

# MONNET INDUSTRIES LIMITED

CIN No. : L51103CT1982PLC009717

MONNET HOUSE, 11 Masjid Moth,  
Greater Kailash Part II, New Delhi-110 048 (INDIA)  
Ph. : 011-2921 8542/43/44/45/46  
Fax : 011-2921 8541, E-mail : monnet@monnetgroup.com

## E-mail / Online Upload Copy

MIND\CS\2019-20\MH\

August 31, 2019

DGM-Dept. of Corporate Services  
BSE Ltd.  
P. J. Tower, Dalal Street,  
Mumbai – 400 001

The Secretary  
The Calcutta Stock Exchange Assn. Ltd  
7, Lyons Range,  
Kolkata – 700 001

Scrip Code – 532078

## Sub: Notice of 36<sup>th</sup> Annual General Meeting along with Annual Report for the Financial Year 2018-19 and Intimation of Remote E-voting Facility

Dear Sir/Madam,

Pursuant to Regulation 30 and 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, we are enclosing herewith a copy of the Notice of the 36<sup>th</sup> Annual General Meeting of the Company to be held on Wednesday, 25<sup>th</sup> September, 2019 at 12:30 p.m. at Shamrock Greens Hotel, N/H-6, Serikheri, Naya Raipur-492 101 (Chhattisgarh) along with Annual Report for the Financial year 2018-19.

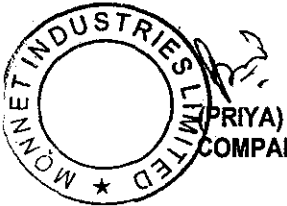
As per Section 108 of the Companies Act, 2013, read with the Rule 20 of the Companies (Management & Administration) Rules, 2014 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, the Company is providing to its members the facility to cast their vote by Electronic means on all resolution set forth in the notice along with the instruction for the E-voting.

Kindly take the same on record.

Thanking you,

Yours faithfully,  
For MONNET INDUSTRIES LIMITED

(PRIYA)  
COMPANY SECRETARY





## MONNET INDUSTRIES LIMITED

**Registered Office:** Plot No.-216, Sector-C, Urla Industrial Complex, Raipur-493221 (Chhattisgarh)

**Corp. Office:** Monnet House, 11, Masjid Moth, Greater Kailash-II, New Delhi-110048 (INDIA)

**Phone:** +91 -11- 29218542-46; **Fax:** +91 -11 -29218541; **Email:** isc\_mind@monnetgroup.com;

**Website:** www.monnetgroup.com; **CIN:**L51103CT1982PLC009717

### NOTICE

**NOTICE** is hereby given that the 36<sup>th</sup> Annual General Meeting of the members of **MONNET INDUSTRIES LIMITED (the "Company")** will be held on Wednesday, 25<sup>th</sup> September, 2019 at 12.30 P.M. at Shamrock Greens Hotel, N/H-6, Serikheri, Naya Raipur-492101 in the state of Chhattisgarh, India to transact the following business: —

#### ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements of the company for the financial year ended 31<sup>st</sup> March, 2019 and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of **Mr. Mahesh Kumar Sharma (DIN: 07504637)**, who retires by rotation and being eligible offers himself for re-appointment.
3. To fix the remuneration of Statutory Auditor of the Company:

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

**"RESOLVED THAT** the Board of Directors of the Company be and hereby are authorized to decide and finalize the remuneration of M/s APAS & Co. Chartered Accountants (Firm Registration No: 000340C), statutory auditors of the Company, appointed by the members in their Annual General Meeting ("AGM") held on 28<sup>th</sup> September, 2017, for a period of five year i.e from the 34<sup>th</sup> AGM till the 39<sup>th</sup> AGM for remaining tenure of their office."

#### SPECIAL BUSINESS

4. To regularize appointment of Additional Director, Mr. Keshav Sharma(DIN: 08275228), as Non-Executive Non-Independent Director of the Company.

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

**"RESOLVED THAT** pursuant to Section 160 and 152 of the Companies act, 2013, as amended, and all other applicable provisions of the said act, applicable Rules, read with Schedule IV of the Companies Act, 2013, as amended, and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, including any statutory modification (s) or re-enactment there of, Mr. Keshav Sharma (DIN: 08275228), who was appointed as Non-Executive Non-Independent Director by the Board of Directors on May 30, 2019 who shall hold the office upto the date of Annual General meeting, in respect of which the Company has received a notice from a member under Section 160 of the Companies Act, 2013, as amended, proposing Mr. Keshav Sharma, to be appointed as Non-Executive Non-Independent Director, be and is hereby appointed as a Non Executive Non-Independent Director of the Company and whose office shall be liable to retire by rotation."

**"RESOLVED FURTHER THAT** the Board of Directors and the Company Secretary of the Company be and is hereby severally authorized to do all such acts, deeds, matters and things and take all such steps as may be necessary, proper or expedient in order to give effect to this resolution."

5. Investment(s), Loans, Guarantees and security in excess of limits specified under section 186 of Companies Act, 2013

To consider and approve, the following resolution with or without modification, as a Special Resolution:

**"RESOLVED THAT** pursuant to Section 186 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification thereof for the time being in force and as may be enacted from time to time), and in terms of Articles of Association of the Company, the consent of the members be and is hereby accorded to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include any Committee which the Board may constitute for this purpose or any person(s) authorized by the Board) for



making investment(s) in excess of limits specified under section 186 of Companies Act, 2013 from time to time in acquisition of securities of any body corporate or for giving loans, guarantees or providing securities to any body corporate or other person / entity whether in India or outside India, as may be considered appropriate for an amount not exceeding Rs.500 crore (Rupees Five Hundred crore only), notwithstanding that such investment and acquisition together with the Company's existing investments in all other bodies corporate, loans and guarantees given and securities provided shall be in excess of the limits prescribed under section 186(3), of the Companies Act, 2013."

**"RESOLVED FURTHER THAT** for the purpose of giving effect to the above, the Board of Directors of the Company be and is hereby authorized to finalize and execute all agreements, documents and writings and to do all acts, deeds and things in this connection and incidental thereto as they may in their absolute discretion deem fit to give effect to this resolution."

By order of the Board of Directors  
**MONNET INDUSTRIES LIMITED**

Date: 13.08.2019  
Place: New Delhi

(Priya)  
Company Secretary  
(M. No. : A43972)

#### **NOTES**

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY OR PROXIES TO ATTEND AND VOTE ON POLL, INSTEAD OF HIMSELF / HERSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING PROXY, IN ORDER TO BE EFFECTIVE SHOULD BE DULY COMPLETED, STAMPED, SIGNED AND MUST BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING. .**
2. Proxies submitted on behalf of limited companies, societies, etc., must be supported by appropriate resolutions/authority, as applicable. A person can act as a proxy on behalf of member's note exceeding 50 (fifty) and holding in the aggregate not more than 10 (ten) percent of the total share capital of the Company carrying voting rights. A member holding more than 10 (ten) percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder. The instrument appointment proxy, duly completed & signed must be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting. A proxy does not have right to speak at the meeting and can vote only on a poll.
3. Corporate members intending to send their authorized representative(s) pursuant to section 113 of the Companies Act 2013 to attend the Meeting are requested to send a duly certified copy of the resolution authorizing their representatives to attend and vote on their behalf at the meeting.
4. Members are informed that in case of joint holders attending the meeting, only such joint holder who is first in the order of names will be entitled to vote.
5. The register of Members and Share Transfer Books of the Company will remain closed from Wednesday, 18/09/2019 to Wednesday, 25/09/2019 (both days inclusive) for the purpose of Annual General Meeting.
6. Pursuant to Section 72 of the Companies Act, 2013 shareholders holding shares in physical form may file their nomination in the prescribed Form SH-13 with the Company's RTA. In respect of shares held in demat /electronic form, the nomination form may be filed with the respective Depository Participant. Form SH-13 can be obtained from the Company's RTA by sending a request.
7. For proper conduct of the Annual General Meeting, Members/Proxies should fill the attendance slip for attending the Meeting. Members are requested to sign at the place provided on the attendance slip and hand it over at the entrance of the venue. Member who hold share(s) in electronic form are requested to write their DP ID and Client ID number and those who hold share(s) in physical form are requested to write their folio number in attendance slip for attending the Meeting to facilitate identification of membership at the Meeting.
8. Members are requested to quote their Registered Folio Number/Client ID No. & Depository Participant (D.P) ID number on all correspondence with the Company.
9. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013 and related rules thereunder and Register of Contracts or Arrangements in which Directors are interested under Section 189 of the Companies Act, 2013 and other statutory regulations, if required, and related rules thereunder will be available for inspection by Members of the Company at the venue of the meeting.
10. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company on any working day between 11:00 A.M to 1:00 P.M, up to and including the date of this Annual General Meeting of the Company.
11. The Members who have not registered their e-mail address(es), so far, are requested to register their e-

mail address(es), in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to update the same with Register and Transfer Agent by writing to MCS Share Transfer Agents Ltd, F-65, First Floor, Okhla Industrial Area, Phase-I, New Delhi-110020 or through e-mail at [admin@mcsregistrars.com](mailto:admin@mcsregistrars.com).

12. In terms of Section 101 and 136 of Companies Act, 2013 read with Rule 18(1) of Companies (Management and Administration Rules), 2014 and Regulation 36 of the Listing Regulations, Notice calling AGM along with Annual Report for FY 2018-19 is being sent by electronic mode to that member whose e-mail address is registered with the Company/Depository Participant(s), unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode.
13. Members may also note that the Notice of the 36<sup>th</sup> Annual General Meeting along-with Attendance Slip, Proxy Form, Route Map, Ballot Papers and the Annual Report for the Financial Year 2018-19 will also be available on the Company's website [www.monnetgroup.com](http://www.monnetgroup.com) for their download. The physical copies of the aforesaid documents will also be available at the Registered Office at Raipur and at Corporate Office in New Delhi for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's investor services email id: [isc\\_mind@monnetgroup.com](mailto:isc_mind@monnetgroup.com) or may write to the Company email id: [priya@monnetgroup.com](mailto:priya@monnetgroup.com)
14. Members are requested to register/update their e-mail addresses for receiving all communications including Notices, Circulars, etc. from the Company electronically.

#### 15. Members are requested to:

- a) Note that SEBI has mandated registration of Permanent Account Number (PAN) and bank accounts details such as bank account number, name of the bank and branch details, MICR code, IFSC code etc. of all security holders. Members holding shares in physical form are therefore, requested to submit their PAN and Bank account details to RTA /Company by sending a duly signed letter along with self-attested copy of PAN Card and original cancelled cheque. Members holding shares in demat form are requested to submit the aforesaid information to their respective depository participant(DP).
- b) Immediately notify any change if any, of address, e-mail

address, change of name, contact numbers, bank details, bank mandates, nominations, power of attorney etc. and their PAN to their DP with whom they maintain their demat account and to the RTA in respect of their holding in physical form. Non-resident Indian members are requested to immediately inform the RTA /respective DP, immediately of change in their residential status on return to India for permanent settlement and the particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.

- c) SEBI vide its PR No. 09/2018 dated 28<sup>th</sup> March has decided that securities of listed companies can be transferred only in dematerialized form from 01<sup>st</sup> April, 2019. In view of the above and to avail various benefits of dematerialization, members are advised to dematerialize shares held by them in physical form. Members can contact the Company or MCS Share Transfer Agent Limited, for assistance in this regard.
- d.) This is to inform the members of the Company that Pursuant to Section 139 of the Companies Act, 2013 (the Act), appointment of Auditor M/s APAS & Co. Chartered Accountants (Firm Registration No: 000340C), was made by the members in their Annual General Meeting ("AGM") held on 28<sup>th</sup> September, 2017, for a period of five year i.e. from the 34<sup>th</sup> AGM till the 39<sup>th</sup> AGM, subject to the ratification at every AGM. However, in view of the notification dated **May 7, 2018** issued by the Ministry of Corporate Affairs, requirement for ratification of appointment of auditor has been abandoned.

#### 16. Electronic Voting through remote mode:

In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended by the Companies (Management and Administration) Amendment Rules ,2015 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations ,2015 the Company is also providing the facility to its members holding shares in dematerialized or physical form as on cut-off date, being Wednesday, 18<sup>th</sup> September,2019 to exercise their right to vote on the businesses specified in the accompanying notice by remote e-voting process through remote e-voting services provided by NSDL. Resolution(s) passed by Members through e-voting is/are deemed to have been passed as if they have been passed at the AGM.

For the members who do not have access or casted their votes by remote e-voting, facility for voting through polling paper shall be provided at the AGM and members attending the meeting who have not already casted their votes by remote e-voting shall be able to cast their votes at the AGM. However, the members

who have casted their votes by remote e-voting prior to the date of the AGM may also attend the meeting but shall not be entitled to cast their vote again.

The members can opt for only one mode of voting i.e. remote e-voting or physical polling at the meeting. In case of voting by both the modes, vote cast through remote e-voting will be considered final and voting through polling paper will not be considered.

The voting rights of shareholders shall be in proportion to their shares in the paid up equity capital of Company as on the cut-off date fixed for the purpose i.e. Wednesday 18<sup>th</sup> September, 2019. A person, whose name is recorded in the register of members as on the cut-off date, i.e. Wednesday 18<sup>th</sup> September, 2019 only shall be entitled to avail the facility of e-voting/Poll.

The Members may cast their votes using an electronic voting system from a place other than the venue of the Annual General Meeting (“remote e-voting”). Instructions for remote e-voting are given herein below. The Resolutions passed by remote e-voting are deemed to have been passed as if they have been passed at the Annual General Meeting.

The facility for voting through electronic voting system or ballot paper shall be made available at the Annual General Meeting and the Members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the Annual General Meeting.

17. A person who is not a Member as on the cut- off date i.e. Wednesday 18<sup>th</sup> September, 2019 should treat this Notice for information purposes only but such member has also the right to attend the AGM of the Company.

The instructions and other information relating to remote e-voting are as under:

Step 1 : Log-in to NSDL e-Voting system  
at <https://www.evoting.nsdl.com/>

Step 2 : Cast your vote electronically on NSDL e-Voting system.

**Details on Step 1 is mentioned below:**

**How to Log-in to NSDL e-Voting website?**

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholders’ section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

*Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.*

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****

c) For Members holding shares in Physical Form.

EVEN Number followed by Folio Number registered with the company  
For example if folio number is 001\*\*\* and EVEN is 101456 then user ID is 101456001\*\*\*

5. Your password details are given below:

- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need enter the 'initial password' and the system will force you to change your password.
- c) How to retrieve your 'initial password'?
  - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
  - (ii) If your email ID is not registered, your 'initial password' is communicated to you on your postal address.

6. If you are unable to retrieve or have not received the " Initial password" or have forgotten your password:

- a) Click on "**Forgot User Details/Password?**"(If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
- b) **Physical User Reset Password?**" (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
- c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

8. Now, you will have to click on "Login" button.

9. After you click on the "Login" button, Home page of e-Voting will open.

Details on Step 2 is given below:

#### **How to cast your vote electronically on NSDL e-Voting system?**

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
3. Select "EVEN" of Monnet Industries Limited for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
6. Upon confirmation, the message "Vote cast successfully" will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

#### **General Guidelines for shareholders**

- 1 Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [contact@cssanjaygrover.in](mailto:contact@cssanjaygrover.in) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "[Forgot User Details/Password?](#)" or "[Physical User Reset Password?](#)" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
  - a. If you are already registered with NSDL for e-voting then you can use your existing User ID and Password for casting your vote.
  - b. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
  - c. Any person who becomes a member of the Company after dispatch of the Notice of the Meeting and holding shares as on the cut-off date i.e. Wednesday 18<sup>th</sup> September, 2019 may obtain the User ID and password by either sending an e-mail request to [admin@mcsregistrars.com](mailto:admin@mcsregistrars.com) or calling on Phone No. :011-41406149 or Fax: 011- 41709881.
  - d. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-Voting User Manual for Shareholders, available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com)
  - e. Members may contact Ms. Priya, Company Secretary, for any grievances connected with electronic means at the e-mail id [isc\\_mind@monnetgroup.com](mailto:isc_mind@monnetgroup.com) or Phone: 011-29218542-46 or Fax: 011- 29218541
  - f. Any person who is not a member on the cut-off date should treat the notice for information purposes only.

18. Remote e-voting period commences from Sunday, 22<sup>nd</sup> September, 2019 at 9:00 A.M. and ends on, Tuesday, 24<sup>th</sup> September, 2019 at 5:00 P.M. During this period, the Members of the Company holding shares in physical form or in dematerialized form, as on the cut-off date being Wednesday, 18<sup>th</sup> September, 2019 may cast their vote by electronic means in the manner and process set out herein above. The e-voting module shall be disabled for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently.



19. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
20. The Company shall also arrange for the physical voting by use of ballot or polling paper at the AGM for the members who have not cast their vote through remote e-voting.
21. The Board of Directors has appointed Mr. Sanjay Grover, Managing Partner of M/s Sanjay Grover & Associates (CP No. 3850), failing him Mr. Neeraj Arora, Partner at M/s Sanjay Grover & Associates (CP No. 16186) Practicing Company Secretaries having address at B-88, 1st Floor, Defence Colony, New Delhi-110024, as a Scrutinizer to scrutinize the remote e-voting process and poll process in a fair and transparent manner and he has communicated his willingness to be appointed and will be available at the AGM for the same.
22. The scrutinizer shall, immediately after the conclusion of the voting through Ballot paper at the General Meeting, first count the votes cast at the meeting vide ballot paper, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and make, not later than 48 hours from conclusion of the meeting, a Consolidated Scrutinizer's Report of the total votes cast in favour or against, to Chairman or Director authorized by the Board of the Company, who shall countersign the same.
23. The voting rights of shareholders shall be in proportion to their shares in the paid up equity capital of Company as on the cut-off date fixed for the purpose i.e. 18<sup>th</sup> September, 2019.
24. The results of voting will be declared within 48 hours from the conclusion of the Annual General Meeting. The results declared along with the Consolidated Scrutinizer's Report shall be placed on the Company's website [www.monnetgroup.com](http://www.monnetgroup.com) and on [www.evoting.nsdl.co.in](http://www.evoting.nsdl.co.in). Further, the results shall be displayed on the Notice Board of the Company at its Registered Office and will also be posted on the website of Company. It shall also be communicated to relevant stock Exchanges.
25. Electronic copy of the Notice of the Annual General Meeting of the Company *inter alia* indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company/Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Notice of the Annual General Meeting of the Company *inter alia* indicating the process and manner of remote e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.
26. For the immediate reference, route map for reaching the venue of the Annual General Meeting hall is along with the Attendance Slip, Proxy Forms and Ballot paper is attached with the notice.

#### EXPLANATORY STATEMENT

#### (In respect of the Special Businesses Pursuant to Section 102(1) of the Companies Act, 2013)

The following Statement set out all material facts relating to Special Businesses under Item No. 4 as mentioned in the accompanying Notice.

#### Item No. 4

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors ("the Board") of the Company in their meeting held on 30<sup>th</sup> May, 2019 had appointed Shri Keshav Sharma (DIN: 08275228) as an Additional Director in the category of non-Executive Non-Independent Director of the Company and liable to be retire by rotation, subject to consent by the Members of the Company at the ensuing Annual General Meeting ("AGM").

As an Additional Director, Shri Keshav Sharma holds office till the date of the AGM and is eligible for being appointed as Director. The Company has received a notice pursuant to Section 160 of the Companies Act, 2013 (the "Act") from a member signifying his intention for proposing the candidature of Shri Keshav Sharma. He is also not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as the Director of the Company.

Further, he is also not debarred from holding the office of director by virtue of any SEBI Order or any other such authority.

In the opinion of the Board, Shri Keshav Sharma possesses appropriate skills, experience and knowledge. Considering his vast experience, his presence on the Board will be of immense value to the Company.



The details of Shri Keshav Sharma pursuant to the provisions of SEBI Listing Regulations and Secretarial Standard on General Meeting (SS-2), are attached as Annexure and forms part of this Notice.

A copy of the draft letter of appointment of Shri Keshav Sharma setting out the terms and conditions for appointment of the Director is available for inspection by the Members at the registered office of the Company during business hours on any working day.

Shri Keshav Sharma is interested in the resolution set out at item No. 4 of the Notice with regard to his appointment.

The relatives of Shri Keshav Sharma may be deemed to be interested in the resolution set out at item No. 4 of the Notice, to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise, in resolution.

The Board of Directors recommends the resolution at item No. 4 of this Notice for approval of the Members by way of an Ordinary Resolution.

#### **Item No. 5**

Pursuant to the provisions of Section 186 of the Companies Act, 2013, a company can give any loan, guarantee, provide security or make investment in shares, debentures etc. up to an amount of 60% of its paid up capital, free reserves and securities premium account or 100% of free reserves and securities premium account, whichever is higher.

It is therefore proposed to obtain an enabling approval of the shareholders by means of Special Resolution, authorizing the Board of Directors to exercise the aforesaid powers upto an aggregate amount of Rs 500 crore (Rupees Fifty Crore only), outstanding at any point of time, in excess of the limit prescribed under Section 186(2) of the Companies Act, 2013 or the change in the limit as may be modified from time to time.

The Board recommends the special resolution set out at Item No. 5 of the Notice for approval by the Members.

None of the Directors, Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested, financially or otherwise in this resolution.

**DETAILS OF DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT IN 36<sup>TH</sup> ANNUAL GENERAL MEETING**

(Pursuant to the Secretarial Standards- 2 issued by the Institute of Company Secretaries of India and Regulation 36(3) of the SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015)

<b>Name Of Director</b>	<b>Shri Mahesh Kumar Sharma</b>	<b>Shri Keshav Sharma</b>
DIN	07504637	08275228
Date of Birth	01/06/1963	01/07/1970
Date of First Appointment on the Board	07 <sup>th</sup> May 2016	30 <sup>th</sup> May, 2019
Qualifications	Post Graduate	Commerce Graduate
Experience/ Expertise in specific functional area	He has an experience of 25 years in the field of accounting and Taxation.	Having 26 years of experience in Liaisoning with the regulatory authorities and other related projects.
Terms and conditions of appointment or reappointment	As per the terms and conditions agreed by the Board of Directors of the Company	As detailed in Explanatory Statement annexed with the Notice of AGM
Details of remuneration sought to be paid	NIL	Except sitting fee (as approved by the Board) no remuneration is sought to be paid
Remuneration last drawn by such person, if applicable	N.A	N.A.
Relationship with other Directors, Manager and other Key Managerial Personnel of the company	No such relationship exists	No such relationship exists
Number of Meetings of the Board attended during the year	4 of 4	NIL
Directorship held in other companies (excluding foreign companies, private Limited companies & section 8 Companies)	1. Monnet Industries Limited 2. Excello Fin Lea Limited 3. Dynamic Defence Technologies Limited	1. Monnet Industries Limited 2. Excello Fin Lea Ltd 3. Monnet Mining Company Private Limited 4. Maa Bamleshwari Mines and Ispat Limited 5. Dynamic Defence Technologies Limited
Membership/Chairmanship of Committees of other public Companies (includes only Audit Committees and Stakeholders relationship Committee)	NIL	NIL
Shareholding in the company	NIL	NIL



**ATTENDANCE SLIP**

**MONNET INDUSTRIES LIMITED**

Registered Office: Plot No.-216, Sector-C, Urla Industrial Complex, Raipur-493221 (Chhattisgarh)

Corp.Office: Monnet House, 11, Masjid Moth, Greater Kailash-II, New Delhi-110048 (INDIA)

Phone : +91 11 29218542-46 ; Fax : +91 11 29218541

Email: [isc\\_mind@monnetgroup.com](mailto:isc_mind@monnetgroup.com); Website : [www.monnetgroup.com](http://www.monnetgroup.com)

CIN:L51103CT1982PLC009717

**PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING VENUE**

**Joint shareholders may obtain additional Slip at the venue of the meeting.**

Members or their proxies are requested to present this form for admission, duly signed in accordance with their specimen signatures registered with the Company.

DP Id & Client Id / Regd. Folio No.*		No. of Shares	
--------------------------------------	--	---------------	--

Name(s) and address of the member in full \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

I / we hereby record my / our presence at the 36<sup>th</sup> Annual General Meeting of the members of the Company being held on Wednesday 25<sup>th</sup> September, 2019 at 12:30 p.m. at Shamrock Greens Hotel, N/H-6, Serikheri, Naya Raipur-492101 in the State of Chhattisgarh, India

Please ( P ) in the box

MEMBER       PROXY

\_\_\_\_\_  
Signature of Member / Proxy

\*Applicable for member holding shares in physical form.  
-----



## MONNET INDUSTRIES LIMITED

Registered Ofce: Plot No.- 216, Sector-C, Urla Industrial Complex, Raipur-493221 (Chhattisgarh)  
 Corp.Office: Monnet House, 11, Masjid Moth, Greater Kailash-II, New Delhi-110048 (INDIA)  
 Phone : +91 11 29218542-46 ; Fax : +91 11 29218541  
 Email: [isc\\_mind@monnetgroup.com](mailto:isc_mind@monnetgroup.com); Website : [www.monnetgroup.com](http://www.monnetgroup.com)  
 CIN-L51103CT1982PLC009717

### Form No. MGT-11 **PROXY FORM**

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN: L51103CT1982PLC009717  
 Name of the Company: Monnet Industries Limited  
 Registered office: Plot No. 216, Sector-C, Urla Industrial Complex, Raipur-493221(Chhattisgarh)  
 Name of the member (s): .....  
 Registered address:.....  
 E-mail Id:.....  
 DP ID and Client ID\* / Folio No:.....

I/We, being the member (s) of ..... shares of the above named Company, hereby appoint

1. Name:.....Address:.....E-mail  
 Id:.....Signature:.....or failing him.
2. Name:.....Address:.....E-mail  
 Id:.....Signature:.....or failing him
3. Name:.....Address:.....E-mail  
 Id:.....Signature:.....

as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the 36<sup>th</sup> Annual General Meeting of the members of the Company scheduled to be held on Wednesday, 25<sup>th</sup> September, 2019 at 12:30 p.m. at Shamrock Greens Hotel, N/H-6, Serikheri, Naya Raipur-492101, Chattisgarh, or / and at any adjournment thereof in respect of such resolutions as are indicated below:

Sl.No.	Resolutions	Optional**	
		For	Against
<b>Ordinary Business</b>			
1.	To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March, 2019, Report of Directors and Auditors thereon..		
2.	To appoint a director in place of Shri Mahesh Kumar Sharma (holding DIN: 07504637), who retires by rotation and being eligible, offers himself for reappointment.		
3.	To fix the remuneration of Statutory Auditor of the Company:		
<b>Special Business</b>			
4.	To appoint Mr. Keshav Sharma (holding DIN 08275228), as an Non Executive Non-Independent Director on the Board of the Company.		
5.	To approve the Investment(s), Loans, Guarantees and security in excess of limits specified under section 186 of Companies Act, 2013		

\*Applicable for investors holding shares in electronic form.



Signed this .....day of .....2019

Signature of Member.....

Signature of Proxy holder(s).....

Affix the  
revenue  
stamp of  
Re 1/-

**Notes**

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company situated at 216, Sector-C, Urla Industrial Complex, Raipur-493221, Chhattisgarh not later than 48 hours before the commencement of the Meeting.
2. The proxy need not be a member of the company.
3. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
4. \*\*This is only optional please put a 'X' in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
5. Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.
6. In the case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.
7. The holder of this form may vote either for or against each resolution for which he is entitled to vote.

**36<sup>th</sup>**  
**Annual Report**  
**2018-2019**



**MONNET INDUSTRIES LIMITED**

# what's inside

**01**

Corporate Information

**02**

Director's Report

**11**

Management Discussion  
and Analysis Report

**24**

Corporate Governance  
Report

**46**

Auditor Report's & Financials





# Corporate Information

## BOARD OF DIRECTORS AND KMPs

### Non-Executive Directors

Ms Babika Goel –Independent Director

Mr Vijay Sharma-Independent Director

Mr Keshav Sharma–Non Independent Director

### Executive Directors

Mr Mahesh Kumar Sharma-Whole Time & CFO

### Company Secretary & Compliance Officer

Ms Priya

## BOARD COMMITTEES

### Audit Committee

Ms Babika Goel Chairman

Mr Vijay Sharma Member

Mr Keshav Sharma Member

### Nomination and Remuneration Committee

Ms Babika Goel Chairman

Mr Vijay Sharma Member

Mr Keshav Sharma Member

### Stakeholders Relationship Committee

Mr Vijay Sharma Chairman

Ms Babika Goel Member

Mr Keshav Sharma Member

### Executive Committee

Mr Keshav Sharma Member

Ms Babika Goel Member

## AUDITORS

### STATUTORY AUDITORS

M/s APAS &Co.

Chartered Accountants, New Delhi

### SECRETARIAL AUDITORS

M/s Sanjay Grover & Associates

Company Secretaries, 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

### INVESTOR SERVICE CENTER

Monnet House, 11 Masjid Moth

Greater Kailash-II, New Delhi-110048.

E-mail: [isc\\_mind@monnetgroup.com](mailto:isc_mind@monnetgroup.com)

Phone : 011-29218542/43/44/45/46

### REGISTRAR & TRANSFER AGENT

MCS SHARE TRANSFER AGENT LIMITED

F-65, 1<sup>st</sup> Floor, Okhla Industrial Area,

Phase -1, New Delhi-110020

Tel.: 011-41406149

### CORPORATE WEBSITE

[www.monnetgroup.com](http://www.monnetgroup.com)



## **DIRECTORS' REPORT**

### **To The Members,**

Your Directors have pleasure in presenting the 36<sup>th</sup> (Thirty Sixth) Annual Report together with the Audited Financial Statements of Monnet Industries Limited ("the Company") for the Financial Year ended 31<sup>st</sup> March, 2019.

### **1. FINANCIAL SUMMARY**

A summary of the Company's Financial Results for the Financial Year 2018-19, is as under:

<b>Particulars</b>	<b>Amount (Rs in Lacs.)</b>	
	<b>2018-19</b>	<b>2017-18</b>
Operating income (Net of Excise)	0.00	0.00
Profit/(Loss) before tax (after Exceptional Item)	(14,284.03)	(888.41)
Tax Expense (Including Deferred Tax)	0.08	0.00
Profit/(Loss) after Tax	(14,284.12)	(888.41)

The Company has adopted Indian Accounting Standard (referred to as 'IND AS') with effect from April 1, 2017 and accordingly these financial results along with the comparatives have been prepared in accordance with the recognition and measurement principals stated therein, prescribed under Section 133 of the Companies Act ("Act") read with the relevant Rules framed thereunder and the other accounting principles generally accepted in India.

### **2. STATEMENT OF COMPANY'S AFFAIR, FUTURE OUTLOOK , MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING FINANCIAL POSITION OF THE COMPANY**

During the year under review your Company's plant was closed. Therefore, operating income was Nil. The Company's profit before tax (PBT) stands at (Rs.14,284.03)Lacs, as against the previous year loss of Rs. 888.41 Lacs, and profit after tax stands at (Rs.14,284.12)Lacs, as against the previous year loss of Rs. 888.41 Lacs.

### **3. MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS AND DATE OF THE REPORT**

In terms of Section 134(3) (I) of the Companies Act, 2013, except as disclosed elsewhere in this Report, no material changes or commitments affecting the financial position of the Company which have occurred between the end of the financial year and the date of this Report. Further, there has been no change in the nature of the business during the period under review.

### **4. DIVIDEND AND RESERVES**

In view of the financial performance and inadequate profits during the year under review, your directors have not recommended any dividend and have not transferred any amount to reserve for the financial year 2018-19.

### **5. PUBLIC DEPOSITS**

Your Company has not accepted any deposits falling within the purview of Section 73 of the Act read with Chapter V of the Companies Act, 2013 and Companies (Acceptance of Deposits) Rules, 2014.

There is no unclaimed or unpaid deposit lying with the Company.

### **6. SHARE CAPITAL**

The Company's Authorized Share Capital during the financial year ended March 31, 2019, remained at Rs. 19,00,00,000/- (Rupees Nineteen Crore Only) consisting of 40,00,000 (Forty Lac) equity shares of Rs. 10/- (Rupee Ten Only) each and Rs. 15,00,00,000/- (Rupees Fifteen Crore) consisting of 15,00,000, (Fifteen Lacs) 10% Non-Cumulative, Non-Convertible Redeemable Preference shares of Rs 100/- (Rupee Hundred Only) each.

The Company's Paid Up Share Capital is Rs. 18,68,12,620/- (Rupees Eighteen Crore Sixty Eight Lac Twelve Thousand Six Hundred Twenty Only) consisting of 36,81,262 (Thirty Six Lacs Eighty One Thousand Two Hundred Sixty Two) equity shares of Rs. 10/- (Rupees Ten Only) each and 15,00,000 (Fifteen Lac) 10% Non-Cumulative,





Non-Convertible Redeemable Preference shares of par value of Rs. 100/- (Rupees Hundred Only) each.

(For Further information, please refer Note No. 12 to the Standalone Financial Statements of the Company for the FY 2018-19).

## **7. SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES**

Your Company has no Subsidiary, Joint venture or Associate Company and disclosure requirements in relation to Subsidiaries, Joint Ventures or Associate Companies is not applicable on the Company.

Hence, it is not required to attach Form AOC-1, pursuant to Section 129(3) of the Companies Act, 2013 read with Rule 5 of the Companies (Accounts) Rules, 2014, a statement containing salient features of the financial statements of Subsidiaries/Associate Company/Joint Ventures. (Please refer Note No. 11 to the Standalone Financial Statements of the Company)

## **8. DIRECTORS AND KEY MANAGERIAL PERSONNEL**

### **Directors**

In accordance with the provisions of Section 152 of the Companies Act, 2013 and the Company's Articles of Association, Mr. Mahesh Kumar Sharma (DIN: 07504637), Director, retires by rotation at the forthcoming Annual General Meeting and, being eligible, offers himself for re-appointment. The Board recommends his re-appointment for the consideration of the Members of the Company at the ensuing Annual General meeting. Brief profile of Mr. Mahesh Kumar Sharma has been given in the Notice convening the Annual General meeting.

During the year under review, Mr. Raj Kumar Sachdev, Independent Director, resigned from his office w.e.f July 05, 2018, Mr. Jagdamba Prasad Lath, Non-Executive- Non Independent Director resigned from his office w.e.f March 30, 2019 and Mr. Vijay Sharma has been appointed as an Additional Director, Independent Director by the Board of Directors in their meeting held on August 13, 2018.

Further, Mr. Keshav Sharma (holding DIN:08275228), has been appointed as an Additional Director, Non-Executive, Non-Independent by the Board of Directors in their meeting held on 30<sup>th</sup> May 2019.

### **Key Managerial Personnel**

Pursuant to the provisions of Section 2(51) & 203 of the Companies Act, 2013, during the year under review the Key Managerial Personnel (KMP's) of the Company are:-

1. Mr. Mahesh Kumar Sharma - Whole Time Director & Chief Financial Officer
2. Ms. Khushboo Sharma- Company Secretary and Compliance officer

Further, Ms. Khushboo Sharma, Company Secretary and Compliance officer has relinquished her position with effect from 30<sup>th</sup> April, 2019 and Ms. Priya has been appointed as Company Secretary and Compliance officer by the Board of directors with effect from 30<sup>th</sup> May 2019.

## **9. STATEMENT ON INDEPENDENCE OF DIRECTORS**

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

## **10. NUMBER OF MEETING OF THE BOARD OF DIRECTORS**

Four (4) meetings of the Board were held during the Financial Year 2018-19 forms part of the Corporate Governance Report. The Company has complied with Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

## **11. COMMITTEES OF THE BOARD**

The Board of Directors has the following Committees:

1. Audit Committee
2. Nomination and Remuneration Committee
3. Stakeholders' Relationship Committee
4. Executive Committee

The details of the Committees along with their composition, number of meetings, terms of reference and attendance of members at the meetings are provided in the Corporate Governance Report which forms part of this Annual Report.

## **12. PERFORMANCE EVALUATION OF THE BOARD, ITS COMMITTEES AND INDIVIDUAL DIRECTORS**

Pursuant to applicable provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosures Requirements) Regulations 2015, a structured questionnaire was prepared after taking into consideration of the various aspects of the Board's functioning, composition of the Board and its Committee, culture, execution and performance of specific duties, obligations and governance.

Schedule IV to the Companies Act, 2013 also provides for the performance evaluation of Independent Directors by the entire Board of Directors, excluding the Directors being



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

The manner in which the evaluation of the Board, its Committees and Individual Directors has been carried out is explained in the Corporate Governance Report which forms part of this Annual Report.

### 13. RELATED PARTY TRANSACTIONS

All related party transactions that were entered into during the financial year were on arm's length basis. Further, there have been no materially significant related party transactions between the Company and the Directors, the management, the subsidiaries or the relatives.

The Board of Directors in their meeting held on December 14, 2017, pursuant to the provisions of section 188 and 177 of the Companies Act, 2013 & the rules made there under and the Articles of Association of the Company, read with Security and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, reappointed Mr. Jagdamba Prasad Lath, Director as a Consultant in the Company w.e.f. December 01, 2017 for a further period of Six months commencing from 01.12.2017 to 31.05.2018. It was further extended for a period of 1 (one) year commencing from 01.06.2018 to 31.05.2019 by the Board of Directors in their meeting held on May 28<sup>th</sup>, 2018.

In this regard, disclosure in Form AOC-2 in terms of Section 134(3) (h) read with Section 188(2) of the Companies Act, 2013 forms a part of the report as **Annexure-1**.

As required under Regulation 23(1) of the Listing Regulation, the Company has formulated a policy on dealing with Related Party Transactions. The Policy is available on the website of the company viz. <http://www.monnetgroup.com/MIL-code-policy.php>

(For Further information, please refer Note No. 27 to the Standalone Financial Statements of the Company for FY 2018-19)

### 14. DIRECTOR'S RESPONSIBILITY STATEMENT

The Company has taken utmost care in its operations, compliance, transparency, financial disclosures and financial statements have been made to give a true and fair view of Company. As required under Section 134(5) and Section 134(3) (c), and based upon the detailed representation, due diligence and inquiry thereof and your Board of Directors assures and confirm as under:

a) In preparation of Annual Accounts for the financial year ended 31<sup>st</sup> March, 2019, in the applicable Indian

Accounting Standards (Ind "AS") and Schedule III of Companies Act, 2013 had been followed and there are no material departures from the same;

b) The directors had selected such accounting policies and applied consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at 31<sup>st</sup> March, 2019 and of the profit and loss of the Company for the Financial Year ended 31<sup>st</sup> March, 2019. The Company has adopted Indian Accounting Standards (Ind AS) with effect from April 01, 2017, pursuant to notification issued by Ministry of Corporate Affairs dated February 16, 2015, notifying the Companies (Indian Accounting Standard) Rules, 2015. Accordingly, the financial statements of the Company for the financial year ended March 31, 2019, have been prepared in accordance with Ind AS as prescribed under Section 133 of the Companies Act, 2013 (the "Act"), read with the relevant rules made thereunder and other accounting principles generally accepted in India.

c) The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d) The annual accounts have been prepared on going concern basis;

e) The Directors had laid down internal financial controls and same were followed by the Company and that such financial controls were adequate and were operating effectively; and

f) The Directors had devised proper systems to ensure compliance with the provisions of all the applicable laws and that such systems were adequate and operating effectively.

### 15. INTERNAL CONTROLS SYSTEMS AND ITS ADEQUACY

Your Company has an effective internal control and risk-mitigation system, which are constantly assessed and strengthened with new/revised standard operating procedures. The Company's internal control system is commensurate with its size, scale and complexities of its operations. The internal and operational audit is entrusted to M/s O.P Bagla & Co., Chartered Accountants. The main thrust of internal audit is to test and review controls, appraisal of risks and business processes, besides benchmarking controls with best practices in the industry.

The Audit Committee of the Board of Directors actively reviews the adequacy and effectiveness of the internal Control systems and suggests improvements to strengthen the same. The Company has a robust Management



information System which is an integral part of the control mechanism.

The Audit Committee of the Board of Directors and the Statutory Auditors are periodically appraised of the internal audit findings and corrective actions taken. Significant audit observations and corrective actions taken by the management are presented to the Audit Committee of the Board. To maintain its objectivity and independence, the Internal Audit function reports to the Chairman of the Audit Committee.

## 16. AUDITORS

### i) Statutory Auditor

Pursuant to the provisions of Section 139 of the Act and Rules framed thereunder, at the Annual General Meeting held on September 28, 2017, M/s APAS & Co., Chartered Accountants (Registration No.000340C) were appointed as the Statutory Auditors of the Company to hold such office from conclusion of 34<sup>th</sup> Annual General Meeting until conclusion of 39<sup>th</sup> Annual General Meeting, (subject to ratification of the appointment by the members at every AGM held after 34<sup>th</sup> AGM) to conduct audit.

Pursuant to Section 40 of the Companies (Amendment) Act, 2017 notified by the Ministry of Corporate Affairs on May 7, 2018, the requirement for ratification of the appointment of Statutory Auditors by the members at every Annual General Meeting has been done away with. Accordingly, the Notice convening the ensuing AGM does not carry any resolution on ratification of appointment of Statutory Auditors. However, M/s APAS & Co. Chartered Accountants, has confirmed that they are eligible to continue as Statutory Auditors of the Company to audit the books of accounts of the Company for the Financial Year ending March 31, 2020 and accordingly M/s APAS & Co. Chartered Accountants will continue to be the Statutory Auditors of the Company for Financial Year ending March 31, 2020.

Comments/Qualifications of the Statutory Auditors in their report and the notes forming part of the Accounts are self-explanatory. Management representations to these qualifications/comments are as follows:

### **A. Basis for Qualified Opinion in the Audit Report on Financial Statement and Comments of Management thereon-**

During the year the company has obtained short-term, inter corporate deposits. As there are no major operations during the year and considering liquidity constraints the company is under negotiation with lender companies and is expecting waiver of interest. In view of uncertainty as aforesaid, the company no provision has been made towards interest on these loans. Had the interest been

provided, loss for the year would have been higher by Rs. 525.21 Lacs (based on prevailing terms & conditions of lending) with a corresponding increase in borrowings.

### **Management Response:**

The Company is in the process of the negotiating the waiver of interest with the lenders of Short-term facility and inter-corporate deposits, hence no provisions has been made towards interest on these loans.

### ii) Secretarial Auditor

Pursuant to Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company had appointed M/s Sanjay Grover & Associates, Practicing Company Secretaries, New Delhi, as the Secretarial Auditor of the Company to conduct the Secretarial Audit of the Company for Financial Year 2018-19. The Report of Secretarial Auditor (Form MR-3) for the Financial Year 2018-19 is annexed to the report as **Annexure-2**.

The Secretarial Audit Report for the financial year ended March 31, 2019 does not contain any observation or qualification requiring explanation or comments from the Board under Section 134(3) of the Companies Act, 2013

### iii) Internal Auditor

Pursuant to Section 138 of the Companies Act, 2013, the Company has appointed M/s.O.P.Bagla & Co. (Firm Registration No. 000018N) as internal auditor of the Company in its Board Meeting held on August 13, 2018 for the financial year 2018-19. The report of the same has been placed before the Board of Directors.

## 17. CORPORATE SOCIAL RESPONSIBILITY

The Company, at present, does not fall in any of the criteria(s) as provided under section 135 of the Companies Act, 2013 and Rules made there under. Hence the provisions of Corporate Social Responsibility are not applicable on the Company.

## 18. LISTING OF SHARES

The Company's Equity Shares are presently listed at BSE Limited (PhirozeJeejeebhoy Towers, Dalal Street, Fort, Mumbai - 400 001 Website: www.bseindia.com). The Listing Fees for the financial year 2018-19 has been paid to BSE Limited.

The Company has made application to The Calcutta Stock Exchange Ltd. (7, Lyons Range, Kolkata -700001) for delisting of its equity shares. Pending this application the Stock Exchange suspended listing of securities of the Company and asked the Company to update the compliance status before acceptance of de-listing application.



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

## 19. MANAGEMENT DISCUSSION & ANALYSIS REPORT

A detailed analysis of your Company's performance is discussed in the Management Discussion and Analysis Report as stipulated under Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, which forms part of this Annual Report as **Annexure-3**.

## 20. RISK MANAGEMENT

Your Company's Risk Management Policy is backed by strong internal control systems. The risk management framework consists of policies and procedures framed at management level and strictly adhered to and monitored at all levels. The framework also defines the risk management approach across the enterprise at various levels. Risk management is embedded in our critical business activities, functions and processes. The risks are reviewed for change in the nature and extent of the major risks identified since the last assessment. It also provides control measures for risk and future action plans.

The internal audit team periodically visits the divisions and carries out audit. The findings are periodically reviewed by the Board and Audit Committee with emphasis on maintaining its effectiveness in dynamic business environment.

## 21. DISCLOSURES

### DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE

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

### DETAILS IN RESPECT OF FRAUDS REPORTED BY AUDITORS OTHER THAN THOSE WHICH ARE REPORTABLE TO THE CENTRAL GOVERNMENT

The Statutory Auditors, Secretarial Auditors or Internal Auditors of the Company have not reported any frauds to the Audit Committee or to the Board of Directors under Section 143(12) of the Companies Act, 2013, including rules made thereunder.

### VOLUNTARY REVISION OF FINANCIAL STATEMENTS OR BOARD REPORT

During the year under review, the company has not filed any application with the tribunal for revision of financial

statements or board report in any of the three preceding financial years.

## STOCK OPTIONS SCHEME

The Company does not have any Scheme of Stock Option for its employees, Directors etc.

## DISCLOSURE UNDER SECTION 43(A)(III) AND SECTION 54(1)(D) OF THE COMPANIES ACT, 2013

During the year under review, the Company has not issued any shares with differential voting rights and sweat equity shares and hence, no information as required under Section 43(a)(iii) & Section 54(1)(d) of the Companies Act, 2013 read with applicable rules is required to be disclosed.

## EXTRACT OF ANNUAL RETURN

In accordance with the provisions of Section 134(3)(a) of the Companies Act, 2013 read with Section 36 of Companies (Amendment) Act, 2017 which came into effect on 31<sup>st</sup> July, 2018, the extract of the annual return in **Form No. MGT – 9**, has been placed on the website of the company <http://www.monnetgroup.com/pdfs/aug19/mil/Extract-of-Annual-Return.pdf>

## PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

In accordance with the provisions of Section 186 of the Companies Act, 2013, details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 for the year are given in the Note No. 5 and Note No.6 to the financial statements for the FY 2018-19.

## NOMINATION AND REMUNERATION POLICY

The Board has, on the recommendation of the Nomination and Remuneration Committee framed a policy for selection and appointment of Directors, Key Managerial Personnel and their remuneration as well as policy on other employee's remuneration. The Brief terms of policy is stated on the website <http://www.monnetgroup.com/MIL-code-policy.php>

## AUDIT COMMITTEE

The details pertaining to composition of audit committee are included in the Corporate Governance Report, which forms part of this report.

## VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Company has a vigil mechanism named Vigil Mechanism / Whistle Blower Policy to deal with instances of fraud and mismanagement, if any. Details of the same are given in the Corporate Governance Report. The same has also been displayed on the website of the Company and the link for the same is <http://www.monnetgroup.com/MIL-code-policy.php>



## COST RECORDS

The Company is not required to maintain cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 read with Companies (Accounts) Amendment Rules, 2018 which came into effect on 31<sup>st</sup> July, 2018.

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

Your Company has laid down Anti Sexual Harassment policy on Gender Equality, Gender Protection, Prevention of Sexual Harassment and Redressal System in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. An Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, apprenticeship) are covered under this policy. The following is a summary of sexual harassment complaints received and disposed off during the year under review

- No. of complaints received: Nil
- No. of complaints disposed off : NA

## PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Act, read with Rule 5(1)/(2)/(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are annexed to this report as **Annexure-4**.

## CORPORATE GOVERNANCE REPORT

Your Company has complied with requirements of Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. A report on the Corporate Governance practices followed by the Company, together with a certificate from the Practicing Company Secretary confirming compliance forms part of this report and a declaration by the Executive Director of the company regarding compliance by Board Members and Senior Personnel with the company's Code of Conduct. With effect from 01.04.2019 a Certificate from the Company Secretary in practice that none of the directors on the Board of the Company has debarred or disqualified from being appointed or continuing as Director of the Company also form the part of the Corporate governance report and annexed to this report as **Annexure-5**.

## 22. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUT GO

Information under Section 134(3)(m) of the Companies Act, 2013, read with rule 8(3) of the Companies (Accounts) Rules, 2014 is given below:

### A. Conservation of Energy-

The Company's plant was closed during the year so the Company had not made any major capital investment on energy conservation equipment's.

### B. Technology Absorption-

- Efforts in brief made towards technology absorption :  
As the Company's plant is not in operation so no efforts were made for technology absorption.
- Benefits derived like product improvement, cost reduction, product development or import substitution : NIL
- In case of imported technology (imported during the last three financial year reckoned from the beginning of the financial year)
  - Technology Imported: NIL
  - Year of Import: NIL
  - Whether the technology has fully been absorbed: NIL
  - If not fully absorbed, area where absorption has not taken place and reason thereof: NIL
- Expenditure incurred on Research and Development: NIL

### C. Foreign Exchange Earnings And Outgo- Not Applicable

## 23. 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 would be different from what the Directors envisage in terms of the future performance and outlook. Investors are cautioned that this discussion contains forward looking Statement that involve risks and uncertainties including, but not limited to, risks inherent in the Company's growth strategy, dependence on certain businesses, dependence on availability of qualified and trained manpower and other factors discussed. The discussion and analysis should be read in conjunction with the Company's Financial Statements and notes on accounts.

## 24. ACKNOWLEDGMENT

Your Directors take this opportunity to offer their sincere thanks to the various Departments of the Central and State Government, Financial Institutions, Bankers to the Company, all Customers, Suppliers and contractors for their continued valued assistance and support. Your Directors also wish to place on record their appreciation for dedicated services rendered by all officers, staff and workers of the Company at all levels.

Dated:13.08.2019

Place:Delhi

By Order of the Board  
For Monnet Industries Limited

(Keshav Sharma)  
Director  
DIN: 08161059

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



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

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

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

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

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

(a) Name(s) of related party and nature of relationship	Mr. Jagdamba Prasad Lath* Director
(b) Nature of contracts/arrangements/transactions	Consultancy Fees
(c) Duration of the contracts/arrangements/transactions	01/12/2017 to 31/05/2018 and 01/06/2018 to 31/05/2019
(d) Salient terms of the contracts or arrangements or transactions including the value, if any	1) Consultancy fees not exceeding Rs. 1,00,000 per month. 2) Other terms and conditions as per the appointment letter dated 01 <sup>st</sup> June 2018
(e) Date(s) of approval by the Board, if any	14 <sup>th</sup> December, 2017 and 28 <sup>th</sup> May, 2018
(f) Amount paid as advances, if any:	NIL

Note : \*Mr. Jagdamba Prasad Lath has resigned from the post of Director w.e.f. 30 March 2019. No Consultancy Services has been taken from Mr. Jagdamba Prasad Lath after his resignation

Dated : 13.08.2019

Place : Delhi

By Order of the Board  
For Monnet Industries Limited

(Keshav Sharma)  
Director  
DIN: 08161059

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





**SECRETARIAL AUDIT REPORT**  
FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2019

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

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

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

**We report that:**

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

**Annexure-2**

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2019 ("Audit Period") complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the company for the financial year ended on 31st March, 2019 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings (wherever applicable);
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Take overs) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) \*The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (d) \* The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;



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

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

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

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

- (vi) The Company is engaged in the business of production and sale of Ferro Manganese within the territory of India and having its plant at Raigarh, Chhattisgarh. Following are some of the laws which are specifically applicable to the company:-
  - Mines Act, 1952 and rules made there under; and
  - Mines and Minerals (Development & Regulation) Act, 1957.

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

**We further report that** the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the audit

period were carried out in compliance with the provisions of the Act.

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

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

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

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

**We report further that** during the audit period the shareholders of the Company have passed the following resolutions by way of Special Resolution in the Annual General Meeting held on September 28, 2018:

- Pursuant to Section 180(1)(c) of the Act for increasing borrowing limit of the Company along with the money already borrowed by the Company in excess of its paid-up capital, free reserve and securities premium i.e. Up to Rs. 500 Crores. (Rupees five hundred Crores Only).
- Pursuant to Section 180(1)(a) of the Act, for creating security by way of mortgage and / or charge on the immovable and movable assets of the Company for securing ,the Term Loans, credit facilities from Banks/Institutions to the extent of Rs. 500 Crores. (Rupees five hundred crores Only).

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

**Date: 13th August 2019  
Place: New Delhi**

**Priyanka  
Partner  
CP No.:16187**



## **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

### **❖ FORWARD-LOOKING STATEMENTS**

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

### **❖ INDUSTRY STRUCTURE AND DEVELOPMENTS**

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

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

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

### **❖ OPPORTUNITIES AND THREATS**

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

### **❖ SEGMENT WISE REPORTING**

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

### **❖ OUTLOOK**

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

### **❖ INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

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

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

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

### **❖ DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE**

Your company's revenue from other Income for the current financial year, 2018-19 is 317.65. Further, your company has posted a loss of Rs. 14,333.82Lacs this year as against loss of Rs. 898.70Lacs in the previous year.

### **❖ RISKS AND CONCERNS**



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

**Global Economic Slowdown**

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

**❖ DETAILS OF SIGNIFICANT CHANGES (I.E. CHANGE OF 25% OR MORE AS COMPARED TO THE IMMEDIATELY PREVIOUS FINANCIAL YEAR) IN KEY FINANCIAL RATIOS, ALONG WITH DETAILED EXPLANATIONS;**

During the year under review the Inventory turnover ratio and Debtor turnover ratio has not been computed due to NIL turnover in the Company in the financial year 2017-18 and 2018-19.

S.NO	Key Ratios	FY 2017-18	FY 2018-19	Change in %
1	Current Ratio	0.002	0.182	7251.133
2	Interest Coverage Ratio	-0.049	2.557	-5281.073

Further, the Debt equity ratio has not been computed due to negative equity, the Operating Profit margin has not been computed as there are no revenue from operations in the Company and the net Profit Margin cannot be computed due to losses in the financial year 2017-18 and 2018-19.

**Reason for significant changes in above key ratios are as follows:**

- Current ratio increase as compared to previous financial year 2017-18 due to increase in the Current assets and reduction in the Current Liabilities in the current Financial Year 2018-19.
- Interest coverage ratio increase as compared to previous financial year 2017-18 due to increase in the EBIT (Earnings before Interest and Tax) and reduction in Interest Expenses in the current Financial Year 2018-19.

**❖ DISCLOSURE OF ACCOUNTING TREATMENT**

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

**❖ CAUTIONARY STATEMENT**

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

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

**(Keshav Sharma)**  
**DIN:08275228**  
**Director**

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

**Date: 13.08.2019**  
**Place: New Delhi**



**FORM NO. MGT 9  
EXTRACT OF ANNUAL RETURN****As on the financial year ended on 31.03.2019****[Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management & Administration) Rules, 2014]****I. REGISTRATION & OTHER DETAILS:**

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

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

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

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

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

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



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

##### i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year[As on 01 <sup>st</sup> April,2018]				No. of Shares held at the end of the year[As on 31 <sup>st</sup> March, 2019]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>	-	-	-	-	-	-	-	-	-
<b>(1)Indian</b>	-	-	-	-	-	-	-	-	-
a) Individual/HUF	139101	0.00	139101	3.78	139101	0.00	139101	3.78	0.00
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	2621821	0.00	2621821	71.22	2621821	0.00	2621821	71.22	0.00
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other( Directors And their relatives)	-	-	-	-	-	-	-	-	-
<b>Sub-total (A)(1)</b>	<b>2760922</b>	<b>0.00</b>	<b>2760922</b>	<b>75.00</b>	<b>2760922</b>	<b>0.00</b>	<b>2760922</b>	<b>75.00</b>	<b>0.00</b>
<b>(2)Foreign</b>	-	-	-	-	-	-	-	-	-
a) NRI's- Individuals	-	-	-	-	-	-	-	-	-
b) Other- Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	-	-	-	-	-	-	-	-
d) Banks/FI	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
<b>Sub Total (A) (2)</b>	-	-	-	-	-	-	-	-	-
<b>Total shareholding of Promoter (A)= (A)(1)+(A)(2)</b>	<b>2760922</b>	<b>0.00</b>	<b>2760922</b>	<b>75.00</b>	<b>2760922</b>	<b>0.00</b>	<b>2760922</b>	<b>75.00</b>	<b>0.00</b>



<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	75000	0.00	75000	2.04	75000	0.00	75000	2.04	0.00
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	132276	0.00	132276	3.59	132276	0.00	132276	3.59	0.00
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1):-</b>	<b>207276</b>	<b>0.00</b>	<b>207276</b>	<b>5.63</b>	<b>207276</b>	<b>0.00</b>	<b>207276</b>	<b>5.63</b>	<b>0.00</b>
<b>2. Non-Institutions</b>									
a) Bodies Corp.	162959	34560	197519	5.37	148816	34560	183376	4.98	(0.39)
b) Individuals									
i) Individual shareholders holding nominal share capital up to Rs. 1 lakh	275823	36658	312481	8.49	313624	36598	350222	8.88	0.39
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	82490	0	82490	2.24	82490	0	82490	2.24	0.34
c) Others (specify)	-	-	-	-	-	-	-	-	-
Non Resident Indians	76144	14430	90574	2.46	76144	14430	90574	2.46	0.00
Overseas Corporate Bodies	0	30000	30000	0.81	0	30000	30000	0.81	0.00
<b>Sub-total (B)(2):-</b>	<b>597236</b>	<b>115828</b>	<b>713064</b>	<b>19.36</b>	<b>597416</b>	<b>115648</b>	<b>713064</b>	<b>19.37</b>	<b>0.00</b>

<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>804512</b>	<b>115828</b>	<b>920340</b>	<b>25.00</b>	<b>804692</b>	<b>115648</b>	<b>920340</b>	<b>25.00</b>	<b>0.00</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>3565434</b>	<b>115828</b>	<b>3681262</b>	<b>100.00</b>	<b>3565614</b>	<b>115648</b>	<b>3681262</b>	<b>100.00</b>	<b>0.00</b>

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

#### ii) Shareholding of Promoter-

S. No.	Shareholder's Name	Shareholding at the beginning of the year 01.04.2018			Shareholding at the end of the year 31.03.2019			%change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Cecil Webber Engineering Limited	664120	18.04	0.00	664120	18.04	0.00	0.00
2	Pavitra Commercial Limited	599940	16.30	0.00	599940	16.30	0.00	0.00
3	Monnet Properties Private Limited	8700	0.24	0.00	8700	0.24	0.00	0.00
4	Kamdhenu Enterprises Ltd.	1341753	36.45	0.00	1341753	36.45	0.00	0.00
5	Paras Traders Private Limited	1260	0.03	0.00	1260	0.03	0.00	0.00
6	Harshwardhan Leasing Ltd.	435	0.01	0.00	435	0.01	0.00	0.00
7	Monnet International Limited	5613	0.15	0.00	5613	0.15	0.00	0.00
8	SandeepJajodia (H.U.F)	8340	0.23	0.00	8340	0.23	0.00	0.00
9	SandeepJajodia	11418	0.31	0.00	11418	0.31	0.00	0.00
10	NikunjJajodia	24843	0.67	0.00	24843	0.67	0.00	0.00
11	Nikita Jajodia	87900	2.39	0.00	87900	2.39	0.00	0.00
12	Mahendra Kumar Jajodia	900	0.02	0.00	900	0.02	0.00	0.00





13	Sudha Jajodia	5700	0.15	0.00	5700	0.15	0.00	0.00
	<b>Total</b>	<b>2760922</b>	<b>75.00</b>	<b>0.00</b>	<b>2760922</b>	<b>75.00</b>	<b>0.00</b>	<b>0.00</b>

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

SNo	Shareholder's Name	No. of Shares at the beginning of the year (01.04.2017)	% of total shares of the company	Date	Increase/ Decrease in Shareholding	Reason	Cumulative Shares during the year	% of total shares of the company during the year
1.	Cecil Webber Engineering Limited	664120	18.04	-	-	-	664120	18.04
2.	Pavitra Commercial Limited	599940	16.30	-	-	-	599940	16.30
3.	Monnet Properties Private Limited	8700	0.24	-	-	-	8700	0.24
4	Kamdhenу Enterprises Ltd.	1341753	36.45	-	-	-	1341753	36.45
5	Paras Traders Private Limited	1260	0.03	-	-	-	1260	0.03
6	Harshwardhan Leasing Ltd.	435	0.01	-	-	-	435	0.01
7	Monnet International Limited	5613	0.15	-	-	-	5613	0.15
8	SandeepJajodia (H.U.F)	8340	0.23	-	-	-	8340	0.23
9	SandeepJajodia	11418	0.31	-	-	-	11418	0.31
10	NikunjJajodia	24843	0.67	-	-	-	24843	0.67
11	Nikita Jajodia	87900	2.39	-	-	-	87900	2.39
12	Mahendra Kumar Jajodia	900	0.02	-	-	-	900	0.02
13	SudhaJajodia	5700	0.15	-	-	-	5700	0.15
	<b>Shareholding at the end of the year (31.03.2019)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2760922</b>	<b>75.00</b>

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

SNo.	Shareholder's Name	No. of Shares at the beginning of the year (01.04.2018)	% of total shares of the company	Date	Increase/ Decrease in Shareholding	Reason	Cumulative Shares during the year	% of total shares of the company during the year
1	The Oriental Insurance Company Ltd.	75000	2.04		No Change		75000	2.04
2.	ICICI bank Ltd.	75000	2.04		No Change		75000	2.04

3	Krishna Kumar Dharamshi Somaiya	74601	2.03	No Change	74601	2.03
4	Shashi Kant Khetan	58892	1.6	No Change	58892	1.6
5	Life Insurance Corporation of India	42276	1.15	No Change	42276	1.15
6	Hind Strategic Investments	30000	0.81	No Change	30000	0.81
7	Kismat Broadcasting Company Pvt. Ltd.	30000	0.81	No Change	30000	0.81
8	Vindhychal Estate Private Limited	29286	0.80	No Change	29286	0.80
9	Annapurna International Private Ltd	27858	0.76	No Change	27858	0.76
10	Roger Engineering Private Limited	26164	0.71	No Change	26164	0.71
	<b>Total</b>	<b>469077</b>	<b>12.75</b>	<b>No Change</b>	<b>469077</b>	<b>12.75</b>

v) Shareholding of Directors and Key Managerial Personnel:

SNo.	Director's/ Key Managerial Personnel	No. of Shares at the beginning of the year (01.04.2018)	% of total shares of the company	Date	Increase/ Decrease in Shareholding	Reason	Cumulative Shares during the year	% of total shares of the company during the year
1	Jagdamba Prasad Lath	30	0.00		No Change		30	0.00

**V. INDEBTEDNESS**

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

Particulars	Secured Loans (excluding deposits)	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	60,22,54,547	0.00	0.00	60,22,54,547
ii) Interest due but not paid	0.00	0.00	0.00	0.00
iii) Interest accrued but not due	0.00	0.00	0.00	0.00
<b>Total (i+ii+iii)</b>	<b>60,22,54,547</b>	<b>0.00</b>	<b>0.00</b>	<b>60,22,54,547</b>
<b>Change in Indebtedness during the financial year</b>				
* Addition	90,00,00,000	0.00	0.00	90,00,00,000
* Reduction	60,22,54,547	0.00	0.00	60,22,54,547
<b>Net Change</b>	<b>29,77,45,453</b>	<b>0.00</b>	<b>0.00</b>	<b>29,77,45,453</b>



Indebtedness at the end of the financial year				
i) Principal Amount	90,00,00,000	0.00	0.00	90,00,00,000
ii) Interest due but not paid	0.00	0.00	0.00	0.00
iii) Interest accrued but not due	0.00	0.00	0.00	0.00
<b>Total (i+ii+iii)</b>	<b>90,00,00,000</b>	<b>0.00</b>	<b>0.00</b>	<b>90,00,00,000</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

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

(Amount in Rs.)

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

### B. Remuneration to other directors

(Amount in Rs.)

S. No.	Particulars of Remuneration	Name of Directors			Total Amount
1	<b>Independent Directors</b>	<b>Raj Kumar Sachdev*</b>	<b>Vijay Sharma **</b>	<b>Babika Goel</b>	
	• Fee for attending board committee meeting	1,000	--	2,000	3,000
	• Commission	--	--	--	--
	• Others	--	--	--	--
	<b>Total (1)</b>	1,000	--	2,000	3,000

<b>2</b>	<b>Other Non-Executive Directors</b>	<b>Keshav Sharma***</b>	<b>J.P. Lath****</b>		
	• Fee for attending board committee meeting	--	2,000	--	2,000
	• Commission	--	--	--	--
	• Others	--	--	--	--
	<b>Total (2)</b>	--	2,000	--	<b>2,000</b>
	<b>Total (B)=1+2</b>				
	<b>Total Managerial Remuneration(A+B)</b>	--	--	--	--
	<b>Overall Ceiling as per the Act</b>	<b>As per Companies Act 2013</b>			

\*Mr. Raj Kumar Sachdev resigned from the post of Director w.e.f July 05, 2018.

\*\* Mr. Vijay Sharma was appointed as an Additional Director w.e.f August 13, 2018.

\*\*\*Mr. Keshav Sharma was appointed as an Additional Director w.e.f May 30, 2019.

\*\*\*\*Mr. J.P. Lath is receiving consultancy fees of Rs. 9,60,000 p.m. for his services rendered in professional capacity as approved by the Board of Directors in the Board Meeting held on December 14, 2017 for a period of December 01, 2017 to May 31, 2018 and on May 28, 2018 for a period June 01, 2018 to May 31, 2019 and has resigned from the Post of Director w.e.f March 30<sup>th</sup>, 2019.

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

S.No.	Particulars of Remuneration	Key Managerial Person		
		Khushboo Sharma (CS)	Mahesh Kumar Sharma (WTD & CFO)	Total
1	Gross salary	3,55,978	-	<b>3,55,978</b>
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission (as % of profit)	-	-	-
5.	Others (Specify)	-	-	-
	<b>Total</b>	3,55,978	-	<b>3,55,978</b>

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

Dated : 13.08.2019

Place : Delhi

(Keshav Sharma)

Director  
DIN: 08161059

By Order of the Board  
For Monnet Industries Limited

(Mahesh Kumar Sharma)

Whole-time Director& CFO  
DIN: 07504637

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

Required Disclosures are as under:-

1. The ratio of the remuneration of each director to the median remuneration of the employees of the Company and the percentage increase in remuneration of each director, chief executive officer, chief financial officer, Company Secretary in the financial year 2018-19:

(Amount in Rs.)					
SNo.	Name & Designation of Director/KMP	Remuneration of Director / KMP for financial year 2018-19	Ratio of remuneration of each Director/KMP to median remuneration of employees	% increase in Remuneration of each Director, chief executive officer, chief financial officer, company secretary	% increase in the median remuneration of employees in the financial year:
1.	Raj Kumar Sachdev*	NIL	N.A.	N.A.	(31.43)
2.	Jagdamba Prasad Lath**	NIL	N.A.	N.A.	
3.	Keshav Sharma	NIL	N.A.	N.A.	
4.	Babika Goel	NIL	N.A.	N.A.	
6.	Mahesh Kumar Sharma (Whole-time Director & Chief Financial Officer)	NIL	N.A.	N.A.	
7.	Khushboo Sharma (Company Secretary)	3,55,978	1.49:1	(21.41%)	
8.	Vijay Sharma***	NIL	N.A.	N.A.	

\* Mr. Raj Kumar Sachdev resigned from his office as a Director, w.e.f July 05, 2018.

\*\*Mr. Jagdamba Prasad Lath resigned from his office as a Director, w.e.f March 30, 2019.

\*\*\*Mr. Vijay Sharma have been appointed as an Independent Directors wef August 13, 2018.

The median remuneration of employees of the Company was Rs.2,38,189. Median is not calculated for the employees who were associated for a part of the year.

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

Figures have been rounded off wherever necessary.



<b>The number of permanent employees on the rolls of Company</b>	3(as on 31.03.2019)
<b>Average percentage decrease made in the salaries of employees other than the managerial personnel in FY 2018-19</b>	68.98%
<b>Whereas the increase in the managerial remuneration for the same financial year was-</b>	NIL
<b>The key parameters for any variable component of remuneration availed by the directors.</b>	Not Applicable
<b>Affirmation that Remuneration paid by the company is as per the Remuneration policy of the company</b>	It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors. Key Managerial Personnel and other Employees.

Dated:13.08.2019  
Place:Delhi

By Order of the Board  
For Monnet Industries Limited

(Keshav Sharma)  
Director  
DIN: 08161059

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



**PARTICULARS OF EMPLOYEES DRAWING REMUNERATION IN EXCESS OF THE LIMITS SET OUT IN RULE 5 (2) & (3) OF COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014, AS AMENDED, AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED ON MARCH 31, 2019**

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

<b>Name of the employee</b>	Ms. Khushboo Sharma	Mr. SurendraMandal	Mr. Ramdhani
<b>Designation of the Employee;</b>	Company Secretary	Admin. Asstt.	Driver
<b>Remuneration Received ;( P.A.)</b>	355498	39547	238189
<b>Qualifications and Experience of the Employee;</b>	Company Secretary, 4 Years	High School, 27 Years	5 <sup>th</sup> Std, 34 Years
<b>Date of Commencement of Employment;</b>	31.03.2015	06.10.1999	01.11.2005
<b>The Age of such Employee;</b>	28 Years	45 Years	59 Years
<b>The last Employment held by such Employee before joining the Company;</b>	Monnet Daniels Coal Washeries Limited	M/s Worldlink Finance Ltd.	Private Driver

**Notes:**

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

- A. Employed throughout the year and were in receipt of remuneration of not less than Rs. 1,02,00,000 per annum-NIL**  
**B. Employed for a part of the year and were in receipt of remuneration of not less than Rs. 8,50,000 Per Month-NIL**  
**C. Employed throughout the financial year ended on March 31, 2019 or part thereof was in receipt of Remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate is in excess of that drawn by the Managing Director or WTD or Manager and holds by himself or along with his spouse and dependent children, not less 2% of the equity shares of the company:-NIL**

Dated:13.08.2019  
Place:Delhi

By Order of the Board  
For Monnet Industries Limited

(Keshav Sharma)  
Director  
DIN: 08161059

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



## **CORPORATE GOVERNANCE REPORT FOR THE YEAR 2018-19**

**The Directors present the Company's Report on Corporate Governance for the year ended March 31, 2019, in terms of Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (The "Listing Regulations")**

Corporate Governance is modus operandi of governing a corporate entity which includes a set of systems, procedures and practices which ensure that the Company is managed in the best interest of all corporate stake holders i.e. shareholders, employees, suppliers, customers and society in general. Fundamentals of Corporate Governance include transparency, accountability, reporting and independence. For accomplishment of the objectives of ensuring fair Corporate Governance, the Government of India has put in place a framework based on the stipulations contained under the Companies Act, SEBI Regulations, Accounting Standards, Secretarial Standards, etc.

### **1. CORPORATE GOVERNANCE PHILOSOPHY**

Corporate Governance is about maximizing shareholder value legally, ethically and on sustainable basis. The Company is committed to sound corporate practices based on conscience, openness, fairness, professionalism and accountability in building confidence of its various stakeholders in it thereby paving the way for its long term success. The Company further exercises its fiduciary responsibilities in the widest sense of the term. In the same spirit, timely and accurate disclosure of information regarding the financial position, performance, ownership and governance of the company is an important part of the Company's Corporate Governance.

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

### **2. BOARD OF DIRECTORS**

#### **A. Composition & Category of Directors**

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

The Company is managed by the Board of Directors in co-ordination with the Senior Management Team. However, during the year under review, Mr. Jagdamba Prasad Lath, Non-executive Director has resigned from the office of the Director w.e.f 30.03.2019 and therefore to comply with the requirement of optimum combination of executive and non-executive Directors, Mr. Keshav Sharma has been appointed as Non-Executive Director w.e.f 30.05.2019. The Company has an appropriate mix of Executive Directors, Non-Executive Directors and Independent Directors to maintain the Board's Independence as well as separate its functions of governance and management. The maximum tenure of Independent Directors is determined in accordance with the Companies Act, 2013. The Independence Director also confirms that they meet the criteria of independence laid down under the provisions of Companies Act, 2013 and the SEBI Listing Regulations, 2015.

As on March 31, 2019, the Company's Board consists of three members. Besides one Executive Director, the Board comprises of one Non-Executive Independent Women Director, one Non-Executive Independent Director.

Further, in order to comply with the optimum combination of executive and non-executive director we have appointed Mr. Keshav Sharma as Non-Executive non-Independent Director w.e.f 30.05.2019.

#### **Directors' Attendance Record and their other Directorships/ Committee memberships:**

As mandated by Regulation 26(1)(b) of the Listing Regulations, none of the Directors is a member of more than ten Board Level Committees (considering only Audit Committee and Stakeholders Relationship Committee) or Chairman of more than five Committees across all the listed entities in which he/she is a Director. Further all Directors have informed about their Directorships, Committee memberships/ Chairmanships including any changes in their positions. Relevant details of the Board of Directors as on March 31, 2019 are given below:





#### Directorship/ Committee Membership as on March 31, 2019:

Name	Category	Date of Appointment	Directorships in other Listed and Public Companies	No. of Committee in other		Directorship in other listed Companies (Category of Directorship)
				Memberships in other Companies		
				As Chairman	As Member	
Vijay Sharma* DIN: 08161059	Non-Executive, Independent	13/08/2018	1	0	0	0
Babika Goel DIN: 07060202	Non-Executive, Independent	14/02/2015	3	0	4	1. Monnet Project Developers Limited
Mahesh Kumar Sharma DIN: 07504637	Executive, Director	07/05/2016	2	0	0	0
Jagdamba Prasad Lath** DIN: 00380076	Non-Executive, Non-Independent	31/07/1998	2	0	2	0

\*Mr. Vijay Sharma has been appointed as Director w.e.f August 13, 2018.

\*\* Mr. Jagdamba Prasad Lath has resigned from his office as Director w.e.f. March 30, 2019

#### Note:

- 1) Other Directorships and Committee Memberships are based on the disclosures received from the Directors, as on 31<sup>st</sup> March, 2019
- 2) Directorships in other companies excludes Private Limited Companies, Foreign Companies and Membership of Companies under Section 8 of the Companies Act, 2013.
- 3) Committee Membership/Chairmanship considered are those prescribed under Regulation 26 of the Listing Regulations, viz. Audit Committee and Stakeholder's Relationship Committee of Indian Public Limited Companies (excluding Monnet Industries Limited).
- 4) None of the directors is a member of more than ten committee or acts as the chairman of more than five committees in all Public companies in which they are Directors. Necessary disclosures regarding Committee position in other public companies as on 31<sup>st</sup> March, 2019 have been made by directors. Also, none of the Independent Director serve as Independent Director in more than seven listed Companies.
- 5) There is no relationship between directors inter-se.
- 6) During the year under review, Mr. Raj Kumar Sachdev, resigned from his post of Director, w.e.f July 05<sup>th</sup>, 2018 and Mr. Jagdamba Prasad Lath, resigned from his post of Director, w.e.f March 30<sup>th</sup>, 2019.

#### Independent Directors:

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 16(1) (b) of the Listing Regulations. In the opinion of the Board, the Independent Directors, fulfill the conditions of independence specified in Section 149(6) of the Companies Act, 2013 and Regulation 16(1) (b) of the Listing Regulations. A formal letter of appointment to Independent Directors as provided in Companies Act, 2013 has been issued and disclosed on website of the Company viz. [www.monnetgroup.com](http://www.monnetgroup.com).

#### Number of Independent Directorships:

As per Regulation 17A of the Listing Regulations, Independent Directors of the Company do not serve as Independent Director in more than seven listed companies. Further, the Managing Director/ Whole time director of the Company does not serve as an Independent Director in any listed entity.

#### B. Board Meetings

The Board meets at regular intervals to discuss and decide on business strategies/policies and review the financial performance of the Company. The notice and detailed agenda along with the relevant notes and other material information

are sent in advance separately to each Director and in exceptional cases tabled at the Meeting with the approval of the Board. This ensures timely and informed decisions by the Board. In case of business exigencies, the Board's approval is taken through circular resolutions. The circular resolutions are noted at the subsequent Board Meeting.

Minimum four prescheduled Board meetings are held every year (one meeting in every calendar quarter). During the financial year 2018-19, the Board of Directors met four times i.e. May 28, 2018, August 13, 2018, November 13, 2018 and February 08, 2019. The interval between any two consecutive meetings was well within the maximum period as stipulated under Section 173(1) of the Act, and Regulation 17(2) of the Listing Regulations and the Secretarial Standards issued by Institute of Company Secretaries of India.

**Attendance of Directors at the Board Meetings)-**

Name of Director	Board Meeting held on 28 <sup>th</sup> May, 2018	Board Meeting held on 13 <sup>th</sup> August, 2018	Board Meeting held on 13 <sup>th</sup> November, 2018	Board Meeting held on 08 <sup>th</sup> February, 2019
Raj Kumar Sachdev*	P	-	-	-
Vijay Sharma**	-	P	P	P
Mahesh Kumar Sharma	P	P	P	P
Babika Goel	P	P	P	P
Jagdamba Prasad Lath#	P	P	P	P

\*Mr. Raj Kumar Sachdev resigned from his office as a Director, w.e.f July 05, 2018.

\*\*Mr. Vijay Sharma has been appointed as an Additional Director w.e.f August 13, 2018 and regularized in the AGM held as on September 29, 2018.

#Mr. Jagdamba Prasad Lath resigned from his office as a Director, w.e.f March 30, 2019.

**Note:**

- “A” denotes Absence and “P” denotes Presence in the meeting.

**C. Core Skills/ Expertise/ Competencies of Board of Directors**

The Board of Directors has reviewed, identified and taken on records following available skills/ expertise/competence of the

Broad Categories of skills	Core skills / expertise/ competencies Identified by the Board	Available with the Board
<b>Industry Knowledge</b>	a) Knowledge of Ferro Alloys Industry b) Knowledge of public policy direction c) General Understanding of government legislation/ legislation process with respect to governance of the Board affairs.	All available
<b>Technical Knowledge in one or more areas</b>	a) Accounting and Finance Management b) General Understanding of Laws applicable to the company and sector c) Marketing d) Information Technology e) Experience in developing and implementing risk management systems f) Strategy development and implementation	All available
<b>Governance</b>	a) Strategic thinking/ planning from governance aspect; b) Compliance focus c) Executive Performance Management	All available
<b>Behavioural</b>	a) Ability and willingness to challenge board issues and matters b) Integrity and high ethical standards; c) Understanding of effective decision making d) Willingness and ability to devote time and energy e) Mentoring abilities	All available





board of Directors as required in the context of its business (es) and Sectors (s) for it to function effectively.

#### **D. Information placed before the Board**

The Company provides the information as set out in Regulation 17 read with Part A of Schedule II of the Listing Regulations to the Board and the Board Committees to the extent it is applicable and relevant. Such information is submitted either as part of the agenda papers in advance of the respective Meetings or by way of presentations and discussions during the Meetings.

#### **E. Roles, Responsibilities and Duties of the Board**

The duties of Board of Directors have been enumerated in Listing Regulations, Section 166 of the Companies Act, 2013 and Schedule IV of the said Act (Schedule IV is specifically for Independent Directors). There is a clear demarcation of responsibility and authority amongst the Board of Directors.

#### **F. Inter-se relationships between Directors-**

Directors do not have any inter-se relationship.

#### **G. Number of Shares and Convertible Instruments held by Non-executive Directors**

Except Non-Independent Non- Executive Director, Mr. J. P. Lath, holding 30 Equity Shares of the Company no other Director including Non-Executive Director of the Company hold any shares or convertible instruments in the Company during the financial year ended 31<sup>st</sup> March, 2019.

#### **H. Familiarization Programme for the Independent Directors**

At the time of appointing a Director, a formal letter of appointment is given to him, which inter alia explains the role, function, duties and responsibilities expected from him as a Director of the Company. The Director is also explained in detail the Compliance required from him under Companies Act, 2013, the Listing Regulations and other various statutes and an affirmation is obtained. The Chairman and Managing Director also have a one to one discussion with the newly appointed Director to familiarize him with the Company's operations. Further, on an ongoing basis as a part of Agenda of Board / Committee Meetings, presentations are regularly made to the Independent Directors on various matters inter-alia covering the Company's businesses and operations, industry and regulatory updates, strategy, finance, risk management framework, role, rights, responsibilities of the Independent Directors under various statutes and other relevant matters. The details of the familiarization programme for Directors are available on the Company's website i.e <http://www.monnetgroup.com/MIL-code-policy.php>

#### **I. Performance Evaluation**

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

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

The performance evaluation criteria for Independent Directors are determined by the Nomination and Remuneration Committee. An indicative list of factors that may be evaluated include participation and contribution by a director, commitment, effective deployment of knowledge and expertise, effective management of relationship with stakeholders, integrity and maintenance of confidentiality and independence of behavior and judgment. The performance evaluation of Independent Directors was done by the entire Board of Directors and in the evaluation the directors who are subject to



evaluation had not participated.

### **3. BOARD COMMITTEES**

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

The Company has the following Committees of the Board:

#### **A. AUDIT COMMITTEE**

##### **i. Composition of Audit Committee**

Audit Committee of the Board of Directors ("the Audit Committee") is entrusted with the responsibility to supervise the Company's internal controls and financial reporting process. The composition, quorum, powers, role and scope are in accordance with Section 177 of the Companies Act, 2013 and the provisions of Regulation 18 of the Listing Regulations.

All members of the Audit Committee are financially literate and have the requisite qualification for appointment on the Committee and possess sound knowledge of finance, Taxation, accounting practices and internal controls. It functions in accordance with its terms of reference that defines its authority, responsibility and reporting function.

As on March 31, 2019 the Audit Committee consists of the Following Directors:

1. Ms. Babika Goel (Non-Executive Independent Director) as the Chairman of the Audit Committee,
2. Mr. Vijay Sharma (Non-Executive, Independent Director)– Member
3. Mr. Jagdamba Prasad Lath\* (Non-Executive Non-Independent Director)- Member

The Company Secretary of the Company acts as Secretary to the Committee, as required by Regulation 18(1) of the Listing Regulation.

\* Mr. Jagdamba Prasad Lath has resigned from the office of Director w.e.f March 30, 2019, hence ceases to be a Committee Member.

The Constitution of the Audit Committee modified by Board on May 30<sup>th</sup>, 2019 where Mr. Jagdamba Prasad Lath (Non-Executive Non Independent Director), who resigned from the post of Director w.e.f March 30, 2019, was replaced by Mr. Keshav Sharma, who was appointed on May 30, 2019 as an Non-Executive Non-Independent Director and now comprised of Ms. Babika Goel, Director as Chairman of Audit Committee, Mr. Vijay Sharma, Director and Mr. Keshav Sharma Directors as its members.

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

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

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

- Oversight of the listed Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommendation for appointment, remuneration and terms of appointment of auditors of the Company.
- Approval of payment to statutory auditor for any other services rendered by the statutory auditors;
- Reviewing with the Management the audited financial statements and the Auditors' Limited Review Report thereon before submission to the board for approval, with particular reference to:
  - a) Matters required to be included in the directors' responsibility statement to be included in the board's report in terms of the clause (c) of sub-section (3) of section 134 of the Companies Act, 2013
  - b) Changes, if any, in accounting policies and practices and reasons for the same;



- c) Major accounting entries involving estimates based on the exercise of judgment by management;
- d) significant adjustments made in the financial statements arising out of audit findings;
- e) compliance with listing and other legal requirements relating to financial statements;
- f) disclosure of any related party transactions;
- g) modified opinion(s) in the draft audit report;

- reviewing, with the management the quarterly financial statements before submission to the board for approval;
- reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
- reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- approval or any subsequent modification of transactions of the listed entity with related parties;
- scrutiny of inter-corporate loans and investments;
- valuation of undertakings or assets of the listed entity, wherever it is necessary;
- evaluation of internal financial controls and risk management systems;
- reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- discussion with internal auditors of any significant findings and follow up there on;
- reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- to review the functioning of the whistle blower mechanism;
- approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
- Carrying out any other function as is mentioned in the terms of reference of the audit committee.
- reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.
- The Audit Committee of the Company shall review compliance with the provisions of SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018 (Amended Regulations) at least once in a financial year and shall verify on the effectiveness of the systems for internal control are adequate and are operating effectively on the following parameters;

### iii. AUDIT COMMITTEE MEETINGS AND ATTENDANCE :

The Audit Committee met 4 (Four) times during the Financial Year 2018-19. The maximum gap between the meetings was not more than 120 days. The Committee met on May 28, 2018, August 13, 2018, September 11, 2018, and February 02, 2019. The requisite quorum was present at all the meetings.

The Table below provides the Attendance of the Audit Committee members:

Name of Director	Audit Committee Meeting held on 28 <sup>th</sup> May, 2018	Audit Committee Meeting held on 13 <sup>th</sup> August, 2018	Audit Committee Meeting held on 13 <sup>th</sup> November, 2018	Audit Committee Meeting held on 08 <sup>th</sup> February, 2018
Babika Goel	P	P	P	P
Vijay Sharma#	-	P	P	P
Jagdamba Prasad Lath**	P	P	P	P
Raj Kumar Sachdev*	P	-	-	-

\* Mr. Raj Kumar Sachdev resigned from his office as director w.e.f July 05, 2018.

\*\* Mr. Jagdamba Prasad Lath resigned from his office as director w.e.f March 30, 2019.



*#Mr. Vijay Sharma was appointed as member of the Audit Committee w.e.f. August 13, 2018.*

**Note: The Audit Committee was modified on 30<sup>th</sup> May, 2019 where Mr. Jagdamba Prasad Lath (Non-Executive Non Independent Director), who resigned from the post of Director w.e.f March 30, 2019, was replaced by Mr. Keshav Sharma, who was appointed on May 30, 2019 as a Non-Executive Non-Independent Director.**

#### **iv. Internal Controls and Governance Processes**

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

#### **v. Risk Management**

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

### **B. NOMINATION AND REMUNERATION COMMITTEE**

#### **i. Composition of Nomination and Remuneration Committee:**

In compliance with Section 178(1) of the Companies Act, 2013 and Regulation 19 of Listing Regulations, the Board has constituted its "Nomination and Remuneration Committee".

As on March 31, 2019 the Nomination and Remuneration Committee consists of the Following Members:

1. Ms. Babika Goel (Non-Executive Independent Director)-Chairman,
2. Mr. Vijay Sharma (Non-Executive Independent Director)- Member
3. Mr. Jagdamba Prasad Lath(Non-Executive Non-Independent Director)-Member.

The Company Secretary of the Company acts as Secretary to the Committee, as required by Regulation 18(1) of the Listing Regulation.

\* Mr. Jagdamba Prasad Lath has resigned from the office of Director w.e.f March 30, 2019, hence ceases to be a Committee Member

The Constitution of the Nomination and Remuneration Committee modified by Board on May 30, 2019 where Mr. Jagdamba Prasad Lath(Non-Executive Non-Independent Director), who resigned from the post of Director w.e.f March 30, 2019, was replaced by Mr. Keshav Sharma, who was appointed on 30<sup>th</sup> May, 2019 and comprise of Ms. Babika Goel, Director as Chairman and Mr. Keshav Sharma and Mr. Vijay Sharma, Directors as its members.

#### **ii. Terms of Reference:**

The broad terms of reference of the Remuneration and Nomination Committee, as approved by the Board, are in compliance with Section 178 of the Companies Act, 2013 and Regulation- 19 of the Listing Regulations, which are as follows:

- formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
- formulation of criteria for evaluation of performance of independent directors and the board of directors;
- devising a policy on diversity of board of directors;
- identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal.
- whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
- recommend to the board, all remuneration, in whatever form, payable to senior management.

#### **iii. Meetings and Attendance:**

The Nomination and Remuneration Committee met twice during the year on May 28<sup>th</sup>, 2018 and August 13<sup>th</sup>, 2018. The



requisite quorum was present at the meeting.

The table below provides the attendance of the Nomination and Remuneration Committee members:

Name of Director	NRC Meeting held on 28 <sup>th</sup> May, 2018	NRC Meeting held on 13 <sup>th</sup> August, 2018
BabikaGoel	P	P
Vijay Sharma**	-	P
Jagdamba Prasad Lath*	P	P
Raj Kumar Sachdev***	P	-

\* Mr. Jagdamba Prasad Lath resigned from his office as director w.e.f. March 30, 2019.

\*\*Mr. Vijay Sharma was appointed as member of Nomination and Remuneration Committee w.e.f. August 13, 2019.

\*\*\*Mr Raj Kumar Sachdev has resigned as a Director w.e.f. Jul 05, 2018.

Note:

- The Nomination and Remuneration Committee was reconstituted on 30<sup>th</sup> May, 2019 where Mr. Jagdamba Prasad Lath(Non-Executive Non-Independent Director), who resigned from the post of Director w.e.f March 30, 2019, was replaced by Mr. Keshav Sharma, who was appointed on 30<sup>th</sup> May, 2019.
- "A" denotes Absence and "P" denotes Presence in the meeting.

#### iv. **Nomination and Remuneration Policy:**

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

#### **The Objective and Purpose of this policy is as follows:**

- To lay down criteria and terms and conditions with regard to identifying persons who are qualified to become Directors (Executive and Non-Executive) and persons who may be appointed in Senior Management and Key Managerial positions and to determine remuneration of Directors, Key Managerial personnel and other employees.
- To determine remuneration based on the Company's size and financial position and trends and practices on remuneration prevailing in peer companies in the steel industry.
- To provide them reward linked directly to their efforts, performance, dedication and achievement relating to the Company's operations.
- To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.

The Board of Directors reviewed the policy and adopted the revised Nomination and Remuneration & Board Diversity Policy at its Board Meeting held on 30<sup>th</sup> May, 2019.

#### v. **Performance Evaluation Criteria for Independent Directors :**

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



of confidentiality and independence of behavior and judgment.

#### **DETAILS OF REMUNERATION PAID TO DIRECTORS FOR THE YEAR ENDED MARCH 31, 2019**

##### **(a) Non-Executive Directors**

<b>Name of Director</b>	<b>Sitting Fees (Rs.)</b>	<b>No.of Shares held</b>	<b>ESOP Granted</b>	<b>Commission to Director</b>
Vijay Sharma#	Nil	Nil	-	-
Raj Kumar Sachdev**	1000	Nil	-	-
Babika Goel	2000	Nil	-	-
Jagdamba Prasad Lath*	2000	30	-	9,60,000

\* Mr. Jagdamba Prasad Lath resigned from his office as director w.e.f March 30, 2019.

\*\*Mr. Raj Kumar Sachdev resigned from his office as director w.e.f July 05, 2018.

#Mr. Vijay Sharma has been appointed as Director w.e.f August 13, 2018.

Note: No sitting fee was paid to any of the directors for attending the committee meetings of the Board.

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

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

During the Financial Year Mr. J.P. Lath received a consultancy fees of Rs. 9,60,000/- (Rupees Nine Lacs Sixty Thousands Only) for the services rendered by him in professional capacity as approved by the Board of Directors by its resolution passed on December 12, 2017 and May 28, 2018.

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

The Criteria of Making Payments to Non-Executive Directors is available on the website of the company i.e. <http://www.monnetgroup.com> and access through following web link; <http://www.monnetgroup.com/MIL-code-policy.php>

##### • **Shareholding of Non-Executive Directors**

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

##### **(b) Executive Director**

##### • **Criteria of Making Payments To Executive Directors**

The appointment and remuneration of Executive Directors is governed by the recommendation of the Nomination and Remuneration Committee, Resolutions passed by the Board of Directors and Shareholders of the Company. Payment of remuneration to Executive Directors is governed by the respective Agreements executed between them and the Company.

Further, as per terms of appointment of the Executive Director, Mr. Mahesh Kumar Sharma, no remuneration is payable to him.

##### • **Stock Option Scheme**

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

#### **C. STAKEHOLDERS' RELATIONSHIP COMMITTEE**





The stakeholders' relationship committee is constituted in line with the provisions of Regulation 20 of Listing Regulations read with section 178 of the Companies Act, 2013. The board clearly defined the terms of reference for this committee

#### **i. Composition of Stakeholders' Relationship Committee**

As on March 31, 2019 the Stakeholders' Relationship Committee consists of the Following Directors:

1. Mr. Vijay Sharma (Non-Executive Independent Director) -Chairman,
2. Ms. Babika Goel (Non-Executive Independent Director)- Member
3. Mr. Jagdamba Prasad Lath\* (Non-Executive Non-Independent Director)- Member.

The Company Secretary of the Company acts as Secretary to the Committee, as required by Regulation 18(1) of the Listing Regulation.

\* Mr. Jagdamba Prasad Lath has resigned from the office of Director w.e.f March 30, 2019, hence ceases to be a Committee Member.

The Constitution of Stakeholders' Relationship Committee modified by Board on May 30, 2019 where Mr. Jagdamba Prasad Lath(Non-Executive Non-Independent Director), who resigned from the post of Director w.e.f March 30, 2019, was replaced by Mr. Keshav Sharma, who was appointed on 30<sup>th</sup> May, 2019 and comprise of Mr. Vijay Sharma, Director as Chairman and Mr. Keshav Sharma and Ms. Babika Goel, Directors as its members.

#### **ii. Terms of Reference :**

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

- Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non- receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
- Review of measures taken for effective exercise of voting rights by shareholders
- Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
- Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.

#### **iii. Meetings and Attendance :**

The committee met four times during the last year on May 28, 2018, August 13, 2018, November 13, 2018 and February 08, 2019. The requisite quorum was present at the meeting.

The table below provides the attendance of the Stakeholder Relationship Committee members:

<b>Name of Director</b>	<b>SRC Meeting held on 28<sup>th</sup> May, 2018</b>	<b>SRC Meeting held on 13<sup>th</sup> August, 2018</b>	<b>SRC Meeting held on 13<sup>th</sup> November, 2018</b>	<b>SRC Meeting held on 08<sup>th</sup> February, 2019</b>
Babika Goel	P	P	P	P
Vijay Sharma#	-	-	P	P
Jagdamba Prasad Lath**	P	P	P	P
Raj Kumar Sachdev*	P	-	-	-

\* Mr. Jagdamba Prasad Lath resigned from his office as director w.e.f March 30, 2019.

\*\*Ms. Vijay Sharma was appointed as member of Nomination and Remuneration Committee w.e.f August 13, 2018.

# Mr. Raj Kumar Sachdev resigned from his office as director w.e.f July 05, 2018.

- The Stakeholders' Relationship Committee was reconstituted on 30<sup>th</sup> May, 2019 where Mr. Jagdamba Prasad Lath (Non-Executive Non-Independent Director), who resigned from the post of Director w.e.f March 30, 2019, was replaced by Mr. Keshav Sharma, who was appointed on 30<sup>th</sup> May, 2019.



- "A" denotes Absence and "P" denotes Presence in the meeting.

**iv. Name and Designation of Compliance officer:**

Name : Ms. Khushboo Sharma\*

Designation : Company Secretary and Compliance Officer

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

Phone : 011-29218542

Fax : 011-29218542

E-mail : isc\_mind@monnetgroup.com

**Note - \*** Ms. Khushboo Sharma has relinquished her post as the Company Secretary and Compliance Officer of the Company w.e.f. 30<sup>th</sup> April, 2019 and Ms. Priya has been appointed as the Company Secretary and Compliance officer of the Company w.e.f. 30<sup>th</sup> May, 2019.

**V. Details of the Investor's complaints/queries/requests received, redressed/pending during the financial year 2018-19 :**

The details of total number of complaints/queries/requests received; resolved/pending during the financial year 2018-19 is as follows:

Opening	Received during the year	Number of Complaints not Resolved to the satisfaction of Shareholders	Resolved during the year	Closing
0	1	0	1	0

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

The Complaints are handled by Company's Registrars and Share Transfer Agents MCS Share Transfer Agent Ltd., New Delhi. The Stakeholder Relationship Committee monitors the complaints and other activities and also helps in resolving grievances wherever needed. A firm of Practicing Company Secretary conducts the audit on quarterly basis and submits Capital Reconciliation Audit Report.

**D. OTHER BOARD'S COMMITTEES**

**i. Executive Committee:**

The Executive Committee was formed to deal with urgent matters requiring immediate action of the Board of Directors before a meeting of the Board could be convened. The Minutes of the Executive Committee are placed in front of Board for their review and noting. During the year under review, the executive committee of directors comprises of Mr. Jagdamba Prasad Lath (Director) as Chairman and Ms. Babika Goel (Director) as Member of the Committee. During the financial year 2018-19, one (1) meeting of Executive Committee took place, which was held on April 19, 2018 and was attended by both the Committee members.

*Note: Mr. Jagdamba Prasad Lath resigned from his office as Director, w.e.f March 30, 2019. The company reconstituted its executive committee on August 13, 2019 which comprise of Mr. Keshav Sharma, Director as Chairman and Ms. Babika Goel, Director as its member.*

**ii. Independent Directors:**

During the year under review, the Independent Directors met on May 28, 2018, inter alia, to discuss:

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



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

All the Independent Directors were present for this Meeting.

#### 4. GENERAL MEETINGS

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

AGM	Date & Time	Place of Meeting	Details of Special Resolution Passed
35 <sup>th</sup>	September 28, 2018, 02:30 P.M	Monnet Marg, Mandir Hasaud, Raipur, Chhattisgarh-492101	Two Special Resolution Passed
34 <sup>th</sup>	September 28, 2017, 12:30 P.M		No Special Resolution Passed
33 <sup>rd</sup>	September 30, 2016, 12:30 P.M		No Special Resolution Passed

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

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

In the 35<sup>th</sup> Annual General Meeting held on 28<sup>th</sup> September, 2018, two Special Resolutions were passed for appointment of Increase in the borrowing powers of the Company under Sec 180(1) (c) of the Companies Act, 2013 upto a sum of Rs. 500 crores (Rupees five hundred crores) and for creation of security for the loan/ credit facility by mortgage / creation under section 180(1) (a) upto the same limit that is being approved by the shareholders from time to time under section 180 (1) (c) of the Companies Act, 2013, which were passed unanimously, details of which are as follows;

**Date of AGM Notice: August 13, 2018**

**E-Voting Period: September 25, 2018 to September 27, 2018**

**Date of AGM: September 28, 2018**

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

Purpose of Resolution	Type of Resolution (Ordinary/ Special)	No. of Shares held	No. of Valid Votes Polled	Votes Cast in Favor		Votes Cast Against	
				No of Votes	%age	No of Votes	%age
Approval for increase in the borrowing limit under sec 180 (1) (c) of the Companies Act , 2013	Special Resolution	51,81,262	29,84,338	29,84,288	99.9983	50	0.0017
Approval for creation of security for the loan/ credit facility by mortgage/ creation of charge under sec 180 (1) (a) of the Companies Act, 2013	Special Resolution	51,81,262	29,84,338	29,84,288	99.9983	50	0.0017

iii. Disclosures related to Postal Ballot

During the Financial year ended March 31, 2019 the Company has not passed any Resolution through Postal Ballot. Further, till the date of signing of this report, no Special Resolution is proposed to be conducted through postal ballot.

#### iv. Procedure of Postal ballot

Resolutions, if required, shall be passed by Postal Ballot during the year ending on March 31, 2019, as per the prescribed procedure under the Companies Act, 2013 and Listing Regulations.

#### **Extra Ordinary General Meeting**

During the period under review, no Extra-ordinary General Meeting was held.

#### **5. MEANS OF COMMUNICATION**

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

#### **6. GENERAL SHAREHOLDERS INFORMATION**

##### **a) Ensuing Annual General Meeting**

Day and Date & Time	: Wednesday, 25 <sup>th</sup> September, 2019 12:30 P.M.
Venue	: Shamrock Greens Hotel, N/H-6, Serikheri, Naya Raipur-492 101 (C.G.) INDIA
Financial Year	:2018-19
Book Closure/ Record	: 18 <sup>th</sup> day of September, 2019 to 25 <sup>th</sup> day of September, 2019 (both days inclusive)

##### **b) Financial Year Calendar 2019-20 (Tentative):**

The Company follows the period of 1<sup>st</sup> April to 31<sup>st</sup> March, as the Financial Year. The tentative dates for Board Meetings for consideration of quarterly financial results are as below:

First Quarter Results	: on or before 14 <sup>th</sup> August, 2019
Half Yearly Results	: on or before 14 <sup>th</sup> November, 2019
Third Quarter Results	: on or before 14 <sup>th</sup> February, 2020
Fourth Quarter Results	: on or before 30 <sup>th</sup> May, 2020
Audited Annual Results	: on or before 30 <sup>th</sup> May, 2020

##### **c) Dividend Payment** : No dividend has been recommended for the Financial Year 2018-19





d) **Registered Office** : Plot No. 216, Sector – C, Urla Industrial Complex, Raipur-493221, Chhattisgarh

e) **Listing of Shares on Stock Exchange:**

The Company's Equity Shares are presently listed at BSE Limited(PhirozeJeejeebhoy Towers, Mumbai-400 001). The Listing Fees for the financial year 2018-19 has been paid to BSE Limited.

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

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

f) **Details of Stock Exchange :**

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

g) **Stock Code :**

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

Scrip Code, CSE : 23484

h) **Registrar & Transfer Agent :**

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

Email: [admin@mcsregistrars.com](mailto:admin@mcsregistrars.com)

i) **Distribution of Shareholding as at 31<sup>st</sup> March, 2019:**

Category	No. of Folios	% of Shareholders	No. of Shares	% of Capital
1 – 500	1249	88.39	134920	3.66
501 – 1000	72	5.09	55251	1.50
1001 – 2000	39	2.76	58607	1.59
2001 – 3000	8	0.57	21274	0.58
3001 – 4000	8	0.57	29243	0.80
4001 – 5000	2	0.14	9500	0.26
5001 – 10000	12	0.85	89358	2.43
10001-50000	16	1.13	364795	9.91
50001-100000	4	0.29	312501	8.49
And Above	3	0.21	2605813	70.78
<b>TOTAL</b>	<b>1413</b>	<b>100.00</b>	<b>3681262</b>	<b>100.00</b>

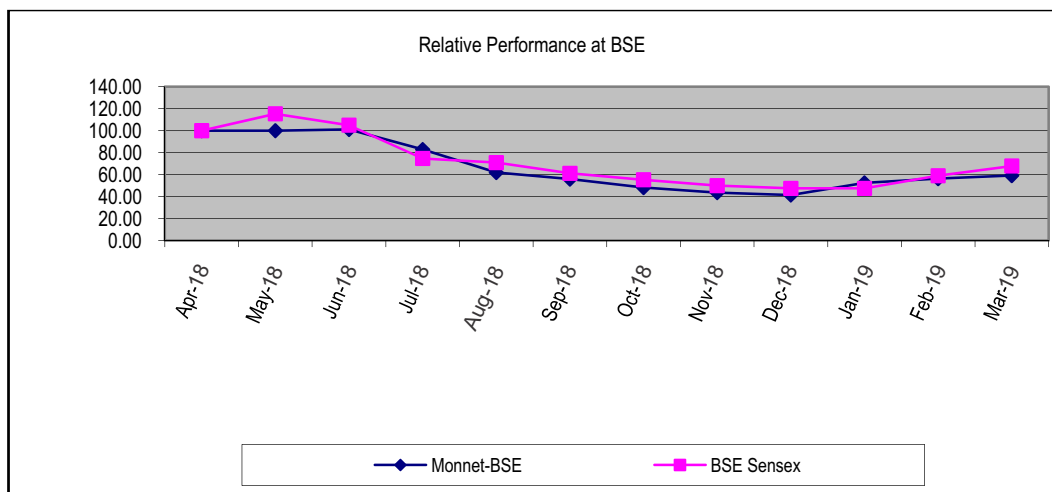


j) **Stock Price Data (For the period April, 2018 to March, 2019) :**

Year	Month	BSE High (Rs.)	BSE Low (Rs.)	Monthly Volume (Rs.)
2018	April	10.17	10.17	1017.00
2018	May	10.00	10.00	3000.00
2018	June	10.50	10.00	1010.00
2018	July	No Trading	No Trading	No Trading
2018	August	10.00	9.50	2983.00
2017	September	9.50	9.10	10979.00
2018	October	9.10	9.10	2065.00
2018	November	9.50	9.50	959.00
2018	December	9.50	9.50	95.00
2019	January	No Trading	No Trading	No Trading
2019	February	No Trading	No Trading	No Trading
2019	March	No Trading	No Trading	No Trading

k) **Stock Performance**

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



l) **Share Transfers System**

Physical Shares sent for transfer are duly transferred within 15-20 days of receipt of documents, if found in order. Shares under objection are in general returned within 15 days. Share Transfer Agents have been authorized to sign the share certificates on behalf of the Company for expeditious disposal of transfer requests.

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

m) **Dematerialisations of Shares and liquidity**

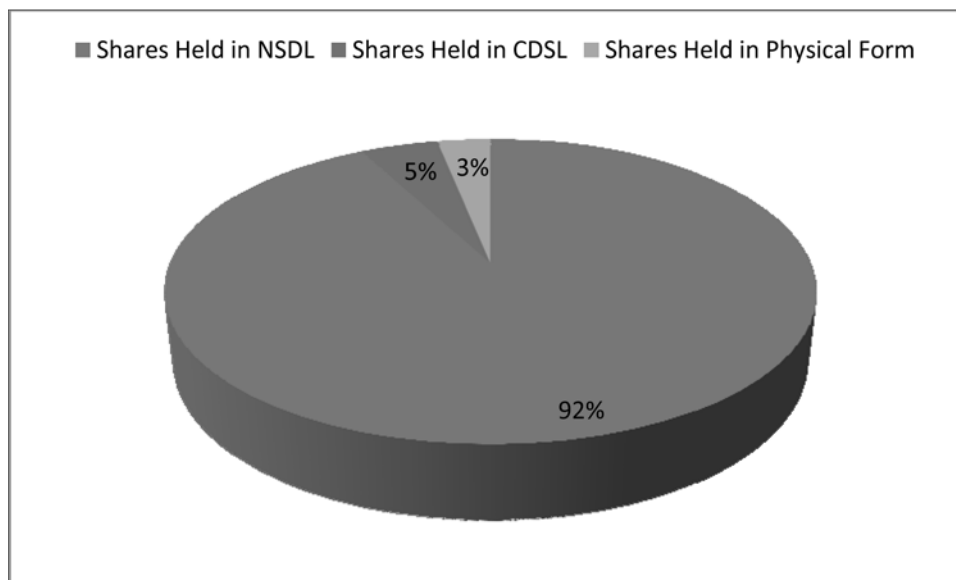
96.86% of Equity Shares of the Company are in dematerialised form as on 31<sup>st</sup> March, 2019. The shares of the Company are available for dematerialisation with both the depositories i.e. NSDL and CDSL vide ISIN No. INE 407E01029.

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



Details of which are as follows;

Shares Held in NSDL	92.27	33,96,545
Shares Held in CDSL	4.59	1,69,129
Shares Held in Physical Form	3.14	1,15,588



- **Shares held in Electronic Form**

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

- **Shares held in Physical Form**

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

**n) Commodity price risk or foreign exchange risk and hedging activities**

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

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

The Company has no outstanding convertible instruments.

**p) Shareholding Pattern:**



Sr. No.	Category	As On 31.03.2019	
		No. of Equity Shares	Percentage (%)
(A)	<b>Promoter Holding</b>		
	a) Individuals	139101	3.78
	b) Bodies Corporates	2621821	71.22
	<b>Sub Total (A)</b>	<b>2760922</b>	<b>75.00</b>
(B)	<b>Public Shareholding</b>		
	<b>1. Institutions</b>		
	a) Financial Institutions/ Banks	75000	2.04
	b) Insurance Companies	132276	3.59
	c) Foreign Institutional Investor	00	00
	<b>Sub Total (B)(1)</b>	<b>207276</b>	<b>5.63</b>
	<b>2. Non Institutions</b>		
	a) Bodies Corporate	183376	4.98
	b) Individuals		
	i) Individual Shareholders Holding nominal share capital upto Rs. 2 lac	350222	9.52
ii) Individual Shareholders Holding nominal share capital in excess of Rs. 2 lac	58892	1.60	
c) Others			
Non-Resident Indians	90574	2.46	
Overseas Corporate Bodies	30000	0.81	
<b>Sub Total (B)(2)</b>	<b>713064</b>	<b>19.37</b>	
(C)	<b>Shares Held by custodians and against which depository receipts have been issued</b>	<b>NIL</b>	<b>NIL</b>
	<b>Grand Total (A+B+C)</b>	<b>3681262</b>	<b>100.00</b>

Shareholding pattern in Monnet Industries Limited as on 31<sup>st</sup> March, 2019, for the purpose of reporting in the Annual Report of the Company for the financial year 2018-19 is given as under:

**q) Disclosures with respect to Demat suspense account/unclaimed suspense account:**

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





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

**r) Plant Location**

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

**s) Address for Correspondence**

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

**7. OTHER DISCLOSURES**

**i Materially significant related party transactions and related party policy**

All transactions entered into with the Related Parties as defined under the Companies Act, 2013 and Regulation 23 of the Listing Regulation during the financial year were in the ordinary course of business and on arm's length basis.

Related Parties and transactions with them as required under IND AS-24 are furnished under Note no. 27 of the Notes to the Accounts attached with the financial statements for the year ended March 31, 2019 and all the transactions with the related parties neither materially significant nor they have any potential conflict with the interests of the Company at large.

As required under Regulation 23 (1) of the Listing Regulations, the Company has formulated a policy on dealing with Related Party Transactions. The Policy is available on the website of the Company viz. <http://www.monnetgroup.com/MIL-code-policy.php>

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

The Company has received the letter from Bombay Stock Exchange and E-mail dated 02.05.2019 regarding the non Compliance with the provisions of Regulation 17(1), 18(1), 19(1), 19(2), 20(2), 21(2) of SEBI (LODR) Regulations, 2015 on the basis of Corporate Governance filed for the Quarter ended 31<sup>st</sup> March, 2019.

In response to the Letter of BSE, the Company has also submitted the Certificate for "**Non-applicability of Regulation 18(1) and Regulation 19(1)/19(2) as per clause 15 of Chapter IV of the SEBI (LODR) Regulations, 2015**" to the stock Exchange" and BSE also acknowledged the receipt of the same and waived of the penalty as mentioned the letter

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

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

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

Pursuant to Section 177(9) and (10) of the Companies Act, 2013, and Regulation 22 of the Listing Regulations, the Company has formulated Whistle Blower Policy for vigil mechanism of Directors and employees to report to the management about the unethical behavior, fraud or violation of Company's Code of Conduct. The mechanism provides for adequate safeguards



against victimization of employees and Directors who use such mechanism and makes provision for direct access to the chairperson of the Audit Committee in exceptional cases. None of the personnel of the Company has been denied access to the Audit Committee. The Whistle Blower Policy is displayed on the Company's website and link of the is given below; <http://www.monnetgroup.com/MIL-code-policy.php>

**iv. Credit Rating:**

The company has not issued any debt instrument, any fixed deposit programme or any scheme or proposal involving mobilization of funds. Therefore, the company has not obtained credit rating during the financial year 2018-19.

**v. Material Subsidiary Policy**

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

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

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

**vii. Certificate from the Company Secretary**

Pursuant to regulation 34(3) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, a certificate from a Company Secretary in practice that none of the Directors on Board of the Company have been debarred or disqualified from being the appointed or continuing as Directors of Companies by the Board/ Ministry of Corporate Affairs or any such statutory authority, is annexed to this report.

**viii. Disclosure related to Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013**

The Company has laid down Anti Sexual Harassment policy on Gender Equality, Gender Protection, Prevention of Sexual Harassment and Redressal System in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. An Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, apprenticeship) are covered under this policy.

The following is a details of sexual harassment complaints filed, received and disposed of as on the end of the financial year-

- No. of complaints filed during the year - Nil
- No. of complaints disposed of during the financial year - Nil
- Number of complaints pending as on end of the Financial year - Nil

**ix. Certificate on Corporate Governance**

As required by Regulation 34(3) Schedule V (E) of the SEBI listing Regulations, the certificate from Practicing Company Secretary regarding compliances of conditions of corporate governance is annexed to this report.

**x. Code of Conduct**

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

The Code of Conduct is available on Company's website: [www.monnetgroup.com](http://www.monnetgroup.com)

All the members of the Board and Senior Management Personnel have affirmed compliance to the code as on March 31, 2019. A Declaration of Whole-time Director regarding compliance with Code of Conduct by Directors and Senior Management Personnel forms part of this Corporate Governance Report.

**xi. Disclosure of Accounting Treatment**

The Financial statement of the Company is prepared as per the prescribed Indian Accounting Standards and reflects true and



fair view of the business transactions in the Corporate Governance. The company has adopted Indian Accounting Standard (referred to as IND AS) with effect from April 1, 2017 and accordingly the financial result along with the comparatives have been prepared in accordance with the recognition and measurement principles stated therein, prescribed under Section 133 of the Companies Act, 2013 and the other accounting principles generally accepted in India.

#### **8. CEO/CFO CERTIFICATION**

A Certificate on financial statements for the financial year under review, pursuant to Regulation 17(8) of the Listing Regulations signed by Chief Financial Officer was placed before the Board of Directors.

#### **9. DISCLOSURE OF COMPLIANCE WITH CORPORATE GOVERNANCE REQUIREMENTS SPECIFIED IN REGULATION 17 TO 27 AND CLAUSES (B) TO (I) OF SUB-REGULATION (2) OF REGULATION 46 OF LISTING REGULATIONS**

The Company has complied with the applicable provisions of Listing Regulations including Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of Listing Regulations.

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

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

#### **10. RISK MANAGEMENT**

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

#### **11. PREVENTION OF INSIDER TRADING CODE**

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

#### **DISCLAIMER**

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

**Dated:13.08.2019**

**Place:Delhi**

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

**(Keshav Sharma)  
Director  
DIN: 08161059**

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



CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

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

We have examined the compliance of conditions of Corporate Governance by MONNET INDUSTRIES LIMITED, for the year ended on March 31, 2019, as per Regulation 17-27, clause(b) to (i) of Regulation 46(2) and Paragraph C, D and E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

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

In our opinion and to the best of our information and according to our examination of the relevant records and the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Regulation for the respective periods of applicability as specified under paragraph 1 above, during the year ended 31<sup>st</sup> March, 2019.

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

**Date: 13.08.2019  
Place: New Delhi**

**Rahul Aggarwal  
Company Secretary**

**(Membership No. F4005)  
C. P. No. 7052637**

Annexures B to Corporate Governance Report

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

In accordance with Regulations 26(3) of the SEBI (Listing Obligation and Disclosure Requirements), Regulations, 2015, I Mahesh Kumar Sharma, Whole Time Director of the Company, the Board Members and Senior management personnel has affirmed the compliance with the code of conduct for the financial year ending March, 2019.

**Dated:13.08.2019  
Place:Delhi**

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

**(Keshav Sharma)  
Director  
DIN: 08161059**

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



**Annexure C to Corporate Governance Report**

**CERTIFICATE ON DEBARRING AND DISQUALIFICATION OF DIRECTORS OF THE COMPANY**

(Pursuant to Schedule V (C)(10)(I) of SEBI (Listing Obligation and Disclosure Requirements), Regulations, 2015)

To  
The Members,  
Monnet Industries Limited  
Plot No. 216, Sector-C, Urla Industrial Complex  
Raipur-493221, Chhattisgarh

Based on the records available with the Registrar of Companies through the MCA21 site, Stock Exchanges namely, BSE & disclosures received from the Directors and taken on record by the Company as on March 31, 2019, we hereby certify that none of the directors on the Board of Monnet Industries Limited bearing CIN: L51103CT1982PLC009717, have been debarred or disqualified from being appointed or continuing as directors by the Securities and Exchange Board of India or Ministry of Corporate Affairs and/or any such statutory authority as on March 31, 2019.

**Rahul Agarwal**  
Company Secretary

**Date:13.08.2019**  
**Place: New Delhi**

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



## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MONNET INDUSTRIES LIMITED**

### **Report on the Standalone Ind AS Financial Statements Qualified Opinion**

We have audited the accompanying standalone financial statements of **MONNET INDUSTRIES LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, **except for the impact of the matter described in "Basis for qualified opinion" para hereunder**, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, the loss and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

#### **Basis for Qualified Opinion**

**During the year the company has obtained short-term, inter corporate deposits. As there are no major operations during the year and considering liquidity constraints the company is under negotiation with lender companies and is expecting waiver of interest. In view of uncertainty as aforesaid, no provision has been made by the company towards interest on these loans. Had the interest been provided, loss for the year would have been higher by Rs. 525.21 Lacs (based on prevailing terms & conditions of lending) with a corresponding increase in borrowings. (Refer Note -31b).**

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of

the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

#### **Emphasis of Matter**

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

1. Note no. 31a in the financial statements which indicates that the Company has accumulated losses resulting in erosion of net worth and has incurred net cash losses in the current and immediately preceding financial year. The current liabilities of the Company exceeded its current assets as at the balance sheet date. These conditions may cast doubt about the Company's ability to continue as a going concern. However, the financial statements of the Company have been prepared on a going concern basis for the reasons stated in the said Note.

Our opinion is not modified in respect of this matter.

#### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as whole, and in forming our opinion there on, and we do not provide as separate opinion on these matters.

S.No.	Key Audit Matter	Auditor's Response
1	Writing-off of Investment in shares and consequently settlement with bank for loan obtained for acquisition such of shares. (Refer Note -32)	<p><b><u>Principal Audit Procedures</u></b></p> <ol style="list-style-type: none"> <li>1. Obtained the copy of the NCLT Order.</li> <li>2. Obtained the copy of the bank's settlement letter and No objection certificate.</li> <li>3. We have verified the accuracy of the amount charged to Profit &amp; Loss statement and reserves.</li> <li>4. Obtained the management representation letter for the same.</li> </ol>



### **Information Other than the Standalone Ind AS Financial Statements and Auditors' Report Thereon**

The Company's Board of Directors is responsible for the preparation of other information. The other information comprises the Director's report, Corporate Governance report, Business responsible report and Management Discussion and Analysis of Annual report, but does not include the Standalone Ind AS Financial Statements and our report thereon. The Directors report, Corporate Governance report, Business responsible report and Management Discussion and Analysis of Annual report is expected to be made available to us after the date of this Auditor's Report.

Our opinion on the Standalone Ind AS Financial Statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the Standalone Ind AS Financial Statements, our responsibility is to read the other information identified above when it becomes available to us and, in doing so, consider whether the other information is materially inconsistent with the Standalone Ind AS Financial Statements or our knowledge obtained during the course of our audit, or otherwise appears to be materially misstated.

When we read such other information as and when made available to us and if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

### **Management's Responsibility for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the IND AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation

and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Standalone Financial Statements**

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an Audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error audit procedures, design and perform responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(1) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls

system in place and the operating effectiveness of such controls

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure-I" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, based on our audit we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
  - d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended.;
  - e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.





f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure II”. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

No managerial remuneration has been paid/provided during the year by the company.

**h) The subject matter of qualification as referred in para of “Basis for Qualified Opinion” and matter referred in Note 1 in “Emphasis of Matter” above, which in our opinion may have an adverse effect on the functioning of the company.**

l) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

i. The Company does not have any pending litigations which would impact its financial position.

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There has been no amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

**DATED: 30-05-2019  
PLACE: NEW DELHI**

**For APAS & CO.  
CHARTERED ACCOUNTANTS  
Firm Regn. No. 000340C**

**RAJEEV RANJAN  
PARTNER  
M. No. 535395**

## **ANNEXURE-I TO THE INDEPENDENT AUDITOR'S REPORT**

**(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)**

1. In respect of its fixed assets:

a) The company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.

b) As explained to us, all the fixed assets have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.

c) Title deeds In respect of all immovable properties are held in the name of the company.

2. (a) As explained to us physical verification has been conducted by the management at reasonable intervals in respect of raw materials.

(b) In our opinion, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.

(c) In our opinion the Company is maintaining proper records of inventories. The discrepancies noticed on such verification between the physical stocks and book records were not significant and the same have been properly dealt with in the books of account.

3. As informed to us the company has not granted loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013.

4. According to the information and explanations given to us, the company has complied with the provisions of Section 186, wherever applicable, in respect of investments made by the company. We are informed that the company has not provided any security/given any loan or guarantee during the year. Being a limited company, provisions of section 185 of the Act are not applicable.

5. According to the information and explanations given to us the company has not accepted any deposits, in



terms of the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act 2013 and the rules framed there under.

6. In respect of business activities of the company, Companies (cost records and audit) Rules 2014 as specified by the Central Government under sub-section (I) of section 148 of the Companies Act and rules thereunder are not applicable.
7. a) As per information and explanations given to us, the company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues with the appropriate authorities. **There are no undisputed statutory dues as at the last day of the financial year under audit for a period of more than six months from the date they became payable except Provident Fund of Rupees. 23642.**  
b) There are no statutory dues which are pending to be deposited on account of any dispute at any forum.
8. Based on our audit procedures and on the basis of information and explanations given to us by the management, we are of the opinion that there is no default in repayment of dues to Bank. The company has not obtained any loan from financial institutions or government and has not issued any debentures.
9. As explained to us term loans obtained during the year were applied for the purpose for which the company obtained the loans. The company has not raised any money during the year by way initial or further public offer
10. Based upon the Audit procedures performed and information and explanations given by the management, we report that, no fraud on or by the Company has been noticed or reported during the course of our audit for the year ended 31.03.2019.
11. No managerial remuneration has been paid/provided during the year by the company.
12. The provisions of clause (xii) of the Order are not applicable as the company is not a Nidhi Company as specified in the clause.

13. According to information and explanations given to us we are of the opinion that all related party transactions are in compliance with the Section 177 and 188 of Companies Act 2013. Necessary disclosures have been made in the financial statements as required by the applicable accounting Standards.
14. According to information and explanations given to us the company has not made any preferential allotment or private placement of shares or debentures during the year.
15. According to information and explanations given to us the Company has not entered into any non-cash transaction with the Director or any person connected with him during the year.
16. In our opinion, in view of its business activities, the company is not required to be registered under section 451A of Reserve Bank of India Act 1934.

**DATED: 30-05-2019**  
**PLACE: NEW DELHI**

**For APAS & CO.**  
**CHARTERED ACCOUNTANT**  
**Firm Regn. No. 000340C**

**RAJEEV RANJAN**  
**PARTNER**  
**M. No. 535395**

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

We have audited the internal financial controls over financial reporting of **MONNET INDUSTRIES LIMITED** ("the Company") as of 31<sup>st</sup> March 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that



were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### **Auditors' Responsibility**

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

Our Audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. We believe that the audit evidence I/we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

### **Meaning of Internal Financial Controls Over Financial Reporting**

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

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

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, the company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March 2019, based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on "Audit of Internal Financial Controls Over Financial Reporting" issued by the Institute of Chartered Accountants of India.

**DATED: 30-05-2019**  
**PLACE: NEW DELHI**

**For APAS & CO.**  
**CHARTERED ACCOUNTANT**  
**Firm Regn. No. 000340C**

**RAJEEV RANJAN**  
**PARTNER**  
**M. No. 535395**



**MONNET INDUSTRIES LIMITED**  
**BALANCE SHEET AS AT 31ST MARCH, 2019**

(Rs. in Lacs)

Particulars	Notes	As at 31 March 2019	As at 31 March 2018
<b>I ASSETS</b>			
<b>(1) Non-Current Assets</b>			
Property, plant and equipment	3	81.65	128.66
Intangible assets	4	-	0.00
Financial assets			
(i) Investments	5	0.20	0.25
(ii) Loans	6	8.19	8.19
Other Non Current Assets	8	4.91	17,505.60
<b>Sub Total</b>		<b>94.95</b>	<b>17,642.71</b>
<b>(2) Current assets</b>			
Inventories	9	1.13	1.13
Financial assets			
(i) Trade receivables	10	2.22	2.22
(ii) Cash and cash equivalents	11	6.29	17.92
(iii) Other Financial Assets	7	-	0.06
Other current assets	8	2,604.95	42.13
<b>Sub Total</b>		<b>2,614.59</b>	<b>63.46</b>
<b>Total Assets</b>		<b>2,709.54</b>	<b>17,706.17</b>
<b>II EQUITY AND LIABILITIES</b>			
<b>(1) Equity</b>			
Equity share capital	12	368.13	368.13
Equity Component of Compound Financial Instrument	13	1,071.12	1,071.12
Other Equity	13	(13,969.19)	(10,154.32)
<b>Sub Total</b>		<b>(12,529.94)</b>	<b>(8,715.07)</b>
<b>(2) LIABILITIES</b>			
<b>(a) Non-current liabilities</b>			
Financial liabilities			
(i) Borrowings	14	859.85	748.18
Provisions	18	0.73	16.23
<b>Sub Total</b>		<b>860.58</b>	<b>764.41</b>
<b>(b) Current liabilities</b>			
Financial liabilities			
(i) Borrowings	14	9,000.00	6,022.55
(ii) Trade Payables	15	278.67	278.67
(iii) Other financial liabilities	16	5,099.50	19,351.62
Other current liabilities	17	0.68	0.94
Provisions	18	0.05	3.05
<b>Sub Total</b>		<b>14,378.90</b>	<b>25,656.83</b>
<b>Total Equity and Liabilities</b>		<b>2,709.54</b>	<b>17,706.17</b>
Significant Accounting Policies	1 & 2		

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

FOR APAS & CO  
CHARTERED ACCOUNTANTS  
FRN 00340C

DATED : 30.05.2019  
PLACE : NEW DELHI

RAJEEV RANJAN  
PARTNER  
M.NO. 535395

KESHAV SHARMA  
DIRECTOR  
DIN. 08275228

MAHESH KUMAR SHARMA  
WHOLE - TIME DIRECTOR  
DIN.07504637

PRIYA  
COMPANY SECRETARY  
M.NO. A43972

MAHESH KUMAR SHARMA  
CHIEF FINANCE OFFICER  
PAN- BJNP54236D





**MONNET INDUSTRIES LIMITED**  
**STATEMENT OF PROFIT AND LOSS**  
**FOR THE YEAR ENDED 31ST MARCH, 2019**

(Rs. in Lacs)

Particulars	Notes	For the Year ended 31 March 2019	For the Year ended 31 March 2018
<b>I REVENUE</b>			
<b>Revenue from operations</b>			
Other income	19	317.65	0.95
<b>Total Revenue (I)</b>		<b>317.65</b>	<b>0.95</b>
<b>II EXPENSES</b>			
Employee benefits expense	20	6.94	14.72
Finance costs	21	111.67	846.63
Other expenses	22	25.19	28.01
<b>Total expenses (II)</b>		<b>143.80</b>	<b>889.36</b>
<b>III Profit/(loss) for the year from continuing operations ( I-II)</b>		<b>173.85</b>	<b>(888.41)</b>
<b>IV Exceptional Items Refer (Note No. 32)</b>		<b>(14,457.88)</b>	<b>-</b>
<b>V Profit/(loss) before tax from continuing operations (III-IV)</b>		<b>(14,284.03)</b>	<b>(888.41)</b>
<b>VI Tax expense:</b>			
Current Tax- For earlier years		0.08	-
Deferred Tax		-	-
<b>VII Profit/ (loss) for the year (V-VI) from continuing operations</b>		<b>(14,284.12)</b>	<b>(888.41)</b>
<b>Discontinued operations</b>			
Profit/(loss) before tax for the year from discontinued operations	23	(49.70)	(10.29)
Tax Income/ (expense) of discontinued operations		-	-
<b>VIII Profit/ (loss) for the year from discontinued operations</b>		<b>(49.70)</b>	<b>(10.29)</b>
<b>IX Profit/ (loss) for the year (VII+VIII)</b>		<b>(14,333.82)</b>	<b>(898.70)</b>
<b>X Other Comprehensive Income</b>		<b>-</b>	<b>-</b>
<b>XI Total Comprehensive Income for the Year (IX+ X)</b>		<b>(14,333.82)</b>	<b>(898.70)</b>
<b>Earnings per Equity Share from continuing operations</b>	24		
(1) Basic, computed on the basis of profit from continuing operations		(388.02)	(24.13)
(2) Diluted, computed on the basis of profit from continuing operations		(388.02)	(24.13)
<b>Earnings per Equity Share from discontinued operations</b>	24		
(1) Basic, computed on the basis of profit from discontinuing operations		(1.35)	(0.28)
(2) Diluted, computed on the basis of profit from discontinuing operations		(1.35)	(0.28)
<b>Earnings per equity share from continuing &amp; discontinued operations</b>	24		
(1) Basic, computed on the basis of profit from business		(389.37)	(24.41)
(2) Diluted, computed on the basis of profit from business		(389.37)	(24.41)

Significant Accounting Policies 1 & 2

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

In terms of our report of even date annexed

FOR APAS & CO  
 CHARTERED ACCOUNTANTS  
 FRN 000340C

DATED : 30.05.2019  
 PLACE : NEW DELHI

RAJEEV RANJAN  
 PARTNER  
 M.NO. 535395

KESHAV SHARMA  
 DIRECTOR  
 DIN. 08275228

MAHESH KUMAR SHARMA  
 WHOLE - TIME DIRECTOR  
 DIN.07504637

PRIYA  
 COMPANY SECRETARY  
 M.NO. A43972

MAHESH KUMAR SHARMA  
 CHIEF FINANCE OFFICER  
 PAN- BJNP54236D





**MONNET INDUSTRIES LIMITED**  
**Notes to Financial Statements for the year ended 31 March 2019**

a Equity share capital	31 March 2019	31 March 2018
Issued, subscribed and paid up capital (Refer note 12)		
Opening balance	368.13	368.13
Changes	-	-
Closing balance	368.13	368.13
	<u>368.13</u>	<u>368.13</u>

b Other equity

Particulars	Reserves and Surplus				Equity Component of Compound Financial Instrument (Refer Note 13)	Items of OCI	Total equity
	Share premium	Subsidiy Reserve	Share Forelited Account	Capital Reserve			
At 31 March 2017	176.00	15.00	3.67	-	1,071.12	-	(8,184.50)
Additions	-	-	-	-	-	-	(898.70)
Net income / (loss) for the year	-	-	-	-	-	-	-
At 31 March 2018	176.00	15.00	3.67	5.65	1,071.12	-	(9,083.20)
Additions	-	-	-	-	-	-	10,518.95
Net income / (loss) for the year	-	-	-	-	-	-	(14,333.82)
At 31 March 2019	176.00	15.00	3.67	5.65	1,071.12	-	(12,898.07)

The accompanying Notes 1 to 40 form an integral part of these financial statement  
 In terms of our report of even date annexed

**FOR APAS & CO**  
**CHARTERED ACCOUNTANTS**  
 FRN 000340C

**DATED : 30.05.2019**  
**PLACE : NEW DELHI**

**RAJEEV RANJAN**  
**PARTNER**  
 M.NO. 535395

**KESHAV SHARMA**  
**DIRECTOR**  
 DIN. 08275228

**MAHESH KUMAR SHARMA**  
**WHOLE - TIME DIRECTOR**  
 DIN.07504637

**PRIVA**  
**COMPANY SECRETARY**  
 M.NO. A43972

**MAHESH KUMAR SHARMA**  
**CHIEF FINANCE OFFICER**  
 PAN- BINP54236D



**MONNET INDUSTRIES LIMITED**  
**CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED ON 31<sup>st</sup> MARCH, 2019**

	(Rs. in Lacs)	
	2018-2019	2017-2018
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before tax and Exceptional items	173.85	(888.41)
Adjusted for :		
Interest Received	-	(0.83)
Depreciation & Amortisation related to discontinued business	47.01	4.96
Other Expenses related to discontinued operations	-	(10.29)
Loss on Sale of Investment	0.05	-
	<b>47.06</b>	<b>(6.16)</b>
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<b>220.91</b>	<b>(894.56)</b>
Adjusted for :		
Trade & Other Receivables	(2,562.07)	(17,500.00)
Trade & Other Payables	(34.33)	(2,292.33)
	<b>(2,596.40)</b>	<b>(15,208.38)</b>
<b>CASH GENERATED FROM OPERATIONS</b>	<b>(2,375.48)</b>	<b>(16,102.95)</b>
Direct Taxes Paid	-	-
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>(2,375.48)</b>	<b>(16,102.95)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Investments	-	9,980.00
Interest Received	-	0.83
Deposits with original maturity more than three months	-	-
Dividend Received	-	-
		<b>9,980.83</b>
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>-</b>	<b>9,980.83</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Repayment of Long Term Borrowing	-	97.17
Repayment of short Term Borrowing	2,363.85	6,022.55
	<b>2,363.85</b>	<b>6,119.72</b>
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>2,363.85</b>	<b>6,119.72</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)</b>	<b>(11.63)</b>	<b>(2.41)</b>
Cash and Cash Equivalents as at beginning of the year	17.92	20.32
Cash and Cash Equivalents as at end of the year	<b>6.29</b>	<b>17.92</b>
<b>Note to cash flow statement</b>		
<b>1 Components of Cash &amp; Cash Equivalents</b>		
Cash on Hand	0.27	0.15
With Banks		
- on Current Account	6.02	3.82
- Deposit accounts (demand deposits and deposits having original maturity of 3 months or less)	-	13.96
	<b>6.29</b>	<b>17.92</b>

2. The above cash flow statement has been prepared in accordance with the 'Indirect method' as set out in Indian Accounting Standard - 7 on 'Statement of Cash Flows' as specified in Companies (Indian Accounting Standard) Amendment Rules, 2016.

The note referred to above forms an integral part of the financial statements  
**In terms of our report of even date annexed**

**FOR APAS & CO**  
**CHARTERED ACCOUNTANTS**  
**FRN 000340C**

**DATED : 30.05.2019**  
**PLACE : NEW DELHI**

**RAJEEV RANJAN**  
**PARTNER**  
**M.NO. 535395**

**KESHAV SHARMA**  
**DIRECTOR**  
**DIN. 08275228**

**MAHESH KUMAR SHARMA**  
**WHOLE - TIME DIRECTOR**  
**DIN.07504637**

**PRIYA**  
**COMPANY SECRETARY**  
**M.NO. A43972**

**MAHESH KUMAR SHARMA**  
**CHIEF FINANCE OFFICER**  
**PAN- BJNP54236D**

**Accounting Policies under Ind AS  
Standalone financial statements of MONNET INDUSTRIES  
LIMITED for the year ended 31-March-2019.**

**1. Corporate information**

Monnet Industries Limited was incorporated on 14<sup>th</sup> September 1982. The company is engaged in manufacturing/processing of Basic Iron and Steel.

The financial statements of the company for the year ended 31st March 2019 were authorized for issue in accordance with a resolution of the directors on 30th May, 2019.

**2. Significant Accounting Policies**

**2.1 Basis of Preparation**

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 and the Companies (Indian Accounting Standards) (Amendment) Rules, 2016.

The financial statements have been prepared on a historical cost basis, except for the certain assets and liabilities which have been measured at different basis and such basis has been disclosed in relevant accounting policy.

The financial statements are presented in INR and all values are rounded to the nearest lacs (INR 00,000), except when otherwise indicated.

**2.2 Significant Accounting Policies**

**a. Current versus Non-Current Classification**

The Company presents assets and liabilities in the balance sheet based on current / non-current classification.

An asset/liability is treated as current when it is:

- Expected to be realised or intended to be sold or consumed or settled in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised/settled within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other assets and liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-

current assets and liabilities respectively.

**a. Property, plant and equipment**

**i) Tangible assets**

Property, plant and equipment are stated at cost [i.e., cost of acquisition or construction inclusive of freight, erection and commissioning charges, non-refundable duties and taxes, expenditure during construction period, borrowing costs (in case of a qualifying asset) upto the date of acquisition/ installation], net of accumulated depreciation.

When significant parts of property, plant and equipment (identified individually as component) are required to be replaced at intervals, the Company derecognizes the replaced part, and recognizes the new part with its own associated useful life and it is depreciated accordingly. Whenever major inspection/overhaul/repair is performed, its cost is recognized in the carrying amount of respective assets as a replacement, if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in the statement of profit and loss.

The Present Value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Property, Plant and Equipments are eliminated from financial statements, either on disposal or when retired from active use. Losses/gains arising in case retirement/disposals of property, plant and equipment are recognized in the statement of profit and loss in the year of occurrence.

Depreciation on property, plant and equipments are provided to the extent of depreciable amount on the straight line (SLM) Method. Depreciation is provided at the rates and in the manner prescribed in Schedule II to the Companies Act, 2013.

The residual values, useful lives and methods of depreciation/amortization of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

**ii) Capital work in progress**

Capital work in progress includes construction stores including material in transit/ equipment / services, etc. received at site for use in the projects.

All revenue expenses incurred during construction period, which are exclusively attributable to acquisition / construction of fixed assets, are capitalized at the time of commissioning of such assets.





### c. Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective asset. All other borrowing costs are expensed in the period in which they occur.

### d. Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit and loss.

### e. Inventories

Items of inventories are measured at lower of cost or market value. Cost of inventories comprises of cost of purchase, cost of conversion and other costs including manufacturing overheads incurred in bringing them to their respective present location and condition. Cost of raw material, stores and spares, packing materials, trading and other products are determined on weighted average basis.

### f. Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue from operations includes sale of goods, services and excise duty, adjusted for discounts (net).

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

Dividend Income is recognised for as and when declared by respective company.

### g. Foreign currency transactions

The Company's financial statements are presented in INR, which is also its functional currency.

Foreign currency transactions are initially recorded in functional currency using the exchange rates at the date the transaction.

At each balance sheet date, foreign currency monetary items are reported using the exchange rate prevailing at the year end.

Exchange differences arising on settlement or translation of monetary items are recognised in statement of profit and loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

### h. Taxes on income

#### Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date. Tax relating to items recognized directly in equity/other comprehensive income is recognized in respective head and not in the statement of profit & loss.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

### I. Provisions, Contingent liabilities and Contingent assets

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability.

When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liability is disclosed in the case of:

- a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation;
- a present obligation arising from past events, when no reliable estimate is possible

Provisions, contingent liabilities and contingent assets are reviewed at each balance sheet date.

#### **j. Earnings per share**

Basic earnings per equity share is computed by dividing the net profit after tax attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted earnings per equity share is computed by dividing adjusted net profit after tax by the aggregate of weighted average number of equity shares and dilutive potential equity shares during the year.

#### **k. Cash and cash equivalents**

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand, cheques on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above.

#### **l. Fair value measurement**

The Company measures financial instruments such as derivatives and certain investments, at fair value at each balance sheet date.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the balance sheet on a recurring basis, the Company determines whether transfers have occurred between levels in the

hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

#### **m. Financial instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

##### **(a) Financial assets**

###### **Classification**

The Company classifies financial assets as subsequently measured at amortized cost, fair value through other comprehensive income or fair value through profit or loss on the basis of its business model for managing the financial assets and the contractual cash flows characteristics of the financial asset.

###### **Initial recognition and measurement**

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

###### **Subsequent measurement**

For purposes of subsequent measurement financial assets are classified in below categories:

- **Financial assets carried at amortised cost**

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

- **Financial assets at fair value through other comprehensive income**

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Company has made an irrevocable election for its investments which are classified as equity instruments to present the subsequent changes in fair value in other comprehensive income based on its business model.



- **Financial assets at fair value through profit or loss** A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

#### **Derecognition**

A financial asset is primarily derecognized when the rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset.

#### **Impairment of financial assets**

The Company assesses impairment based on expected credit losses (ECL) model for measurement and recognition of impairment loss on the financial assets that are trade receivables or contract revenue receivables and all lease receivables.

#### **(b) Financial liabilities**

##### **Classification**

The Company classifies all financial liabilities as subsequently measured at amortized cost, except for financial liabilities at fair value through profit or loss. Such liabilities, including derivatives that are liabilities, shall be subsequently measured at fair value.

##### **Initial recognition and measurement**

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, and derivative financial instruments. financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, and derivative financial instruments.

##### **Subsequent measurement**

The measurement of financial liabilities depends on their classification, as described below:

- **Financial liabilities at amortised cost**

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss.

- **Financial liabilities at fair value through profit or loss**

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognized in the statement of profit and loss.

##### **Derecognition**

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit and loss.

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

#### **2.3 Significant accounting judgements, estimates and assumptions**

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities at the date of the financial statements. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

In particular, the Company has identified the following areas where significant judgements, estimates and assumptions are required. Further information on each of these areas and how they impact the various accounting policies are described below and also in the relevant notes to the financial statements. Changes in estimates are accounted for prospectively.

##### **Judgements**

In the process of applying the Company's accounting policies, management has made the following judgements,





which have the most significant effect on the amounts recognized in the financial statements:

#### **Contingencies**

Contingent liabilities may arise from the ordinary course of business in relation to claims against the Company, including legal, contractor, land access and other claims. By their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence, and potential quantum, of contingencies inherently involves the exercise of significant judgments and the use of estimates regarding the outcome of future events.

#### **Estimates and assumptions**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market change or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

#### **(a) Impairment of non-financial assets**

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

#### **(b) Defined benefit plans**

The cost of the defined benefit plan and other post-employment benefits and the present value of such obligation are determined using actuarial valuations. An

actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

#### **(c) Fair value measurement of financial instruments**

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

#### **(d) Impairment of financial assets**

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgments in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

### **2.4 Standards Issued but not yet Effective**

**1. Ind AS 116 Leases :** On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 116-Leases. Ind AS 116 will replace the existing leases Standard, Ind AS 17 Leases, and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of Profit & Loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The effective date for adoption of Ind AS 116 is annual periods beginning on or after April 1, 2019. The Company is in the process of making an assessment of the impact of Ind AS 116 upon initial application.

**2. Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments:** On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while





performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates. The standard permits two possible methods of transition - i) Full retrospective approach – Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight and ii) Retrospectively with cumulative effect of initially applying Appendix C recognized by adjusting equity on initial application, without adjusting comparatives.

The effective date for adoption of Ind AS 12 Appendix C is annual periods beginning on or after April 1, 2019. The Company is currently evaluating the effect of this amendment on the standalone financial statements.

**3. Amendment to Ind AS 12 – Income taxes :** On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes',

in connection with accounting for dividend distribution taxes. The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company is currently evaluating the effect of this amendment on the standalone financial statements.

**4. Amendment to Ind AS 19 – plan amendment, curtailment or settlement :** On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements. The amendments require an entity: to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company is currently evaluating the effect of this amendment on the standalone financial statements.



**MONNET INDUSTRIES LIMITED**  
**Notes to Financial Statements for the year ended 31 March 2019**

**Note 3. Property, Plant and Equipment**

(Rs. in Lacs)

	Freehold land	Building	Plant and machinery	Furniture & fixtures	Vehicles	EDP,WP Machines	Electrical & Office equipments	Assets Leased Out	Other Fixed Assets	Temporary Shed	Electrical Installations	Total
<b>Gross Carrying Amount</b>												
<b>As 31 March 2017</b>	46.16	114.57	396.87	2.39	0.44	0.29	6.57	95.99	62.63	64.62	151.10	941.63
Additions	-	-	-	-	-	-	-	-	-	-	-	-
Disposal	-	-	-	-	-	-	-	-	-	-	-	-
<b>As 31 March 2018</b>	46.16	114.57	396.87	2.39	0.44	0.29	6.57	95.99	62.63	64.62	151.10	941.63
Additions	-	-	-	-	-	-	-	-	-	-	-	-
Disposal	-	-	-	-	-	-	-	-	-	-	-	-
<b>As 31 March 2019</b>	46.16	114.57	396.87	2.39	0.44	0.29	6.57	95.99	62.63	64.62	151.10	941.63
<b>Accumulated Depreciation &amp; Impairment</b>												
<b>As 31 March 2017</b>	-	108.43	350.00	2.29	0.44	0.18	6.21	94.17	62.63	64.62	119.12	808.10
Additions	-	-	-	-	-	0.09	-	-	-	-	2.94	4.87
Disposal	-	-	-	-	-	-	-	-	-	-	-	-
<b>As 31 March 2018</b>	-	108.61	351.67	2.29	0.44	0.27	6.21	94.17	62.63	64.62	122.06	812.97
Additions	-	0.16	25.35	-	-	-	0.02	-	-	-	21.49	47.01
Disposal	-	-	-	-	-	-	-	-	-	-	-	-
<b>As 31 March 2019</b>	-	108.76	377.02	2.29	0.44	0.27	6.23	94.17	62.63	64.62	143.54	859.98
<b>Net book value</b>												
31 March 2019	46.16	5.81	19.85	0.10	0.00	0.01	0.34	1.82	-	-	7.55	81.65
31 March 2018	46.16	5.97	45.20	0.10	0.00	0.01	0.36	1.82	-	-	29.04	128.66



**MONNET INDUSTRIES LIMITED**  
**Notes to Financial Statements for the year ended 31 March 2019**

**Note 4 : Intangible assets**

(Rs. in Lacs)	
<b>Gross Carrying Amount</b>	<b>Software</b>
<b>As 31 March 2017</b>	0.55
Additions	-
Disposal	-
<b>As 31 March 2018</b>	0.55
<b>Accumulated Amortisation</b>	
<b>As 31 March 2017</b>	0.46
Additions	0.09
Disposal	-
<b>As 31 March 2018</b>	0.55
<b>Net book value</b>	
<b>31 March 2019</b>	0.00
<b>31 March 2018</b>	0.00

	Non-Current		Current	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
<b>Note 5: Non Trade Investments</b>				
<b>Equity Instruments</b>				
<b>(fully paid up-unless otherwise stated)</b>				
<b>Quoted(FVTPL)</b>				
0 Equity Shares of Monnet Ispat & Energy Ltd. @ Rs.10/- per Share (As on 31.03.2018) 50 Equity Shares of Monnet Ispat & Energy Ltd. @ Rs.10/- per Share,	-	0.05	-	-
<b>Unquoted(FVTPL)</b>				
100 Equity Shares of Cambridge Construction (Delhi) Ltd @ Rs.10/- per Share (As on 31.03.2018)	0.20	0.20	-	-
100 Equity Shares of Cambridge Construction (Delhi) Ltd @Rs.10/- per Share.				
<b>Total</b>	<b>0.20</b>	<b>0.25</b>	<b>-</b>	<b>-</b>
<b>Quoted Investments</b>				
Book Value	-	0.05	-	-
Market Value	-	0.02	-	-
<b>Unquoted Investments</b>				
Book Value	0.20	0.20	-	-

- a) Non-Current investments have been valued considering the significant accounting policy no. 2.2(m) disclosed in Note no. 1&2 to these financial statement  
b) Carrying Cost of Equity Share of Cambridge Construction (Delhi Ltd) is taken as the fair value of shares.



**MONNET INDUSTRIES LIMITED**  
**Notes to Financial Statements for the year ended 31 March 2019**

(Rs. in Lacs)

**Note 6: Loans at amortised cost**

**Security deposits**

Unsecured and Considered good

**TOTAL**

8.19	8.19	-	-
8.19	8.19	-	-

Loans are non-derivative financial assets which generate a fixed or variable interest income for the Company. The carrying value may be affected by changes in the credit risk of the counter parties.

**Note 7: Other Financial Assets**

(Unsecured and Considered good)

Interest Accrued on Term Deposit

-	-	-	0.06
-	-	-	0.06

**Note 8: Other Non Financial Assets**

(Unsecured and Considered good)

TDS Receivable

Prepaid expenses

Other Recoverable\*

4.91	5.60	-	-
-	-	0.72	0.76
-	17,500.00	2,604.23	41.37
4.91	17,505.60	2,604.95	42.13

\* It includes investment of Rs. 17500 lacs in preference shares held as security invoked by lender. Refer Note 31

**Note 9: Inventories**

(As taken Valued and Certified by Management)

Raw Materials

	AS AT 31 March 2019	AS AT 31 March 2018
1.13	1.13	1.13
1.13	1.13	1.13

**(Inventories have been valued in accordance with accounting policy no. 2.2 (e) as referred in Note No.1&2)**

**Note 10 :Trade receivables**

(unsecured, considered good, unless otherwise stated)

Trade receivables - others

2.22	2.22
2.22	2.22

No trade receivable are due from Directors of the company or any firm or private company in which any director is a partner or director

Trade receivables are non interest bearing and are generally on short term .

**Note 11 : Cash and cash equivalent**

**Particulars**

a) Balance with banks

- In current accounts

Cash on hand

b) Deposit with original maturity of less than 3 months

6.02	3.82
0.27	0.15
-	13.96
6.29	17.92





**MONNET INDUSTRIES LIMITED**  
**Notes to Financial Statements for the year ended 31 March 2019**

	(Rs. in Lacs)	
	AS AT 31 March 2019	AS AT 31 March 2018
<b><u>Breakup of Financial Assets carried at amortised cost</u></b>		
Security deposits	8.19	8.19
Loans to employees	-	-
Trade receivables	2.22	2.22
Cash and cash equivalent	6.29	17.92
Interest Accrued on term deposits	-	0.06
	<b>16.70</b>	<b>28.39</b>

**Note No. 12 : SHARE CAPITAL**

**a) AUTHORISED**

**Equity Share Capital**

40,00,000 shares (31 March 2018: 40,00,000 shares) of par value of Rs10/-each      400.00      400.00

**Preference Shares**

15,00,000 shares(31 March 2018: 15,00,000 shares) of par value of Rs100/-ech.      1500.00      1,500.00

	<b>1,900.00</b>	<b>1,900.00</b>
--	-----------------	-----------------

**b) ISSUED, SUBSCRIBED AND FULLY PAID-UP**

**Equity Share Capital**

36,81,262 shares (31 March 2018: 36,81,262 shares) of par value of Rs10/-each.      368.13      368.13

15,00,000 10% non Cumulative,non Convertible 'Reedemable Preference shares  
(31 March 2018: 15,00,000 shares)of par value of Rs100 each.      -      -

\* Shown in Note No. -14

**Total**

	<b>368.13</b>	<b>368.13</b>
--	---------------	---------------

**NOTES:**

a) (i) During the year, the company has not issued or brought back any shares

(ii) Following is the reconciliation of number of shares outstanding as at the beginning of the year and end of the year

	(Rs.in Lacs)	
PARTICULARS	As at 31 March 2019	As at 31 March 2018
<b>Equity Shares</b>		
Number of shares outstanding as at the beginning of the year	36.81	36.81
Number of shares outstanding as at the closing of the year	36.81	36.81
<b>Preference Shares</b>		
Number of shares outstanding as at the beginning of the year	15.00	15.00
Number of shares outstanding as at the closing of the year	15.00	15.00
<b>Equity Capital</b>		
Share Capital outstanding as at the beginning of the year	368.13	368.13
Share Capital outstanding as at the closing of the year	368.13	368.13

b) The Company has only one class of Issued, subscribed and paid up equity shares having a par value of INR 10/- each per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the share holders.



**MONNET INDUSTRIES LIMITED**  
**Notes to Financial Statements for the year ended 31 March 2019**

c) There are no holding or subsidiary companies of the company.

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

**Equity Share Capital**

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

**Preference Shares**

Particulars	PREFERENCE SHARES	
	No of shares (%)	No of shares (%)
B.K.COALFIELDS PVT.LTD.	<b>6,50,000 (43.33)</b>	<b>6,50,000 (43.33)</b>
PACE ENTERPRISES PVT.LTD.	<b>2,10,000 (14.00)</b>	<b>2,10,000 (14.00)</b>
DYNAMIC DEFENCE TECHNOLOGIES LTD (FORMELY KNOWN AS MONNET ENNGINEERING & INFRASTRUCTURE LTD.)	<b>5,40,000 (36.00)</b>	<b>5,40,000 (36.00)</b>
MAA BAMLESHWARI MINES AND ISPAT LTD.	<b>1,00,000 (6.67)</b>	<b>1,00,000 (6.67)</b>

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



**MONNET INDUSTRIES LIMITED**  
**Notes to Financial Statements for the year ended 31 March 2019**

**Note 13**

Particulars	(Rs. In Lacs)
<b>A: Equity Component of Compound Financial Interest</b>	
At 31 March 2017	1,071.12
Changes during the period	-
At 31 March 2018	1,071.12
Changes during the period	-
Closing balance as at 31 Mar 2019	<b>1,071.12</b>
<b>B: Other Equity</b>	
<b>Reserves and Surplus</b>	
<b>Subsidy Reserve</b>	
At 31 March 2017	15.00
Changes during the period	-
At 31 March 2018	15.00
Changes during the period	-
Closing balance as at 31 Mar 2019	<b>15.00</b>
<b>Share Forefeited Account</b>	
At 31 March 2017	3.67
Changes during the period	-
At 31 March 2018	3.67
Changes during the period	-
Closing balance as at 31 Mar 2019	<b>3.67</b>
<b>Reconstruction Reserve</b>	
At 31 March 2017	5.65
Changes during the period	-
At 31 March 2018	5.65
Changes during the period	-
Closing balance as at 31 Mar 2019	<b>5.65</b>
<b>Securities premium Account</b>	
At 31 March 2017	176.00
Changes during the period	-
At 31 March 2018	176.00
Changes during the period	-
Closing balance as at 31 Mar 2019	<b>176.00</b>
<b>Capital Reserve</b>	
At 31 March 2017	-
Changes during the period	-
At 31 March 2018	-
Changes during the period(Refer Note - 32)	10,518.95
Closing balance as at 31 Mar 2019	<b>10,518.95</b>
<b>Retained earnings</b>	
At 31 March 2017	(9,455.94)
Profit/(loss) during the period	(898.70)
At 31 March 2018	(10,354.64)
Profit/(loss) during the period	(14,333.82)
Closing balance as at 31 Mar 2019	<b>(24,688.46)</b>
Total Other Equity At	
At 31 March 2019	(13,969.19)
At 31 March 2018	(10,154.32)



**MONNET INDUSTRIES LIMITED**  
**Notes to Financial Statements for the year ended 31 March 2019**

(Rs. In Lacs)

Financial Liabilities	Non-Current		Current	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
<b>Note 14 : Borrowings</b>				
<b>Borrowings</b>				
Rupee Term Loans (secured) *	-	-	-	-
Inter Corporate Deposit	-	-	9,000.00	6,022.55
<b>Liability component compound financial instruments.</b>	-	-	-	-
15,00,000 10% non Cumulative Convertible Redeemable Preference shares (31 March 2018: 15,00,000 shares; of par value of Rs.100/- each)	859.85	748.18		
<b>Total borrowings</b>	<b>859.85</b>	<b>748.18</b>	<b>9,000.00</b>	<b>6,022.55</b>

Note:

**Inter Corporate Deposits**

- a) The loan is secured by exclusive charge by way of mortgage over the immovable property at 10-11, Masjid Moth G.K-II New Delhi owned by M/s Pace Enterprises Pvt. Ltd. & M/s Cambridge Construction ( Delhi ) Ltd. Creation of charge is pending.
- b) The loan is repayable within a period of 365 days from the date of first disbursement of the facility by the lender. The loan is carrying interest rate of 10.00 %p.a.
- c) In case of default to pay interest on any due date or fails to repay facility amount on repayment date, the borrower shall pay a default interest at the rate of 4% per annum over and above the interest day of each day of delay beyond due date/repayment date.

**Note 15 : Trade Payables****Trade Payables:**

Dues of Micro and small Enterprises	-	-	-	-
Dues to others	-	-	278.67	278.67
	-	-	278.67	278.67

Terms and conditions of the above trade payables:

Trade payables are non-interest bearing and are normally short term.

For explanations on the Company's credit risk management processes, refer to Note 29.

**MONNET INDUSTRIES LIMITED**  
**Notes to Financial Statements for the year ended 31 March 2019**

(Rs. In Lacs)

**Note 16 : Others Financial Liabilities**

(At amortised cost)	Non Current		Current	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
Outstanding Liabilities	-	-	-	-
Other Liabilities	-	-	5,099.50	19,351.62
	-	-	5,099.50	19,351.62

**Break-up of financial liabilities carried at amortised cost**

Borrowings	859.85	748.18	9,000.00	6,022.55
Trade Payables	-	-	278.67	278.67
Other financial liabilities	-	-	5,099.50	19,351.62
	<b>859.85</b>	<b>748.18</b>	<b>14,378.17</b>	<b>25,652.84</b>

**Note 17 : Other Current liabilities**

Advance from Customers	-	-	0.17	0.17
Statutory Dues Payable	-	-	0.51	0.77
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>0.68</b>	<b>0.94</b>

**Note 18 : Provisions**

a) **Provision for post employment benefits**

Opening Balance	16.23	16.08	-	-
Provided during the year	(1.69)	0.15	-	-
Paid/Adjusted	13.81	-	-	-
	0.73	16.23	-	-

b) **Provision for Earned Leaved Liability**

Opening Balance	-	-	3.05	3.01
Provided during the year	-	-	(0.26)	0.05
Paid/Adjusted	-	-	2.74	-
	-	-	0.05	3.05

**TOTAL**

	<b>0.73</b>	<b>16.23</b>	<b>0.05</b>	<b>3.05</b>
--	-------------	--------------	-------------	-------------

**MONNET INDUSTRIES LIMITED**  
**Notes to Financial Statements for the year ended 31 March 2019**

(Rs. In Lacs)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
<b>Note 19 : Other Income</b>		
Interest Income on:		
-Bank deposits	0.85	0.83
-On Income Tax Refund	0.04	-
-Others	0.08	-
Rent Received	0.12	0.12
Sundry Balance written back	316.55	-
	<b>317.65</b>	<b>0.95</b>
<b>Note 20 : Employee benefit expense</b>		
Salary, wages, bonus and allowance	6.34	13.48
Contribution to provident fund and other funds	0.55	0.95
Staff Welfare expenses	0.06	0.29
	<b>6.94</b>	<b>14.72</b>
<b>Note 21 : Finance Costs</b>		
Interest on debts and borrowings calculated using the effective interest method*	111.67	846.63
*On Debt Portion of Compound Financial instruments	<b>111.67</b>	<b>846.63</b>
<b>Note 22 : Other expenses</b>		
Auditor's Remuneration		
- As Audit Fee	0.89	0.89
- For Certification	0.18	0.18
Legal & Professional Expenses	12.64	15.68
Communication Expense	0.47	0.61
Advertisement & Publicity	1.18	1.38
Director's Meeting Expenses	0.05	0.17
Printing & Stationary	1.41	1.15
Insurance Exp	0.99	0.77
Travelling & Conveyance Expense	0.86	1.39
Vehicle Running & Maintenance Expenses	2.39	2.97
Internal Audit Fee	0.12	0.03
Miscellaneous Expenses	3.95	2.79
Bank Charges	0.01	-
Loss on Disposal of investment	0.05	-
	<b>25.19</b>	<b>28.01</b>
<b>Note 23 : Expenses of Discontinued Operations</b>		
Depreciation & Impairment	47.01	4.96
Electricity & Water Charges	1.94	2.23
Rates & Taxes	0.69	1.64
Bank Charges	0.06	0.15
Professional charges and consultancy fees	-	0.35
Printing and stationery	-	0.20
Miscellaneous expenses	-	0.75
	<b>49.70</b>	<b>10.29</b>



**MONNET INDUSTRIES LIMITED**  
**Notes to Financial Statements for the year ended 31 March 2019**

**Note -24 : Earning per share**

Basic and Diluted EPS amounts are calculated by dividing the profit / loss for the year attributable to equity holders of the company by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit / loss attributable to equity holders of the company by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

The following reflects the income and share data used in the basic and diluted EPS computations:.

	<b>(Rs. In Lacs)</b>	
<b>Particulars</b>	<b>31 March 2019</b>	<b>31 March 2018</b>
<b>Profit attributable to equity holders of the Company:</b>		
Continuing operations	(14284.12)	(888.41)
<b>Profit attributable to equity holders for basic earnings</b>	<b>(14284.12)</b>	<b>(888.41)</b>
Dilution effect	-	-
<b>Profit attributable to equity holders adjusted for dilution effect</b>	<b>(14284.12)</b>	<b>(888.41)</b>
 <b>Profit attributable to equity holders of the Company:</b>		
Discontinuing operations	(49.70)	(10.29)
 Weighted Average number of equity shares used for computing Earning Per Share (Basic & Diluted) *	36.81	36.81
 * There have been no other transactions involving Equity shares or potential Equity shares between the reporting date and the date of authorisation of these financial statements.		
 <b>Earning Per Share - Continuing operations</b>		
Basic	(388.02)	(24.13)
Diluted	(388.02)	(24.13)
 <b>Earning Per Share - Discontinuing operations</b>		
Basic	(1.35)	(0.28)
Diluted	(1.35)	(0.28)
 <b>Earning Per Share - From Continuing &amp; Discontinuing operations</b>		
Basic	(389.37)	(24.41)
Diluted	(389.37)	(24.41)
 <b>Face value per share (Rs)</b>	10	10

**Note No: 25**

The dues to Micro and Small Enterprises as required under the Micro, Small and Medium Enterprises Development Act, 2006 to the extent information available with the company is given below:



**MONNET INDUSTRIES LIMITED**  
**Notes to Financial Statements for the year ended 31 March 2019**

(Rs. In Lacs)

Particulars	31-03-2019	31-03-2018
(a) The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year	-	-
Principal amount due to micro and small enterprises	-	-
Interest due on above	-	-
(b) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
(c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006.	-	-
(d) The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
(e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006	-	-

**Note -26: Segment Reporting**

The business activity of the company falls within one broad business segment viz. manufacturing of basic iron and steel. The Gross income and profit / loss from the other segment is below the norms prescribed in Ind AS 108 Hence the disclosure requirement of Indian Accounting Standard 108 of "Segment Reporting" issued by the Institute of Chartered Accountants of India is not considered applicable.

**Note-27: Related party disclosures**

**Names of related parties and description of relationship**

Name of the related party	Relationship
Sh. J.P.Lath	Director (upto 30- March-2019 )
Ms Babika Goel	Director
Mr Raj Kumar Sachdev	Director(upto 05-July-2018)
Mr.Vijay Sharma	Director(from 13-Aug-18)
Ms Khushboo Sharma	Company Secretary
Mr. Mahesh Kumar Sharma	CFO & Director





**MONNET INDUSTRIES LIMITED**  
**Notes to Financial Statements for the year ended 31 March 2019**

**A Relationship**

Key Management Personnel where transaction has taken place

Transactions during the period/ year:	(Rs. In Lacs)	
Particulars	31-Mar-19	31-Mar-18
<b>Director</b>		
Consultancy Charges (Sh. J.P. Lath)	9.60	9.60
Reimbursement of Expenses	2.39	2.37
<b>Directors Meeting Fees</b>		
- Sh. J.P. Lath	0.02	0.06
-Sh. Rajiv Poddar	0.00	0.01
-Ms Babika Goel	0.02	0.06
-Mr Raj Kumar Sachdev	0.01	0.04
<b>Remuneration Paid to Company Secretary</b>		
- Ms Khushboo Sharma	3.56	4.53
<b>Closing Balances</b>		
	31-Mar-19	31-Mar-18
Mr. J.P. Lath	0.93	0.00
<b>Ms. Khushboo Sharma</b>		
Salary Payable	0.36	0.36
Leave Encashment Payable	0.03	0.08

**Terms and conditions of transactions with related parties**

Transactions to and from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured.

**Note No 28. Fair values**

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments

	Carrying Value	Carrying value	Fair Value	Fair value
	As at 31-Mar-19	As at 31-Mar-18	As at 31-Mar-19	As at 31-Mar-18
<b>Financial assets</b>				
Security Deposits and Loans	8.19	8.19	8.19	8.19
Loan to Employees	-	-	-	-
Trade receivables	2.22	2.22	2.22	2.22
Cash and cash equivalents	6.29	17.92	6.29	17.92
Other bank balances	-	-	-	-
Other financial assets	-	0.06	-	0.06
<b>Total</b>	<b>16.70</b>	<b>28.39</b>	<b>16.70</b>	<b>28.39</b>
<b>Financial liabilities</b>				
<b>Financial liabilities measured at amortised cost</b>				
Long term borrowings	859.85	748.18	859.85	748.18
Short term borrowings		6,022.55		6,022.55
Trade payables	278.67	278.67	278.67	278.67
Outstanding Liabilities	5,099.50	19,351.62		19,351.62
<b>Total</b>	<b>6,238.02</b>	<b>26,401.02</b>	<b>1,138.52</b>	<b>26,401.02</b>

**MONNET INDUSTRIES LIMITED**  
**Notes to Financial Statements for the year ended 31 March 2019**

The management assessed that fair value of short term financial assets and liabilities significantly approximate their carrying amounts largely due to the short term maturities of these instruments. The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The Company determines fair values of Financial assets or liabilities by discounting the contractual cash inflows / outflows using prevailing interest rates of financial instruments with similar terms. The initial measurement of financial assets and financial liabilities is at fair value. Further, the subsequent measurements of all assets and liabilities is at amortised cost, using effective interest rate method.

The following methods and assumptions were used to estimate the fair values:

The fair value of the Company's interest bearings borrowings are determined using discount rate that reflects the entity's discount rate at the end of the reporting period. The own non-performance risk as at the reporting period is assessed to be insignificant.

**Note-29 - Financial risk management objectives and policies**

The Company's principal financial liabilities, comprise borrowings, trade and other payables, security deposits and others. The Company's principal financial assets include trade and other receivables and cash and short-term deposits and loans.

The Company is exposed to market risk, credit risk and liquidity risk.

The Company's management oversees the management of these risks. The Company's senior management is supported by a Risk Management Compliance Board that advises on financial risks and the appropriate financial risk governance framework for the Company. The financial risk committee provides assurance to the Company's management that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The management reviews and agrees policies for managing each of these risks, which are summarised below.

**I. Market risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk. Financial instruments affected by market risk include, deposits. The sensitivity analyses of the above mentioned risk in the following sections relate to the position as at 31 March 2019 and 31 March 2018.

The analyses exclude the impact of movements in market variables on: the carrying values of gratuity and other post-retirement obligations; provisions; and the non-financial assets and liabilities of foreign operations. The analysis for contingent liabilities is provided in Note 34. The following assumptions have been made in calculating the sensitivity analyses:

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 31 March 2019 and 31 March 2018.



**MONNET INDUSTRIES LIMITED**  
**Notes to Financial Statements for the year ended 31 March 2019**

A. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate

	Increase/decrease in basis points	Effect on profit before tax
		INR Lacs
<b>31-Mar-19</b>		
INR	+50	(3.74)
INR	-50	3.74
<b>31-Mar-18</b>		
INR	+50	(28.35)
INR	-50	28.35

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment, showing a significantly higher volatility than in prior years.

B. Foreign currency sensitivity

Foreign currency risk is the risk that the fair value of future cash flows of an exposure will fluctuate because of changes in exchange rates. Foreign currency risk sensitivity is the impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities. The following tables demonstrate the sensitivity to a reasonably possible change in USD and EURO exchange rates, with all other variables held constant.

	Change in USD rate	Effect on profit before tax
		INR in Lacs
<b>31-Mar-19</b>		
	+5%	NIL
	-5%	NIL
<b>31-Mar-18</b>		
	+5%	NIL
	-5%	NIL

The movement in the pre-tax effect on profit and loss is a result of a change in the fair value of derivative financial instruments not designated in a hedge relationship and monetary assets and liabilities denominated in INR, where the functional currency of the entity is a currency other than INR.

**II. Credit Risk**

Credit risk is the risk that counter party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions.

Credit risk from investments with banks and other financial institutions is managed by the Treasury functions in accordance with the management policies. Investments of surplus funds are only made with approved counter parties who meet the appropriate rating and/or other criteria, and are only made within approved limits. The management continually re-assess the Company's policy and update as required. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counter party failure.

The maximum credit risk exposure relating to financial assets is represented by the carrying value as at the Balance Sheet date.



**MONNET INDUSTRIES LIMITED**  
**Notes to Financial Statements for the year ended 31 March 2019**

**A. Trade receivables**

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit review and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored.

An impairment analysis is performed at each reporting date on an individual basis for major clients. The calculation is based on historical data. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 30. The Company does not hold collateral as security. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and operate in largely independent markets.

**B. Financial instruments and cash deposits**

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counter parties

**III. Liquidity risk**

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts

	On Demand	Less than 3 months	3 to 12 months	1 to 5 years	5 years	Total
<b>Year ended</b>						
<b>31-Mar-19</b>						
Borrowings*	-	-	9,000.00	1,500.00	-	10,500.00
Trade payables	-	278.67	-	-	-	278.67
Other financial liabilities	5,099.50	-	-	-	-	5,099.50
	5,099.50	278.67	9,000.00	1,500.00	0.00	55,878.17
<b>Year ended</b>						
<b>31-Mar-18</b>						
Borrowings*	6,022.55	0.00	0.00	0.00	1,500.00	7,522.55
Trade payables	-	278.67	-	-	-	278.67
Other financial liabilities	19,351.62	-	0.00	-	-	19,351.62
	25,374.17	278.67	0.00	0.00	1,500.00	27,152.84

\* Absolute numbers not amortised value.

**IV. Excessive risk concentration**

Concentrations arise when a number of counter parties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Company's performance to developments affecting a particular industry

**Note 30: Capital Management**

The objective of the Company's capital management structure is to ensure that there remains sufficient liquidity within the Company to carry out committed work programme requirements. The Company monitors the long term cash flow requirements of the business in order to assess the requirement for changes to the capital structure to meet that objective and to maintain flexibility.

The Company manages its capital structure and makes adjustments to it, in light of changes to economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital, issue new shares for cash, repay debt, put in place new debt facilities or undertake other such restructuring activities as appropriate. No changes were made in the objectives, policies or processes during the year ended 31 March 2019.

	At 31 March 2019	At 31 March 2018
Borrowings	859.85	748.18
<b>Total debts</b>	<b>859.85</b>	<b>748.18</b>
<b>Total Equity</b>	<b>(13,969.19)</b>	<b>(10,154.32)</b>
<b>Gearing ratio ( %)</b>	<b>-6.2%</b>	<b>-7.4%</b>



## **MONNET INDUSTRIES LIMITED OTHER NOTES ON ACCOUNTS**

31. a. The accumulated losses of the company as on 31<sup>st</sup> March 2019 exceeded its Paid Up Capital & Free Reserves. Net worth of the company have become negative and the company has incurred cash losses during the year and immediately preceding previous year and current liabilities are significantly higher than current assets. In this regard the management is of the view that company shall commence operations in its plant and there will be improvisation of financial performance of the company. Accordingly, the financial statements of the company have been prepared on Going Concern Basis.
- b. During the year the company has obtained short-term, inter corporate deposits. As there are no major operations during the year and considering liquidity constraints the company is under negotiation with lender companies and is expecting waiver of interest. In view of uncertainty as previously mentioned no provision has been made by the company towards interest on these loans.
32. a. The company has invested in preference shares of Monnet Ispat & Energy Limited for Rs. 17500.00 lacs in earlier years from proceeds of the term loan from a bank obtained alongwith other companies against security provided by them. These shares have been declared of NIL value by NCLT order in respect of Investee Company. Consequently, the investment in shares have been written off during the year and has been shown as exceptional item in Statement of Profit & Loss.
- b. During the year, the company has entered into settlement agreement with bank for loan obtained for acquisition of shares as previously mentioned. Consequent to the settlement, the company has discharged loan liability and a sum of Rs. 13561.06 Lacs have been waived off by the bank. Out of such amount of waiver, a sum of Rs. 10518.95 lacs being proportionate to amount invested in shares as previously mentioned has been transferred to capital reserves, considering the same as capital receipt and balance amount of Rs. 3042.12 lacs has been shown as exception item in Statement of Profit & Loss.
33. Balance confirmations have not been received from some of the parties showing debit/credit balances.
34. The company has accounted for retirement benefit of employees on accrual basis calculated on arithmetical basis based on last drawn salaries which is considered sufficient by the management in view of significance of amount for compliance of Ind AS -19.
35. 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.
36. Deferred tax asset has not been recognized in terms of Ind- AS 12 issued by ICAI by adopting the conservative approach in respect of ascertained profitability in the future years for setting off the deferred tax asset.
37. Previous year figures have been regrouped wherever necessary.

**FOR APAS & CO  
CHARTERED ACCOUNTANTS  
FRN 000340C**

**DATED : 30.05.2019  
PLACE : NEW DELHI**

**RAJEEV RANJAN  
PARTNER  
M.NO. 535395**

**KESHAV SHARMA  
DIRECTOR  
DIN. 08275228**

**MAHESH KUMAR SHARMA  
WHOLE - TIME DIRECTOR  
DIN.07504637**

**PRIYA  
COMPANY SECRETARY  
M.NO. A43972**

**MAHESH KUMAR SHARMA  
CHIEF FINANCE OFFICER  
PAN- BJNP54236D**



## **BOOK POST**

If Undelivered please return to :

**MONNET INDUSTRIES LIMITED**

Monnet House, 11, Masjid Moth,

Greater Kailash - II

New Delhi - 110048