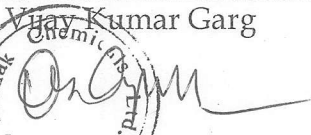
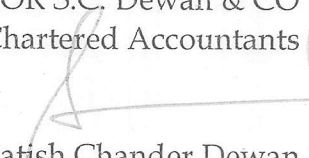
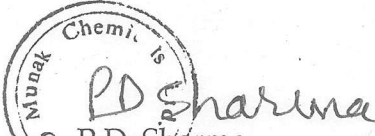


FORM A

Format of covering letter of the annual audit report to be filed with the stock exchanges

[Clause 31 (a) of the Listing Agreement]

1.	Name of the Company	Munak Chemical Limited
2.	Annual Financial Statement for the year ended on	31 st March, 2014
3.	Type of Audit observation	Un-Qualified
4.	Frequency of Observation	N.A.
5.	To be signed by	Vijay Kumar Garg
	• CEO and Managing Director	 (Managing Director) (DIN : 00236460)
	• CFO	N.A.
	• Auditors of the Company	FOR S.C. DEWAN & CO Chartered Accountants  Satish Chander Dewan (Partner) (Membership No. 015678)
	• Audit Committee Chairman	 P.D. Sharma Director (DIN : 00268536) (Chairman of the Audit committee)

ANNUAL REPORT OF

MUNAK CHEMICALS LIMITED

FOR THE YEAR

2013-2014

MUNAK CHEMICALS LIMITED

NOTICE

NOTICE is hereby given that the Thirty Fourth Annual General Meeting of the Members of **MUNAK CHEMICALS LIMITED** will be held on Tuesday, the 30th September, 2014 at 11.30 A.M. at the Registered office of the Company at House No. 5458, Hazi Rattan Gate, Mini Secretariat, Bathinda-151 005 (Punjab) to transact the following business :

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Statements of Accounts for the year ended 31st March, 2014 and reports of Directors and Auditors thereon.
2. To appoint a Director in place of Mrs. Rita Garg, Director who retires by rotation and being eligible, offers herself for reappointment.
3. To appoint auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting of the Company and to fix their remuneration.

By order of the Board

PLACE: CHANDIGARH
DATED 25th August, 2014

Sd/-
RITA GARG
DIRECTOR
(DIN-00236464)

NOTES

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and the proxy need not be a member of the Company. The Proxy in order to be effective must be received by the Company at its Registered Office not less than 48 hours before the meeting.
2. The Register of Members and Share Transfer Books of the Company will remain closed for Seven days from Tuesday 23rd September, 2014 to Monday, 29th September 2014 (Both days inclusive).
3. Members are requested to bring their copy of Annual Report at the meeting.
4. Members are requested to notify any change in their address to the Company immediately.
5. The Company's Shares are listed on the Stock Exchanges at Ludhiana, New Delhi and Mumbai. The listing fee for the financial years from 2001 to 2014 due to all the stock exchanges has not been paid due to paucity of funds.

By order of the Board

PLACE: CHANDIGARH
DATED 25th August, 2014

Sd/-
RITA GARG
DIRECTOR
(DIN-00236464)

MUNAK CHEMICALS LIMITED

DIRECTORS' REPORT

Your Directors take pleasure in presenting to you the Thirty Fourth Annual Report and Audited Statements of Accounts for the year ended 31st March, 2014.

FINANCIAL RESULTS AND OPERATIONS

The Company has closed its operation and there was no Production and Sale during the year under review. The working results showed net loss of Rs. 14.92 lacs as against a loss of Rs. 11.38 lacs in the previous year.

FIXED DEPOSITS

The Company has not accepted any fixed deposits from the public during the year.

DIRECTORS

Mrs. Rita Garg, Director of the company retires by rotation under Article 123 of the Articles of Association of the company and being eligible, offers herself for re-appointment.

DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956 with respect to Directors' Responsibility Statement, it is hereby confirmed :

- i. that in the preparation of the annual accounts for the financial year ended 31st March, 2014, the applicable accounting standards had been followed along with proper explanation relating to material departures ;
- ii. that the Directors had 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. that the Directors had 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. that the Directors had prepared the accounts for the financial year ended 31st March, 2014 on a 'going concern' basis.

AUDITORS

The present auditors M/s. S.C. Dewan & Co., Chartered Accountants, Panchkula, will retire at the forthcoming Annual General Meeting.

They have confirmed their eligibility for reappointment and the Board recommends their re-appointment at the forthcoming Annual General Meeting.

MANAGEMENT REPLY ON THE OBSERVATION OF STATUTORY AUDITORS

As required by AS 15 notified under Companies (Accounting Standards) Rules 2006 regarding "Accounting for Retirement Benefits" The Company has not complied with the various provision of AS 15,

because now only a skeleton staff has been left with the company. However the company has made a provision of Rs. 48,519/- on account of Gratuity on estimated basis.

The Company has sold substantial part of its fixed assets after obtaining the approval of the shareholders in its Extra ordinary General Meeting held on 09th day of November, 2009. Due to the adverse policies of Govt of India withdrawing the subsidies, resulting into closure of the unit. The company does not foresee any opportunity to revive the company.

PARTICULARS OF EMPLOYEES

Particulars of Employees pursuant to the provision of Section 217(2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rule, 1975, is not annexed since none of the Employees was in receipt of remuneration higher than the limit fixed in the said Section.

ENERGY CONSERVATION

The Company has taken adequate measures with respect to conservation of energy etc. as required under section 217(1)(e) of the Companies Act. 1956 read with Companies (Disclosure of particulars in the report of the Board of Directors) Rule, 1988.

TECHNOLOGY ABSORPTION

- 1) **Research and Development.**
No Research and Development work has been carried out by the Company and therefore, there is no expenditure on this head or any other benefit accrued from it.
- 2) **Technology Absorption.**
The Company has not imported any Technology.

FOREIGN EXCHANGE EARNINGS AND OUTGO

The Company has no exports activities during the year under review, therefore, there is no foreign exchange earnings & outgo during the financial year.

CORPORATE GOVERNANCE

As required by provisions of the Listing Agreement with the Stock Exchanges, the Report on Management Discussion and Analysis, Corporate Governance are annexed to this Report.

ACKNOWLEDGEMENTS

Your Directors wish to convey thanks to all concerned departments of Central, State Governments for their continued co-operation.

Your Directors also express their appreciation of the dedication shown by the employees of the Company during the year.

For and on behalf of the Board of Directors

PLACE : CHANDIGARH
DATED: 25th August, 2014

Sd/-
P.D. SHARMA
DIRECTOR
(DIN-00268536)

Sd/-
RITA GARG
DIRECTOR
(DIN- 00236464)

MUNAK CHEMICALS LIMITED

CORPORATE GOVERNANCE REPORT

Company's policies on the Corporate Governance and due compliance report on specific areas wherever applicable for the year ended 31st March, 2014 are given hereunder:-

I. COMPANY'S PHILOSOPHY

Yours Company believes in absolute professionalism of management and transparency in operations. It encourages wide participation from all stakeholders.

II. BOARD OF DIRECTORS

(a) Composition of Board

The Board of Directors comprises of three members. The Board members possess the experience and expertise to guide and manage the Company and the composition is as under :-

Name of Director	Category of Director	No. of other Director-Ships held	No. of other Board Committee (s) in which he/she is a member	No. of other Board Committee(s) of which he/she is Chairman
Mr. Vijay Kumar Garg Managing Director	Promoter-Executive	9	One	One
Mrs. Rita Garg Director	Non-executive	6	One	None
Mr. P. D. Sharma Director	Non-executive	None	One	One

(b) Number of Board Meetings

(i) Six Meetings of the Board of Directors were held during the period 1st April, 2013 to 31st March, 2014. These were held on :-

- | | |
|---------------|---------------|
| 1) 30.04.2013 | 4) 09.10.2013 |
| 2) 30.05.2013 | 5) 30.01.2014 |
| 3) 01.07.2013 | 6) 31.03.2014 |

(ii) The attendance record of each of the Directors at the Board Meeting during the period ended on 31st March, 2014 and at the last Annual General Meeting is as under.

Name of Director	No. of Board Meeting attended	Attendance at last A.G.M.
Mr. Vijay Kumar Garg	6	Yes
Mr. P. D. Sharma	6	Yes
Mrs. Rita Garg	6	Yes

III. Audit Committee

(a) The Audit Committee Comprises of two non-executive Director viz.

- 1) Mrs. Rita Garg
- 2) Mr. P. D. Sharma

Mr. P. D. Sharma is the Chairman of the Committee.

- (b) The Audit Committee meetings were held on 30.04.2013, 30.05.2013, 01.07.2013, 30.01.2014 & 31.03.2014. The attendance of each committee member is as under:-

Name of Director	No. of Meetings attended
Mrs. Rita Garg	5
Sh. P. D. Sharma	5

- (c) The role and terms of reference of the Audit Committee covers the matters specified for Audit Committee under Clause 49 of Listing Agreement as well as Section 292A of the Companies Act, 1956.

IV. SHARE HOLDERS COMMITTEE

The Company has constituted the Shareholders/Investors grievance committee comprising of Sh. Vijay Kumar Garg and Mrs. Rita Garg.

The committee has authorized Sh. Vijay Kumar Garg and Sh. Lok Nath Aggarwal severally to endorse the share transfers.

The Company has not received any complaints during the year. Outstanding complaints as on 31st March, 2014 were Nil.

V. BOARD PROCEDURE

The members of the Board have been provided with the requisite information mentioned in the listing agreement well before the Board Meeting and the same were dealt with appropriately.

All the Directors, who are on various committees, are within the permissible limits stipulated in the listing agreement. The Directors have intimated from time to time about their membership in the various committees in other companies.

VI. GENERAL BODY MEETINGS

- (a) The Details of the previous three Annual General Meetings held are as under :-

A.G.M.	Financial years	Day/Date	Time	Venue
31st	01.04 2010 to 31.03.2011	Tuesday 06.09.2011	11.30 AM	H. No. 5458, Hazi Rattan Gate, Near Mini Secretariat, Bathinda-151005.
32nd	01.04 2011 to 31.03.2012	Thursday 30.08.2012	11.30 AM	H. No. 5458, Hazi Rattan Gate, Near Mini Secretariat, Bathinda-151005
33rd	01.04 2012 to 31.03.2013	Friday 06.09.2013	11.30 AM	H. No. 5458, Hazi Rattan Gate, Near Mini Secretariat, Bathinda-151005.

- (b) Whether special resolutions were put through Postal ballot last years ? No.

- (c) Are special resolutions proposed to be put through Postal ballot this years ? No.

VII. DISCLOSURES

- (i) There are no materially significant transactions with related parties viz. Promoters, Directors or the Management, their Subsidiaries or relatives conflicting with the Company's interest.

- (ii) No penalties or strictures have been imposed on the Company by the Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets during the last three years.

VIII. MEANS OF COMMUNICATION

- (i) Quarterly and Half yearly results are communicated to Stock Exchanges.
(ii) Management discussion and analysis forms part of this Report.

IX. GENERAL SHEREHOLDER INFORMATION

- (a) Annual General Meeting to be held :

Day	:	Tuesday
Date	:	30 th September, 2014
Time	:	11.30 AM
Venue	:	Regd. Office :- House No. 5458, Hazi Rattan Gate, Mini Secretariat, Bathinda-151 005, (Punjab).

- (b) Financial Calendar 2014-2015 :
- | | | |
|--------------------------|---|------------------------------|
| First Quarterly Results | : | Before the end of July' 2014 |
| Second Quarterly Results | : | Before the end of Oct' 2014 |
| Third Quarterly Results | : | Before the end of Jan' 2015 |
| Fourth Quarter Results | : | Before the end of Apr' 2015 |

- (c) Dates of Book Closure :

Tuesday 23rd September, 2014 to Monday, 29th September 2014 (Both days inclusive).

Dividend detail :

The Company has not declared any dividend for the current financial year.

- (d) Listing on Stock Exchanges :

The Equity Shares of the Company are listed at the following stocks Exchanges:

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

- (e) Company/Stock Code :

Equity Shares

- The Stock Exchange Mumbai.

6906

- (f) The Shares of the Company have not been traded on the floor of any of the Stock Exchanges during the financial year 2013-2014 because the trading has been suspended by the Stock Exchanges.

- (g) Registrar and Transfer Agents :

The Company has in house arrangement for transfer of shares. Due to the closure of the Operations of the Company, most of the staff has left and the Company could not get its shares dematerialized.

- (h) Share Transfer System :

Share transfers are registered and returned within a prescribed period from the date of receipt, if the documents are complete in all respects.

- (i) Distribution of share holding :
The Distribution of Shareholding of equity shares as on 31st March, 2014 is given below :

CATEGORY (SHARES)	HOLDERS	%OF TOTAL	SHARES	%OF TOTAL
Up to 500	16613	94.62	2067463	19.26
501-1000	640	3.65	507402	4.73
1001-2000	199	1.13	286120	2.67
2001-3000	45	0.26	115078	1.07
3001-4000	12	0.07	43400	0.40
4001-5000	11	0.06	47150	0.44
1001-10000	20	0.11	136260	1.27
10001 and above	17	0.10	7529399	70.16
TOTAL	17557	100	10732272	100

- (j) Shareholding pattern as on 31st March, 2014.

	% holding
Promoters & Group Companies	: 19.074
FI's/ Bank /Mutual Funds	: 4.86
General Public	: 76.08
Total	100.00

- (k) **ADDRESS FOR CORRESPONDENCE :**

- S.C.O. 2, IST FLOOR, SECTOR 26, MADHYA MARG, CHANDIGARH – 160026.

MANAGEMENT DISCUSSION AND ANALYSIS

OVERALL REVIEW :-

The Fertilizer Industry has been adversely effected due to the adverse Policies of Govt. of India, as a result thereof, margins have been under pressure due to withdrawal of subsidy.

Business Segment

a) Industry structure and development.

The most of the Fertilizer Plants in India are lying closed. The development of the Industry wholly depends upon the policies of Govt. of India.

b) Opportunities and threats.

The opportunities are being explored to diversify in other areas as the SSP Fertilizer in India is facing threat from low demand on one side and withdrawal of subsidy by Govt. on the other side. As such other business opportunities are being looked into.

c) Risks and concerns.

The Company has already closed the operation and there had been a Nil turnover of SSP, the mass product of the Company.

d) Outlook.

So far as SSP Industry is concerned, the future is very bleak due to availability of Imported Fertilizer and other substitute at more economical prices and drastic reduction in demand due to various reasons.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has proper and adequate system of internal control in order to ensure that all transactions are authorized, recorded and reported correctly. Regular internal audit checks are carried out to ensure that adequate systems are in place. The management continuously reviews the internal control systems and procedures to ensure orderly and efficient conduct of business. The emphasis of internal control prevails across functions and processes covering the entire activities of the company.

COMPANY'S FINANCIAL PERFORMANCE AND ANALYSIS

Other matters such as operational and financial performance have been discussed under the respective heads in the Directors' Reports.

HUMAN RESOURCE DEVELOPMENT/INDUSTRIAL RELATIONS

Our employees continue to be the backbone of our organization. Our efforts are towards instilling a level of competency in the work force. The human resource has to be more dynamic and result oriented in the present day business environment.

For and on behalf of the Board of Directors

PLACE : CHANDIGARH
DATED: 25th August, 2014

Sd/-
P.D. SHARMA
DIRECTOR
(DIN-00268536)

Sd/-
RITA GARG
DIRECTOR
(DIN- 00236464)

S.C. DEWAN & CO.

CHARTERED ACCOUNTANTS

TEL.: 2556190, 2556890
S.C.O. 90, 1st Floor,
Swastik Vihar, Panchkula – 134 109

INDEPENDENT AUDITORS' REPORT

To the Members of

Munak Chemicals Limited

We have audited the accompanying financial statements of Munak Chemicals Limited, which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management is responsible for the preparation of these financial statements, that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards notified under the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. 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. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion, except:

1. The Company has sold substantial part of its fixed assets in earlier years . According to the information and explanations given to us, the Company has so far not made any plans to replace the substantial part of fixed assets that have been sold. *There exists a substantial doubt that without replacement of such substantial part of fixed assets, the Company will be able to continue as a going concern in the foreseeable future. The financial statements (and notes thereto) do not disclose this fact and our report has been qualified in that respect.*

2. *Non-Provision of Gratuity and other retirement benefits as per the actuarial valuation referred in the Accounting Standard 15 "Accounting for Retirement Benefits in the financial Statement of Employers". The effect on current Period profit was not ascertained.*

In our opinion and subject to the above mentioned qualifications, and to the best of our information and according to the explanations given to us, the 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:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
 - b) in the case of the Profit and Loss Account, of the losses for the year ended on that date; and
 - c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.
1. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, 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 those books
 - c) the Balance Sheet and Statement of Profit and Loss dealt with by this Report are in agreement with the books of account.
 - d) in our opinion, the Balance Sheet and Statement of Profit and Loss comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956 EXCEPT STATED OTHERWISE;
 - e) on the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For S.C. Dewan & Co.
Chartered Accountants
FRN: 000934N

Place: Chandigarh
Date: 25.08.2014

Sd/-
S.C. Dewan
Partner
Membership No.: 015678

The Annexure referred to in paragraph 1 of the Our Report of even date to the members of Munak Chemicals Limited on the accounts of the company for the year ended 31st March, 2014.

On the basis of such checks as we considered appropriate and according to the information and explanation given to us during the course of our audit, we report that:

1. In respect of its fixed assets:

The company does not have any fixed assets as such, the provisions of this paragraph are not applicable.

2. In respect of its inventories:

As the company had already closed its operations and there are no stocks/Inventory as such, the provisions of this paragraph is not applicable

3. (a) According to the information and explanations given to us by the management and on the basis of our examination of the books of account, the Company has not granted unsecured loans to companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956.

(b) According to the information and explanations given to us by the management and on the basis of our examination of the books of account, the Company has taken loans from companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. There are no terms for repayment or charging of interest as such the same are not prejudicial to the members of the company.

4. In our opinion and according to the information and explanations given to us by the management, since the operations of the company has been closed, there are no purchase of inventory and fixed assts and of sale of goods and service, hence the provisions of internal control system are not applicable.
5. According to the information and explanations given to us by the management, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the companies act,1956 that need to be entered into the register maintained under section 301 have been so entered.
6. According to the information and explanations given to us the management, the company has not accepted any deposits from the public. Therefore the directives issued by Reserve Bank Of India and the provisions of Sec 58A and 58AA of the companies Act, 1956 and rules framed there under are not applicable for the year under audit
7. In our opinion and according to the information and explanations given to us by the management , since the operations of the company has been closed, therefore the provisions of internal audit are not applicable for the year under audit.
8. The company has been required to maintain cost records under Section 209(1) (d) of the Companies Act, 1956 but, as the company had closed its operations and there is no production/stock/sale as such, hence no cost records have been maintained.
9. According to the records of the company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, cess to the extent applicable and any other statutory dues have generally been regularly deposited with the appropriate authorities. According to the information and explanations given to us

there were no outstanding statutory dues as on 31st of March, 2014 for a period of more than six months from the date they became payable.

10. The company has been registered for a period of more than five years, having existing share capital of **Rs.10,72,21,110/-**. Its accumulated losses at the end of the financial year amount to **Rs. 13,95,62,955/-** which is more than 100% of its net worth.
11. Based on our audit procedures and on the information and explanations given by the management as the company has not raised loans from financial institutions, banks and debenture holders, as such the question of default does not arise
12. According to the information and explanations given to us by the management, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The Company is not a chit fund or a nidhi /mutual benefit fund/society. Therefore, the provision of this clause of the Companies (Auditor's Report) Order, 2003 (as amended) is not applicable to the Company.
14. According to information and explanations given to us by the management, the Company is not trading in Shares, Mutual funds & other Investments. Proper records & timely entries have been maintained in this regard & further investments specified are held in their own name.
15. According to the information and explanations given to us by the management, the Company has not given any guarantees for loan taken by others from a bank or financial institution.
16. Based on our audit procedures and on the information given by the management, we report that the company has not raised any term loans during the year.
17. Based on the information and explanations given to us by the management and on an overall examination of the Balance Sheet of the Company as at 31st March, 2014, we report that no funds raised on short-term basis have been used for long-term investment by the Company.
18. Based on the audit procedures performed and the information and explanations given to us by the management, we report that the Company has not made any preferential allotment of shares during the year.
19. The Company has no outstanding debentures during the period under audit.
20. The Company has not raised any money by public issue during the year.
21. Based on the audit procedures performed and the information and explanations given to us by the management, we report that no fraud on or by the Company has been noticed or reported during the year, nor have we been informed of such case by the management.

For S.C. Dewan & Co.
Chartered Accountants
FRN: 000934N

Sd/-
S.C. Dewan
Partner
Membership No. : 015678

Place: Chandigarh
Date: 25.08.2014

MUNAK CHEMICALS LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2014

PARTICULARS	NOTE NO.	AS AT 31ST March, 2014 (Rs.)	AS AT 31ST March, 2013 (Rs.)
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	1	107221110	107221110
(b) Reserves and Surplus	2	(139562955)	(138070621)
(c) Money Received Against share warrants	3	0	0
(2) Share Application money	4	0	0
(3) Non-current liabilities			
(a) Long Term Borrowing	5	31096834	29978434
(b) Deferred Tax Liabilities (Net)	6	0	0
(c) Other Long Term Liabilities	7	0	0
(d) Long Term Provisions	8	711400	662881
(4) Current liabilities			
(a) Short Term Borrowing	9	0	0
(b) Trade Payable	10	0	0
(c) Other current liabilities	11	0	0
(d) Short Term Provisions	12	599868	549057
TOTAL		66257	340861
II. ASSETS			
(1) Non-current assets			
(a) Fixed Assets	13	0	0
(b) Non-current investments	14	0	0
(c) Deferred Tax Assets (Net)	15	0	0
(d) Long-term loans and advances	16	0	233388
(e) Other Non Current Assets	17	0	0
(2) Current assets			
(a) Current Investments	18	0	0
(b) Inventories	19	0	0
(c) Trade Receivable	20	0	0
(d) Cash and cash equivalents	21	62629	30815
(e) Short Term Loans & Advances	22	3628	76658
(f) Other current assets	23	0	0
TOTAL		66257	340861
Significant Accounting Policies and Other Explanatory Notes and Information	30		

Sd/-
(LOK NATH AGGARWAL)
GENERAL MANAGER (COM.)

Sd/-
(P. D. SHARMA)
DIRECTOR
DIN-00268836

Sd/-
(RITA GARG)
DIRECTOR
DIN-00236464

Auditors Report as per our Seprate Report of even date annexed
for S.C. DEWAN & CO.
CHARTERED ACCOUNTANTS

Place : Chandigarh
Date 25th August, 2014

Sd/-
(S. C. DEWAN)
(PARTNER)
M. NO. 015678

MUNAK CHEMICALS LIMITED**PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED ON 31.03.2014**

PARTICULARS	NOTE NO.	AS AT 31ST March, 2014 (Rs.)	AS AT 31ST March, 2013 (Rs.)
Revenue from Operations	24	0	0
Other Income	25	0	28050
Total Revenue		0	28050
Expenses			
Change in Inventories of Finished Goods and Work In Progress, Stock In Trade	26	0	0
Employee Benefit Expenses	27	716215	679519
Financial Expenses	28	910	1648
Other Expenses	29	472821	484491
Total Expenses		1189946	1165658
Loss for the year		1189946	1137608
Previous Year Expenses		69000	0
Security Deposit Written Off		233388	0
Net Loss Transferred		(1492334)	(1137608)
Earning Per Share:			
(1) Basic		-0.14	-0.11
(2) Diluted		-0.14	-0.11

Sd/-
(LOK NATH AGGARWAL)
GENERAL MANAGER (COM.)

Sd/-
(P. D. SHARMA)
DIRECTOR
DIN-00268836

Sd/-
(RITA GARG)
DIRECTOR
DIN-00236464

Auditors Report as per our Seprate Report of even date annexed
for S.C. DEWAN & CO.
CHARTERED ACCOUNTANTS

Place : Chandigarh
Date : 25th August, 2014

Sd/-
(S. C. DEWAN)
(PARTNER)
M. NO. 015678

MUNAK CHEMICALS LIMITED

CASH FLOW STATEMENT	For the Year ended 31st March, 2014	For the Year ended 31st March, 2012
CASH FLOW FROM OPERATING ACTIVITIES		
A Net Loss before tax adjustment for:	-1492334	-1137608
Operating Profit	<u>-1492334</u>	<u>-1137608</u>
Adjustement for:		
Current Liabilities	50811	-24450
Short Term Loans & Advances	73030	0
NET CASH FROM OPERATING ACTIVITIES	<u>-1368493</u>	<u>-1162058</u>
B CASH FLOW FROM INVESTING ACTIVITIES		
Long Term Loan & Advances	233388	0
NET CASH USED IN INVESTING ACTIVITIES	<u>233388</u>	<u>0</u>
C CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds long term borrowings	1166919	1138675
NET CASH USED IN FINANCIAL ACTIVITIES	<u>1166919</u>	<u>1138675</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS (A + B + C)	31814	-23383
Cash & Cash Equivalents as at 01.04.2013 (Opening Balance)	30815	54198
Cash & Cash Equivalents as at 31.03.2014 (Closing Balance)	62629	30815

Sd/-
LOK NATH AGGARWAL
GENERAL MANAGER (COM.)

Sd/-
P.D. SHARMA
DIRECTOR

Sd/-
RITA GARG
DIRECTOR

PLACE: CHANDIGARH
DATED: 25th August, 2014

AUDITOR'S CERTIFICATES

We have verified the above statement with the books and records maintained by M/s MUNAK CHEMICALS LTD. And certified that in our opinion and according to the information and explanations given the above statement is in accordance therewith.

for S.C. DEWAN & CO.,
CHARTERED ACCOUNTANTS

PLACE: PANCHKULA
DATED: 25th August, 2014

Sd/-
(S. C. DEWAN)
PARTNER
M. NO. 015678

MUNAK CHEMICALS LIMITED

NOTES TO ACCOUNTS

(1) SHARE CAPITAL

PARTICULARS	AS AT 31ST March, 2014 (Rs.)	AS AT 31ST March, 2013 (Rs.)
AUTHORISED		
11000000 (Previous year 11000000) Equity Shares of Rs. 10/- each	110000000	110000000
ISSUED SUBSCRIBED, CALLED & PAID UP		
10732272 (Previous year 10732272) Equity Shares of Rs. 10/- each	107322720	107322720
LESS : CALLS-IN-ARREAR Other than Directors	101610	101610
TOTAL SHARE CAPITAL	107221110	107221110

Disclosure pursuant to Note no. 6(A)(d) of Part I of Schedule VI to the Companies Act, 1956

Particulars	Equity Shares		Preference Shares	
	Number		Number	
Shares outstanding at the beginning of the year	10732272			
Shares Issued during the year	0			
Shares bought back during the year	0			
Shares outstanding at the end of the year	10732272	-	-	-

Disclosure pursuant to Note no. 6(A)(g) of Part I of Schedule VI to the Companies Act, 1956 (if more than 5%)

Name of Shareholder	As at 31 March 2014		As at 31 March 2013	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Saurabh Patel	1063300	9.91%	1063300	9.91%
Tapsya Sheth	974900	9.08%	974900	9.08%
Meena Shah	1051000	9.79%	1051000	9.79%
Pulkit Shah	1096500	10.22%	1096500	10.22%
Jaydeep Suthar	1037400	9.67%	1037400	9.67%
Deepak Kapre	1000000	9.32%	1000000	9.32%

(2) RESERVES & SURPLUS

PARTICULARS	AS AT 31ST March, 2014 (Rs.)	AS AT 31ST March, 2013 (Rs.)
Loss Brought forward	(138070621)	(136933013)
Add: Loss for the year	(1492334)	(1137608)
TOTAL RESERVES & SURPLUS	(139562955)	(138070621)

(3) Money Received against share Warants

PARTICULARS	AS AT 31ST March, 2014 (Rs.)	AS AT 31ST March, 2013 (Rs.)
Money Received against share Warants	0	0
	0	0

MUNAK CHEMICALS LIMITED**(4) Share Application Money received**

PARTICULARS	AS AT 31ST March, 2014 (Rs.)	AS AT 31ST March, 2013 (Rs.)
Share Application Money received	0	0
	0	0

(5) Long Term Borrowing

PARTICULARS	AS AT 31ST March, 2014 (Rs.)	AS AT 31ST March, 2013 (Rs.)
LOAN AND ADVANCES FROM RELATED PARTIES		
Unsecured :		
A) Inter Corporate Loans :		
Anubhav Industrial Resources Ltd.	8359359	8382459
Keshoram Leasing Limited	4267104	4119104
Vijay Kumar Garg Contractor Pvt. Ltd.	13260877	11637377
Munak Engineers Pvt. Ltd.	740000	700000
	26627340	24838940
B) Loan From Director	4469494	5139494
	4469494	5139494
TOTAL (A + B)	31096834	29978434

(6) Deferred Tax Liability

PARTICULARS	AS AT 31ST March, 2014 (Rs.)	AS AT 31ST March, 2013 (Rs.)
Deferred Tax Liability	0	0
	0	0

(7) Long Term Liabilities

PARTICULARS	AS AT 31ST March, 2014 (Rs.)	AS AT 31ST March, 2013 (Rs.)
Long Term Liabilities	0	0
	0	0

(8) Long Term Provisions

PARTICULARS	AS AT 31ST March, 2014 (Rs.)	AS AT 31ST March, 2013 (Rs.)
Gratuity Payable	711400	662881
	711400	662881

(9) Short Term Borrowing

PARTICULARS	AS AT 31ST March, 2014 (Rs.)	AS AT 31ST March, 2013 (Rs.)
Short Term Borrowing	0	0
	0	0

MUNAK CHEMICALS LIMITED**(10) Trade Payable**

PARTICULARS	AS AT 31ST March, 2014 (Rs.)	AS AT 31ST March, 2013 (Rs.)
Trade Payable	0	0
	<u>0</u>	<u>0</u>

(11) Other Current Liabilities

PARTICULARS	AS AT 31ST March, 2014 (Rs.)	AS AT 31ST March, 2013 (Rs.)
Other Current Liabilities	0	0
	<u>0</u>	<u>0</u>

(12) Short Term Provisions

PARTICULARS	AS AT 31ST March, 2014 (Rs.)	AS AT 31ST March, 2013 (Rs.)
Expenses Payable	27484	23423
Rent Payable	166127	120472
P.F. Payable	10435	9975
E.S.I. Payable	1270	1219
T.D.S. Payable	4223	5680
Salary Payable	44418	41567
Audit Fee Payable	33371	33371
Amount Payable	<u>312540</u>	<u>313350</u>
	<u>599868</u>	<u>549057</u>

(13) Fixed Assets

PARTICULARS	AS AT 31ST March, 2014 (Rs.)	AS AT 31ST March, 2013 (Rs.)
Fixed Assets	0	0
	<u>0</u>	<u>0</u>

(14) Non Current Investments

PARTICULARS	AS AT 31ST March, 2014 (Rs.)	AS AT 31ST March, 2013 (Rs.)
Non Current Investments	0	0
	<u>0</u>	<u>0</u>

MUNAK CHEMICALS LIMITED**(15) Deferred Tax Assets (Net)**

PARTICULARS	AS AT 31ST March, 2014 (Rs.)	AS AT 31ST March, 2013 (Rs.)
Deferred Tax Assets (Net)	0	0
	<u>0</u>	<u>0</u>

(16) Long Term Loans & Advances

PARTICULARS	AS AT 31ST March, 2014 (Rs.)	AS AT 31ST March, 2013 (Rs.)
Security Deposit	0	233388
	<u>0</u>	<u>233388</u>

(17) Other Non Current Assets

PARTICULARS	AS AT 31ST March, 2014 (Rs.)	AS AT 31ST March, 2013 (Rs.)
Other Non Current Assets	0	0
	<u>0</u>	<u>0</u>

(18) Current Investment

PARTICULARS	AS AT 31ST March, 2014 (Rs.)	AS AT 31ST March, 2013 (Rs.)
Current Investment	0	0
	<u>0</u>	<u>0</u>

(19) Inventory

PARTICULARS	AS AT 31ST March, 2014 (Rs.)	AS AT 31ST March, 2013 (Rs.)
Inventory	0	0
	<u>0</u>	<u>0</u>

(20) Trade Receivable

PARTICULARS	AS AT 31ST March, 2014 (Rs.)	AS AT 31ST March, 2013 (Rs.)
Trade Receivable (Unsecured and considered good unless other wise stated)		
- Outstanding for a period of exceeding Six Month	0	0
- Less than six months.	0	0
	<u>0</u>	<u>0</u>

MUNAK CHEMICALS LIMITED**(21) Cash & Cash Equivalents**

PARTICULARS	AS AT 31ST March, 2014 (Rs.)	AS AT 31ST March, 2013 (Rs.)
- Cash-in hand	55572	20271
- Balance with Scheduled Banks in CVA	7057	10544
	62629	30815

(22) Short Term Loans & Advances

PARTICULARS	AS AT 31ST March, 2014 (Rs.)	AS AT 31ST March, 2013 (Rs.)
Amount recoverable	3628	76658
	3628	76658

(23) Other Current Assets

PARTICULARS	AS AT 31ST March, 2014 (Rs.)	AS AT 31ST March, 2013 (Rs.)
Other Current Assets	0	0
	0	0

MUNAK CHEMICALS LIMITED**(24) Revenue From Operation**

PARTICULARS	AS AT 31ST March, 2014 (Rs.)	AS AT 31ST March, 2013 (Rs.)
Revenue From Operation	0	0
TOTAL	0	0

(25) OTHER INCOME

PARTICULARS	AS AT 31ST March, 2014 (Rs.)	AS AT 31ST March, 2013 (Rs.)
Misc. Income	0	28050
TOTAL	0	28050

(26) CHANGE IN INVENTORIES OF FINISHED GOODS, WIP & STOCK IN TRADE

PARTICULARS	AS AT 31ST March, 2014 (Rs.)	AS AT 31ST March, 2013 (Rs.)
Increase/Decrease in Stock		
Opening Stock	0	0
Add:Purchase	0	0
Less:Closing Stock	0	0
TOTAL	0	0

(27) EMPLOYEE BENEFIT EXPENSES

PARTICULARS	AS AT 31ST March, 2014 (Rs.)	AS AT 31ST March, 2013 (Rs.)
Salary, Wages & Other Allowances Staff	602860	576580
Cont. to ESI	10946	10770
Cont. to PF	51100	48893
Gratuity	48519	39836
Welfare Expenses	2790	3440
TOTAL	716215	679519

(28) FINANCIAL EXPENSES

PARTICULARS	AS AT 31ST 0 (Rs.)	AS AT 31ST 0 (Rs.)
Bank charges	910	1648
TOTAL	910	1648

MUNAK CHEMICALS LIMITED

(29) OTHER EXPENSES

PARTICULARS	AS AT 31ST March, 2014 (Rs.)	AS AT 31ST March, 2013 (Rs.)
Travelling Charges	8020	5019
Rent	78150	78150
Printing & Stationary Charges	97558	95978
Postage Charges	92603	92733
Telephone & Mobile	70377	65144
Advertisement & Publicity	5800	0
Legal & Professional Charges	33700	61700
Audit Fee	37079	37758
Fee & Subscription	3667	2373
News Paper & Periodicals	905	725
Electricity & Water Charges	44962	44911
	472821	484491

NOTE NO. '30'

NOTES ON ACCOUNTS

1. SIGNIFICANT ACCOUNTING POLICIES

i) Basis of Accounting

The Company adopts accrual basis in the preparation of accounts.

ii) Recognition on Incomes/Expenses

Since the Company has discontinued its operations, as such there are no Revenue Income to be recognized and expenses are accounted for on a accrual basis.

The Company provides for all known expenses except medical reimbursement and leave encashment, which are accounted for on actual payment basis.

iii) Fixed Assets and Depreciation

Since the company had already closed its operations and there are no fixed asset as such the Depreciation issue does not arise.

iv) Inventories

As the Company has discontinued its operation therefore there are no Inventories held by the company, as such the issue of valuation of inventory does not arise.

v) Bonus

The company has already closed its operation and paid off to all the worker and all of them left the services of the Company. Therefore no provision of Bonus for the year in respect of a few employees working at the Head office of the Company has been made in the books of accounts as the number of employee have reduced below the minimum number required as per the Bonus Act.

2. RETIREMENT BENEFITS

a) As required by AS 15 notified under Companies (Accounting Standards) Rules 2006 regarding "Accounting for Retirement Benefits" The Company has not complied with the various provision of AS 15, because now only a skeleton staff has left with the company.

b) The company has made a provision of Rs. 48,519/- on account of Gratuity on estimated basis.

c) No provisions for Leave Encashment due to staff have made in books of account.

3. The previous year figures have been re-grouped and re-arranged to make them comparable with those of current year.

4. In the opinion of the Board, under the head "*Current Assets, Loans & Advances*", the Loans & Advances are approximately of the value stated, if realized in the ordinary course except otherwise stated. The provision for all the known liabilities is adequate and not in excess of amount considered reasonably necessary.

5. No provision for income tax liability has been made in the absence of assessable income under the Income Tax Act. 1961.
6. *Segment Reporting*: Since the company has discontinued its operations, as such the provisions of AS 17 notified under Companies (Accounting Standards) Rules 2006, regarding Segment Reporting are not applicable.
7. All figures have been rounded off to the nearest rupee.
8. Note No. '1' to '30' form an integral part of the Balance Sheet and Profit & Loss account and have been duly authenticated.
9. As per AS 22 notified under Companies (Accounting Standards) Rules 2006 regarding deferred Tax liabilities, the Provision of As 22 are not applicable, since the company has closed its operation and does not have fixed assets as such there is no timing difference for charging of depreciation under the Companies Act and Income Tax Act.

10. Earning per share (EPS) Basic/Diluted Earning per share	Current year (Rs.)	Previous year (Rs.)
Profit/(Loss) after tax as per Profit & loss account	(1492334)	(1137608)
Less :- Dividend and Tax thereon in respect of preference shares	-	-
Profit/(Loss) Available for the share-holder (A)	(1492334)	(1137608)
No. of equity share (B)	10732272	10732272
Earning per share (Rs.) (A/B) (Basic & Diluted)	-0.14	-0.11

MUNAK CHEMICALS LIMITED

**ADDITIONAL INFORMATION PURSUANT TO THE PROVISION ON PARAGRAPHS 3 & 4 OF PART II
OF SCHEDULE VI OF THE COMPANIES ACT, 1956 IS AS FOLLOWS**

AS AT 31ST MARCH, 2014		AS AT 31ST MARCH, 2013	
Qty.(MT)	Value(Rs.)	Qty.(MT)	Value(Rs.)

The Company has in earlier years stopped production and as such no Quantitive information is given

Auditors Report as per our Separate
Report of even date annexed.

Sd/-
for S.C.DEWAN & CO.
Chartered Accountants

Sd/-
S.C.DEWAN
Partner
M. NO. 015678

Sd/-
Lok Nath Aggarwal
General Manager (Com.)

Sd/-
P.D. SHARMA
Director
(DIN-00268536)

Sd/-
Rita Garg
Director
(DIN- 00236464)

PLACE: CHANDIGARH

DATED: 25th August, 2014