

35th
Annual Report
2017-2018



MONNET INDUSTRIES LIMITED

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Corporate Information

BOARD OF DIRECTORS

Non-Executive Directors

Jagdamba Prasad Lath

Vijay Sharma

Babika Goel

Executive Directors

Mahesh Kumar Sharma

Company Secretary

Khushboo Sharma

Chief Financial Officer

Mahesh Kumar Sharma

BOARD COMMITTEES

Audit Committee

Babika Goel Chairman

Vijay Sharma Member

Jagdamba Prasad Lath Member

Nomination and Remuneration Committee

Babika Goel Chairman

Jagdamba Prasad Lath Member

Vijay Sharma Member

Stakeholders Relationship Committee

Vijay Sharma Chairman

Jagdamba Prasad Lath Member

Babika Goel Member

Executive Committee

Jagdamba Prasad Lath Member

Babika Goel Member

Delisting Committee

Jagdamba Prasad Lath Member

Babika Goel Member

AUDITORS

M/s APAS & Co.

Chartered Accountants, New Delhi

REGISTERED OFFICE

Plot No. 216, Sector-C, Urla Industrial Complex,

Raipur-493 221 (Chhatisgarh)

INVESTOR SERVICES CENTRE

Monnet House, 11 Masjid Moth,

Greater Kailash-II, New Delhi-110 048

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E-mail: isc_mind@monnetgroup.com

CORPORATE OFFICE

Monnet House, 11 Masjid Moth,

Greater Kailash-II, New Delhi-110 048, India

CORPORATE WEBSITE

www.monnetgroup.com



DIRECTORS' REPORT

To The Members,

Your Directors have pleasure in presenting the 35th(Thirty Fifth) Annual Report together with the Audited Financial Statements of Monnet Industries Limited ("the Company") for the Financial Year ended 31st March, 2018.

1. FINANCIAL SUMMARY

A summary of the Company's Financial Results for the Financial Year 2017-18, is as under:

Particulars	Amount (Rs in Lacs.)	
	2017-18	2016-17
Operating income (Net of Excise)	0.00	0.00
Profit/(Loss) before tax (after Exceptional Item)	(888.41)	(2258.37)
Tax Expense (Including Deferred Tax)	0.00	0.81
Profit/(Loss) after Tax	(888.41)	(2259.18)

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.888.41) Lacs, as against the previous year loss of Rs. (2258.37) Lacs, and profit after tax stands at (Rs.888.41) Lacs, as against the previous year loss of Rs. (2259.18) Lacs.

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.

3. 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 2017-18.

4. 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.

5. SHARE CAPITAL

The Company's Authorized Share Capital during the financial year ended March 31, 2018, 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. 150,000,000/- (Rupees Fifteen Crore) consisting of 1,500,000, (Fifteen Lacs) 10% Non-Cumulative, Non-Convertible Redeemable Preference shares.

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.

In terms of Section 47(2) of the Companies Act, 2013, the shareholders holding above referred 10% Non-Cumulative, Non-Convertible Redeemable Preference shares shall have a right to vote on all the resolutions, which affects their rights attached to preference shares, placed before the general meeting.

The Board of Directors in their meeting held on December 14, 2017, placed a letter from IndusInd Bank regarding Demand Notice for outstanding loan, assignment of loan and invocation of pledge of 1,75,00,000 Cumulative Redeemable Preference Shares of face value of Rs. 100/- each ("CRPS") under Term Loan Agreement dated 22nd March, 2013.

(For Further information, please refer Note No. 11 to the Standalone Financial Statements of the Company for the FY 2017-18)

6. 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) Rule, 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)

7. DIRECTORS AND KEY MANAGERIAL PERSONNEL

As per requirements of provisions of Companies Act, 2013 and SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015, during the Financial Year 2017-18, Company has a proper board composition including, Independent Directors, Women Director and other Key Managerial Personnel in terms of Section 203 of Companies Act, 2013.

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. Rajiv Poddar, Independent Director resigned from his office w.e.f. May 30, 2017 and Mr. Amitabh Sharma Mudgal, Director, resigned from his office w.e.f. November 15, 2017.

Further, Mr. Raj Kumar Sachdev, Independent Director resigned from his office w.e.f. July 05, 2018 and Mr. Vijay Sharma (holding DIN:08161059) has been appointed as an Independent Director by the Board of Directors in their meeting held on 13th August 2018.

Key Managerial Personnel

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

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

The directors of the Company are not related to each other in accordance with section 2(77) of the Companies Act, 2013 and Rule 4 of the Companies (Specification of Definitions Details) Rules, 2014.

As required under Regulation 26 of SEBI (Listing Obligations and Disclosures Requirements) Regulations 2015 the required details of directors appointed/reappointed in the 35th Annual General Meeting (AGM) of the Company is annexed with the Notice of said AGM

8. 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.

9. NUMBER OF MEETING OF THE BOARD

Six (6) meetings of the Board were held during the Financial Year 2017-18 forms part of the Corporate Governance Report. The Company has complied with



the applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

10. COMMITTEES OF THE BOARD

The Board of Directors has the following Committees:

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

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

11. BOARD EVALUATION

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.

12. RELATED PARTY TRANSACTIONS

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

The Board of Directors in their meeting held on November 25, 2016, 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, 2016 for a further period of one year. It was further extended for six months by the Board of Directors in their meeting held on December 14, 2017.

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/pdfs/mil/policy/PolicyonRelatedPartyTransactions.pdf>

(For Further information, please refer Note No. 25 to the Standalone Financial Statements of the Company for FY 2017-18)

13. 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 31st March, 2018, 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 31st March, 2018 and of the profit and loss of the Company for the Financial Year ended 31st March, 2018. 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, 2018, have been prepared in accordance with Ind AS as prescribed under Section 133 of the Companies Act,





“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 the all applicable laws and that such systems were adequate and operating effectively.

14. INTERNAL CONTROLS & INTERNAL FINANCIAL CONTROLS

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

The Audit Committee of the Board of Directors actively reviews the adequacy and effectiveness of the internal Control systems and suggests improvements to strengthen the same. The Company has a robust Management information System which is an integral part of the control mechanism.

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

15. 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 34th Annual General Meeting until conclusion of 39th Annual General Meeting, (subject to ratification of the appointment by the members at every AGM held after 34th AGM) to conduct audit.

Vide 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, 2019 and accordingly M/s APAS & Co. Chartered Accountants will continue to be the Statutory Auditors of the Company for Financial Year ending March 31, 2019.

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-
 - a) The lender bank has assigned the borrowing to a third party vide deed of assignment dt. 28 Sept. 2017. Actual liability towards interest and principal is under negotiation. In view of uncertainty the company has not provided interest on such borrowing after date of aforesaid assignment. Had the interest been provided, loss for the year and previous year would have been higher by Rs. 437.53 Lacs and Rs. NIL respectively (based on prevailing terms & conditions of lending) with a corresponding increase in liability/ borrowings. (For further information please Refer Note-31 of financial statement)



Management Response

The company had expressed its inability to meet its liability to bank in view of inadequacy of cash flow in the company. The company further is in discussion with the bank for a settlement of the loan at convenient terms which is proposed to be funded from alternative sources. In view of these developments further provision of interest is pending till a meaningful outcome to the resolution under discussion.

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 2017-18. The Report of Secretarial Auditor (Form MR-3) for the Financial Year 2017-18 is annexed to the report as **Annexure-2**.

The Secretarial Audit Report for the financial year ended March 31, 2018 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. Krishan Rakesh & Co. (Firm Registration No. 009088N) as internal auditor of the Company in its Board Meeting held on August 09, 2017 for the financial year 2017-18.

16. 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.

17. LISTING OF SHARES

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

The Company has made application to The Calcutta Stock Exchange Ltd. (7, Lyons Range, Kolkata-700001) for delisting of its equity shares. Pending this application the Stock Exchange suspended listing of

securities of the Company and asked the Company to update the compliance status before acceptance of de-listing application.

Further, as per letter no ASEL/376 dated 19/01/2017 received by the Company from Ahmedabad Stock Exchange (ASE), it is undergoing exit under SEBI Circular No. CIR/MRD/DSA/14/2012 dated May 30, 2012 and accordingly, no further compliance with respect to ASE is required.

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

18. 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**.

19. 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.

20. 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 31st 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/aug18/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 to the financial statements for the FY 2017-18.

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/pdfs/others/mil/Policy_Nomination_Remuneration_and_Board_Diversity.pdf.

AUDIT COMMITTEE

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

VIGIL MECHANISM / WHISTLE BLOWER POLICY

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

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 31st 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



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 as **Annexure-5**.

21. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO

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

A. Conservation of Energy-The Company has taken a number of steps to improve the conservation of energy by increasing the efficiency of raw material inputs in ferro alloys generation and by reducing/eliminating consumption wastages. Conservation of energy and improving the efficiency of existing resources are continuing processes and form an integral part of responsibilities of departmental heads and the Company had not made any major capital investment on energy conservation equipments.

B. Technology Absorption-

i. Efforts in brief made towards technology absorption

As technologies change rapidly, your Company recognizes the need to invest in new emerging technologies to leverage them for improving productivity, quality and reach to new customers. It is essential to have a technology infrastructure that is par with the best in the world. Your Company thus follows a practice of upgrading computing equipment on an ongoing basis.

ii. Benefits derived like product improvement, cost reduction, product development or import

substitution: NIL

- iii. In case of imported technology (imported during the last three financial year reckoned from the beginning of the financial year)
- (a) Technology Imported: NIL
 - (b) Year of Import: NIL
 - (c) Whether the technology has fully been absorbed: NIL
 - (d) If not fully absorbed, area where absorption has not taken place and reason thereof: NIL
- iv. Expenditure incurred on Research and Development: NIL

C. Foreign Exchange Earnings And Outgo- Not Applicable

22. 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.

23. ACKNOWLEDGEMENT

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

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

(Jagdamba Prasad Lath) (Mahesh Kumar Sharma)
Director Whole-time Director & CFO
DIN: 00380076 DIN: 07504637

**Dated:13.08.2018
Place:New Delhi**



Form No. AOC-2

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

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

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

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

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

(a) Name(s) of related party and nature of relationship	Mr. Jagdamba Prasad Lath Director
(b) Nature of contracts/arrangements/transactions	Consultancy Fees
(c) Duration of the contracts/arrangements/transactions	01/12/2016 to 30/11/2017 And 01/12/2017 to 31/05/2018
(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 06 th November, 2017.
(e) Date(s) of approval by the Board, if any	25 th November, 2016 and 14 th December, 2017
(f) Amount paid as advances, if any:	NIL

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

**Date: 13.08.2018
Place: New Delhi**

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

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

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2018

[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.

- 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, 2018 ("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, 2018 according to the provisions of:

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



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

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

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

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

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

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

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

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

the Board of Directors that took place during the audit period were carried out in compliance with the provisions of the Act.

Adequate 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.

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

**13th August, 2018
New Delhi**

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



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 operations for the current financial year, 2017-18 remained at Nil. Further, your company has posted a loss after tax of Rs. 888.41 Lacs this year as against loss of Rs. 2259.18Lacs in the previous year.

❖ RISKS AND CONCERNS

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

a) Global Economic Slowdown

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

a) Dumping of Iron and Steel by China

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

❖ DISCLOSURE OF ACCOUNTING TREATMENT

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

❖ CAUTIONARY STATEMENT

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

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

(Jagdamba Prasad Lath)
Director
DIN:00380076

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

**Date: 13.08.2018
Place: New Delhi**



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 2017-18:

(Amount in Rs.)					
SNo.	Name & Designation of Director/KMP	Remuneration of Director / KMP for financial year 2017-18	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.	(13.62)
2.	Jagdamba Prasad Lath	NIL	N.A.	N.A.	
3.	Amitabh Sharma Mudgal**	NIL	N.A.	N.A.	
4.	Babika Goel	NIL	N.A.	N.A.	
5.	Rajiv Poddar***	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)	4,53,086	1.3:1	12.07%	

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

**Mr. Amitabh Sharma Mudgal resigned from his office as a Director, w.e.f November 15, 2017.

***Mr. Rajiv Poddar resigned from his office as a Director, w.e.f May 30, 2017.

The median remuneration of employees of the Company was Rs.3,47,401. Median is not calculated for the employees who were associated for a part of the year.

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



Figures have been rounded off wherever necessary.

The number of permanent employees on the rolls of Company	4 (as on 31.03.2018)
Average percentage decrease made in the salaries of employees other than the managerial personnel in FY 2017-18	42%
Whereas the increase in the managerial remuneration for the same financial year was-	NIL
The key parameters for any variable component of remuneration availed by the directors.	Not Applicable
Affirmation that Remuneration paid by the company is as per the Remuneration policy of the company	It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

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

**Date: 13.08.2018
Place: New Delhi**

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

**(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, 2018

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

Name of the employee	Mr. V.N.Kedia	Ms. Khushboo Sharma	Mr. Surendra Mandal	Mr. Ramdhani
Designation of the Employee;	General Manager	Company Secretary	Admin. Asstt.	Driver
Remuneration Received ;(P.A.)	308636	453086	386166	203939
Qualifications and Experience of the Employee;	Metric	Company Secretary, 4Years	High School, 27 Years	5 th Std, 34 Years
Date of Commencement of Employment;	01.04.1994	31.03.2015	06.10.1999	01.11.2005
The Age of such Employee;	66 Years	27 years	44 Years	58 Years
The last Employment held by such Employee before joining the Company;	NA	Monnet Daniels Coal Washeries Limited	M/s Worldlink Finance Ltd.	Private Driver

Notes:

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

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

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

D. Employed throughout the financial year ended on March 31, 2018 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

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

Date: 13.08.2018
Place: New Delhi

(Jagdamba Prasad Lath)
Director
DIN:00380076

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





CORPORATE GOVERNANCE REPORT FOR THE YEAR 2017-18

The Directors present the Company's Report on Corporate Governance for the year ended March 31, 2018, 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 stakeholders 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 a 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 the above philosophy, formulates strategies and policies having focus on optimizing value for various stakeholders like consumers, shareholders and the society at large. The Company's Corporate Governance framework ensures that we share correct information regarding financials and performance as well as business of the Company.

We are also in compliance with the recommendations of the Narayana Murthy Committee on Corporate Governance, constituted by SEBI.

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 Obligations & Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "Listing Regulations") which oversees how the Management serves and protects the interests of all the stakeholders. The composition and strength of the Board is reviewed from time to time for ensuring that it remains aligned with statutory as well as business requirements.

The company is managed by the Board of Directors in co-ordination with the Senior Management Team. The Company has a judicious combination of Executive and Non-Executive Directors.

As on March 31, 2018, the Company's Board consists of 4 Directors. Besides one Executive Director, the Board comprises of one Non-Executive Independent Women Director, one Non-Executive Independent Director and one Non-Executive Director. In addition, the Independent Directors make up the audit, nomination and remuneration & stakeholder relationship committees, bringing their valuable perspective to the board.

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 public limited companies (listed or unlisted) 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, 2018 are given below:

Directorship/ Committee Membership as on March 31, 2018:

Name	Category	Date of Appointment	Directorships in other Companies	No. of Committee Memberships in other Companies	
				As Chairman	As Member
Raj Kumar Sachdev* DIN: 05352831	Independent Non-Executive	13/08/2012	1	0	0
Jagdamba Prasad Lath DIN: 00380076	Non-Independent Non-Executive	31/07/1998	5	3	3
Babika Goel DIN: 07060202	Independent Non-Executive	14/02/2015	2	0	3
Mahesh Kumar Sharma DIN:07504637	Non Independent Executive	07/05/2016	5	0	2

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

Note:

- 1) Other Directorships and Committee Memberships are based on the disclosures received from the directors.
- 2) Directorships in other companies exclude Private Limited Companies, Foreign Companies and 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 have been made by directors.
- 5) There is no relationship between directors inter-se.
- 6) During the year under review, Mr. Rajiv Poddar resigned from his post of Director, w.e.f May 30, 2017 and Mr. Amitabh Sharma Mudgal, resigned from his post of Director, w.e.f November 15, 2017.
- 7) Mr. Vijay Sharma was appointed as an Independent Director by the Board of Directors in their meeting held on August 13, 2018.

Independent Directors:

The Non-Executive 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

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.

During the financial year 2017-18, the Board of Directors met six times i.e. May 29, 2017, June 22, 2017, August 09, 2017, September 14, 2017, December 14, 2017 and February 13, 2018. 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 and at the last Annual General Meeting (AGM)-

Name of Director	No. of Board Meeting(s) attended	Attendance at the AGM held on September 28, 2017
Raj Kumar Sachdev*	3 of 6	No
Rajiv Poddar**	1 of 1	No
Amitabh Sharma Mudgal***	4 of 4	No
Jagdamba Prasad Lath	6 of 6	Yes
Mahesh Kumar Sharma	6 of 6	No
Babika Goel	6 of 6	No

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

**Mr. Rajiv Poddar resigned from his office as a Director, w.e.f May 30, 2017.

***Mr. Amitabh Sharma Mudgal resigned from his office as a Director, w.e.f November 15, 2017.

Note : Mr. J.P. Lath, Member of the Nomination and Remuneration & Stakeholder Relationship Committee, attended the Annual General Meeting on behalf of the Chairman of Nomination and Remuneration & Stakeholder Relationship Committee

C. 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.

D. 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.

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

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

Except Non-Independent Non- Executive Director, Mr. J. P. Lath, holding 30 Equity Shares of the Company no other Director including Non-Executive Director of the Company hold any shares or convertible instruments in the Company during the financial year ended 31st March, 2018.

G. Familiarization Programme for the Independent Directors

The Company has also formulated familiarization programs to familiarize the Independent Directors with the Company, , their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates etc. The complete details of such familiarization programmes are also available on the website of the Company i.e.

http://www.monnetgroup.com/pdfs/code/may2015/Familiarization _Programme _for_ Independent _Directors MIND.docx

H. Performance Evaluation

Pursuant to the provisions of the Companies Act, 2013 and Regulation 17(10) of Listing Regulations, the Board has carried out the annual performance evaluation of its own performance, the Directors individually, including

independent directors as well as the evaluation of the working of its Audit, Nomination and Remuneration and Other Committees formed under the Companies Act, 2013. A set of evaluation factors was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance.



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

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

3. BOARD COMMITTEES

The Board of 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, 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, 2018 the Audit Committee consists Ms. Babika Goel (Non-Executive Independent Director) as the Chairman of the Audit Committee and Mr. Jagdamba Prasad Lath (Non-Executive Non-Independent Director), Mr. Raj Kumar Sachdev (Non-Executive Independent Director) as its members. The Company Secretary of the Company acts as Secretary to the Committee, as required by Regulation 18(1) of the Listing Regulation.

The Audit Committee was reconstituted on August 13, 2018 where Mr. Raj Kumar Sachdev (Non-Executive Independent Director), who resigned from the post of Director w.e.f July 05, 2018, was replaced by Mr. Vijay Sharma, who was appointed as an Non-Executive Independent Director on August 13, 2018.

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 Charter/terms of reference of Audit Committee

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

- Oversight of the Company's financial reporting process and the disclosure of its financial information submitted to the Stock Exchanges, regulatory authorities or the public.



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

iii. Audit Committee Meetings and Attendance :

The Audit Committee met 5 (five) times during the Financial Year 2017-18. The maximum gap between the meetings was not more than 120 days. The Committee met on May 29, 2017, August 09, 2017, September 14, 2017, December 14, 2017 and February 13, 2018. The requisite quorum was present at all the meetings. The Table below provides the Attendance of the Audit Committee members:

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

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

* Mr. Rajiv Poddar resigned from his office as director w.e.f May 30, 2017.

** Mr. Amitabh Sharma Mudgal resigned from his office as director w.e.f November 15, 2017

Mr. J.P. Lath was appointed as member of the Audit Committee w.e.f. December 14, 2017.

Note:

- The committee was also reconstituted on August 13, 2018 after the resignation of Mr. R.K. Sachdev, Director on July 05, 2018 and now comprised of Ms. BabikaGoel, Director as Chairman of Audit Committee, Mr. Jagdamba Prasad Lath and Mr. Vijay Sharma, Directors as its members.

iv. Internal Controls and Governance Processes

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

V. Risk Management

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



B. NOMINATION AND REMUNERATION COMMITTEE

i. Composition of Nomination and Remuneration Committee:

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

As at March 31, 2018 the Nomination and Remuneration Committee consists of three directors i.e. Ms. Babika Goel (Non-Executive Independent Director) as Chairman, Mr. Jagdamba Prasad Lath (Non-Executive Non Independent Director), and Mr. Raj Kumar Sachdev (Non-Executive Independent Director) as its members. The Company Secretary of the Company acts as Secretary to the Committee.

ii. Terms of Reference:

The broad terms of reference of the Nomination and Remuneration 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:

- Reviewing the overall compensation policy, service agreements and other employment conditions of Managing/Whole-time Director(s) and Senior Management (one level below the Board of Directors);
- To help in determining the appropriate size, diversity and composition of the Board;
- To recommend to the Board appointment/reappointment and removal of Directors;
- To frame criteria for determining qualifications, positive attributes and independence of Directors;
- To recommend to the Board remuneration payable to the Directors (while fixing the remuneration of executive Directors the restrictions contained in the Companies Act, 2013 are to be considered);
- To create an evaluation framework for the Independent Directors and the Board;
- To provide necessary reports to the Chairman after the evaluation process is completed by the Directors;
- To assist in developing a succession plan for the Board;
- To assist the Board in fulfilling responsibilities entrusted from time-to-time; and
- Delegation of any of its powers to any Member of the Committee or the Compliance Officer.

iii. Meetings and Attendance:

The Nomination and Remuneration Committee met twice during the year on May 29, 2017 and December 14, 2017. The requisite quorum was present at the meeting.

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

Sr. No.	Name of Directors	Position	Category	No. of Meetings Attended
1.	Rajiv Poddar*	Chairperson	Non-Executive Independent	1 of 1
2.	Jagdamba Prasad Lath	Member	Non-Executive Non-Independent	2 of 2
3.	Raj Kumar Sachdev	Member	Non-Executive Independent	1 of 2
4.	Babika Goel#	Chairman	Non-Executive Independent	1 of 1

* Mr. Rajiv Poddar resigned from his office as director w.e.f May 30, 2017.

#Ms. Babika Goel was appointed as member of Nomination and Remuneration Committee w.e.f June 22, 2017.

Note: The committee was reconstituted on August 13, 2018 after the resignation of Mr. Raj Kumar Sachdev on July 05, 2018 and comprise of Ms. Babika Goel, Director as Chairman and Jagdamba Prasad Lath and Mr. Vijay Sharma, Directors as its members.



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/pdfs/others/mil/Policy Nomination Remuneration and Board Diversity.pdf](http://www.monnetgroup.com/pdfs/others/mil/Policy%20Nomination%20Remuneration%20and%20Board%20Diversity.pdf)

The Objective and Purpose of this policy is as follows:

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

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, 2018

(a) Non-Executive Directors

Name of Director	Sitting Fees (Rs.)	No.of Shares held	ESOP Granted	Commission to Director
Rajiv Poddar*	1000	Nil	-	-
Amitabh Sharma Mudgal **	Nil	Nil	-	-
Raj Kumar Sachdev#	4000	Nil	-	-
Babika Goel	6000	Nil	-	-
Jagdamba Prasad Lath	6000	30	-	9,60,000

* Mr. Rajiv Poddar resigned from his office as director w.e.f May 30, 2017.

**Mr. Amitabh Sharma Mudgalresigned from his office as director w.e.f November 15, 2017.

Mr. Raj Kumar Sachdev resigned from his office as director w.e.f July 05, 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 November 25, 2016 and December 14, 2017.

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

The Criteria of Making Payments to Non-Executive Directors is available on the website of the company i.e.

<http://www.monnetgroup.com> and accessed through following weblink;
[http://www.monnetgroup.com/pdfs/others/mil/Criteria for making payment to Non-Executive Directors.pdf](http://www.monnetgroup.com/pdfs/others/mil/Criteria%20for%20making%20payment%20to%20Non-Executive%20Directors.pdf)

- **Shareholding of Non-Executive Directors**

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

(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 and appointment of the Mr. Mahesh Kumar Sharma, Executive Director, no remuneration is payable to him.

- **Employee Stock Option Scheme**

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

(c). STAKEHOLDERS' RELATIONSHIP COMMITTEE

i. Composition of Stakeholders' Relationship Committee

As on March 31, 2018, the Stakeholders' Relationship Committee consists of three directors Mr. Raj Kumar Sachdev (Non-Executive Independent Director) as Chairman, Mr. Jagdamba Prasad Lath (Non-Executive Non Independent Director) and Ms. Babika Goel (Non-Executive Independent Director) as its members. The Company Secretary of the Company acts as Secretary to the Committee.

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

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:

- transfer/transmission of shares/debentures and such other securities as may be issued by the Company from time to time;
- issue of duplicate share certificates for shares/debentures and other securities reported lost, defaced or destroyed, as per the laid down procedure;



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

iii. Meetings and Attendance:

The committee met four times during the last year on May 29, 2017, August 09, 2017, December 14, 2017 and February 13, 2018. The requisite quorum was present at the meeting.

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

Sr. No.	Name of Directors	Position	Category	No. of Meetings Attended
1.	Raj Kumar Sachdev#	Chairperson	Non-Executive Independent	2 of 4
2.	Jagdamba Prasad Lath	Member	Non-Executive Non Independent	4 of 4
3.	Rajiv Poddar*	Member	Non-Executive Independent	1 of 1
4.	Babika Goel**	Member	Non-Executive Independent	3 of 3

* Mr. Rajiv Poddar resigned from his office as director w.e.f May 30, 2017.

** Ms. Babika Goel was appointed as member of Nomination and Remuneration Committee w.e.f June 22, 2017.

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

Note: The committee was reconstituted on August 13, 2018 after the resignation of Mr. Raj Kumar Sachdev on July 05, 2018 and comprises of Mr. Vijay Sharma, Director as Chairman and Mr. J.P. Lath and Ms. Babika Goel, Directors as its members.

iv. Name and Designation of Compliance officer:

Name : Ms. Khushboo Sharma
Designation : Company Secretary
Address : Monnet House, 11 Masjid Moth,
Greater Kailash-II, New Delhi-110048
Phone : 011-29218542
Fax : 011-29218541
E-mail : isc.mind@monnetgroup.com



v. Details of the Investor's complaints/queries/requests received, redressed/pending during the financial year 2017-18:

The details of total number of complaints/queries/requests received; resolved/pending during the financial year 2017-18 is as follows:

Opening	Received during the year	Number not solved to the satisfaction of Shareholders	Resolved during the year	Closing
0	3	0	3	0

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

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

D. OTHER BOARD'S COMMITTEES

i. Executive Committee:

The Executive Committee was formed to deal with urgent matters requiring immediate action of the Board of Directors before a meeting of the Board could be convened. The Minutes of the Executive Committee are placed in front of Board for their review and noting. During the year under review, the executive committee of directors comprises of Mr. Jagdamba Prasad Lath (Director) and Mr. Amitabh Sharma Mudgal (Director) as Member of the Committee. During the financial year 2017-18, one (1) meeting of Executive Committee took place, which was held on April 07, 2017 and was attended by both the Committee members.

Note: Mr. Amitabh Sharma Mudgal resigned from his office as Director, w.e.f November 15, 2017. The company reconstituted its executive committee on Dec 14, 2017 which comprise of Mr. Jagdamba Prasad Lath, Director and Mr. Ms Babika Goel, Director as its members

ii. Delisting Committee:

The Delisting Committee was formed to deal with the matters relating to delisting of the Company from regional Stock Exchanges. However, no meeting of Delisting Committee was held during the Financial Year 2017-18.

iii. Independent Directors:

During the year under review, the Independent Directors met on May 29, 2017, inter alia, to discuss:

- Evaluate performance of Non Independent Directors and the Board of Directors as a whole;
- Evaluate performance of the Chairman of the Company, taking into account the views of the Executive and Non-Executive Directors; and
- Evaluation of the Quality, Quantity and Timeliness of Flow of Information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

All the Independent Directors were present for this Meeting.



4. GENERAL BODY MEETINGS

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

AGM	Date & Time	Place of Meeting	Details of Special Resolution Passed
34 th	September 28, 2017, 12:30 P.M	Monnet Marg, MandirHasaud, Raipur, Chhattisgarh-492101	No Special Resolution Passed
33 rd	September 30, 2016, 12:30 P.M		No Special Resolution Passed
32 nd	September 30, 2015, 12:30 P.M		One Special Resolution Passed

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

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

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

Date of AGM Notice: August 13, 2015

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

Date of AGM: September 30, 2015

Mr. Sanjay Grover of M/s Sanjay Grover & Associates, Practicing Company Secretaries (CP No. 3850) was appointed as scrutinizer to scrutinize the e-voting and poll process in a fair and transparent manner. The

Company successfully completed the process of obtaining approval of shareholders for Special Resolutions on the item detailed below:-

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

iii. Disclosures related to Postal Ballot

During the Financial year ended March 31, 2018 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, 2018, 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 www.monnetgroup.com
- D. The Company also ensures that the details of its business, financial information, shareholding pattern, compliance with corporate governance, contact information of the designated officials of the company who are responsible for assisting and handling investor grievances, details of agreements entered into with media companies and/or their associates and other information as required under Companies Act, 2013 and SEBI listing Regulations are promptly and prominently posted on its website www.monnetgroup.com.

6. GENERAL SHAREHOLDERS INFORMATION

a) Ensuing Annual General Meeting

Day, Date & Time : Friday, 28th September, 2018 at 02:30 P.M.
Venue : Monnet Ispat and Energy , Limited Monnet marg, mandir hasaud, Raipur-492101
(Chhattisgarh)

b) Financial Year Calendar 2018-19 (Tentative)

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

Financial year ending : 31st March, 2019
Audited Annual Results : 29th May, 2018
First Quarter Results : on or before 14th August, 2018
Half Yearly Results : on or before 14th November, 2018
Third Quarter Results : on or before 14th February, 2019
Fourth Quarter Results : on or before 30th May, 2019.
Audited Annual Results : on or before 30th May, 2019

c) Date of Book Closure

/ Record Date: : 21st day of September, 2018 to 28th day of September, 2018 (both day inclusive)/21st day of September, 2018

d) Dividend Payment : No dividend has been recommended for the Financial Year 2017-18

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

f) 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 07th April, 2016 submitted the information sought by CSE for revocation of suspension.

Further, as per letter no ASEL/376 dated 19/01/2017 received by the Company from Ahmedabad Stock Exchange (ASE), it is undergoing exit under SEBI Circular No. CIR/MRD/DSA/14/2012 dated May 30, 2012 and accordingly, no further compliance with respect to ASE is required

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

g) 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.

h) Stock Code :

Scrip Code, BSE : 532078
Demat ISIN No. in NSDL & CDSL : INE407E01029
Scrip Code, CSE : 23484

i) 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

j) Distribution of Shareholding as at 31st March, 2018:

Category	No. of Folios	% of Shareholders	No. of Shares	% of Capital
1 – 500	1239	88.37	135182	3.67
501 – 1000	74	5.28	56751	1.54
1001 – 2000	38	2.71	57492	1.56
2001 – 3000	8	0.57	21274	0.58
3001 – 4000	7	0.50	25643	0.70
4001 – 5000	2	0.14	9500	0.26
5001 – 10000	10	0.71	71751	1.95
10001-50000	17	1.21	385355	10.47
50001-100000	4	0.29	312501	8.49
And Above	3	0.21	2605813	70.79
TOTAL	1402	100.00	3681262	100.00

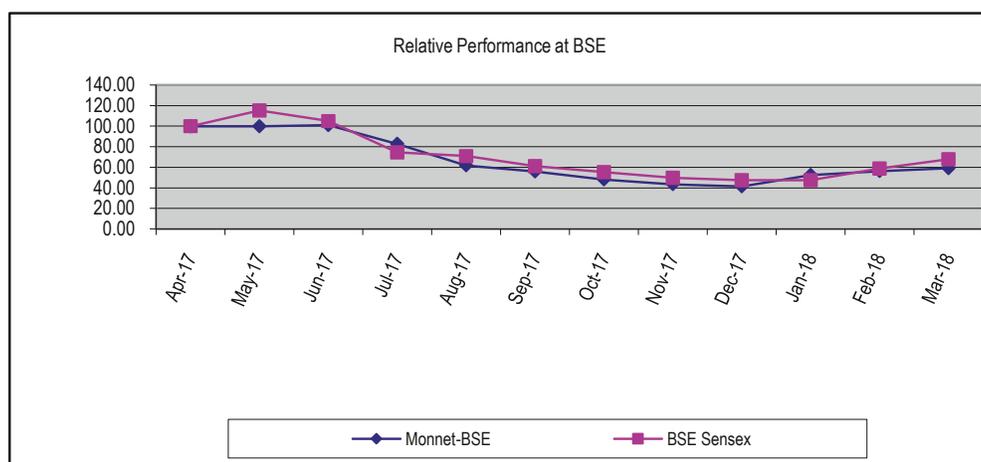


k) Stock Price Data (For the period April, 2017 to March, 2018):

Year	Month	BSE High (Rs.)	BSE Low (Rs.)	Monthly Volume (Rs.)
2017	April	18.10	15.00	87,302.00
2017	May	18.10	17.30	7,964.00
2017	June	18.30	15.75	27,233.00
2017	July	15.00	11.20	50,872.00
2017	August	11.20	10.64	4,302.00
2017	September	10.12	9.17	13,057.00
2017	October	8.72	8.29	7,551.00
2017	November	7.88	7.49	642.00
2017	December	7.49	7.12	223.00
2018	January	9.50	7.12	1,21,477.00
2018	February	10.20	8.84	30,836.00
2018	March	10.70	10.17	3,738.00

l) 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:



m) Share Transfers System

Physical Shares sent for transfer are duly transferred within 15 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.



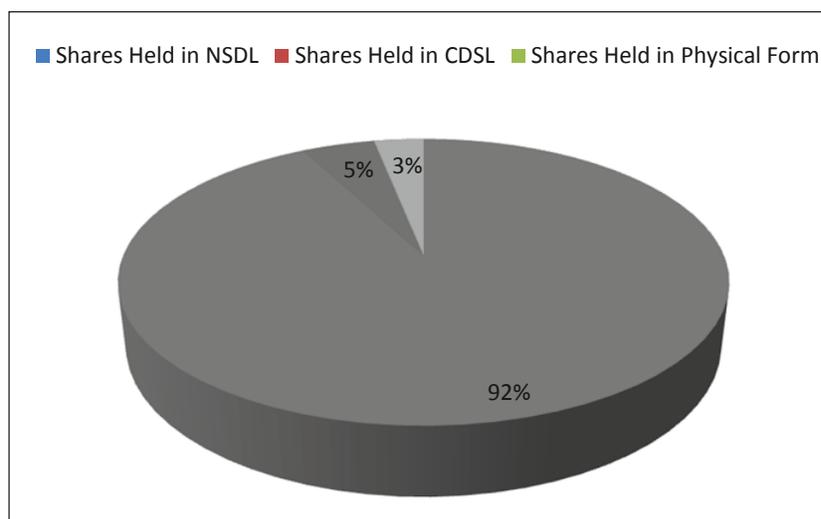
n) Dematerializations of Shares and liquidity

96.86% of Equity Shares of the Company are in dematerialized form as on 31st March, 2018. The shares of the Company are available for dematerialization with both the depositories i.e. NSDL and CDSL vide ISIN No. INE 407E01029.

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

Details of which are as follows;

Shares Held in NSDL	92.255	33,96,122
Shares Held in CDSL	4.604	1,69,492
Shares Held in Physical Form	3.141	1,15,648



• **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.

o) 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.

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

The Company has no outstanding convertible instruments.

q) Shareholding Pattern:



Shareholding pattern in Monnet Industries Limited as on 31st March, 2018, for the purpose of reporting in the Annual Report of the Company for the financial year 2017-18 is given as under:

Sr. No.	Category	As On 31.03.2018	
		No. of Equity Shares	%
(A)	Promoter Holding		
	a) Individuals	139101	3.78
	b) Bodies Corporates	2621821	71.22
	Sub Total (A)	2760922	75.00
(B)	Public Shareholding		
	1. Institutions		
	a) Financial Institutions/ Banks	75000	2.04
	b) Insurance Companies	132276	3.59
	c) Foreign Institutional Investor	0.00	0.00
	Sub Total (B)(1)	207276	5.63
	2. Non Institutions		
	a) Bodies Corporate	197519	5.37
	b) Individuals		
	i) Individual Shareholders Holding nominal share capital uptoRs. 2 lac	336079	9.13
	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	
	Sub Total (B)(2)	713064	19.37
(C)	Shares Held by custodians and against which depository receipts have been issued	NIL	NIL
	Grand Total (A+B+C)	3681262	100.00



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

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

Aggregate Number of Shareholders and the Outstanding Shares in the suspense account lying at the beginning of the year	Number of shareholder who approached the Company for transfer of shares from suspense account during the year	Number of shareholder to whom shares were transferred from suspense account during the year	Aggregate number of shareholder and the outstanding shares in the suspense account lying at the end of the year	That the Voting right 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

s) Plant Location

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

t) 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. 25 of the Notes to the Accounts attached with the financial statements for the year ended March 31, 2018 and all the transactions with the related parties neither materially significant nor they have any potential conflict with the interests of the Company at large.



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

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

The Company has complied with the requirements of the Regulatory Authorities on matters related to the capital market and no penalties/ strictures have been imposed against the Company by the Stock Exchanges or SEBI or any other Regulatory Authority on any matter related to capital market during the last three years in terms of Schedule V© 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 given below;

<http://www.monnetgroup.com/pdfs/mil/policy/Policy on Vigil Mechanism and whistle blower.pdf>

iv. **Material Subsidiary Policy**

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

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

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

vi. **Code of Conduct**

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

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

All the members of the Board and Senior Management Personnel have affirmed compliance to the code as on March 31, 2018.

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

vii. **Disclosure of Accounting Treatment**

The Financial statement of the Company is prepared as per the prescribed 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

the comparatives have been prepared in accordance with the recognition and measurement principles stated therein, prescribed under Section 133 of the Companies Act, 203 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. Khushboo Sharma, Company Secretary of the Company as Compliance officer under the said regulations.

DISCLAIMER

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

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

**Date: 13.08.2018
Place: New Delhi**

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

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



CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

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

We have examined the compliance of conditions of Corporate Governance by MONNET INDUSTRIES LIMITED, for the year ended on March 31, 2018, as per Regulation 17-27, clause(b) to (i) of Regulation 46(2) and Paragraph C, D and E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

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

In our opinion and to the best of our information and according to our examination of the relevant records and the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Regulation for the respective periods of applicability as specified under paragraph 1 above, during the year ended 31st March, 2018.

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

**Rahul Aggarwal
Company Secretary**

**Place: New Delhi
Date : 13.08.2018**

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

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

It is hereby declared that all board members and senior management personnel have affirmed compliance with the code of conduct within 30 Days for and from the beginning of current Financial Year.

For **Monnet Industries Limited**

**Date : 28.05.2018
Place: New Delhi**

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



INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF MONNET INDUSTRIES LIMITED Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of **MONNET INDUSTRIES LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2018, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the state of affairs (financial position), Loss (financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules 2015 as amended.

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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

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

Basis for Qualified Opinion

a. The lender bank has assigned the borrowing to a third party vide deed of assignment dt. 28 Sept. 2017. Actual liability towards interest and principal is under negotiation. In view of uncertainty the company has not provided interest on such borrowing after date of aforesaid assignment. Had the interest been provided, loss for the year and previous year would have been higher by Rs. 437.53 Lacs and Rs. NIL respectively (based on prevailing terms & conditions of lending) with a corresponding increase in liability/borrowings. (Refer Note -31).

Qualified Opinion

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 hereinabove**, the aforesaid standalone Ind AS financial statements give the information required by



the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the state of affairs (financial position) of the Company as at 31st March, 2018, and its Loss (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Emphasis of Matter

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

1. Note no. 31 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.

2. Note no. 31 in the financial statements w.r.t. accounting treatment of invocation of security of preference shares (held as Investments by the company) by the lender in their favour in pursuance of pledge agreement.

Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the 'Companies (Auditor's Report) Order, 2016', issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act (hereinafter referred to as the "Order"), we give in the 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, 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), the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

(d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules 2015 as amended.

(e) 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.

(f) On the basis of the written representations received from the directors as on 31st March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.

(g) We are enclosing herewith a report in Annexure II for our opinion on adequacy of internal financial controls system in place and the operating effectiveness of such controls.

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 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.

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

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

**PLACE : NEW DELHI
DATED: 28/05/2018**



ANNEXURE- I TO THE INDEPENDENT AUDITOR'S REPORT

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

1. In respect of its fixed assets:
 - a) The company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b) As explained to us, all the fixed assets have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.
 - c) Title deeds In respect of all immovable properties are held in the name of the company.
2. (a) As explained to us physical verification has been conducted by the management at reasonable intervals in respect of raw materials.
(b) In our opinion, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
(c) In our opinion the Company is maintaining proper records of inventories. The discrepancies noticed on such verification between the physical stocks and book records were not significant and the same have been properly dealt with in the books of account.
3. As informed to us the company has not granted loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act.
4. According to the information and explanations given to us, the company has complied with the provisions of Section 186, wherever applicable, in respect of investments made by the company. We are informed that the company has not provided any security/given any loan or guarantee during the year. Being a limited company, provisions of section 185 of the Act are not applicable.
5. According to the information and explanations given to us the company has not accepted any deposits, in terms of the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act 2013 and the rules framed there under.
6. In respect of business activities of the company, Companies (cost records and audit) Rules 2014 as specified by the Central Government under sub-section (l) 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.
b. There are no statutory dues which are pending to be deposited on account of any dispute at any forum.
8. Based on our audit procedures and on the basis of information and explanations given to us by the management, we are of the opinion that there is no default in repayment of dues to Bank. The company has not obtained any loan from financial institutions or government and has not issued any debentures.
9. The company has not raised any money during the year by way initial or further public offer. The company has not obtained any term loan during the year.
10. Based upon the audit procedures performed and information and explanations given by the management, we report that, no fraud on or by the Company has been noticed or reported during the course of our audit for the year ended 31.03.2018.
11. According to information and explanations given to us, the managerial remuneration paid and provided by the company during the year is in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V of the Companies Act 2013.
12. The provisions of clause (xii) of the Order are not applicable as the company is not a Nidhi Company as specified in the clause.



13. According to information and explanations given to us we are of the opinion that all related party transactions are in compliance with the Section 177 and 188 of Companies Act 2013. Necessary disclosures have been made in the financial statements as required by the applicable accounting Standards.
14. According to information and explanations given to us the company has not made any preferential allotment or private placement of shares or debentures during the year.
15. According to information and explanations given to us the Company has not entered into any non-cash transaction with the director or any person connected with him during the year.
16. In our opinion, in view of its business activities, the company is not required to be registered under section 45IA of Reserve Bank of India Act 1934.

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

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

**PLACE : NEW DELHI
DATED: 28/05/2018**

ANNEXURE- II TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

We have audited the internal financial controls over financial reporting of **MONNET INDUSTRIES LIMITED** ("the Company") as of 31st March 2018 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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



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

Meaning of Internal Financial Controls Over Financial Reporting

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

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2018, based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on "Audit of Internal Financial Controls Over Financial Reporting" issued by the Institute of Chartered Accountants of India.

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

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

**PLACE : NEW DELHI
DATED: 28/05/2018**



MONNET INDUSTRIES LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2018

(Rs. in Lacs)

Particulars	Notes	As at 31 March 2018	As at 31st March 2017	As at 1 April 2016
I ASSETS				
(1) Non-current assets				
Property, plant and equipment	3	128.66	133.53	138.41
Intangible assets	4	0.00	0.09	0.27
Financial assets				
(i) Investments	5	0.25	9,980.25	17,500.25
(ii) Loans	5	8.19	8.19	8.19
Other Non Current Assets	6	17,505.60	5.52	12.74
Sub Total		17,642.71	10,127.59	17,659.86
(2) Current assets				
Inventories	7	1.13	1.13	1.13
Financial assets				
(i) Trade receivables	8	2.22	2.22	2.22
(ii) Cash and cash equivalents	9	17.92	20.32	5.62
(iii) Bank balances other than (ii) above	10	-	-	12.42
(iv) Loans	5	-	0.02	-
(v) Other Financial Assets	5	0.06	0.06	0.07
Other current assets	6	42.13	41.48	278.60
Sub Total		63.46	65.23	300.06
Total Assets		17,706.17	10,192.82	17,959.92
II EQUITY AND LIABILITIES				
(1) Equity				
Equity share capital	11	368.13	368.13	368.13
Other Equity	12	(9,083.20)	(8,184.50)	(5,921.15)
Sub Total		(8,715.07)	(7,816.37)	(5,553.02)
(2) LIABILITIES				
(a) Non-current liabilities				
Financial liabilities				
(i) Borrowings	13	748.18	651.01	6,009.99
Provisions	17	16.23	16.08	16.07
Sub Total		764.41	667.09	6,026.06
(b) Current liabilities				
Financial liabilities				
(i) Borrowings	13	6,022.55	-	-
(ii) Trade Payables	14	278.67	277.31	301.50
(iii) Other financial liabilities	15	19,351.62	17,060.25	17,181.31
Other current liabilities	16	0.94	1.54	1.57
Provisions	17	3.05	3.01	2.52
Sub Total		25,656.83	17,342.11	17,486.89
Total Equity and Liabilities		17,706.17	10,192.82	17,959.93
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
Firm Regn. No. 000340C

J. P. LATH
DIRECTOR
DIN 00380076

MAHESH KUMAR SHARMA
WHOLE-TIME DIRECTOR
DIN 07504637

PLACE : NEW DELHI
DATED : 28/05/2018

RAJEEV RANJAN
PARTNER

KHUSHBOO SHARMA
COMPANY SECRETARY

MAHESH KUMAR SHARMA
CHIEF FINANCE
OFFICER



MONNET INDUSTRIES LIMITED

**STATEMENT OF PROFIT AND LOSS
FOR THE YEAR ENDED 31ST MARCH, 2018**

(Rs. in Lacs)

Particulars	Notes	For the Year ended 31 March 2018	For the Year ended 31 March 2017
I REVENUE			
Revenue from operations			
Other income	18	0.95	1.37
Total Revenue (I)		0.95	1.37
II EXPENSES			
Employee benefits expense	19	14.72	31.89
Finance costs	20	846.63	2,195.13
Other expenses	21	28.01	32.72
Total expenses (II)		889.36	2,259.74
III Profit/(loss) for the year from continuing operations (I-II)		(888.41)	(2,258.37)
IV Exceptional Items		-	-
V Profit/(loss) before tax from continuing operations (III-IV)		(888.41)	(2,258.37)
VI Tax expense:			
Current Tax		-	0.81
Deferred Tax		-	-
VII Profit/ (loss) for the year (V-VI)		(888.41)	(2,259.18)
Discontinued operations			
Profit/(loss) before tax for the year from discontinued operations		(10.29)	(4.17)
Tax Income/ (expense) of discontinued operations		-	-
VIII Profit/ (loss) for the year from discontinued operations		(10.29)	(4.17)
VII Profit/ (loss) for the year from continuing operations (V-VI)		(898.70)	(2,263.35)
VIII Other Comprehensive Income			
Total Comprehensive Income for the Year (VII+ VIII)			
IX (Comprising Profit (Loss) and Other Comprehensive Income for the Year)		(898.70)	(2,263.35)
Earnings per equity share for continuing operations			
(1) Basic, computed on the basis of profit from continuing operations	22	(24.41)	(61.48)
(2) Diluted, computed on the basis of profit from continuing operations		(24.41)	(61.48)

Significant Accounting Policies¹ & 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
Firm Regn. No. 000340C

J. P. LATH
DIRECTOR
DIN 00380076

MAHESH KUMAR SHARMA
WHOLE-TIME DIRECTOR
DIN 07504637

PLACE : NEW DELHI
DATED : 28/05/2018

RAJEEV RANJAN
PARTNER

KHUSHBOO SHARMA
COMPANY SECRETARY

MAHESH KUMAR SHARMA
CHIEF FINANCE
OFFICER



MONNET INDUSTRIES LIMITED
CASH FLOW STATEMENT
FOR THE YEAR ENDED ON 31st MARCH, 2018

(Rs. in Lacs)

	2017-2018	2016-17
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax and Extra Ordinary Items	(888.41)	(2,258.37)
Adjusted for :		
Interest Received	(0.83)	
Depreciation related to discontinued business	4.96	5.05
Other Expenses related to discontinued operations	(10.29)	(4.17)
Interest Paid	846.63	2,195.13
Profit / Loss on Sale of Fixed Assets		-
	840.48	2,196.01
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	(47.93)	(62.36)
Adjusted for :		
Trade & Other Receivables	(17,500.71)	236.30
Inventories		
Trade Payable	2,292.33	(144.78)
	(15,208.38)	91.53
CASH GENERATED FROM OPERATIONS	(15,256.32)	29.16
Direct Taxes Paid	-	7.22
NET CASH FROM OPERATING ACTIVITIES	(15,256.32)	36.38
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Investments	9,980.00	-
Sale of Investments		7,520.00
Interest Received	0.83	-
Deposits with original maturity more than three months		12.42
Dividend Received	9,980.83	-
	9,980.83	7,532.42
NET CASH USED IN INVESTING ACTIVITIES	9,980.83	7,532.42
C. CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of Long Term Borrowing	97.17	(5,358.98)
Repayment of short Term Borrowing	6,022.55	-
Interest Paid	(846.63)	(2,195.13)
	5,273.08	(7,554.11)
NET CASH USED IN FINANCING ACTIVITIES	5,273.08	(7,554.11)
NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	(2.41)	14.70
Cash and Cash Equivalents as at beginning of the year	20.32	5.62
Cash and Cash Equivalents as at end of the year	17.92	20.32

Note to cash flow statement

1 Components of Cash & Cash Equivalents

Cash on Hand	0.15	0.41
With Banks		
- on Current Account	3.82	6.70
- Deposit accounts (demand deposits and deposits having original maturity of 3 months or less)	13.96	13.21
	17.92	20.32

- 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
Firm Regn. No. 000340C

J. P. LATH
DIRECTOR
DIN 00380076

MAHESH KUMAR SHARMA
WHOLE-TIME DIRECTOR
DIN 07504637

PLACE : NEW DELHI
DATED : 28/05/2018

RAJEEV RANJAN
PARTNER

KHUSHBOO SHARMA
COMPANY SECRETARY

MAHESH KUMAR SHARMA
CHIEF FINANCE
OFFICER



MONNET INDUSTRIES LIMITED
Notes to Financial Statements for the year ended 31 March 2018

a Equity share capital

	31 March 2018	31 March 2017
Issued, subscribed and paid up capital (Refer note 11)		
Opening balance	368.13	368.13
Changes	-	-
Closing balance	368.13	368.13

b Other equity

Particulars	Reserves and Surplus				Retained earnings (Refer Note 12)	Items of OCI	Total equity
	Share premium	Subsidy Reserve	Share Forfeited Account	Reconstruct on Reserve			
As at 1 April 2016	176.00	15.00	3.67	5.65	(6,121.47)	-	(5,921.15)
Net income / (loss) for the year	-	-	-	-	(2,263.35)	-	(2,263.35)
Total comprehensive income	-	-	-	-	(2,263.35)	-	(2,263.35)
At 31 March 2017	176.00	15.00	3.67	5.65	(8,384.82)	-	(8,184.50)
Additions							
Net income / (loss) for the year	-	-	-	-	(898.70)	-	(898.70)
Total comprehensive income	-	-	-	-	(898.70)	-	(898.70)
At 31 March 2018	176.00	15.00	3.67	5.65	(9,283.52)	-	(9,083.20)

The accompanying Notes 1 to 40 form an integral part of these financial statements

In terms of our report of even date annexed
FOR APAS & CO

CHARTERED ACCOUNTANTS
Firm Regn. No. 000340C

PLACE : NEW DELHI
DATED : 28/05/2018

RAJEEV RANJAN
PARTNER

KHUSHBOO SHARMA
COMPANY SECRETARY

MAHESH KUMAR SHARMA
WHOLE-TIME DIRECTOR
DIN 07504637

MAHESH KUMAR SHARMA
CHIEF FINANCE
OFFICER

**Accounting Policies under Ind AS
Standalone financial statements of MONNET
INDUSTRIES LIMITED for the year ended 31-March-
2018**

1. Corporate information

Monnet Industries Limited was incorporated on 14th 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 2018 were authorized for issue in accordance with a resolution of the directors on 28th May, 2018.

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.

For all periods up to and including the year ended 31 March 2017, the Company prepared its financial statements in accordance with Indian GAAP including accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). These financial statements for the year ended 31 March 2018 are the first being prepared in accordance with Ind AS.

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. The Company classifies all other liabilities as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities respectively.

b. Property, plant and equipment

i) Tangible assets

Under the previous GAAP (Indian GAAP), property, plant and equipment were carried in the balance sheet at cost net of accumulated depreciation as at 31 March 2016. The Company has elected to regard those values of property as deemed cost at the date of the transition to Ind AS, i.e., 1 April 2016.

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 event 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.

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

Ind - AS 115 "Revenue from Contract with Customers"

Ind AS 115 was issued in February, 2015. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to the customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further, the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

This standard will come into force from accounting period commencing on or after 1st April, 2018. The company will adopt the new standard on the required effective date. The Company is in the process of making an assessment of the impact of Ind - AS 115 upon initial application, which is subject to changes arising from a more detailed ongoing analysis.





MONNET INDUSTRIES LIMITED
Notes to Financial Statements for the year ended 31 March 2018

Note 3 :Property, Plant and Equipment

	Freehold land	Building	Plant and machinery	Furniture & fixtures	Vehicles	EDP,WP Machines	Electrical & Office equipments	Assets Leased Out	SY Fixed Assets	Temporary Shed	Electrical Installations	Total
Cost												
At 1 April 2016	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/ capitalised (CWIP)	-	-	-	-	-	-	-	-	-	-	-	-
As 31 March 2017	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	-	-	-	-	-	-	-	-	-	-	-	-
As 31 March 2018	46.16	114.57	396.87	2.39	0.44	0.29	6.57	95.99	62.63	64.62	151.10	941.63
Deprecia on and impairment												
At 1 April 2016	-	108.27	348.33	2.29	0.44	0.09	6.20	94.17	62.63	64.62	116.18	803.22
Additions	-	0.16	1.67	-	-	0.09	0.02	-	-	-	2.94	4.87
Disposal	-	-	-	-	-	-	-	-	-	-	-	-
As 31 March 2017	-	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	-	-	-	-	-	-	-	-	-	-	-	-
As 31 March 2018	-	108.43	350.00	2.29	0.44	0.27	6.21	94.17	62.63	64.62	122.06	812.97
Net book value												
31 March 2018	46.16	6.15	46.87	0.10	0.00	0.01	0.36	1.82	-	-	29.04	128.66
31 March 2017	46.16	6.15	46.87	0.10	0.00	0.10	0.36	1.82	-	-	31.98	133.53
01 April 2016	46.16	6.31	48.54	0.10	0.00	0.19	0.37	1.82	-	-	34.91	138.41

Note: Above assets are pledged as security. Refer Note No 13 for information on assets pledged as security.



MONNET INDUSTRIES LIMITED

Notes to Financial Statements for the year ended 31 March 2018

Note 4 : Intangible assets

	Software	Total
Cost		
At 1 April 2016	0.55	0.55
Additions	-	-
Disposal/ Transferred to Intangibles	-	-
As 31 March 2017	0.55	0.55
Additions		-
Disposal		-
As 31 March 2018	0.55	0.55
Amors on an d impairment		
At 1 April 2016	0.28	0.28
Additions	0.17	0.17
Disposal	-	-
As 31 March 2017	0.46	0.46
Additions	0.09	0.09
Disposal	-	-
As 31 March 2018	0.55	0.55
Net book value		
31 March 2018	0.00	0.00
31 March 2017	0.09	0.09
01 April 2016	0.27	0.27





MONNET INDUSTRIES LIMITED

Notes to Financial Statements for the year ended 31 March 2018

31 March 2018 31 March 2017 01 April 2016 31 March 2018 31 March 2017 01 April 2016

Note 5: Financial Assets

Non Trade Investments

Equity Instruments (fully paid up-unless otherwise stated)

Quoted

50 Equity Shares of Monnet Ispat & Energy Ltd. @ Rs.10/- per Share (As on 31.03.2017 50 Equity Shares of Monnet Ispat & Energy Ltd. @ Rs.10/- per Share, As on 01.04.2016 50 Equity Shares of Monnet Ispat & Energy Ltd. @ Rs.10/- per Share)

Unquoted

100 Equity Shares of Cambridge Construc. on (Delhi) Ltd @ Rs.10/- per Share (As on 31.03.2017 100 Equity Shares of Cambridge Construc on (Delhi) Ltd @ Rs.10/- per Share, As on 01.04.2016 100 Equity Shares of Cambridge Construc (Delhi) Ltd @ Rs.10/- per Share)

NIL (As on 31.03.2017, 99,80,000 Shares and As on 01.04.2016, 1,75,00,000 Shares) 6.5% Non Convertible Cumulative Redeemable Preference Shares of M/s Monnet Ispat & Energy Ltd. @ Rs.100/- per Share

(Refer Note 31)

Total

Quoted Investments

Book Value

Market Value

Unquoted Investments

Book Value

a) Non-Current investments have been valued considering the significant accounting policy no. 14 disclosed in Note no. 1 to these financial statement.

Loans at amortised cost

Security deposits

Unsecured and Considered good

TOTAL

	31 March 2018	31 March 2017	01 April 2016	31 March 2018	31 March 2017	01 April 2016
	0.25	9,980.25	17,500.25	-	-	-
	0.05	0.05	0.05	-	-	-
	0.02	0.02	0.01	-	-	-
	0.20	9,980.20	17,500.20	-	-	-
	8.19	8.19	8.19	-	-	-
	8.19	8.19	8.19	-	-	-

MONNET INDUSTRIES LIMITED

Notes to Financial Statements for the year ended 31 March 2018

	31 March 2018	Non-Current 31 March 2017	01 April 2016	31 March 2018	31 March 2017	01 April 2016
Loans to employees						
(Unsecured and Considered good)	-	-	-	-	0.02	-
	8.19	8.19	8.19	-	0.02	-

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 counterparties.

Other Financial Assets

(Unsecured and Considered good)
Interest Accrued on Term Deposit

	-	-	-	0.06	0.06	0.07
	-	-	-	0.06	0.06	0.07

Note 6: Other Current Assets

(Unsecured and Considered good)

TDS Receivable	5.60	5.52	12.74	-	-	-
Prepaid expenses	-	-	-	0.76	(0.00)	0.61
Other Recoverable*	17,500.00	-	-	41.37	41.48	277.99
	17,505.60	5.52	12.74	42.13	41.48	278.60

* It includes investment of Rs. 175 crores in preference shares held as security invoked by lender. Refer Note 31

MONNET INDUSTRIES LIMITED

Notes to Financial Statements for the year ended 31 March 2018

Note 7 : Inventories

(As taken Valued and Certified by Management)

Raw Materials

	31 March 2018	31 March 2017	01 April 2016
	1.13	1.13	1.13
	<u>1.13</u>	<u>1.13</u>	<u>1.13</u>

(Inventories have been valued in accordance with accounting policy no. 2.2 (f) as referred in Note No.1&2)

Note 8 : Trade receivables

(unsecured, considered good, unless otherwise stated)

Trade receivables - others

	31 March 2018	31 March 2017	01 April 2016
	2.22	2.22	2.22
	<u>2.22</u>	<u>2.22</u>	<u>2.22</u>

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 credit terms of 30 days.

Note 9 : Cash and cash equivalent

Particulars

a) Balance with banks

- In current accounts

	31 March 2018	31 March 2017	01 April 2016
	3.82	6.70	5.21
	0.15	0.41	0.41
	13.96	13.21	-
	<u>17.92</u>	<u>20.32</u>	<u>5.62</u>

b) Cash on hand

c) Deposit with original maturity of less than 3 months

For the purpose of the statement of cash flows, cash and cash equivalents comprise the following:

Particulars

Balance with banks

- In current accounts

Cash on hand

Deposit with original maturity of less than 3 months

	3.82	6.70	5.21
	0.15	0.41	0.41
	13.96	13.21	-
	<u>17.92</u>	<u>20.32</u>	<u>5.62</u>

Note 10 : Other bank balances

a) Earmarked Accounts

b) Deposit with original maturity of more than 3 months

(Pledged with bank against credit facilities)

	-	-	12.42
	<u>-</u>	<u>-</u>	<u>12.42</u>

Breakup of Financial Assets carried at amortised cost

Security deposits

Loans to employees

Trade receivables

Cash and cash equivalent

Deposit with original maturity of more than 3 months

Interest Accrued on term deposits

	31 March 2018	31 March 2017	01 April 2016
	8.19	8.19	8.19
	-	0.02	-
	2.22	2.22	2.22
	17.92	20.32	5.62
	-	-	12.42
	0.06	0.06	0.07
	<u>28.39</u>	<u>30.81</u>	<u>28.52</u>



MONNET INDUSTRIES LIMITED
Notes to Financial Statements for the year ended 31 March 2018

PARTICULARS	AS AT		
	31.03.2018	31.03.2017	01.04.2016

Note No. 11

SHARE CAPITAL

a) **AUTHORISED**

Equity Share Capital

40,00,000 shares (31 March 2017: 40,00,000 shares; 01 April 2016: 40,00,000 shares) of par value of Rs 10/- each

400.00 400.00 400.00

Preference Shares

15,00,000 shares(31 March 2017: 15,00,000 shares; 01 April 2016: 15,00,000 shares) of par value of Rs 100/- each

1,500.00 1,500.00 1,500.00

1,900.00	1,900.00	1,900.00
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b) **ISSUED, SUBSCRIBED AND FULLY PAID-UP**

Equity Share Capital

36,81,262 shares (31 March 2017: 36,81,262 shares; 01 April 2016: 36,81,262shares) of par value of Rs.10/- each

368.13 368.13 368.13

Preference Shares*

15,00,000 10% non Cumulative, non Convertible Redeemable Preference shares (31 March 2017: 15,00,000 shares; 01 April 2016: 15,00,000 shares)of par value of Rs 100/- each

- - -

* Shown in Note No. -13

Total

368.13	368.13	368.13
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NOTES:

a) (i) During the year, the company has not issued or brought back any Equity / Preference shares.

(ii) Following is the reconciliation of number of shares outstanding as at the beginning of the year and end of the year

PARTICULARS	AS AT 31.03.2018	AS AT 31.03.2017	AS AT 31.03.2016
Equity Share Capital			
Number of shares outstanding as at the beginning of the year	36.81	36.81	36.81
Number of shares outstanding as at the closing of the year	36.81	36.81	36.81
Preference Shares			
Number of shares outstanding as at the beginning of the year	15.00	15.00	15.00
Number of shares issued during the year	-	-	-
Number of shares outstanding as at the closing of the year	15.00	15.00	15.00

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.

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



MONNET INDUSTRIES LIMITED

Notes to Financial Statements for the year ended 31 March 2018

Preference Shares

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

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

Note 12 : Other Equity

Particulars	(Rs. In Lacs)
Reserves and Surplus	
Subsidy Reserve	
At 01 April 2016	15.00
Add: Acquisition during the period	-
At 31 March 2017	15.00
Changes during the period	-
Closing balance as at 31 Mar 2018	<u>15.00</u>
Share Forefeited Account	
At 01 April 2016	3.67
Add: Acquisition during the period	-
At 31 March 2017	3.67
Changes during the period	-
Closing balance as at 31 Mar 2018	<u>3.67</u>
Reconstruction Reserve	
At 01 April 2016	5.65
Add: Acquisition during the period	-
At 31 March 2017	5.65
Changes during the period	-
Closing balance as at 31 Mar 2018	<u>5.65</u>
Securities premium Account	
At 01 April 2016	176.00
Add: Acquisition during the period	-
At 31 March 2017	176.00
Changes during the period	-
Closing balance as at 31 Mar 2018	<u>176.00</u>
Retained earnings	
At 01 April 2016	(6,121.47)
Profit/(loss) during the period	(2,263.35)
At 31 March 2017	(8,384.82)
Profit/(loss) during the period	(898.70)
Closing balance as at 31 Mar 2018	<u>(9,283.52)</u>
Total other equity at	
As at 31 March 2018	-9,083.20
As at 31 March 2017	-8,184.50
As at 01 April 2016	-5,921.15

MONNET INDUSTRIES LIMITED
Notes to Financial Statements for the year ended 31 March 2018

Financial Liabilities	Non-Current		Current	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017
Borrowings				
Rupee Term Loans (secured)*	-	-	5,443.53	-
From banks				
Inter Corporate Deposit (refer Note-e) below			6,022.55	
* Shown in Note No. 15 as Current Maturity				
Liability component of financial liabilities				
15,00,000 10% non Cumulative Redeemable Preference shares				
shares) 15,00,000 2016 :April 01 shares; 15,00,000 2017: March 31 of par value of Rs 100/- each	748.18	651.01	566.46	
Total borrowings	748.18	651.01	6,009.99	-

Note:

TERM LOAN

- a) The term loan is secured against First pari passu charge by way of hypothecation and mortgage over the present & future movable & immovable fixed assets of the company
- b) The loan is further secured by exclusive charge by way of mortgage over the immovable property at 10-11, Masjid Moth G.K-II New Delhi owned by M/s Pace Enterprises Pvt. Ltd. & M/s Cambridge Construction (Delhi) Ltd.
- c) The loan is further secured by personal guarantee of Sh. Sandeep Jajodia and corporate guarantee of M/s Pace Enterprises Pvt. Ltd. & M/s Cambridge Construction (Delhi) Ltd.
- d) The loan is repayable on demand. The loan is carrying interest rate of 12.25 %.

e) The loan was in default and the lender has raised demand notice for the loan amount. Consequent to non-payment of said demand, the lenders has assigned the borrowing to third party vide deed of assignment dt 28.09.17 Refer Note-31.

f) The total amount of borrowing has been invested in 6.5% Non Convertible Cumulative Redeemable Preference Shares (CRPS) of M/s Monnet Ispat & Energy Ltd. @ Rs.100/- per Share which have been pledged with the bank along with all rights associated with CRPS..

Note 14 : Trade Payables

Trade Payables:

Dues of Micro and small Enterprises

Dues to others

Terms and conditions of the above trade payables:

Trade payables are non-interest bearing and are normally settled within 45 days.

For explanation on the Company's credit risk management processes, refer to Note 32.

	-	-	-	-
	-	-	278.67	277.31
	-	-	278.67	277.31
	-	-	301.50	301.50



MONNET INDUSTRIES LIMITED
Notes to Financial Statements for the year ended 31 March 2018

Note 15 : Others Financial Liabilities

(At amortised cost)						
Current maturities of Long term debts	-	-	-	11,530.86	-	11,666.67
Interest accrued on Long Term Debt	-	-	-	399.23	-	620.20
Other Liabilities	-	-	-	5,130.16	-	4,894.44
	-	-	-	19,351.62	-	17,181.31
	-	-	-	17,060.25	-	17,181.31
Break-up of financial liabilities carried at amortised cost						
Borrowings (non current)	748.18	651.01	6,009.99	6,022.55	-	-
Trade Payables	-	-	-	278.67	277.31	301.50
Other financial liabilities	-	-	-	19,351.62	17,060.25	17,181.31
	748.18	651.01	6,009.99	25,652.84	17,337.55	17,482.80

Note 16 : Other Current Liabilities

Advance from Customers	-	-	-	0.17	0.17	0.17
Statutory Dues Payable	-	-	-	0.77	1.38	1.40
TOTAL	-	-	-	0.94	1.54	1.57

Note 17 : Provisions

Provision for employee benefits

Opening Balance	16.08	16.07	16.70	-	-	-
Provided during the year	0.15	0.75	(0.63)	-	-	-
Paid/Adjusted	-	0.75	-	-	-	-
	16.23	16.08	16.07	-	-	-
Provision for Earned Leaved Liability						
Opening Balance	-	-	-	3.01	2.52	2.42
Provided during the year	-	-	-	0.05	0.49	0.10
Paid/Adjusted	-	-	-	3.05	3.01	2.52
	16.23	16.08	16.07	3.05	3.01	2.52



MONNET INDUSTRIES LIMITED
Notes to Financial Statements for the year ended 31 March 2018

Note 18 : Other Income

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Interest Income on:		
-Bank deposits	0.83	0.86
-Others	-	0.37
Excess Provision Written back	-	0.01
Rent Received	0.12	0.12
	0.95	1.37

Note 19 : Employee benefit expense

Salary, wages, bonus and allowance*	13.48	29.18
Contribution to provident fund and other funds	0.95	2.40
Staff Welfare expenses	0.29	0.31
	14.72	31.89

Note 20 : Finance Costs

Interest on debts and borrowings calculated using the effective interest method	846.63	2,195.13
	846.63	2,195.13

Note 21 : Other expenses

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Books & Periodicals	0.05	0.30
Auditor's Remuneration		
- As Audit Fee	0.89	0.29
- For Certification	0.18	0.26
- For Other matters	(0.59)	1.27
Legal & Professional Expenses	15.68	17.34
Communication Expense	0.61	0.68
Advertisement & Publicity	1.38	0.54
Rent, Rates & Taxes	0.00	0.01
Director's Meeting Expenses	0.17	0.24
Business Promotion	0.02	0.09
Printing & Stationary	1.15	1.14
Insurance Exp	0.77	0.61
Travelling & Conveyance Expense	1.39	1.68
Vehicle Running & Maintenance Expenses	2.97	5.56
Internal Audit Fee	0.03	0.03
Miscellaneous Expenses	3.31	2.67
	28.01	32.72



MONNET INDUSTRIES LIMITED

Notes to Financial Statements for the year ended 31 March 2018

Note -22

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:

Particulars

	31 March 2018	31 March 2017
Profit attributable to equity holders of the Company:		
Continuing operations	(888.41)	(2259.18)
Profit attributable to equity holders for basic earnings	(888.41)	(2259.18)
Dilution effect	-	-
Profit attributable to equity holders adjusted for dilution effect	(888.41)	(2259.18)
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.

Earning Per Share - Continuing operations

Basic	(24.13)	(61.37)
Diluted	(24.13)	(61.37)

Face value per share (Rs)	10	10
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MONNET INDUSTRIES LIMITED

Notes to Financial Statements for the year ended 31 March 2018

Note No: 23

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:

Particulars	31 March, 2018	31 March, 2017	01 April, 2016
(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 -24

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.



MONNET INDUSTRIES LIMITED
Notes to Financial Statements for the year ended 31 March 2018

Note -25

Related party disclosures

Names of related parties and description of relationship

Name of the related party	Relationship
Sh. J.P.Lath	Director
Sh. Rajeev Poddar	Director
Ms Babika Goel	Director
Mr Raj Kumar Sachdev	Director
Ms Khushboo Sharma	Company Secretary
Mr. Mahesh Kumar Sharma	CFO & Director

A Relationship

Key Management Personnel where transaction has taken place

Transactions during the period/ year:

	31-Mar-18	31-Mar-17
Director		
Consultancy Charges (Sh. J.P. Lath)	960,000	960,000
Directors Meeting Fees		
- Sh. J.P. Lath	6,000	6,000
-Sh. Rajeev Poddar	1,000	6,000
-Ms Babika Goel	6,000	6,000
-Mr Raj Kumar Sachdev	4,000	6,000
Remuneration Paid to Company Secretary		
- Ms Khushboo Sharma	453,086	404,271

Closing Balances

	31-Mar-18	31-Mar-17
Mr. J.P. Lath	-	80,000
Ms. Khushboo Sharma		
Salary Payable	35,873	35,873
Bonus Payable	-	7,000
Leave Encashment Payable	8,250	3,300

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. For the year ended 31 March 2017, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (31 March 2017: Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

MONNET INDUSTRIES LIMITED

Note No 26. 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				Fair value	
	As at	As at	As at	As at	As at	As at
	31-Mar-18	31-Mar-17	01-Apr-16	31-Mar-18	31-Mar-17	01-Apr-16
Financial assets						
Security Deposits and Loans	8.19	8.19	8.19	8.19	8.19	8.19
Loan to Employees	-	0.02	-	-	0.02	-
Trade receivables	2.22	2.22	2.22	2.22	2.22	2.22
Cash and cash equivalents	17.92	20.32	5.62	17.92	20.32	5.62
Other bank balances	-	-	12.42	-	-	12.42
Other financial assets	0.06	0.06	0.07	0.06	0.06	0.07
Total	28.39	30.81	28.52	28.39	30.81	28.52
Financial liabilities						
Financial liabilities measured at amortised cost						
Long term borrowings	748.18	651.01	6,009.99	748.18	651.01	6,009.99
Short term borrowings	6,022.55	-	-	6,022.55	-	-
Trade payables	278.67	277.31	301.50	278.67	277.31	301.50
Outstanding Liabilities	19,351.62	17,060.25	17,181.31	19,351.62	17,060.25	17,181.31
Total	26,401.02	17,988.56	23,492.79	26,401.02	17,988.56	23,492.79

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-bearing 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.



MONNET INDUSTRIES LIMITED

Note-27 - 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 2018 and 31 March 2017.

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 2018 and 31 March 2017.

A. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates. However the risk is very low due to negligible borrowings by the Company.

	Increase/decrease in basis points	Effect on profit before tax
		INR Lacs
31-Mar-18		
INR	+50	1,089.72
INR	-50	1,012.68
31-Mar-17		
INR	+50	1,923.77
INR	-50	1,789.40

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
31-Mar-17	+5%	NIL
	-5%	NIL
31-Mar-16	+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 counterparty 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 counterparties 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 counterparty failure.

The maximum credit risk exposure relating to financial assets is represented by the carrying value as at the Balance Sheet date

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 counterparties.

III. Liquidity risk

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Year ended						
31-Mar-18						
Borrowings	6,022.55	-	-	-	748.18	6,770.73
Trade payables		278.67				278.67
Other financial liabilities	19,351.62		-			19,351.62
	25,374.17	278.67	-	-	748.18	26,401.02
Year ended						
31-Mar-17						
Borrowings	0	-	-	-	651.01	651.01
Trade payables		277.31				277.31
Other financial liabilities	5,130.16		11,930.08			17,060.25
	5,130.16	277.31	11,930.08	-	651.01	17,988.56
As at 1 April 2016						
Borrowings	-	-	-	5,443.53	566.46	6,009.99
Trade payables		301.50	12,286.86			12,588.36
Other financial liabilities	4,894.44					4,894.44
	4,894.44	301.50	12,286.86	5,443.53	566.46	23,492.79

IV. Excessive risk concentration

Concentrations arise when a number of counterparties 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.



MONNET INDUSTRIES LIMITED

Note: 28 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 2018.

	At 31 March 2018	At 31 March 2017	At 1 April 2016
Borrowings	748.18	651.01	6,009.99
Total debts	748.18	651.01	6,009.99
Total Equity	(9,083.20)	(8,184.50)	(5,921.15)
Gearing ratio (%)	-8.2%	-8.0%	-101.5%

Note No : 29 First time adoption of Ind AS

These financial statements, for the year ended 31 March 2018, are the first the Company has prepared in accordance with Ind AS. For periods up to and including the year ended 31 March 2017, the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Previous GAAP). Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for periods ending on 31 March 2018, together with the comparative period data as at and for the year ended 31 March 2017, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at 1 April 2016, the Company's date of transition to Ind AS. This note explains exemptions availed by the Company in restating its Previous GAAP financial statements, including the balance sheet as at 1 April 2016 and the financial statements as at and for the year ended 31 March 2017.

Exemptions applied:

1. Mandatory exceptions;

a) Estimates

The estimates at 1 April 2016 and at 31 March 2017 are consistent with those made for the same dates in accordance with Previous GAAP (after adjustments to reflect any differences in accounting policies) apart from the following items where application of Previous GAAP did not require estimation:

► Impairment of financial assets based on expected credit loss model

The estimates used by the Company to present these amounts in accordance with Ind AS reflect conditions at 1 April 2016, the date of transition to Ind AS and as of 31 March 2017.

b) De-recognition of financial assets:

The company has applied the de-recognition requirements in Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS.



c) Classification and measurement of financial assets:

i. Financial Instruments:

Financial assets like security deposits received and security deposits paid, has been classified and measured at amortised cost on the basis of the facts and circumstances that exist at the date of transition to Ind ASs. Since, it is impracticable for the Company to apply retrospectively the effective interest method in Ind AS 109, the fair value of the financial asset or the financial liability at the date of transition to Ind As by applying amortised cost method, has been considered as the new gross carrying amount of that financial asset or the financial liability at the date of transition to Ind AS."

d) Impairment of financial assets: (Trade receivables and other financial assets)

At the date of transition to Ind ASs, the Company has determined that there significant increase in credit risk since the initial recognition of a financial instrument would require undue cost or effort, the Company has recognised a loss allowance at an amount equal to lifetime expected credit losses at each reporting date until that financial instrument is derecognised (unless that financial instrument is low credit risk at a reporting date).

Optional exemptions;

A. Deemed cost-Previous GAAP carrying amount: (PPE and Intangible)

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Assets and investment property covered by Ind AS 40 Investment Properties. Accordingly, the company has elected to measure all of its property, plant and equipment, intangible assets and investment property at their previous GAAP carrying value.

B. Lease:-

Appendix C to Ind AS 17 requires an entity to assess whether a contract or arrangement contains a lease. In accordance with Ind AS 17, this assessment should be carried out at the inception of the contract or arrangement. Ind AS 101 provides an option to make this assessment on the basis of facts and circumstances existing at the date of transition to Ind AS, except where the effect is expected to be not material.

The company has elected to apply this exemption for such contracts/arrangements.



MONNET INDUSTRIES LIMITED
Notes to Financial Statements for the year ended 31 March 2018

Reconciliation of equity as at 01 April 2016

Particulars	Foot notes Reference	Indian GAAP As at 1 April 2016	Ind AS adjustments	Ind AS As at 1 April 2016
I. ASSETS				
(1) Non-current assets				
(a) Property, Plant and Equipment		138.41	0.00	138.41
(b) Capital work-in-progress		-	-	
(c) Intangible Assets		0.27	-	0.27
(d) Financial Assets		-	-	
(i) Investments		17,500.25	-	17,500.25
(i) Loans		8.19	-	8.19
(e) Other non-current assets	2	-	12.74	12.74
(2) Current assets				
(a) Inventories		1.13	-	1.13
(b) Financial Assets		-	-	
(i) Trade and other		2.22	-	2.22
(ii) Cash and cash		5.62	(0.00)	5.62
(iii) Bank balances other than (ii) above		12.42	0.00	12.42
(iv) Other financial assets		278.03	(277.96)	0.07
(c) Other current assets		542.83	(264.23)	278.60
TOTAL		18,489.37	(529.45)	17,959.92
II. EQUITY AND LIABILITIES				
(1) Equity				
(a) Equity Share capital		1,868.13	(1,500.00)	368.13
(b) Other Equity		(6,715.05)	793.90	(5,921.15)
(2) Non-current liabilities				
(a) Financial Liabilities				
(i) Long-term borrowings		5,833.33	176.66	6,009.99
(ii) Other financial liabilities		16.07	-	16.07
(4) Current liabilities				
(a) Financial Liabilities				
(i) Short Term Borrowings		-	-	-
(ii) Trade and other payables		319.52	(18.02)	301.50
(ii) Other financial liabilities			17,181.31	17,181.31
(b) Other current liabilities		17,164.85	(17,163.29)	1.57
(c) Short-term provisions		2.52	-	2.52
TOTAL		18,489.37	(529.44)	17,959.93



Reconciliation of equity as at 31 March 2017

Particulars	Foot notes Reference	Indian GAAP As at 31st March 2017	Ind AS adjustments	Ind AS As at 31st March 2017
I. ASSETS				
(1) Non-current assets				
(a) Property, Plant and Equipment		133.53	0.00	133.53
(b) Capital work-in-progress		-	-	-
(c) Intangible Assets		0.09	-	0.09
(d) Financial Assets			-	
(i) Investments		9,980.25	-	9,980.25
(i) Loans		8.19	-	8.19
(e) Other non-current assets		-	5.52	5.52
(2) Current assets				
(a) Inventories		1.13	-	1.13
(b) Financial Assets			-	
(i) Trade and other		2.22	-	2.22
(ii) Cash and cash		20.32	0.00	20.32
(iii) Bank balances other than (ii) above		-	-	-
(iv) Short-term loans and		-	0.02	0.02
(v) Other financial assets		41.48	(41.42)	0.06
(c) Other current assets		269.59	(228.11)	41.48
TOTAL		10,456.82	(264.00)	10,192.82
II. EQUITY AND LIABILITIES				
(1) Equity				
(a) Equity Share capital		1,868.13	(1,500.00)	368.13
(b) Other Equity		(8,905.30)	720.80	(8,184.50)
(2) Non-current liabilities				
(a) Financial Liabilities				
(i) Long-term borrowings		-	651.01	651.01
(b) Long-term provisions		16.08	-	16.08
(d) Deferred tax liabilities (Net)		-	-	-
(4) Current liabilities				
(a) Financial Liabilities				
(i) Short Term Borrowings		-	-	-
(ii) Trade and other payables		283.10	(5.79)	277.31
(ii) Other financial liabilities		-	17,060.25	17,060.25
(b) Other current liabilities		17,191.81	(17,190.26)	1.54
(c) Short-term provisions		3.01	-	3.01
(d) Liabilities for current tax (net)				
TOTAL		10,456.82	(264.00)	10,192.82

Reconciliation of profit or loss for the year ended 31 March 2017

Particulars	Notes Reference	Indian GAAP	GAAP	Ind AS
		Year ended 31-Mar-17	adjustments Year ended 31-Mar-16	Year ended 31-Mar-16
Continuing Operations				
I	Revenue from operations	-		
II	Other Income	7.50	(6.13)	1.37
III	Total Revenue (I + II)	7.50	(6.13)	1.37
IV EXPENSES				
(a)	Cost of material consumed			
(b)	Purchase of traded goods			
(c)	Changes in inventories of finished goods, stock-in-trade and work in progress			
(d)	Excise duty			
(e)	Employee benefits expense	31.89	-	31.89
(f)	Finance costs	2,122.04	73.09	2,195.13
(g)	Depreciation and amortisation expense	5.05	(5.05)	-
(h)	Other expenses	37.96	(5.25)	32.72
	Total Expenses (IV)	2,196.95	62.79	2,259.74
V	Profit/(loss) after tax from continuing operations (III - IV)	(2,189.44)	(68.92)	(2,258.37)
VI Other comprehensive income				
A	(i) Items that will not be reclassified to profit or loss			
B	(i) Items that will not be reclassified to profit or loss	-	-	-
VII	Total comprehensive income for the period (V-VI)	(2,189.44)	(68.92)	(2,258.37)

Re-classification

The company has reclassified previous year figures to conform to Ind AS classification.

In terms of our report of even date annexed
FOR APAS & CO

CHARTERED ACCOUNTANTS
Firm Regn. No. 000340C

J. P. LATH
DIRECTOR
DIN 00380076

MAHESH KUMAR SHARMA
WHOLE-TIME DIRECTOR
DIN 07504637

PLACE : NEW DELHI
DATED : 28/05/2018

RAJEEV RANJAN
PARTNER

KHUSHBOO SHARMA
COMPANY SECRETARY

MAHESH KUMAR SHARMA
CHIEF FINANCE
OFFICER





MONNET INDUSTRIES LIMITED

OTHER NOTES ON ACCOUNTS

- 31.a. The accumulated losses of the company as on 31st March 2018 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. The lender bank has assigned the borrowing to a third party vide deed of assignment dt. 28 Sept. 2017. Actual liability towards interest and principal is under negotiation. In view of uncertainty the company has not provided interest on such borrowing after date of aforesaid assignment. Had the interest been provided, loss for the year and previous year would have been higher by Rs. 437.53 Lacs and Rs. NIL respectively (based on prevailing terms & conditions of lending) with a corresponding increase in liability/borrowings.
- c. The Lender bank in pursuance of the pledge agreement has invoked the security of preference shares (held as investment by the company). Therefore, pending settlement of the matter in NCLT of the investee company of aforesaid shares, the same has been shown as recoverable in Note No.- 6.
32. Balance confirmations have not been received from some of the parties showing debit/credit balances.
33. 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.
34. 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.
35. 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.
36. Previous year figures have been regrouped or recasted wherever necessary.



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