation."

By order of the Board of Directors
MONNET INDUSTRIES LIMITED

Sd/-
(J. P. LATH)
DIRECTOR

Date : 10th August, 2010
Place : New Delhi

Registered Office :-
216, Sector C,
Urja 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. The Share Transfer Books of the Company shall remain closed from Friday, 24th September, 2010 to Thursday, 30th September, 2010 [both days inclusive].

EXPLANATORY STATEMENT (PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956)**ITEM NO. 4**

Shri Rajiv Poddar was co-opted as an additional Director on the Board of the Company w.e.f. 29-1-2010. As such he holds the office only upto the date of ensuing Annual General Meeting. Your Company has received a notice in writing from a member of the Company signifying his intention to propose the name of Shri Rajiv Poddar for the office of Director.

Further, Shri Rajiv Poddar at the time of his appointment as additional director on 29-1-2010, had disclosed that he was not holding any equity shares in the Company.

None of the Directors except Shri Rajiv Poddar is interested or concerned in the proposed resolution. The Board commends the resolution as an Ordinary Resolution.



DIRECTORS' REPORT

TO THE MEMBERS

Your Directors have pleasure in presenting the Twenty Seventh Annual Report together with the Audited Accounts of the Company for the year ended 31st March, 2010.

FINANCIAL RESULTS

			[Rs. in Lacs]
	2009-10		2008-09
Profit/(Loss) for the year before Interest, Depreciation	28.80		39.02
Less : Interest	0.00	0.04	
Depreciation	22.90	23.34	23.38
Profit/(Loss) for the year	5.90		15.64
Provision for Tax	0.00	0.00	
Income Tax Adjustment	0.07	0.00	
Provision for FBT	0.00	0.29	0.29
Profit/Loss after Tax	5.83		15.35
Balance as per last year	(203.74)		(219.09)
Balance carried to Balance Sheet	(197.91)		(203.74)

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 inadequate profits, 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 27th Annual General Meeting and being eligible offers himself for reappointment. Further, Shri Rajiv Poddar was appointed as additional director on the Board of the Company w.e.f. 29th January, 2010. He holds the office of Director till the date of ensuing Annual General Meeting. A member has signified his intention, along with a security deposit of Rs. 500/- for his appointment, to propose his name for reappointment to the office of director. Since Shri Rajiv Poddar has expressed his willingness to act as director, if appointed, the necessary agenda for his appointment has been included in the Notice calling 27th Annual General Meeting.

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, 2010, about 96.67% 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**

All board members and senior management personnel have affirmed compliance with the code of conduct for the year 2009-10. A declaration to this effect signed by the Director of the company is annexed to this report as Annexure-I.

MANAGEMENT DISCUSSION & ANALYSIS

There being no operations in the Company as reported in previous reports as well, there is no requisite information in respect of Management Discussion & Analysis. However, wherever necessary, the requisite information in this respect thereof has been included in the directors' Report itself.

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-II and forms an integral part of this report.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Your Company has adequate internal control systems were commensurate with the size and nature of the business and were supplemented by an extensive program of internal audits, reviews by management and documented policies, guidelines, and procedures to provide reasonable assurance that all assets are safeguarded; transactions are authorized, recorded and reported properly. The Company shall promptly re-establish and reshape these systems to make the same commensurate with the new line of activity in future.

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 Rajiv Poddar as Chairman, Shri M.P. Saraf and Shri M.S. Gujral, 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 : 10th August, 2010

Sd/-
(RAJIV PODDAR)
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 : 10th August, 2010

Sd/-
(J. P. Lath)
Director



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 Five directors, i.e. an Independent & Non-executive Chairman and Four 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 Rajiv Poddar	Chairman	1	0
Shri M.S. Gujral	Director	7	9
Shri J.P. Lath	Director	4	5
Shri Amitabh S. Mudgal	Director	7	3
Shri M.P. Saraf	Director	4	0

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

15th May, 2009, 30th June, 2009, 31st July, 2009, 30th October, 2009, 29th January, 2010.

The last Annual General Meeting was held on 30th September, 2009. 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	5	3	Yes
Shri M.S. Gujral	5	4	Yes
Shri Amitabh S. Mudgal	5	4	No
Shri J. P. Lath	5	4	Yes
Shri Rajiv Poddar	1	0	N/A

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 33 years in various fields. Out of these, he is working in a senior managerial position for last 11 years. He has ample experience in making compliance of various statutes applicable to a manufacturing unit of large scale and liaises 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 Rajiv Poddar is the Chairman of the Committee. Shri M.S. Gujral, and Shri M.P. Saraf 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 Rajiv Poddar 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	3000	NIL
Shri J.P. Lath	4000	NIL
Shri M.S. Gujral	4000	NIL
Shri Amitabh S. Mudgal	4000	NIL
Shri Rajiv Poddar	NIL	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 Amitabh S. Mudgal and Shri J. P. Lath 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	2	2
Shri Amitabh S. Mudgal	Director	2	2

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 J P Lath

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

STATUS OF COMPLAINTS FOR THE PERIOD 1ST APRIL, 2009 TO 31ST MARCH, 2010.

1. Number of complaints received from the investors (including the opening Balance as on 01.04.2009) 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.	29
2. Number of complaints resolved	28
3. Number of complaints not solved as at 31st March, 2010	1
4. Complaints Pending as at 31st March, 2010	1
5. Number of shares pending for Transfer as at 31st March, 2010	0

GENERAL BODY MEETINGS:

Details of General Meetings of Shareholders					
Financial Year	AGM	Date	Place of Meeting	Time	Whether Special Resolution passed
2008-09	26th AGM	30th September, 2009	Monnet Mart, Mandir	4.40 p.m.	No
2007-08	25th AGM	30th September, 2008	Hasaud, Raipur-492101,	4.00 p.m.	No
2006-07	24th AGM	30th September, 2007	Chhattisgarh	5.00 p.m.	No

No special resolution is proposed to be conducted through postal ballot as on the date of adoption of this Corporate Governance Report.



DISCLOSURES:

(A) Disclosure by key managerial personnel about related party transactions

The Board has received disclosures from key managerial personnel relating to financial and commercial transactions where they and/or their relatives have personal interest. There are no materially significant related party transactions, which have potential conflict with the interest of the company at large. The related party transactions have been disclosed in point no. 26 of Schedule - 20 (B) to the Notes on Accounts on Balance Sheet and Profit and Loss Account for the year ended 31st March, 2010.

(B) Matters related to capital market

There was no non-compliance by the company, nor any penalties or strictures have been imposed on the company by Stock Exchanges or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.

(C) Access to Audit Committee

No personnel has been denied access to the Audit Committee.

(D) Management Discussion and Analysis

The Management Discussion and Analysis is a part of the annual report.

(E) Compliance with mandatory requirements and adoption of Non-mandatory requirements

The Company has complied with all the mandatory requirements of Clause 49 of Listing Agreement. The Company has also complied with non-mandatory requirement pertaining to setting-up remuneration committee. For details, refer to the section of this report dealing with Committees of the Board.

MEANS OF COMMUNICATION:

Monnet pursues the policy of timely disclosure of information. The Company publishes quarterly results. 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:

- | | | |
|--|---|--|
| <p>1. ANNUAL GENERAL MEETING</p> <p>Day, Date and Time</p> <p>Venue</p> | <p>:</p> <p>:</p> <p>:</p> | <p>Thursday, 30th September, 2010, at 4.00 p.m.</p> <p>Monnet Ispat & Energy Limited,
Monnet Marg, Mandir Hasaud,
Raipur, Chhattisgarh</p> |
| <p>2. FINANCIAL CALENDAR FOR 2009-10 (Tentative)</p> <p>Financial year ending</p> <p>First Quarter Results</p> <p>Half Yearly Results</p> <p>Third Quarter Results</p> <p>Fourth Quarter Results/
Audited Annual Accounts</p> | <p>:</p> <p>:</p> <p>:</p> <p>:</p> <p>:</p> <p>:</p> | <p>31st March</p> <p>15th August, 2010</p> <p>on or before 15th November, 2010</p> <p>on or before 15th February, 2011.</p> <p>on or before 15th May, 2011</p> <p>31st May, 2011.</p> |
| <p>3. BOOK CLOSURE DATES</p> | <p>:</p> | <p>24-09-2010 to 30-09-2010 (both days inclusive)</p> |
| <p>4. DIVIDEND PAYMENT</p> | <p>:</p> | <p>N.A.</p> |
| <p>5. REGISTERED OFFICE & WORKS</p> | <p>:</p> | <p>Plot No. 216, Sector - C, Urla Industrial Complex,
Raipur-493221, Chhattisgarh</p> |
| <p>6. LISTING OF SHARES ON STOCK EXCHANGES</p> | <p>:</p> | <p>The equity shares of the Company are listed on Bombay Stock Exchange Ltd., Mumbai & Madhya Pradesh Stock Exchange, Indore. The Company has made application to The Delhi Stock Exchange Association Ltd., The Calcutta Stock Exchange Association Ltd., The Jaipur Stock Exchange and The Stock Exchange, Ahmedabad for delisting of its equity shares.</p> |
| <p>* Bombay Stock Exchange Ltd.
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort,
Mumbai - 400 001</p> | <p>*</p> | <p>M.P. Stock Exchange
Rajani Bhawan, 3rd Floor,
M.G. Road, Opp. High Court
Indore - 452 004 (M.P)</p> |
| <p>* The Delhi Stock Exchange
Association Ltd.
DSE House, 3/1, Asaf Ali Road,
New Delhi-110 002.</p> | <p>*</p> | <p>The Calcutta Stock Exchange Assoc. Ltd.
7, Lyons Range
Kolkata - 700 001</p> |
| <p>* The Jaipur Stock Exchange
Indra Place, J.L.N. Marg
Malviya Nagar, Jaipur</p> | <p>*</p> | <p>The Stock Exchange, Ahmedabad
Kamdhenu Complex, Opp. Sahajanand College,
Panjarapole, Ahmedabad-380015.</p> |


7. Stock Code:

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

8. Registrar & Share Transfer Agents:

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

9. Share Transfer System:

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

10. Distribution of Shareholding as at 31st March, 2010:

Category (Shares)	No. of Folios	% of Shareholders	No. of Shares	% of Capital
1 - 500	1127	88.74	120617	3.28
501 - 1000	54	4.25	42817	1.16
1001 - 2000	38	2.99	52170	1.42
2001 - 3000	6	0.47	15262	0.41
3001 - 4000	7	0.55	22633	0.61
4001 - 5000	2	0.16	8927	0.24
5001 - 10000	13	1.02	92854	2.52
Above 10000	23	1.81	3325982	90.35
TOTAL	1270	100.00	3681262	100.00

11. Shareholding pattern as at 31st March, 2009:

Category	No. of Shares held	% of Shareholding
Promoters / Persons Acting in Concert	2760947	75.00
Banks, Financial Institutions and Insurance Companies	365840	9.94
NRI/OCBs	44440	1.21
Private Corporates Bodies	208197	5.66
Resident Individuals	290908	7.90
H.U.F.	10780	0.29
Directors & their Relatives	3681262	0.00
TOTAL	3681262	100.00

12. Stock Price Data:

Year	Month	BSE High (Rs.)	BSE Low (Rs.)	Monthly Volume (Rs. lacs)
2009	April	9.87	8.90	0.30
2009	May	15.10	10.27	0.31
2009	June	22.80	15.15	2.03
2009	July	19.95	18.10	0.40
2009	August	19.80	16.40	3.56
2009	September	25.55	19.20	2.95
2009	October	26.30	20.00	1.47
2009	November	23.15	19.05	0.20
2009	December	20.95	16.30	0.31
2010	January	28.05	18.15	3.93
2010	February	26.70	19.65	0.75
2010	March	24.95	18.70	2.27

MONNET INDUSTRIES LIMITED

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.

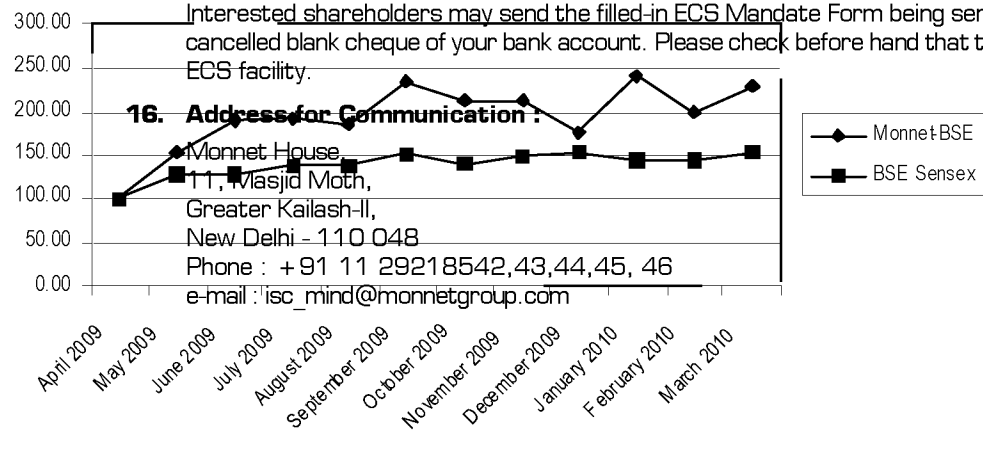
- (i) any change in their address/bank details, and;
- (ii) particulars of their bank account, in case the same have not been sent earlier.

Payment of dividend through ECS minimizes the risk of loss/late delivery of dividend warrant. Therefore, it is in your interest to provide ECS facility to 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 31 st March, 2010 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 : 10th August, 2010

Sd/-
(O.P. BAGLA)
Partner

**AUDITORS' REPORT**

The Members of
MONNET INDUSTRIES LIMITED

We have audited the attached Balance Sheet of **MONNET INDUSTRIES LIMITED** as at 31st March, 2010 and Profit & Loss Account for the Year Ended 31st March, 2010 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, 2010 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 - 11 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 31.03.2010.
 - 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/-
(RAKESH KUMAR)

Partner

M. No. 87537

Firm Regn. No. 000018N

Place : New Delhi
Dated : 10th August, 2010

ANNEXURE REFERRED TO IN PARAGRAPH 1 OF THE AUDITORS' REPORT ON ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2010

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



- c) As the Company has not disposed off any of the fixed assets during the year, paragraph 4 (i) (c) of the said order is not applicable.
2. The Company has no stocks during the year under audit.
3. According to the information and explanations given to us, the Company has neither granted nor taken any loans, secured or unsecured to/From Companies, firms or other Parties covered in the register maintained under section 301 of the Companies Act 1956. Accordingly, paragraph 4 (iii) (b), (c) and (d) of the order are not applicable.
4. In our opinion and according to the information and explanations given to us there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of inventories, fixed assets and with regard to the sale of goods. During the course of audit, no major weakness has been noticed in the underlying internal controls.
5. a) In our opinion and according to information and explanations given to us the transactions that needed to be entered in the register maintained under section 301 of the Act have been entered in the register.
- b) As per information and explanations given to us aforesaid transactions exceeding the aggregate amount of Rupees five lacs in respect of each Party made during the year, have been made at prices which are reasonable having regard to the prevailing market price at the relevant time.
6. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits within the meaning of provisions of section 58A and 58AA of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975.
7. In our opinion and according to the information and explanations given to us, the Company has adequate internal audit system commensurate with its size and nature of its business.
8. We are informed that the Central Government has not prescribed the maintenance of cost records under section 209(1)(d) of the Companies Act, 1956.
9. As per information and explanations given to us the Company has been regular in depositing the undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income Tax, Sales Tax, and other statutory dues with the appropriate Authorities. There are no undisputed statutory dues at the year end outstanding for a Year of more than six months from the date they become payable.
10. The accumulated losses of the company as at the end of the year are less than the 50% of the net worth of the company. The company has not incurred cash loss during the year under audit and in the immediately preceding financial year.
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 or 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 31.03.2010.
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/-

(RAKESH KUMAR)

Partner

M. No. 87537

Firm Regn. No. 000018N

Place : New Delhi
Date : 10th August, 2010

MONNET INDUSTRIES LIMITED



BALANCE SHEET AS AT 31ST MARCH, 2010

DESCRIPTION	SCHEDULE NO.	AS AT 31.03.2010 Rs.	AS AT 31.03.2009 Rs.
SOURCES OF FUNDS			
SHAREHOLDERS' FUNDS			
Share Capital	1	37,179,861	37,179,861
Reserves & Surplus	2	19,664,770	19,664,770
TOTAL		56,844,631	56,844,631
APPLICATION OF FUNDS			
FIXED ASSETS			
a) Gross Block	3	76,662,433	74,417,381
b) Less : Depreciation		51,678,128	49,387,869
Net Block		24,984,305	25,029,512
INVESTMENTS	4	25,000	25,000
CURRENT ASSETS, LOANS & ADVANCES			
Cash & Bank Balances	5	3,893,668	16,240,250
Loans & Advances	6	49,852,754	26,606,747
		53,746,422	42,846,997
LESS : CURRENT LIABILITIES & PROVISIONS			
Current Liabilities	7	41,701,708	31,430,589
		41,701,708	31,430,589
NET CURRENT ASSETS		12,044,714	11,416,408
PROFIT & LOSS ACCOUNT		19,790,612	20,373,711
TOTAL		56,844,631	56,844,631
SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS	11		

In terms of our Report of even date annexed.

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

Chartered Accountants

Sd/-

(RAKESH KUMAR)

Partner

Sd/-

J.P. LATH

Director

Sd/-

Amitabh S. Mudgal

Director

Place : New Delhi

Dated : 10th August, 2010



PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2010

DESCRIPTION	SCHEDULE NO.	YEAR ENDED 31.03.2010 Rs.	YEAR ENDED 31.03.2009 Rs.
INCOME			
Lease Charges		6,000,000	6,000,000
Other Income	8	1,517,479	819,311
		7,517,479	6,819,311
EXPENDITURE			
Salaries, Wages & Amenities	9	1,984,867	1,900,239
Administrative, Selling & Other Expenses	10	2,652,369	1,020,652
Depreciation		2,290,259	2,333,902
		6,927,495	5,254,793
Profit/(Loss) Before Tax		589,984	1,564,518
Income Tax Adjustment		6,885	(145)
Provision/Payment of Fringe Benefit Tax		0	29,500
Profit/(Loss) After Tax		583,099	1,535,163
Balance as per last year		(20,373,711)	(21,908,874)
BALANCE CARRIED OVER TO BALANCE SHEET		(19,790,612)	(20,373,711)
EARNING PER SHARE (BASIC/DILUTED)		0.16	0.42
SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS	11		

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

Sd/-
(RAKESH KUMAR)
Partner

Sd/-
J.P. LATH
Director

Sd/-
Amitabh S. Mudgal
Director

Place : New Delhi
Date : 10th August, 2010



SCHEDULES

DESCRIPTION	AS AT 31.03.2010 Rs.	AS AT 31.03.2009 Rs.
1. SHARE CAPITAL		
Authorised		
19000000 Equity Shares (Previous Year 19000000) of Rs. 10/- each	190,000,000	190,000,000
	190,000,000	190,000,000
Issued, Subscribed & Paid up		
3681262 Equity Shares (Previous Year 3681262) 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 – As per Last Balance Sheet	1,500,000	1,500,000
Share Premium Account		
Created on Amalgamation As per last Balance Sheet	17,600,000	17,600,000
Reconstruction Reserve		
As per last Balance Sheet	564,770	564,770
	19,664,770	19,664,770

3. FIXED ASSETS

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	AS AT 01.04.2009	ADDITIONS	SALE	AS AT 31.03.2010	UPTO 31.03.2009	FOR THE YEAR	ADJUSTMENT OF SALE	UPTO 31.03.2010	AS AT 31.03.2010	AS AT 31.03.2009
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	7,888,341	348,564	0	8,236,905	3,137,073	3,485,637
Plant & Machinery	47,992,312	1,776,503	0	49,168,815	34,040,486	1,914,109	0	35,954,595	13,214,220	13,351,826
Furniture & Fixture	239,395	0	0	239,395	212,432	4,880	0	217,312	22,083	26,963
Office Equipment	648,932	0	0	648,932	560,881	12,248	0	573,129	75,803	88,051
Vehicles	44,403	468,549	0	512,952	43,803	10,458	0	54,261	458,691	600
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	74,417,381	2,245,052	0	76,662,433	49,387,869	2,290,259	0	51,678,128	24,984,305	25,029,512
Previous Year	74,417,381	0	0	74,417,381	47,053,967	2,333,902	0	49,387,869	25,029,512	27,363,414


4. INVESTMENTS

PARTICULARS	OPENING STOCK		PURCHASE		SALES/CONVERSION		CLOSING STOCK		INVESTMENTS COST
	COST	FACE VALUE	COST	FACE VALUE	COST	FACE VALUE	COST	FACE VALUE	
LONG TERM FULLY PAID UP EQUITY SHARES									
UNQUOTED 100 Shares of Cambridge Construction (Delhi) Ltd.	20,000	1,000	0	0	0	0	20,000	1,000	20,000
QUOTED 50 Shares of Monnet Ispat & Energy Ltd. (Market Value Rs. 7700/-)	5,000	5,000	0	0	0	0	5,000	5,000	5,000
Current Year	25,000	6,000	0	0	0	0	25,000	6,000	25,000
Previous Year	25,000	6,000	0	0	0	0	25,000	6,000	25,000

DESCRIPTION	AS AT 31.03.2010 Rs.	AS AT 31.03.2009 Rs.
5. CASH & BANK BALANCES		
Cash in hand & imprest	884,983	107,315
Balance with Scheduled Banks		
- in current accounts	2,988,685	3,812,935
- in fixed deposit & margin accounts	20,000	12,320,000
	3,893,668	16,240,250
6. LOANS & ADVANCES		
(Unsecured Considered Good, except where indicated otherwise)		
Advances recoverable in cash or kind or for value to be received (Doubtful Rs. 24,89,273/- Previous Year Rs. 24,62,323/-)	33,042,264	14,792,937
Security Deposits		
- With Govt. Depts.	14,538,637	8,032,536
- With Others	23,200	26,200
Prepaid Expenses	54,440	53,096
Income Tax Advances	2,194,213	3,701,978
	49,852,754	26,606,747
7. CURRENT LIABILITIES & PROVISIONS		
A. Current Liabilities		
Sundry Creditors	1,112,026	867,832
Other Liabilities	10,589,682	69,860
Security Deposit Received	30,000,000	30,463,397
B. Provisions		
Fringe Benefit Tax Provision	0	29,500
	41,701,708	31,430,589



DESCRIPTION	YEAR ENDED 31.03.2010 Rs.	YEAR ENDED 31.03.2009 Rs.
8. OTHER INCOME		
Interest	1,493,226	794,510
Rent Received	24,000	24,000
Dividend Received	250	250
Sundry Balance Written Off	3	551
	<u>1,517,479</u>	<u>819,311</u>
9. SALARIES, WAGES & AMENITIES		
Salary, Wages & Allowances	1,910,649	1,838,549
Staff Welfare	22,193	16,691
Employers Contribution to P.F.	52,025	44,999
	<u>1,984,867</u>	<u>1,900,239</u>
10. ADMINISTRATIVE, SELLING & OTHER EXPENSES		
Printing & Stationery	11,980	8,049
Rent, Rates & Taxes	248,718	148,592
Vehicle Expenses	213,843	168,596
Communication Expenses	85,968	85,619
Travelling & Conveyance	123,254	129,903
Insurance Charges	13,289	11,532
Legal & Professional Charges	155,202	140,689
Electricity Exp.	24,338	36,110
Repair & Maintenance Others	20,268	44,689
Advertisement, Publicity & Sales Promotion	87,776	75,724
Meeting Fees	13,000	18,000
Auditors' Remuneration		
- As Audit Fees	16,545	16,545
- Tax Audit Fees	0	6,742
- For Income Tax Matters	20,406	40,927
- For Co. Law, Certification & Other Matters	16,545	22,369
Irrecoverable Balances Written Off	1,525,876	0
Internal Audit Fee & Expenses	2,758	2,758
Bank Charges	1,218	4,679
Misc. Expenses	71,385	59,129
	<u>2,652,369</u>	<u>1,020,652</u>



11. 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.

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, 2010 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. Dividend received is accounted for as and when it is declared.

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

B. NOTES ON ACCOUNTS

	Current Year	Previous Year
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	NIL
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
*Installed Capacity	MT	12000
Production	MT	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. The Company has not complied with Accounting Standard AS-15 [revised] regarding retirement benefits of the employees. However the company has accounted for retirement benefit of employees on accrual basis calculated on arithmetical basis based on last drawn salaries.
8. No information has been furnished by any of the Creditors of their being a specific unit under Micro Small & Medium Enterprises Development Act 2006. Hence, the amount due to such units as on 31 st March, 2010 is not ascertainable.
9. Expenditure in Foreign Currency **NIL** NIL
10. Value of Imports on CIF Basis **NIL** NIL
11. Claim against the company not acknowledged as debt [Rs. in lacs] **NIL** NIL
12. 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.
13. 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.
14. Earning per share [EPS]-The numerators and denominators used to calculate Basic and Diluted Earning per share : –

	Year ended 31.03.2010	Year ended 31.03.2009
Profit attributable to the Equity Shareholders - [A]	583099	1535163
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]	0.16	0.42

Calculation of Profit attributable to Shareholders :

Profit Before Tax	589984	1564518
Income Tax Adjustment	(6885)	[145]
Income Tax / FBT Provisions	0	29500
Profit attributable to Shareholders	583099	1535163

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

Signature to the Schedule 1 to 11
For **O.P. Bagla & Co.**
Chartered Accountants

Sd/-
(RAKESH KUMAR)
Partner

Sd/-
J.P. LATH
Director

Sd/-
Amitabh S. Mudgal
Director

Place : New Delhi
Dated : 10th August, 2010



**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
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 State Code

1	0
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 Balance Sheet Date

3	1
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0	3
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2	0	1	0
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 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																							
										9	8	5	4	6	3	3	9									9	8	5	4	6	3	3	9
Sources of Funds										Reserves & Surplus																							
Paid-up Capital										Unsecured Loans																							
										3	7	1	7	9	8	6	1									1	9	6	6	4	7	7	0
Secured Loans										Capital Work in Progress																							
										N	I	L									N	I	L										
Application of Funds										Net Current Assets																							
Net Fixed Assets										Deferred Tax Asset/(Liabilities)																							
										2	4	9	8	4	3	0	5									1	2	0	4	4	7	1	4
Investments										Accumulated Losses																							
																										1	9	7	9	0	6	1	2
										2	5	0	0	0									N	I	L								
Misc. Expenditure										Dividend Rate %																							
										N	I	L									N	I	L										

IV. Performance of the Company

Turnover including other incomes										Total Expenditure																					
										7	5	1	7	4	7	9									6	9	2	7	4	9	5
Profit Before Tax										Profit After Tax																					
										5	8	9	9	8	4									5	8	3	0	9	9		
Earnings Per Share (Rs.)										Dividend Rate %																					
										0	.	1	6									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

(RAKESH KUMAR)
Partner

Sd/-
J.P. LATH
Director

Sd/-
Amitabh S. Mudgal
Director

Place : New Delhi
Date : 10th August, 2010



CASH FLOW STATEMENT FOR 2009-2010

	2009-2010	2008-2009
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax and Extra Ordinary Items	589,984	1,564,518
Adjusted for :		
Depreciation	2,290,259	2,333,902
Provision for non performing leased assets	0	0
Interest Received	(1,493,226)	[764,510]
Interest Paid	0	0
Profit on Sale of Fixed Assets		
Dividends Received	(250)	[250]
Operating Profit before Working Capital Changes	1,386,767	3,103,660
Adjusted for :		
Trade & Other Receivables	(24,753,772)	2,820,522
Inventories	0	0
Trade Payable	10,300,619	538,891
Cash Generated from Operations	(13,066,386)	6,463,073
Interest Paid	0	0
Direct Taxes Paid	1,471,380	[1,242,321]
Deferred Tax	0	0
Cash Flow before Extraordinary Items	0	0
Extraordinary Items	0	0
Net Cash from Operating Activities	(11,595,006)	5,220,752
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(2,245,052)	0
Purchase of Investments	0	0
C.W.I.P.	0	0
Sale of Fixed Assets	0	0
Purchase of Investments	0	0
Sale of Investments	0	0
Interest Received	1,493,226	794,510
Dividend Received	250	250
Net Cash used in Investing Activities	(751,576)	794,760
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)	(12,346,582)	6,015,512
Cash and Cash Equivalents as at 1.04.2009	16,240,250	10,225,035
Cash and Cash Equivalents as at 31.03.2010	3,893,668	16,240,547

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

For and on behalf of the Board

Sd/-
(RAKESH KUMAR)
Partner

Sd/-
J.P. LATH
Director

Sd/-
Amitabh S. Mudgal
Director

Place : New Delhi
Date : 10th August, 2010

RAHUL AGARWAL
FCS

Add. : JD-51 A, Gr. Floor,
Pitampura,
Delhi - 110 088.
Contact No. : 9810188393

SECRETARIAL COMPLIANCE CERTIFICATE FOR THE YEAR ENDED ON
31ST MARCH, 2010

Registration No. : L51103CT1982PLC009717

Nominal Capital : Rs. 100000000/-

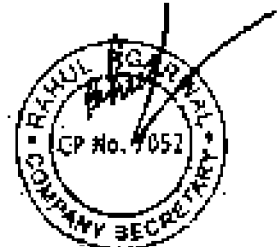
The Members,
Monnet Industries Limited
Balpur, Chandigarh

We have examined the registers, records, books and papers of M/s Monnet Industries Limited as required to be maintained under the Companies Act, 1956 (the Act) and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March, 2010. In our opinion and to the best of our information and according to the examination carried out by us and explanations furnished to us by the company its officers and agents, we certify that in respect of the aforesaid financial year:

1. The company has kept and maintained all registers as stated in Annexure 'A' to this certificate, as per the provisions of the Act and the rules made there under and all entries therein have been duly recorded.
2. The company has filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities within the time mentioned in annexure.
3. The company, being a Public limited company, comments are not required.
4. The Board of Directors duly met five times on 15.05.2009, 30.09.2009, 31.07.2009, 30.10.2009 and 29.01.2010 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.
5. The company has closed its Registers of Members from 24.09.2009 to 30.09.2009 (both days inclusive) during the financial year. However, the company has not maintained any Register of Debenture holders, as there was no debenture issued by the company.



6. The Annual General Meeting for the financial year ended on 31st March, 2009 was held on 30.09.2009 after giving due notice to the members of the company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
7. No extra ordinary general meeting was held during the financial year ended on 31st March, 2010.
8. The company has not advanced any loans to its directors or persons or firms or companies referred to under section 295 of the Act.
9. The company has duly complied with provisions of section 297 of the Act in respect of contracts specified in that section, wherever applicable.
10. The company has made necessary entries in the register maintained under section 301 of the Act.
11. As there were no Intestees falling within the purview section 314 of the Act, the company has not obtained any approvals from the Board of Directors, members or Central Government.
12. The company has not issued any duplicate share certificates during the financial year.
13. The company
 - a. has not made allotment/transmission/transfer of securities during the financial year.
 - b. was not required to deposit any amount in a separate bank account as no dividend was declared during the financial year.
 - c. was not required to post warrants to any member of the company as no dividend was declared during the financial year.
 - d. was not required to transfer the amount in respect of unpaid dividend, Application Money due for refund, Matured Deposits, Matured Debentures and the interest accrued thereon which have remain unclaimed and unpaid for a period more than seven years to the Investor Education and Protection Fund.
 - e. has duly complied with the requirement of section 217 of the Companies Act, 1956.
14. The Board has appointed Mr. Rajiv Podder as additional director of the company with effect from 29.01.2010 as per the provisions of the Act during the financial year.
15. The company has not made appointment of Managing Director/ Whole-time Director/ Manager during the financial year.

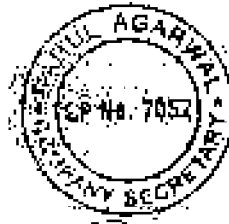


16. The company has not appointed any sole-selling agents during the financial year.
17. The company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar and/or such authorities prescribed under the various provisions of the Act during the financial year.
18. The directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under.
19. The company has not issued any shares/debentures/other securities during the year under scrutiny.
20. The company has not bought back any shares during the financial year.
21. There was no redemption of preference shares or debentures during the financial year, as the Company has not issued any preference share or debenture.
22. There were no transactions necessitating the company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
23. The company has not invited/ accepted any deposits including any unsecured loans falling within the purview of section 58 A and 58 AA of the Act during the financial year.
24. The company has not made borrowings during the financial year with in the provisions of section 293 (1) (d) of the Act.
25. The company has not made investments, and loans and advances or given guarantee and provide securities to other body corporate during the financial year with in the provisions of section 372 A of the Act.
26. The company has not altered the provisions of the memorandum with respect to situation of the company's registered office from one State to another during the year under scrutiny.
27. The company has not altered the provisions of the memorandum with respect to objects of the company during the year under scrutiny.
28. The company has not altered the provisions of the memorandum with respect to name of the company during the year under scrutiny.
29. The Company has not altered the provisions of the Memorandum with respect to the share capital of the company during the year under scrutiny.
30. The company has not altered its Articles of Association during the year under scrutiny.



31. There was no prosecution initiated against the company and no fines or penalties or any other punishment imposed on the company during the financial year, for offences under the Act.
32. The company has not received any money as security from its employees during the year under scrutiny.
33. The company has not deducted any contribution towards Provident Fund under section 418 of the Act, during the year under scrutiny.

Place : New Delhi
Date : 10.08 2010



Signature :

A handwritten signature in black ink, appearing to read "Rahul Agarwal".

Name of Company Secretary : RAHUL AGARWAL
C.P. No. : 7052

Annexure A

Registers maintained by the Company :

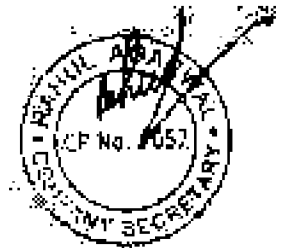
1. Register of Members	u/s 150
2. Minutes Book for the meetings of Directors	u/s 193
3. Minutes Book for the meeting of Shareholders	u/s 193
4. Books of accounts	u/s 209
5. Register of Contracts in which Directors are Interested	u/s 391
6. Register of directors, managing /whole time directors, Managers & secretaries	u/s 303
7. Register of Directors Shareholding	u/s 307



Annexure B

Forms and Returns as filed by the Company with Registrar of Companies, Regional Director, Central Government or other authorities during the financial year ending on 31st March, 2010.

1. Form No. 23 AC and 23 ACA (Year 31.03.2008) filed on 18.04.2009
2. Form No. 20 B (Year 31.03.2008) filed on 10.06.2009
3. Form No. 20 B (Year 31.03.2009) filed on 14.12.2009





ELECTRONIC CLEARING SERVICES (ECS) MANDATE FORMAT

To
 Company Secretary,
 Monnet Industries Limited
 Monnet House, 11, Masjid Moth,
 Greater Kailash-II, New Delhi-110048

Dear Sir,

FORM FOR ELECTRONIC CLEARING SERVICES FOR PAYMENT OF DIVIDEND.

Please fill in the information in CAPITAL LETTERS IN ENGLISH ONLY. Please TICK wherever applicable.

For shares held in physical form

Folio No.

For shares held in electronic form

DP. Id

Client Id

	_____ For Office Use Only _____
ECS Ref. No.	<input style="width: 100%; height: 40px;" type="text"/>

Name of First holder	<input style="width: 100%;" type="text"/>										
Bank Name	<input style="width: 100%;" type="text"/>										
Branch Name	<input style="width: 100%;" type="text"/>										
Branch Code	<table style="margin-left: auto; margin-right: auto;"> <tr> <td><input type="text"/></td><td><input type="text"/></td><td><input type="text"/></td><td><input type="text"/></td><td><input type="text"/></td><td><input type="text"/></td><td><input type="text"/></td><td><input type="text"/></td><td><input type="text"/></td><td><input type="text"/></td> </tr> </table> <p>9 Digits Code Number appearing on the MICR Band of the cheque by the Bank. Please attach a xerox copy of a cheque or a blank cheque of your bank duly cancelled for ensuring accuracy of the banks name, branch name and code number.</p>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>		

<input type="text"/>	→	<input type="text"/>	→	<input type="text"/>	→	<input type="text"/>
Account Type		Saving		Current		Cash Credit
<input type="text"/>	→	<input type="text"/>				
Ledger No./Ledger Folio No.						
<input type="text"/>	→	<input type="text"/>				
A/c No. [as appearing in the Cheque Book]						
<input type="text"/>	→	<input type="text"/>				
Effective Date of this Mandate						

I, hereby declare that the particulars given above are correct and complete. If any transaction is delayed or not effected at all for reasons of incorrectness of information supplied as above, the Company will not be held responsible. I further undertake to inform the Company about change in my Bank account particulars.

Dated : _____

[Signature of First holder]

- Note : 1. Monnet Industries Limited retains the right to pay dividend by a warrant/cheque/demand draft even if the shareholder has enrolled into the ECS.
2. ECS allows credit of dividend into shareholder Bank account if their bank branch is covered under ECS as per the RBI Regulations.

(THE PARTICULARS SENT ON THE PHOTOCOPY OF THIS FORM WILL ALSO BE ACCEPTABLE)



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 **27TH ANNUAL GENERAL MEETING** of MONNET INDUSTRIES LIMITED held on Thursday, 30th September, 2010 at 4.00 P.M. at Monnet Ispat & Energy Ltd., Monnet Marg, Mandir Hasaud, Raipur, Chhattisgarh-492101

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 **27TH ANNUAL GENERAL MEETING** of the Company to be held on Thursday, 30th September, 2010 at 4.00 P.M. and at any adjournment thereof.

Signed this.....day.....2010.

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