

*8<sup>th</sup>*  
*Annual Report*  
*2009-2010*

**MONNET SUGAR LIMITED**

## BOARD OF DIRECTORS

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

## BANKERS

Punjab National Bank  
State Bank of Bikaner & Jaipur

## AUDITORS

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

## REGISTERED OFFICE

Plot No. 216, Sector-C  
Urla Industrial Complex  
Raipur-493 221 [Chhattisgarh]

## CORPORATE OFFICE

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

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## NOTICE

**NOTICE** is hereby given that the 8th Annual General Meeting of **MONNET SUGAR LIMITED** will be held on Thursday, 30th September, 2010 at 4.15 P.M. at Monnet Ispat & Energy Ltd., Monnet Marg, Mandir Hasaud, Raipur, Chhattisgarh-492101, to transact the following business: -

### ORDINARY BUSINESS

1. To consider and adopt the Balance Sheet as at 31st March, 2010, Profit & Loss Account for the year ended on that date along with Auditors' Report & Directors' Report thereon.
2. To appoint a director in place of Shri M.S. Gujral, who retires by rotation and being eligible, offered himself for reappointment.
3. To appoint auditors and fix their remuneration.

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

Date : 10th August, 2010  
Place : New Delhi

Sd/-  
**(J. P. LATH)**  
DIRECTOR

**Registered Office :-**  
216, Sector C, Urla Industrial Complex,  
Raipur-493221.

**Corporate Office :-**  
Monnet House,  
11, Masjid Moth,  
Greater Kailash - II,  
New Delhi-110048.

### NOTES

1. **A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member.** Proxy in order to be valid must be lodged at the Registered Office of the Company not less than 48 hours before the commencement of the Annual General Meeting.
2. The Share Transfer Books of the Company shall remain closed from Friday, 24th September, 2010 to Thursday, 30th September, 2010 [both days inclusive].

**DIRECTORS' REPORT CUM MANAGEMENT DISCUSSION & ANALYSIS****TO THE MEMBERS**

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

**FINANCIAL RESULTS**

	<b>2009-2010</b>	<b>(Rs. in Lakhs)</b> 2008-2009
Sales [Net of Excise] & Other Income	0.82	1.48
Profit before depreciation	5.19	107.35
Depreciation	3.99	3.99
Profit before tax	1.20	103.36
Provision for Income Tax	0.19	10.60
Income Tax Adjustment	2.30	26.30
Fringe Benefit Tax	0.00	0.46
Provision for Deferred Tax	(0.87)	(0.60)
Profit after taxation	(0.42)	66.60
Balance as per last year	2086.97	2020.37
Balance carried to Balance Sheet	2086.55	2086.97

The financial results are not comparable to previous year as the sale of fixed assets was concluded before the commencement of crushing season and hence, there were no operations during the year.

**NEW VENTURES**

Consequent to sale of sugar mill, your Company is actively involved in identifying new business activity and it is expected that new business plans will fructify during the current financial year.

**DIVIDEND**

In view of Company's plans to start some new business activity, the Company needs to conserve resources and therefore, no dividend is being recommended by the Board of Directors.

**DIRECTORS**

Pursuant to Section 255 of the Companies Act, 1956, Shri M.S. Gujral, Director, retires by rotation on the day of 8th Annual General Meeting and being eligible offers himself for reappointment.

**RESPONSIBILITY STATEMENT**

In terms of Section 217 (2AA), your directors confirm having:

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

**DEPOSITORY SYSTEM**

As on 31st March, 2010, about 96.72% of the shares of your Company have been dematerialized. Since the Shares of the Company can be traded only in dematerialized form, those members who are still holding their shares in physical form are advised to get their shares dematerialized.

**STATUTORY DISCLOSURES**

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

## **MANAGEMENT DISCUSSION & ANALYSIS**

Consequently to sale of sugar mill and since your company has not identified and commenced any other business activity, there is no requisite information in respect of Management Discussion & Analysis. However, wherever necessary, the requisite information in this respect thereof has been included in the directors' Report itself.

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

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

## **CORPORATE GOVERNANCE REPORT**

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

## **RISK MANAGEMENT**

Prior to sale of sugar mill, your Company's Risk Management Policy was backed by strong internal control systems. The risk management framework consisted of centrally issued policies and divisionally laid down procedures to ensure that the business risks were adequately covered including their monitoring and implementation and the same was periodically reviewed by the Board and Audit Committee. As and when the new line of activity is taken up by the company, your Company will re-establish the policy with requisite modifications as may be necessitated depending upon the type and nature of new business activity.

## **AUDIT COMMITTEE**

The Audit Committee of Board of Directors constituted in terms of Clause 49 of the Listing Agreement and pursuant to Section 292A of The Companies Act, 1956 consist of Shri Amitabh S. Mudgal as Chairman, Shri M.S. Gujral and Shri J.P. Lath, as its members and the Company Secretary as ex-officio Secretary of the Committee.

## **AUDITORS**

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

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

## **FIXED DEPOSITS**

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

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

In view of the Company having disposed off its sugar mill and no longer has any manufacturing operations, no data is required to be enclosed pursuant to Companies [Disclosure of Particulars in the Report of Board of Directors] Rules, 1988.

## **PERSONNEL**

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

## **ACKNOWLEDGEMENTS**

Your Directors take this opportunity to offer their sincere thanks to 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.

For and on behalf of Board of Directors

Sd/-

**(AMITABH S. MUDGAL)**

Chairman

Place : New Delhi  
Date : 10th August, 2010

**DECLARATION BY CHIEF EXECUTIVE OFFICER**

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

Place : New Delhi  
Date : 10th August, 2010

Sd/-  
**(J.P. Lath)**  
Whole-time Director

**CORPORATE GOVERNANCE REPORT**

**CORPORATE GOVERNANCE PHILOSOPHY**

Monnet believes in conducting its affairs in a fair and professional manner and in maintaining the high standards.

The Company is committed to following good Corporate Governance practices through a series of measures which include having professional Directors on the Board, adopting pragmatic policies and effective systems and procedures, sharing of information with shareholders on a regular basis through newspapers, audits and checks.

The policies and actions of the Company, while being in full compliance of applicable laws and regulations, are dictated by the underlying objective of maximizing shareholder value on a long-term basis.

**BOARD OF DIRECTORS:**

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

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

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

<b>Name</b>	<b>Category</b>	<b>No. of Directorships in other Companies</b>	<b>No. of Committee Memberships in other Companies</b>
Shri M. S. Gujral	Director	7	9
Shri Sandeep Jajodia	Director	5	2
Shri Amitabh S. Mudgal	Director	7	1
Shri J. P. Lath	Whole-time Director	4	3

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

30th June, 2009, 31st July, 2009, 30th October, 2009 and 30th January, 2010.

The last Annual General Meeting was held on 30th September, 2009. Following are the details of attendance of Directors at Board Meetings and at the Annual General Meeting held during the year:-

<b>Name</b>	<b>No. of Board Meetings held during the tenure of the Directors</b>	<b>No. of Board Meetings attended</b>	<b>Last AGM attendance</b>
Shri M. S. Gujral	6	4	Yes
Shri Sandeep Jajodia	6	3	Yes
Shri Amitabh S. Mudgal	6	4	No
Shri J. P. Lath	6	4	Yes

**INFORMATION IN CASES OF APPOINTMENT OR RE-APPOINTMENT OF DIRECTORS AS REQUIRED UNDER LISTING AGREEMENT IS GIVEN AS UNDER:—**

Requisite details in respect of Shri M.S. Gujral is given in **Annexure-III**.

**AUDIT COMMITTEE:**

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

**REMUNERATION COMMITTEE:**

The Remuneration Committee comprises of Shri Amitabh S. Mudgal and Shri J.P. Lath. The terms of reference of this Committee cover the matters specified for Remuneration Committees under clause 49 of the Listing Agreement.

# MONNET SUGAR LIMITED

## DETAILS OF REMUNERATION TO WHOLE-TIME-DIRECTOR

The break up of remuneration paid to the Whole-Time-Director is as follows: -

Name Position	Shri J. P. Lath Whole-Time-Director
Salary (Rs.)	1620000
Commission/Allowance (Rs.)	NIL
Perquisites (Rs.)	589320
Contribution to Provident Fund	9360
Total (Rs.)	2218680
Stock Option Granted (Nos.)	NIL

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

Directors	Sitting Fees (Rs.)	ESOP granted (No. of Shares)
Shri Sandeep Jajodia	15,000	NIL
Shri M. S. Gujral	20,000	NIL
Shri Amitabh S. Mudgal	20,000	NIL

## INVESTORS' GRIEVANCE COMMITTEE/SHAREHOLDERS' COMMITTEE: —

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

## SHARE TRANSFER COMMITTEE

The Committee of the Company has been given the powers to deal with all matters related to transfers, transmission, and issuance of duplicate share certificates, split and/or consolidation requests. The Share Transfer Committee meets regularly. There was no meeting held during the year since no requests for transfer of shares held in physical form were received by the Company.

## COMPLIANCE OFFICER:

Ms. Satnam Kaur  
Monnet House, 11 Masjid Moth,  
Greater Kailash, Part-II, New Delhi-110 048

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

1. Number of complaints received from the investors (including the opening Balance as on 01.04.2009) comprising of enquiries regarding status of listing of shares of the Company, Non-receipt of Share Certificates allotted pursuant to demerger, transfer and transmission etc.	24
2. Number of complaints resolved	23
3. Number of complaints not solved as at 31st March, 2010	1
4. Complaints Pending as at 31st March, 2010	1
5. Number of shares pending for Transfer as at 31st March, 2010	0



# MONNET SUGAR LIMITED

## GENERAL BODY MEETINGS :

Date	AGM	Details of General Meetings of Shareholders	
		Place of Meeting	Time
30th September, 2009	7th AGM	Monnet Marg, Mandir Hasaud, Raipur, Chhattisgarh-492101	4.15 p.m.
30th September, 2008	6th AGM	Monnet Marg, Mandir Hasaud, Raipur, Chhattisgarh-492101	4.15 p.m.
28th September, 2007	5th AGM	Monnet Marg, Mandir Hasaud, Raipur, Chhattisgarh-492101	4.30 p.m.

## DISCLOSURES:

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

**Means of Communication:** The Company publishes the quarterly results, circulates the same to the stock exchanges and also puts the same on EDIFAR website. The Company also sends the Annual Report to all the shareholders. Besides, the Company announces through stock exchanges all the material information as and when the same becomes applicable as per listing norms.

Quarterly Results : Normally published in The Pioneer and Veer Arjun

Whether it also displays official news and Presentations made to institutional investors or to analysts : N.A.

Whether M D & A is a part of annual report : Yes

## GENERAL SHAREHOLDER INFORMATION:

### 1. Annual General Meeting :

Day, Date and Time : Tuesday, 30th September, 2010 at 4.15 p.m.

Venue : Monnet Marg, Mandir Hasaud, Raipur, Chhattisgarh-492101

### 2. Financial Calendar for 2010-11 (Tentative) :

Financial year ending : 31st March, 2011

First Quarter Results : on or before 31st July, 2010

Half Yearly Results : on or before 30th October, 2010

Third Quarter Results : on or before 31st January, 2011

Fourth Quarter Results/Audited Annual Accounts : on or before 30th April, 2011.

3. Book Closure Dates : 24-09-2010 to 30-09-2010 (both days inclusive)

4. Dividend Payment : N.A.

5. Registered Office : Plot No. 216, Sector-C, Urla Industrial Complex, Raipur-532723, Chhattisgarh

6. Listing of Shares on Stock Exchanges : The equity shares of the Company are listed on Bombay Stock Exchange Ltd., Mumbai & Madhya Pradesh Stock Exchange, Indore.

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

2. \*M. P. Stock Exchange  
"Palika Plaza", Phase-II  
201, IInd Floor, MTH Compound,  
Indore-452 001 [M.P.]

# MONNET SUGAR LIMITED

## 7. Stock Code :

Scrip Code, BSE : 532723  
Demat ISIN No. in NSDL & CDSL : INE493H01014

## 8. Registrar & Share Transfer Agents :

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

## 9. SHARE TRANSFER SYSTEM:

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

## 10. DISTRIBUTION OF SHAREHOLDING AS AT 31ST MARCH, 2010:

Category	No. of Folios	% of Shareholders	No. of Shares	% of Capital
1 - 500	1534	87.41	209684	2.83
501 - 1000	103	5.87	74943	1.01
1001 - 2000	40	2.28	59120	0.80
2001 - 3000	22	1.25	58788	0.79
3001 - 4000	5	0.28	16182	0.22
4001 - 5000	6	0.34	27009	0.36
5001 - 10000	11	0.63	85226	1.15
Above 10000	34	1.94	6881572	92.84
<b>TOTAL</b>	<b>1778</b>	<b>100.00</b>	<b>7412524</b>	<b>100.00</b>

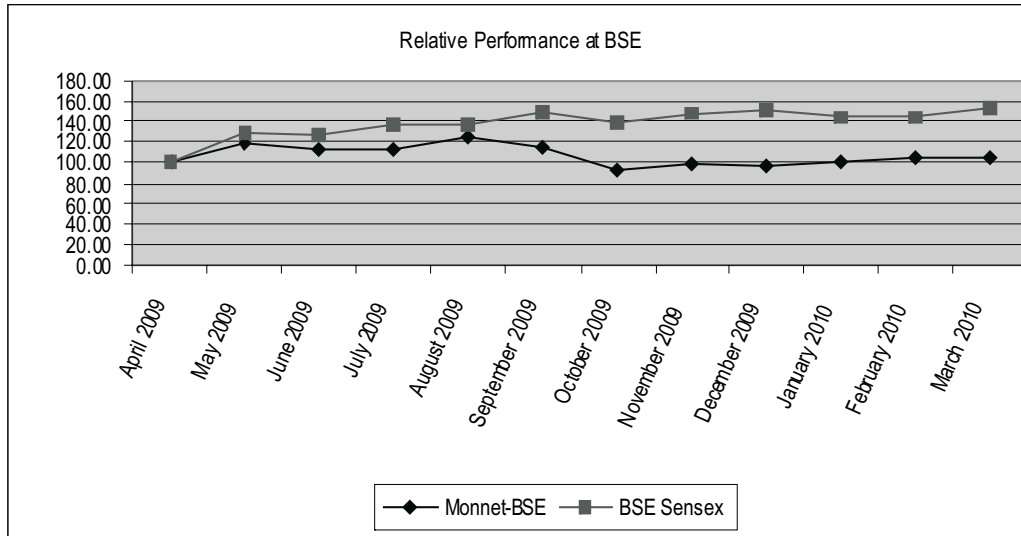
## 11. STOCK PRICE DATA (FOR THE PERIOD APRIL, 2009 TO MARCH, 2010) :

Year	Month	BSE High (Rs.)	BSE Low (Rs.)	Monthly Volume (Rs. Lacs)
2009	April	25.10	19.10	2.16
2009	May	30.35	22.35	4.46
2009	June	30.55	25.70	3.51
2009	July	26.40	19.65	2.56
2009	August	34.35	25.00	6.69
2009	September	30.05	23.10	4.73
2009	October	26.00	21.10	3.12
2009	November	26.00	20.10	3.38
2009	December	24.00	20.80	4.66
2010	January	30.50	21.10	5.46
2010	February	25.90	21.30	2.82
2010	March	25.60	19.00	5.68

# MONNET SUGAR LIMITED

## 12. 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 Bombay Stock Exchange Ltd.) considering 100 as the base is given in the Chart below:—



## 13. SHAREHOLDING PATTERN AS AT 31ST MARCH, 2010:

Category	No. of Shares held	% of Shareholding
Promoters/Persons Acting in Concert	5677950	76.60
Banks, Financial Institutions and Insurance Companies	707193	9.54
NRIs	89087	1.20
Private Corporate Bodies	420837	5.68
Resident Individuals	509428	6.87
Any Other : HUF	7869	0.11
Directors & their relatives	160	0.00
<b>TOTAL</b>	<b>7412524</b>	<b>100.00</b>

## 14. NOMINATION FACILITY:

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

## 15. BANK DETAILS/ECS MANDATE:

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

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

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

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

## 16. ADDRESS FOR INVESTOR SERVICES CENTRE (ISC) :

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

**CERTIFICATE**

To The Members of  
**MONNET SUGAR LIMITED,**

We have reviewed the implementation of Corporate Governance procedures by MONNET SUGAR LIMITED, for the year ended on 31st March, 2010, with the relevant records and documents maintained by the Company, as stipulated in clause 49 of the Listing Agreement of the said Company with stock exchange[s].

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

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

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

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

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

Place : New Delhi  
Date : 10th August, 2010

Sd/-  
**(RAKESH KUMAR)**  
Partner

**Annexure-III****DETAILS OF DIRECTORS SEEKING APPOINTMENT/REAPPOINTMENT  
IN 18TH ANNUAL GENERAL MEETING**

(PURSUANT TO CLAUSE 49 OF THE LISTING AGREEMENT)

<b>Name of Director</b>	Shri M. S. Gujral	
<b>Date of Birth</b>	5th June, 1923	
<b>Qualifications</b>	M.A.	
<b>Date of Appointment</b>	29th November, 2002	
<b>Expertise in specific functional area</b>	Shri M.S. Gujral is the former Chairman of the Railway Board and the former Chairman of Coal India Limited. He has 63 years of experience in managing capital and labour intensive enterprises, including one of the largest railway networks in the world. He holds a degree from Punjab University.	
<b>List of Other Companies in which Directorship held (excluding foreign Companies)</b>	<ol style="list-style-type: none"> <li>1. Besco Limited</li> <li>2. Motherson Sumi Systems Limited</li> <li>3. Motherson Sumi Infotech and Designs Limited</li> <li>4. Monnet Ispat &amp; Energy Ltd.</li> <li>5. Monnet Industries Limited</li> <li>6. Monnet Power Limited</li> <li>7. Monnet Cement Limited</li> </ol>	
<b>Chairman/Member of the Committees of the Board of Directors of other Companies in which he is a Director (excluding foreign Companies)</b>	<ol style="list-style-type: none"> <li>a) Motherson Sumi Systems Limited</li> <li>b) Motherson Sumi Infotech and Designs Ltd.</li> <li>c) Monnet Sugar Limited</li> <li>d) Monnet Industries Limited</li> <li>e) Monnet Ispat &amp; Energy Ltd.</li> </ol>	<p>Audit Committee Chairman</p> <p>Shareholders/Investors' Grievance Committee Chairman</p> <p>Audit Committee Member</p> <p>Shareholders/Investors' Grievance Committee Member</p> <p>Audit Committee Member</p> <p>Audit Committee Member</p> <p>Remuneration Committee Member</p> <p>Audit Committee Chairman</p> <p>Remuneration Committee Chairman</p> <p>Shareholders/Investors' Grievance Committee Chairman</p>
<b>Details of shareholding (both own or held by/for other persons on a beneficial basis), if any, in the Company</b>	NIL	

## AUDITORS' REPORT

The Members of  
**MONNET SUGAR LIMITED**

We have audited the attached Balance Sheet of **MONNET SUGAR LIMITED** as at 31st March, 2010 and Profit & Loss Account for the Year Ended 31st March, 2010 annexed thereto and Cash Flow statement for the year ended on that date. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

1. As required by the Companies [Auditor's Report] order, 2003 as amended by the Companies [Auditor's Report] [Amendment] order 2004 issued by the Central Government in terms of Section 227[4A] of the Companies Act, 1956, we enclose in the annexure a statement on the matters specified in the paragraphs 4 & 5 of the said order to the extent applicable to the Company.
2. Further to our comments in the annexure referred to in paragraph 1 above, we report that:
  - a) We have obtained all the information and explanations which to the best of our knowledge and belief, were necessary for the purpose of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of such books.
  - c) The Balance Sheet and the Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
  - d) In our opinion, the profit and loss account and balance sheet and Cash Flow Statement comply with the accounting standards referred to in sub-section [3c] of section 211 of the Companies Act, 1956.
  - e) On the basis of written representation received from the directors and taken on records by the Board of Directors, we report that, non of the director is disqualified as on 31st March, 2010 from being appointed as Director u/s 274[1][g] of the Companies Act, 1956.
  - f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with Significant Accounting Policies and other Notes thereon in Schedule - 15 give the information as required by the Companies Act, 1956 in the manner so required and give true and fair view in conformity with accounting principles generally accepted in India :-
    - i) In the case of the Balance Sheet of the State of affairs of the Company as at 31.3.2010.
    - ii) In the case of the Profit & Loss Account of the PROFIT for the Year Ended on that date.
    - iii) In the case of Cash Flow Statement of the cash flows for the year ended on that date.

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

Sd/-  
**(RAKESH KUMAR)**  
Partner  
M. No. 87537  
Firm Regn. No. 000018N

Place : New Delhi  
Dated : 10th August, 2010

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

1. a) The Company has maintained proper records to show full particulars including quantitative details and situation of fixed assets.  
b) As explained to us, major fixed assets have been physically verified by the management during the year. We have been informed that the discrepancies noticed on such verification as compared to book record were not material and have been properly dealt with in the books of account. In our opinion the frequency of verification is reasonable.  
c) The Company has not disposed of any of its fixed assets during the year.
2. According to the information and explanations given to us, the Company has neither granted nor taken any loans, secured or unsecured to/From Companies, firms or other Parties covered in the register maintained under section 301 of the Companies Act 1956. Accordingly, relevant paragraphs of the order with respect to such transactions are not applicable.
3. In our opinion and according to the information and explanations given to us there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to transactions of interest income during the year. During the course of audit, no major weakness has been noticed in the underlying internal controls.
4. In our opinion and according to information and explanations given to us, there are no transactions that needed to be entered in the register maintained under section 301 of the Act.
5. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits within the meaning of provisions of section 58A and 58AA of the Companies Act, 1956 and the Companies [Acceptance of Deposits] Rules, 1975.
6. In our opinion and according to the information and explanations given to us, the Company has adequate internal audit system commensurate with its size and nature of its business.
7. a) As per information and explanations given to us the Company has been regular in depositing the undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Custom Duty, Excise Duty, Cess, Octroi, entry tax and other statutory dues with the appropriate Authorities. There are no undisputed statutory dues at the year end outstanding for a period of more than six months from the date they become payable.  
b) We have been informed that following disputed demands have not been deposited as appeals are pending with Appellate Authorities as detailed below :-

<b>S.No.</b>	<b>Nature of Demand</b>	<b>Pending Amount (Rs. in Lacs)</b>	<b>Forum where appeal is pending</b>
1.	Excise Duty [Capital Goods]	14.65	CESTAT, New Delhi
2.	Excise Duty [Capital Goods]	1.29	Allahabad High Court

## MONNET SUGAR LIMITED

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8. There are no accumulated losses of the company as at the end of the year. The Company has not incurred cash losses during the financial year covered by our audit and during the immediately preceding financial year.
9. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Paragraph 4 [xii] of the order is not applicable.
10. According to information and explanations given to us the Company has not given any guarantees for loans taken by others from Banks/Financial Institutions.
11. During the year the Company has not made any preferential allotment of shares to parties and Companies covered in the Register maintained u/s 301 of the Companies Act 1956. As such paragraph 4 [xviii] of the order is not applicable.
12. Since the Company has not raised money by way of Public Issue during the year paragraph 4 [xx] of the order is not applicable.
13. Based upon the audit procedures performed and information and explanations given by the management, we report that, no fraud on or by the Company has been noticed or reported during the course of our audit for the year ended 31.03.2010.
14. Other clauses of the order are not applicable to the Company for the year under report.

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

Sd/-  
**(RAKESH KUMAR)**

Partner

M. No. 87537

Firm Regn. No. 000018N

Place : New Delhi

Dated : 10th August, 2010



# MONNET SUGAR LIMITED

## BALANCE SHEET AS AT 31ST MARCH, 2010

DESCRIPTION	SCHEDULE NO.	AS AT 31.03.2010 Rs.	AS AT 31.03.2009 Rs.
<b>SOURCES OF FUNDS</b>			
<b>SHAREHOLDERS' FUNDS</b>			
Share Capital	1	<b>74,859,722.50</b>	74,859,722.50
Reserves & Surplus	2	<b>466,282,697.56</b>	466,325,008.65
<b>Deferred Tax Liability</b>	3	<b>136,803.00</b>	224,130.00
<b>TOTAL</b>		<b>541,279,223.06</b>	541,279,223.06
<b>APPLICATION OF FUNDS</b>			
<b>FIXED ASSETS</b>			
[a] Gross Block	4	<b>7,994,269.00</b>	7,994,269.00
[b] Less : Depreciation		<b>6,217,733.00</b>	5,818,942.00
<b>Net Block</b>		<b>1,776,536.00</b>	2,175,327.00
<b>Investments</b>	5	<b>201,500,000.00</b>	201,500,000.00
<b>CURRENT ASSETS, LOANS &amp; ADVANCES</b>			
Sundry Debtors	6	<b>252,347.00</b>	252,347.00
Cash & Bank Balances	7	<b>148,163,624.75</b>	128,975,529.15
Loans & Advances	8	<b>197,009,558.27</b>	213,649,486.96
		<b>345,425,530.02</b>	342,877,363.11
<b>LESS : CURRENT LIABILITIES &amp; PROVISIONS</b>	9	<b>7,422,842.96</b>	5,143,828.96
		<b>7,422,842.96</b>	5,143,828.96
<b>NET CURRENT ASSETS</b>		<b>338,002,687.06</b>	337,733,534.15
<b>TOTAL</b>		<b>541,279,223.06</b>	541,408,861.16
<b>SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS</b>	15		

In terms of our Report of even date annexed.

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

Sd/-  
**(RAKESH KUMAR)**  
Partner

Sd/-  
**(Amitabh S. Mudgal)**  
Director

Sd/-  
**(J. P. Lath)**  
Director

Place : New Delhi  
Date : 10th August, 2010

Sd/-  
**(Satnam Kaur)**  
Co. Secretary

# MONNET SUGAR LIMITED

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

DESCRIPTION	SCHEDULE NO.	YEAR ENDED 31.03.2010 Rs.	YEAR ENDED 31.03.2009 Rs.
<b>INCOME</b>			
Other Income	10	<b>8,186,143.00</b>	14,767,540.29
		<b>8,186,143.00</b>	14,767,540.29
<b>EXPENDITURE</b>			
Salaries, Wages & Amenities	11	<b>3,088,463.00</b>	881,462.34
Repairs and Maintenance	12	<b>20,929.00</b>	484,617.00
Administrative, Selling & Other Expenses	13	<b>4,352,608.00</b>	2,661,428.07
Financial Charges	14	<b>205,725.40</b>	4,993.42
Depreciation		<b>398,791.00</b>	398,791.00
		<b>8,066,516.40</b>	4,431,291.83
<b>PROFIT BEFORE TAX</b>		<b>119,626.60</b>	10,336,248.46
<b>Provisions for:</b>			
Income Tax		<b>19,000.00</b>	1,060,000.00
Fringe Benefit Tax		<b>0.00</b>	46,000.00
Deferred Tax		<b>(87,327.00)</b>	[59,992.00]
Income Tax Adjustment		<b>230,264.69</b>	2,630,272.60
<b>PROFIT (Loss) AFTER TAX</b>		<b>(42,311.09)</b>	6,659,967.86
Balance as per last year		<b>208,696,996.77</b>	202,037,028.91
<b>Surplus Carried Over to balane sheet</b>		<b>208,654,685.68</b>	208,696,996.77
<b>EARNING PER SHARE (BASIC/DILUTED)</b>		<b>(0.006)</b>	0.90
<b>SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS</b>			
	15		

In terms of our Report of even date annexed.

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

Chartered Accountants

Sd/-  
**(RAKESH KUMAR)**  
Partner

Sd/-  
**(Amitabh S. Mudgal)**  
Director

Sd/-  
**(J. P. Lath)**  
Director

Place : New Delhi  
Date : 10th August, 2010

Sd/-  
**(Satnam Kaur)**  
Co. Secretary

# MONNET SUGAR LIMITED

## SCHEDULES

DESCRIPTION	AS AT 31.03.2010 Rs.	AS AT 31.03.2009 Rs.
<b>1. SHAE CAPITAL</b>		
<b>Authorised</b>		
22,500,000 Equity Shares of Rs. 10/- each	<b>225,000,000.00</b>	225,000,000.00
	<b>225,000,000.00</b>	225,000,000.00
<b>Issued, Subscribed &amp; Paid up</b>		
7,412,524 Equity Shares of Rs. 10/- each fully paid up in cash	<b>74,125,240.00</b>	74,125,240.00
Share Forfeited Account	<b>734,482.50</b>	734,482.50
	<b>74,859,722.50</b>	74,859,722.50
<b>2. RESERVES &amp; SURPLUS</b>		
<b>Capital Reserve</b>		
Capital Reconstruction Reserve As per last Balance Sheet	<b>36,752,291.88</b>	36,752,291.88
<b>Share Premium Account</b>		
As per Scheme of Arrangement As per last Balance Sheet	<b>220,875,720.00</b>	220,875,720.00
Profit & Loss Account	<b>208,654,685.68</b>	208,696,996.77
	<b>466,282,697.56</b>	466,325,008.65
<b>3. DEFERRED TAX LIABILITY</b>		
<b>Deferred Tax Liability</b>		
Balance B/f	<b>224,130.00</b>	284,122.00
Provided/adjusted During the Year	<b>(87,327.00)</b>	(59,992.00)
	<b>136,803.00</b>	224,130.00

## 4. FIXED ASSETS

PARTICULARS	GROSS BLOCK			DEPRECIATION				NET BLOCK		
	AS AT 1.4.2009	ADDITIONS	SALE	AS AT 31.03.2010	UPTO 31.03.2009	FOR THE YEAR	ADJUST- MENT OF SALES	UPTO 31.03.2010	AS AT 31.03.2010	AS AT 31.03.2009
Land & Site Development	186,530.00	0.00	0.00	<b>186,530.00</b>	0.00	0.00	0.00	<b>0.00</b>	<b>186,530.00</b>	186,530.00
Furniture & Fixtures	452,584.00	0.00	0.00	<b>452,584.00</b>	373,072.00	28,649.00	0.00	<b>401,721.00</b>	<b>50,863.00</b>	79,512.00
Office Equipment	4,099,004.00	0.00	0.00	<b>4,099,004.00</b>	2,877,891.00	236,403.00	0.00	<b>3,114,294.00</b>	<b>984,710.00</b>	1,221,113.00
Computer	1,848,368.00	0.00	0.00	<b>1,848,368.00</b>	1,848,368.00	0.00	0.00	<b>1,848,368.00</b>	<b>0.00</b>	0.00
Vehicles	1,407,783.00	0.00	0.00	<b>1,407,783.00</b>	719,611.00	133,739.00	0.00	<b>853,350.00</b>	<b>554,433.00</b>	688,172.00
<b>Current Year</b>	7,994,269.00	0.00	0.00	<b>7,994,269.00</b>	5,818,942.00	398,791.00	0.00	<b>6,217,733.00</b>	<b>1,776,536.00</b>	2,175,327.00
Previous Year	7,997,269.00	0.00	0.00	<b>7,994,269.00</b>	5,420,151.00	398,791.00	0.00	<b>5,818,942.00</b>	<b>2,175,327.00</b>	2,574,118.00

# MONNET SUGAR LIMITED

DESCRIPTION	AS AT 31.03.2010 Rs.	AS AT 31.03.2009 Rs.
<b>5. INVESTMENTS</b>		
<b>LONG TERM-UNQUOTED</b>		
10,07,500 Equity Shares of M/s Cambridge Construction [Delhi] Ltd. Fully paid up	<b>201,500,000.00</b>	201,500,000.00
	<b>201,500,000.00</b>	201,500,000.00
<b>6. SUNDRY DEBTORS</b> (Unsecured Considered Good, except where indicated otherwise)		
<b>a) Debts outstanding for a period exceeding six months</b>		
– Considered Doubtful	<b>252,347.00</b>	252,347.00
	<b>252,347.00</b>	252,347.00
<b>7. CASH &amp; BANK BALANCES</b>		
Cash in hand & imprest	<b>852,550.16</b>	82,399.16
<b>Balance with Scheduled Banks</b>		
– in current accounts	<b>839,094.59</b>	366,129.99
– in fixed deposit accounts [Pledged with bank as margin]	<b>7,246,000.00</b>	100,000.00
– in fixed deposit – Escrow A/C	<b>139,225,980.00</b>	128,427,000.00
	<b>148,163,624.75</b>	128,975,529.15
<b>8. LOANS &amp; ADVANCES</b> (Unsecured Considered Good, except where indicated otherwise)		
Loans	<b>17,557,271.00</b>	16,207,271.00
Advance payment towards Real estate project	<b>109,326,721.00</b>	100,343,000.00
Advances recoverable in cash or kind or for value to be received (Including Rs. 5,39,073/- Considered doubtful Previous year Rs. 4,66,573/-)	<b>65,483,971.00</b>	92,142,806.00
<b>Security Deposits</b>		
– with Govt. Depts.	<b>1,000.00</b>	1,000.00
– with Others	<b>187,000.00</b>	187,000.00
Prepaid Expenses	<b>3,403.00</b>	3,940.00
Income Tax Advances	<b>4,450,192.27</b>	4,764,469.96
	<b>197,009,558.27</b>	213,649,486.96
<b>9. CURRENT LIABILITIES</b>		
Sundry Creditors for Supplies, Expenses & Others	<b>7,012,262.67</b>	3,618,497.67
Advances against Sales	<b>308,002.29</b>	327,600.29
Other Liabilities	<b>10,178.00</b>	18,331.00
Security Deposit Received	<b>73,400.00</b>	73,400.00
<b>Provisions</b>		
For Income Tax	<b>19,000.00</b>	1,060,000.00
For Fringe Benefit Tax	<b>0.00</b>	46,000.00
	<b>7,422,842.96</b>	5,143,828.96

# MONNET SUGAR LIMITED

DESCRIPTION	YEAR ENDED 31.03.2010 Rs.	YEAR ENDED 31.03.2009 Rs.
<b>10. OTHER INCOME</b>		
Interest Received [Tax deducted at source Rs. 965755/-]	<b>8,186,143.00</b>	14,767,540.29
	<b>8,186,143.00</b>	14,767,540.29
<b>11. SALARIES, WAGES &amp; AMENITIES</b>		
Salary, Wages & Allowances (including directors Remuneration Rs. _____ )	<b>3,082,018.00</b>	816,976.34
Staff Welfare	<b>5,173.00</b>	63,227.00
Employers Contribution to P.F. Etc.	<b>1,272.00</b>	1,259.00
	<b>3,088,463.00</b>	881,462.34
<b>12. REPAIRS &amp; MAINTENANCE</b>		
Others	<b>20,929.00</b>	484,617.00
	<b>20,929.00</b>	484,617.00
<b>13. ADMINISTRATIVE, SELLING &amp; OTHER EXPENSES</b>		
Printing & Stationery	<b>43,513.00</b>	34,939.00
Rent, Rates & Taxes	<b>172,732.00</b>	97,212.00
Vehicle Expenses	<b>239,278.00</b>	274,283.00
Communication Expenses	<b>16,673.00</b>	43,581.19
Travelling & Conveyance	<b>95,583.00</b>	316,721.00
Insurance Charges	<b>11,631.00</b>	19,155.00
Legal & Professional Charges	<b>2,450,006.00</b>	574,476.00
Advertisement, Publicity & Sales Promotion	<b>54,590.00</b>	53,305.00
Directors' Sitting Fees	<b>11,000.00</b>	81,000.00
<b>Auditors' Remuneration :</b>		
– As Audit Fees	<b>220,600.00</b>	220,600.00
– For Tax Audit Fees	<b>16,545.00</b>	19,663.00
– For Income Tax Matters	<b>97,612.00</b>	80,843.00
– For Co. Law, Certification & Other Matters	<b>151,111.00</b>	160,129.00
Internal Audit Fee & Expenses	<b>11,030.00</b>	22,266.00
Misc. Expenses	<b>172,666.00</b>	107,154.88
Sales Tax Paid	<b>588,038.00</b>	556,100.00
	<b>4,352,608.00</b>	2,661,428.07
<b>14. FINANCIAL CHARGES</b>		
Bank Charges	<b>205,575.40</b>	4,993.42
Interest Paid	<b>150.00</b>	0.00
	<b>205,725.40</b>	4,993.42

## 15. ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

### A. SIGNIFICANT ACCOUNTING POLICIES

#### 1. Basis of Accounting

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

#### 2. Income and Expenditure

Accounting of Income & Expenditure is done on accrual basis except interest on late payment received from debtors which is accounted for on receipt basis.

#### 3. Fixed Assets & Depreciation

- a) Fixed assets are stated at their original cost of acquisition inclusive of inward freight, duties and expenditure incurred in the acquisition, construction & installation.
- b) Depreciation is charged on Straight Line Method at the rates provided in Schedule XIV of the Companies Act.
- c) Cenvat credit availed on capital goods is accounted for by credit to respective fixed assets and henceforth depreciation has been charged on net cost of Fixed Assets.

#### 4. Investments

Long term investments are stated at original cost of acquisition.

#### 5. Gratuity/Retirement Benefits :

Retirement benefits are accounted for on accrual basis on the basis of arithmetical calculations.

#### 6. Contingent Liabilities

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

#### 7. Sundry Debtors

Interest on overdue bills is accounted for on receipt basis.

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

### B. NOTES ON ACCOUNTS

	<u>Current Year</u>	<u>Previous Year</u>
	<u>(Rs. in Lacs)</u>	
1. Estimated amount of contracts remaining to be executed on Capital Account and not provided for [Net of Advances]	NIL	NIL
2. Letters of Credit opened in favour of inland/overseas suppliers	NIL	NIL
3. <b>Guarantees (Rs. in Lacs)</b>		
Counter guarantees issued to Bankers in respect of guarantees issued by them	2.00	2.00

# MONNET SUGAR LIMITED

## 4. Contingent Liabilities not provided for (Rs. in Lacs)

- In respect of demand of Sales Tax	<b>NIL</b>	NIL
- In respect of show cause notice/orders received from Excise Deptt. For Molloses/Pressmud/Bagasse pending before higher authorities	<b>15.94</b>	15.94

## 5. Remuneration to the Whole Time Director(s)

- Salary & Allowances	<b>1620000</b>	1320000
- Perquisites	<b>589320</b>	469320
- Contribution to Provident Fund	<b>9360</b>	9360

## 6. Details of Licenced and Installed Capacities & Production :

### Sugar

Licenced Capacity	TCD	<b>NIL</b>	NIL
*Installed Capacity	TCD	<b>NIL</b>	NIL
Production	Qtls	<b>NIL</b>	NIL

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

7. Advance recoverable in cash or kind under Current Assets include a sum of Rs1093.27 lacs representing amount paid towards collaboration arrangement for development of a real estate project. It represents Rs 650 lacs paid to the collaborators and Rs 443.27 lacs deposited with the relevant authorities for completion of necessary formalities and other expenses thereon. The amount shall be adjusted towards cost of project on actual commencement of the project.

8. Pending certain formalities 1007500 equity shares of Cambridge Construction [Delhi] Ltd as shown in Investments are yet to be transferred in name of the company.

9. Balance confirmations have not been received from some of the parties showing debit/credit balances.

10. The Company is in the process of identifying vendors registered under Micro, Small and Medium Enterprises Development Act, 2006 and gathering information to make the necessary disclosures as mentioned in the amendment to Schedule VI of the Companies Act, 1956 vide the notification dated November 16, 2007.

## 11. Expenditure in Foreign Currency :-

- Travelling Expenses	<b>NIL</b>	NIL
Value of Imports on CIF Basis	<b>NIL</b>	NIL.
Claim against the company not acknowledged as debt (Rs. in Lacs)	<b>4.62</b>	4.62

12. In the opinion of the Management the Current Assets, Loans and Advances have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated in the Balance Sheet except stated otherwise..

13. Related party disclosures in terms of AS 18 on Related Party Transactions:

Key Management Personnel	:	Mr J P Lath
Transactions during the year	:	
Remuneration and perquisites	:	Rs.22,18,680/-

14. Assistant Commissioner Stamp Duty U.P. has imposed stamp duty on transfer of land from Monnet Industries Ltd. to Monnet Sugar Ltd. on Trifurcation alongwith Penalty & Interest. The amount alongwith demanded interest amounting to Rs.579806/- which has been provided in the accounts. The company has gone into appeal with Higher Authorities. Adjustment, if any, shall be made on final orders in the matter.

# MONNET SUGAR LIMITED

15. A sum of Rs 1392.26 lacs as shown under Cash & Bank balances towards deposit in the escrow account represents amount withheld under Slump sale arrangement of the Sugar Division of the company in earlier year. The amount has been kept as fixed deposit in bank and the company is recognizing interest income thereon.
16. The company has not complied with Accounting standard AS-15 (Revised) regarding retirement benefit of the employees. However the company has accounted for retirement benefit of employees on appraisal basis calculated on ariphmetical basis based on last drawn salaries.
17. Tax Expense is the aggregate of current year income tax, fringe benefit tax and deferred tax charged to the Profit and Loss Account for the year.

**a) Current Year Charge :**

Income Tax provision of Rs.0.19 lacs has been made towards MAT u/s 115JB and no tax is payable on regular income.

**b) Deferred Tax**

The Company estimates the deferred tax charge using the applicable rate of taxation based on the impact of timing differences between financial statements and estimated taxable income for the current year. The movement of provision for deferred tax is given below:

<b>Particulars</b>	<b>Opening as at 1.4.2009 (Rs. In Lacs)</b>	<b>Charge/(credit) during the year (Rs. In Lacs)</b>	<b>Closing as at 31.3.2010 (Rs. In Lacs)</b>
Depreciation	2.24	(0.87)	1.37
Net Deferred Tax Liability	2.24	(0.87)	1.37

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

	<b>Year Ended 31.03.2010</b>	<b>Year Ended 31.03.2009</b>
Profit attributable to the Equity Shareholders - (A) (Rs. In Lacs)	<b>(42311)</b>	<b>6659968</b>
Basic/Weighted average number of Equity Shares outstanding during the year (B)	<b>7412524</b>	7412524
Nominal value of Equity Shares (Rs.)	<b>10</b>	10
Basic/Diluted Earning per share (Rs.) – (A) / (B)	<b>0.006</b>	0.90
<b>Calculation of Profit attributable to Shareholders :</b>		
Profit Before Tax (Rs. In Lacs)	<b>119627</b>	10336248
Income Tax/FBT Provision/Adjustments	<b>(249265)</b>	(3736272)
Deferred Tax	<b>(87327)</b>	(59992)
Profit attributable to Shareholders	<b>(42311)</b>	6659968

19. Previous period figures have been regrouped or recasted wherever considered necessary.

Signature to the Schedule 1 to 18  
For **O.P. Bagla & Co.**  
Chartered Accountants

Sd/-  
**(RAKESH KUMAR)**  
Partner

Sd/-  
**(Amitabh S. Mudgal)**  
Director

Sd/-  
**(J. P. Lath)**  
Director

Place : New Delhi  
Date : 10th August, 2010

Sd/-  
**(Satnam Kaur)**  
Co. Secretary



# MONNET SUGAR LIMITED

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

### I. Registration Details

Registration No. 

	1	5	0	4	0
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 State Code 

	1	0
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Balance Sheet Date 

	3	1
--	---	---

	0	3
--	---	---

	2	0	1	0
--	---	---	---	---

Date                  Month                  Year

### II. Capital Raised During the Year

Public Issue 

				N	I	L
--	--	--	--	---	---	---

Right Issue 

				N	I	L
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### III. Position of Mobilisation and Deployment of Funds

<p style="text-align: center;">Total Liabilities</p> <table border="1" style="width: 100%; text-align: center;"><tr><td> </td><td>5</td><td>4</td><td>8</td><td>7</td><td>0</td><td>2</td><td>0</td><td>6</td><td>6</td></tr></table> <p><b>Sources of Funds</b></p> <p style="text-align: center;">Paid-up Capital</p> <table border="1" style="width: 100%; text-align: center;"><tr><td> </td><td> </td><td>7</td><td>4</td><td>8</td><td>5</td><td>9</td><td>7</td><td>2</td><td>3</td></tr></table> <p style="text-align: center;">Deferred Tax Liability</p> <table border="1" style="width: 100%; text-align: center;"><tr><td> </td><td> </td><td> </td><td> </td><td>1</td><td>3</td><td>6</td><td>8</td><td>0</td><td>3</td></tr></table> <p style="text-align: center;">Unsecured Loans</p> <table border="1" style="width: 100%; text-align: center;"><tr><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td>N</td><td>I</td><td>L</td></tr></table> <p><b>Application of Funds</b></p> <p style="text-align: center;">Net Fixed Assets</p> <table border="1" style="width: 100%; text-align: center;"><tr><td> </td><td> </td><td> </td><td>1</td><td>7</td><td>7</td><td>6</td><td>5</td><td>3</td><td>6</td></tr></table> <p style="text-align: center;">Investments</p> <table border="1" style="width: 100%; text-align: center;"><tr><td> </td><td>2</td><td>0</td><td>1</td><td>5</td><td>0</td><td>0</td><td>0</td><td>0</td><td>0</td></tr></table> <p style="text-align: center;">Misc. Expenditure</p> <table border="1" style="width: 100%; text-align: center;"><tr><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td>N</td><td>I</td><td>L</td></tr></table>		5	4	8	7	0	2	0	6	6			7	4	8	5	9	7	2	3					1	3	6	8	0	3									N	I	L				1	7	7	6	5	3	6		2	0	1	5	0	0	0	0	0									N	I	L	<p style="text-align: center;">Total Assets</p> <table border="1" style="width: 100%; text-align: center;"><tr><td> </td><td>5</td><td>4</td><td>8</td><td>7</td><td>0</td><td>2</td><td>0</td><td>6</td><td>6</td></tr></table> <p style="text-align: center;">Reserves &amp; Surplus</p> <table border="1" style="width: 100%; text-align: center;"><tr><td> </td><td>4</td><td>6</td><td>6</td><td>2</td><td>8</td><td>2</td><td>6</td><td>8</td><td>9</td></tr></table> <p style="text-align: center;">Secured Loans</p> <table border="1" style="width: 100%; text-align: center;"><tr><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td>N</td><td>I</td><td>L</td></tr></table> <p style="text-align: center;">Capital Work in Progress</p> <table border="1" style="width: 100%; text-align: center;"><tr><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td>N</td><td>I</td><td>L</td></tr></table> <p style="text-align: center;">Net Current Assets</p> <table border="1" style="width: 100%; text-align: center;"><tr><td> </td><td>3</td><td>3</td><td>8</td><td>0</td><td>0</td><td>2</td><td>6</td><td>8</td><td>7</td></tr></table> <p style="text-align: center;">Accumulated Losses</p> <table border="1" style="width: 100%; text-align: center;"><tr><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td>N</td><td>I</td><td>L</td></tr></table>		5	4	8	7	0	2	0	6	6		4	6	6	2	8	2	6	8	9									N	I	L									N	I	L		3	3	8	0	0	2	6	8	7									N	I	L
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### IV. Performance of the Company

<p style="text-align: center;">Turnover including other income</p> <table border="1" style="width: 100%; text-align: center;"><tr><td> </td><td> </td><td> </td><td>8</td><td>1</td><td>8</td><td>6</td><td>1</td><td>4</td><td>3</td></tr></table> <p style="text-align: center;">Profit Before Tax</p> <table border="1" style="width: 100%; text-align: center;"><tr><td> </td><td> </td><td> </td><td>1</td><td>1</td><td>9</td><td>6</td><td>2</td><td>7</td></tr></table> <p style="text-align: center;">Earnings Per Share (Rs.)</p> <table border="1" style="width: 100%; text-align: center;"><tr><td> </td><td> </td><td> </td><td>[</td><td>0</td><td>.</td><td>0</td><td>0</td><td>6</td><td>]</td></tr></table>				8	1	8	6	1	4	3				1	1	9	6	2	7				[	0	.	0	0	6	]	<p style="text-align: center;">Total Expenditure</p> <table border="1" style="width: 100%; text-align: center;"><tr><td> </td><td> </td><td> </td><td>8</td><td>0</td><td>6</td><td>6</td><td>5</td><td>1</td><td>6</td></tr></table> <p style="text-align: center;">Profit After Tax</p> <table border="1" style="width: 100%; text-align: center;"><tr><td> </td><td> </td><td> </td><td>[</td><td>4</td><td>2</td><td>3</td><td>1</td><td>1</td><td>]</td></tr></table> <p style="text-align: center;">Dividend Rate %</p> <table border="1" style="width: 100%; text-align: center;"><tr><td> </td><td> </td><td> </td><td>N</td><td>I</td><td>L</td></tr></table>				8	0	6	6	5	1	6				[	4	2	3	1	1	]				N	I	L
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### V. Generic Names of Principal Products/Services of the Company

Item Code No. (ITC Code)	N. A.
Product Description	N. A.

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

**For and on behalf of the Board**

Sd/-  
**(RAKESH KUMAR)**  
Partner

Sd/-  
**(Amitabh S. Mudgal)**  
Director

Sd/-  
**(J. P. Lath)**  
Director

Place : New Delhi  
Date : 10th August, 2010

Sd/-  
**(Satnam Kaur)**  
Co. Secretary

# MONNET SUGAR LIMITED

## CASH FLOW STATEMENT FOR 2008-2009

	2009-2010 (Amount in Rs.)	2008-2009 (Amount in Rs.)
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before tax and Extra Ordinary Items	119,627	10,336,248
Adjusted for :		
Depreciation	398,791	398,791
Preliminary Expenses/Misc. Expenditure	0	0
Interest Received	(8,186,143)	(14,767,540)
Interest Paid	150	0
Profit/Loss on Sale of Fixed Assets	0	0
Dividends Received	0	0
	<u>(7,787,202)</u>	<u>(14,368,749)</u>
<b>Operating Profit before Working Capital Changes</b>	<b>(7,667,575)</b>	<b>(4,032,501)</b>
Adjusted for :		
Trade and Other Receivables	16,325,651	54,097,616
Inventories	0	0
Trade Payable	3,366,014	(106,061,003)
	<u>19,691,665</u>	<u>(51,963,386)</u>
<b>Cash Generated from Operations</b>	<b>12,024,090</b>	<b>(55,995,887)</b>
Interest Paid	(150)	0
Direct Taxes Paid	(1,021,987)	(30,625,384)
Deferred Tax	0	0
Cash Flow before Extraordinary Items	0	0
Extraordinary Items	0	0
	<u>(1,022,137)</u>	<u>(30,625,384)</u>
<b>Net Cash from Operating Activities</b>	<b>11,001,953</b>	<b>(86,621,271)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	0	0
C.W.I.P.	0	0
Sale of Fixed Assets	0	0
Capital Reconstruction Reserve as per Scheme of Arrangement	0	0
Other Reserves	0	0
Purchase of Investments	0	0
Sale of Investments	0	0
Miscellaneous Expenditure	0	0
Interest Received	8,186,143	14,767,540
Dividend Received	0	0
	<u>8,186,143</u>	<u>14,767,540</u>
<b>Net Cash used in Investing Activities</b>	<b>8,186,143</b>	<b>14,767,540</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Issue of Share Capital	0	0
Calls in Arrears	0	0
Share Application Money	0	0
Proceeds from Long Term Borrowings	0	0
Proceeds from Short Term Borrowings	0	0
Repayment of Finance Lease Liabilities	0	0
Dividend & Dividend Taxes Paid	0	0
	<u>0</u>	<u>0</u>
<b>Net Cash used in Financing Activities</b>	<b>0</b>	<b>0</b>
<b>Net increase in Cash and Cash Equivalents (A + B + C)</b>	<b>(19,188,096)</b>	<b>(71,853,730)</b>
Cash and Cash Equivalents as at 1.4.2009	128,975,529	200,829,259
Cash and Cash Equivalents as at 31.3.2010	<u>148,163,625</u>	<u>128,975,529</u>

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

For and on Behalf of Board

Sd/-  
**(RAKESH KUMAR)**  
Partner

Sd/-  
**(Amitabh S. Mudgal)**  
Director

Sd/-  
**(J. P. Lath)**  
Director

Place : New Delhi  
Date : 10th August, 2010

Sd/-  
**(Satnam Kaur)**  
Co. Secretary

# MONNET SUGAR LIMITED

## MONNET SUGAR LIMITED

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

DPID *	
Client ID *	

### ATTENDANCE SLIP

No. of Shares held	
Ledger Folio No.	

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

I hereby record my presence at the **8TH ANNUAL GENERAL MEETING** of MONNET SUGAR LIMITED held on Thursday, 30th September, 2010 at 4.15 P.M. at Monnet Ispat & Energy Ltd., Monnet Marg, Mandir Hasaud, Raipur, Chhattisgarh-492101.

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

.....

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

\* Applicable for Investors holding shares in electronic form.

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

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

-----

## MONNET SUGAR LIMITED

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

DPID *	
Client ID *	

### PROXY FORM

No. of Shares held	
Ledger Folio No.	

I/We.....

of.....being a member/members

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

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

of.....

as my/our proxy to vote for me/us on my/our behalf at the **8TH ANNUAL GENERAL MEETING** of the Company to be held on Thursday, 30th September, 2010 at 4.15 P.M. and at any adjournment thereof.

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

Affix  
Re. 1/-  
Revenue  
Stamp

\* Applicable for Investors holding shares in electronic form.

[Signature]

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

## **BOOK POST**

If Undelivered please return to :

### **MONNET SUGAR LIMITED**

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